

Appeal of Arthur B. and Helen V. Colnon

Mr. Colnon further testified that he had retained all of the records of these transactions for a period of five years and then destroyed them believing they were no longer important. He was thus unable to supply any direct documentary evidence in support of his claim.

Appellant did offer in evidence a letter addressed to the District Director of Internal Revenue, Los Angeles, written by an employee of Skyroe, which substantially corroborates Mr. Colnon's testimony. The following statements are particularly pertinent:

. . . I was informed by both Mr. Colnon and Mr. Crshansky that living expenses of the Orshansky family, and traveling expenses incurred by Mr. Orshansky in trips to the East Coast and Midwest, as well as trips to West Coast Naval installations, were paid for by Mr. Colnon.

* * *

Subsequently, Mr. Orshansky brought to the office of SKYROE a contract, by the term of which SKYROE agreed to pay off its obligation to CROWN for the equipment acquired from CROWN (as I recall the document), by making monthly payments to Mr. Colnon. Mr. Crshansky informed me that CROWN was obligated to Mr. Colnon in an amount in excess of the obligation of SKYROE to CROWN, and that the contract terms had been agreed to by all partners in CROWN.

After consideration of the evidence presented, we find that the Appellant, Arthur B. Colnon, did advance money to Orshansky and that the sums received from Skyroe Corporation in 1956 and 1957 were merely repayments of said advances.

O R D E R

Pursuant to the views expressed in the opinion of the Board on file in this proceeding, and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, pursuant to Section 18595 of the Revenue and Taxation Code, that the action of the Franchise Tax Board on the protests of Arthur B. and Helen V. Colnon against proposed assessments of additional

