



State of California  
**Franchise Tax Board**

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chair John Chiang | member Jerome E. Horton | member Michael Cohen

Date: 02.24.14

Case: 16300386076615560  
Case Unit: 16300386076615660  
In reply refer to 410:FWC

TO: CHIEF, BOARD PROCEEDINGS DIVISION  
STATE BOARD OF EQUALIZATION  
450 N STREET, MIC: 81  
SACRAMENTO, CA 95814

FROM: FREDERICK W. CAMPBELL-CRAVEN

RE: Appeal of Kevin H. & Claire K. Sullivan  
Appeal Case ID No. 610943  
**Supplemental Additional Information: Reduction in Tax for 2008**

### MEMORANDUM

This is a follow up to Maria Brosterhous' memo of February 21, 2014, in which she responded to your Board's inquiry regarding supplemental information received from appellant on February 12, 2014. In that memo Ms. Brosterhous stated that respondent has reduced the California source income resulting from the exercise of the options from \$3,979,630 to \$3,869,559, and that final calculations regarding the reduction in tax for 2008 were still in progress. She also explained that the modification only affects the calculation of the California source portion of the stock option income, so only the 2008 assessment is impacted by the new information supplied by appellant. The final calculations have now been completed, with the result that the additional tax at appeal for 2008 is reduced to \$370,276.

Please call me at the telephone number listed above or contact Ms. Brosterhous directly if you have any additional questions regarding this matter.

Tax Counsel IV

cc: Arthur Oshiro

### STATE BOARD OF EQUALIZATION



Appeal Name: Kevin H. Sullivan's Claire K. Sullivan  
Case ID: 610943 ITEM # B3  
Date: 2/26/14 Exhibit No: 2.10

TP DEPT PUBLIC COMMENT



State of California  
**Franchise Tax Board**

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chair John Chiang | member Jerome E. Horton | member Michael Cohen

Date: 02.21.14 Case: 16300386076615560  
Case Unit: 16300386076615660  
In reply refer to 410:mb

TO: CHIEF, BOARD PROCEEDINGS DIVISION  
STATE BOARD OF EQUALIZATION  
450 N STREET, MIC: 81  
SACRAMENTO, CA 95814

FROM: MARIA BROSTERHOUS

RE: Appeal of Kevin H. & Claire K. Sullivan  
Appeal Case ID No. 610943  
**Additional Information - CA source income adjusted**  
Send via email to Khaaliq Abd'Allah, BOE & fax to Mr. Oshiro

## MEMORANDUM

Respondent received supplemental information from appellant on February 12, 2014. The information provided substantiated four additional non-California work days in 2005 and an additional four non-California work days in 2006. Respondent has modified the work days calculation accordingly and recalculated the assessment. This modification only affects the calculation of the California source portion of the stock option income, so only the 2008 assessment is impacted. Accordingly, respondent has reduced the California source income resulting from the exercise of the options from \$3,979,630 to \$3,869,559. Final calculations regarding the reduction in tax for 2008 are still in progress. Respondent will forward those calculations to Board staff as soon as they are completed.

Tax Counsel

cc: Arthur Oshiro