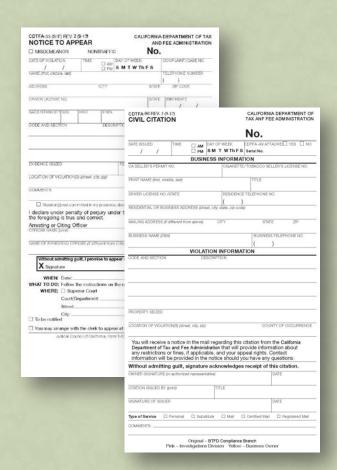
CITATIONS

- CDTFA's inspectors with Limited Peace Officer (LPO) status are authorized to issue citations for violations of the:
 - California Cigarette and Tobacco Products Licensing Act of 2003
 - California Cigarette and Tobacco Products Tax Laws
- A civil or criminal citation may be issued depending on the violations found during a cigarette and tobacco products inspection.
- The LPO will explain why the citation is being issued, the specific section(s) of law violated, and your right to appeal.
- Civil citations are processed by the Business Tax and Fee Division (BTFD) of the CDTFA.
- Criminal citations are processed through the Courts.



HOW CAN I AVOID COMMON VIOLATIONS CITED?

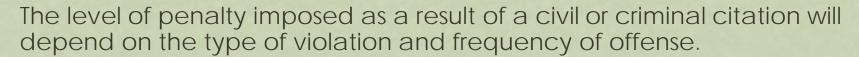


- Possess a valid California cigarette/ tobacco license prior to purchasing or selling cigarette or OTP products.
- Sell only cigarettes and RYO tobacco that are listed on the California Tobacco Directory.
- Keep 12 months of valid purchase/ sales invoices on the premises. OTP sales invoices should reflect that the excise taxes were paid.
- Only buy from and/or sell to California licensed wholesalers, distributors, importers, or manufacturers.
- Check our website to verify a valid Distributor or Wholesaler license.

Penalties and Fines....

Depending on the violations cited, penalties may include, but are not limited to:

- A Warning Notice
- Suspension or revocation of the CTPLA license
- Fines up to \$50,000 (not to exceed max allowed by statute)
- Imprisonment not to exceed 1 year
- Both fines and imprisonment



In the case of criminal citations:

- The CDTFA may assess additional civil penalties in addition to the penalties imposed by the Court.
- These additional civil penalties may include suspension or revocation of the CTPLA license and possible fines.
- Civil fines assessed by the CDTFA will be reduced by any court fines imposed.

