

LAW OFFICES OF

JENNIFER

ROSENTHAL

IVERSON

April 24, 2018

Monterey County Tax Treasurer
Attention: Mary Zeeb
P.O. Box 891
Salinas, CA 93901

Monterey County Resource Management
Attention: Joann Iwamoto
168 West Alisal Street, 3rd Floor
Salinas, CA 93901

RE: Old Stage Partners, LLC, and LGS Plant Company, Inc. – Cannabis Taxes

Dear Ms. Zeeb:

I am writing on behalf of Old Stage Partners, LLC, and LGS Plant Company, Inc. who are currently operating cultivation and nursery facilities at 460 Old Stage Road, under both County of Monterey Cannabis Business permits and the State of California temporary cannabis cultivation and nursery licenses. Old Stage Partners, LLC holds a total of eight (8) local cannabis business permits totaling 76,032 square feet and LGS Plant Company, Inc. has one (1) nursery license allowing 49,728 square feet.

Like many other cannabis operators in the County, these two entities are not operating at their licensed full capacity. This is due to several factors; mainly the high local cultivation tax, unforeseen market factors and the fact that the operators can simply not afford to operate in 48,384 square feet of the licensed cultivation square footage and 38,208 square feet of nursery operations.

As the County is aware, these factors plague all the operators in the Salinas Valley and as such, promulgated a policy that allowed operators to submit an initial business registration form that self-reported the actual square footage being cultivated in an effort to *avoid over taxation*. Monterey County RMA issued a memorandum addressing the issue of over taxation and the newly enacted cannabis tax policy that was published on March 21, 2018. However, since Old Stage Partners, LLC, and LGS Plant Company Inc., are the *only* cultivators in the County operating under local cannabis business permits, the newly enacted tax policy does not apply to them.

In an effort to maintain fair business practices and equal protection of the laws, we respectfully request that the initial business registration policy be expanded to include Old Stage Partners, LLC., and LGS Plant Company, Inc., and allow them the opportunity to self-report and avoid being over taxed for square footage they are not operating in just as all other cannabis operators have been able to do. Please note that this request is not made in bad faith. This situation is dire. The financial future of these entities is dependent on their ability to be treated fairly and under the same business regulations as other operators in their industry.

Please feel free to contact me to discuss this matter in greater detail.

Thank you,

A handwritten signature in dark ink, appearing to read "Jennifer Rosenthal Iverson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jennifer Rosenthal Iverson, Esq.