



STATE BOARD OF EQUALIZATION

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Third District, Rolling Hills Estates

JUDY CHU, Ph.D.
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
February 25-26, 2009**

PRELIMINARY RECORD OF BOARD ACTION

Wednesday, February 25, 2009

The following is a preliminary record of Board actions taken at the February 25-26, 2009 Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

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Board Meeting

A. Homeowner and Renter Property Tax Assistance Hearing

A1. Sydell Dublin, 437737

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B. Corporate Franchise and Personal Income Tax Hearings**B1. Elias Erazo and Griselda Erazo, 441320**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board deferred the matter to the April Sacramento meeting.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B2. Norman C. Turley, 358653

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B3. Alan Gorg and Gwyndolin Gorg, 401348**B4. NASSCO Holdings, Inc., 317434**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal granted.	Ms. Yee	No
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B5. Randolph C. Read, 354399

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal partially granted/denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B6. Douglas A. Shiepe, 421046

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B7. Casey Miller, 378796

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board postponed this matter to the April Culver City meeting.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B8. Andrew Benjamin Aames, 414599

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal partially granted/denied.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B9. Matt Ward, 431775

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. The Board ordered that the appeal with respect to the worthless stock deduction issue, be submitted for decision, granting the appellant 30 days to file supporting documents, the Franchise Tax Board (FTB) 30 days to respond, and the Appeals Division 30 days thereafter to review the petitioner's supporting documents, the FTB's response and provide its recommendation to the Board.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B10. Haik Arakelian and Alice Arakelian, 442173

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' appeal partially granted/denied.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C. Sales and Use Tax Appeals Hearings

These items are scheduled for Thursday, February 26, 2009.

D. Special Taxes Appeals Hearing

This item is scheduled for Thursday, February 26, 2009.

There are no items for the following matters:

- E. Property Tax Appeals Hearings
- F. Public Hearings

G. Tax Program Nonappearance Matters – Consent

G1. Legal Appeals Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Mr. Leonard	Yes
No final determination on sub-items 4 and 8.	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes, except not participating in sub-item 7.

- Hearing Notices Sent – No Response
 1. Northrop Grumman Systems Corporation, 89002094420, 89002094330 (AS)
 2. Tekadi Corporation, 240330, 267386, 311167, 314593 (EA)
 - 3a. Ekpenyong Atin and Patrick E. Ekanem, 361152 (EH)
 - 3b. Catherine Adeola F. Ekanem and Patrick E. Ekanem, 361151 (EH)
 - 3c. Patrick E. Ekanem, 361153 (EH)
 4. ~~Ga Na Bang U.S.A., Inc., 401792 (AS)~~
 5. Amirali Ngormohammed Kassam, 387171 (AR)
 6. Deborah A. Smith, 257883 (EA)
- Hearing Notice Sent – Appearance Waived
 7. BP West Coast Products, LLC, 259730 (FH)
- Petitions for Release of Seized Property
 8. ~~Zuma ARC, Inc., 466074 (ET)~~
 9. Wadiwala Enterprises, Inc., 469783 (ET)
 10. Harjit Dhillon, 472791 (ET)
 11. Yung Chan Shin and Mee Hwha Shin, 469780 (ET)

G2. Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Decisions
 1. Rosalinda E. Aviles and Estate of Augustine Y. Aviles (Deceased), 400112
 2. Terilyn Cooper, 378273
 3. John C. Hockin and Leith Brooks Hockin, 395556
 4. Lee Hsieh, 381180
 5. Ramiro Martinez, 418264
 6. John Paladin, 405286
 - 7a. Papazian-Hirsch Calabasas, LLC, 378055
 - 7b. Papazian-Hirsch Pico, LLC, 378752
 8. Linda Rapoza and Mark Rapoza, 389841
- Petitions for Rehearing
 - 9a. Ronald C. Ladrech and Melissa A. Ladrech, 381604
 - 9b. Auditorium Travel Inn, Inc., 382893
- Hearing Notices Sent – Appearance Waived
 10. Karl Eisenhammer, 429657
 11. Carol Grant, 429678
 12. Richard Grant, 429665
 13. Christopher Gyorgy, 427533
 14. Bradley C. Kastle, 427411
 15. Eldo Klingenberg, 427408

G3. Homeowner and Renter Property Tax Assistance Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Decisions
 1. Nicholas Fujii, 422812
 2. Renee´ R. Grimes, 426097
 3. Natalie Turner, 404995

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee Mr. Leonard Ms. Steel Dr. Chu Mr. Chiang/ Ms. Mandel	Yes Yes Yes Yes Yes, except not participating in sub-item 4.

- Relief of Penalty/Interest
 1. Bel Air Mart, 470066 (JH)
 2. Hunt & Sons, Inc., 470067 (KH)
 3. Siemens Industrial Turbomachinery, Inc., 472132 (OH)
- Denials of Claims for Refund
 4. AECOM Technology Corporation, 414297 (AS)
 5. Embarcadero Systems Corporation, 460302 (CH)
 6. Dwrrbb, Inc., 462376 (EA)

G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee Mr. Leonard Ms. Steel Dr. Chu Mr. Chiang/ Ms. Mandel	Yes Yes Yes Yes Yes, except not participating in sub-items 10 and 16.

- Credits and Cancellations
 1. Action Boats, Inc., 470020 (EA)
 2. Farrokh Farrokhi, 470317 (FH)
 3. ESi Acquisition, Inc., 470357 (OH)
 4. USN Television Group, Inc., 470111 (AP)
 5. Cal-Mart Machinery, LLC, 470170 (EH)
- Refunds
 6. Rusnak/Pasadena, 445174 (AP)
 7. Charles Schwab & Company, Inc., 327488 (BH)
 8. Square D Company, 310896 (OH)
 9. Starkey Laboratories, Inc., 468964 (OH)
 10. AECOM Technology Corporation, 414297 (AS)
 11. Hy-Tek Material Handling, Inc., 342170 (OH)
 12. Best Buy Store, LP, 381950 (OH)
 13. Embarcadero Systems Corporation, 460302 (CH)
 14. Style Interior Design, Inc., 468974 (EA)
 15. IGH Solutions, Inc., 427400 (OH)
 16. Microsoft Corporation, 440267 (OH)
 17. Dwrrbb, Inc., 462376 (EA)
 18. Eagle Community Credit Union, 465760 (EA)

G6. Special Taxes Matters

There are no items for this matter.

G7. Special Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

➤ Credits and Cancellations

1. Jin H. Kim, 422527 (MT)

➤ Refunds

2. Southern Counties Oil Companies, LP, 404129, 417239, 472815 (MT)

3. San Diego Unified Port District, 474644 (EF)

There are no items for the following matters:

G8. Property Tax Matters

G9. Cigarette License Fee Matters

G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

There are no items for this matter.

I. Tax Program Nonappearance Matters

This item is scheduled for Thursday, February 26, 2009.

Chief Counsel Matters

There are no items for the following matters:

J. Rulemaking

K. Business Taxes

L. Property Taxes

M. Other Chief Counsel Matters

Administrative Session

There are no items for the following matters:

N. Consent Agenda

O. Adoption of Board Committee Reports and Approval of Committee Actions

P. Other Administrative Matters

Q. ~~Closed Session~~



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Board Meeting

C. Sales and Use Tax Appeals Hearings

C1. Nassim Farjallah Khoury, 333834 (EH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C2. Los Angeles Partyworks, Inc., 144839 (AP)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C3. Keith Timothy Whitehead, 358966 (EH)~~

C4. Carter James Read, 382765 (EH)-- Appearance Waived

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's claim partially granted/denied. Approved staff's revised recommendation.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C5. Robert Joseph Bachand, 361960, 395866 (AS)~~~~C6. Francisco R. Coronado, 396753 (EA)~~

C7. Gilberto Gonzalez Perez, 396030 (AR)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board postponed the matter to the April Culver City meeting.	Ms. Yee	
	Mr. Leonard	
	Ms. Steel	
	Dr. Chu	
	Mr. Chiang/ Ms. Mandel	

D. Special Taxes Appeals Hearing**Revocation Appeal Hearing**

D1a. Smoke Rings, Inc., 371854 (ET)

D1b. Smoke Rings, Inc., 371860 (ET)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

I. Tax Program Nonappearance Matters

11. Property Taxes Matters

➤ Unitary Land Escaped Assessments

1. OmniPoint Communications, Inc. (2748) 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board deferred the matter to the May Sacramento meeting.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang	Yes

UNOFFICIAL