



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080  
(916) 322-2270 • FAX (916) 324-3984  
www.boe.ca.gov

BETTY T. YEE  
First District, San Francisco

SEN. GEORGE RUNNER (RET.)  
Second District, Lancaster

MICHELLE STEEL  
Third District, Rolling Hills Estates

JEROME E. HORTON  
Fourth District, Los Angeles

JOHN CHIANG  
State Controller

KRISTINE CAZADD  
Interim Executive Director

**STATE BOARD OF EQUALIZATION MEETING**  
**5901 Green Valley Circle, Room 207, Culver City**  
**March 22-24, 2011**  
**NOTICE AND AGENDA**  
**Meeting Agenda (as of 4:00 p.m., 03/21/11)**

[Agenda Changes](#)

**Tuesday, March 22, 2011**

**9:30 a.m. Board Meeting Convenes\***

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

**Board Meeting\***

A. Homeowner and Renter Property Tax Assistance Hearings  
There are no items for this matter.

**B. Corporate Franchise and Personal Income Tax Hearings**  
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

B1.a [Pacific Southwest Container, Inc., 473587 +](#)

B1.b [Donald J. Mayol, 474114 +](#)

B1.c [John Mayol and Tami Mayol, 474120 +](#)

B1.d [James Mayol and Birgitt Mayol, 474107 +](#)

B1.e [Lois M. Mayol, 474108 +](#)

For Appellants: Reed Schreiter, Attorney  
Jon A. Sperring, Attorney  
Kendall B. Fox, Attorney

For Franchise Tax Board: Jason Riley, Tax Counsel  
Ann Hodges, Tax Counsel

B2. [Robert M. Newell, Jr. and Judith A. Newell, 506927 +](#)

For Appellant: Robert M. Newell, Jr., Taxpayer

For Franchise Tax Board: Jozel Brunett, Tax Counsel  
Karen Smith, Tax Counsel

- B3. ~~Franklin Casco, Jr., 512009 +~~  
 For Appellant: ~~Franklin Casco, Jr., Taxpayer~~  
 For Franchise Tax Board: ~~Karen Smith, Tax Counsel~~  
~~Jozel Brunett, Tax Counsel~~
- B4. ~~Thomas Najarian and Tamar Najarian, 522166 +~~  
 For Appellant: ~~Meher Der Ohanessian, Representative~~  
 For Franchise Tax Board: ~~Sonia Deshmukh, Tax Counsel~~  
~~Ann Hodges, Tax Counsel~~
- B5. ~~Jimmy A. Prince, 535124 +~~  
 For Appellant: ~~Jimmy Prince, Taxpayer~~  
 For Franchise Tax Board: ~~Karen Smith, Tax Counsel~~  
~~Nancy E. Parker, Tax Counsel~~
- B6. ~~The Harry J. and Margaret L. Heimer Community Property Marital Trust, 519706 +~~  
 For Appellant: ~~Mark C. Doyle, Attorney~~  
 For Franchise Tax Board: ~~Shail Shah, Tax Counsel~~  
~~Karen Smith, Tax Counsel~~

**C. Sales and Use Tax Appeals Hearings**

These items are scheduled for Wednesday, March 23, 2011 and Thursday, March 24, 2011.

**D. Special Taxes Appeals Hearing**

This item is scheduled for Thursday, March 24, 2011.

There are no items for the following matters:

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

**G. Tax Program Nonappearance Matters – Consent**

(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

- G1. Legal Appeals Matters .....Mr. Levine
- Hearing Notices Sent – No Response
    1. ~~Graphics Concept, Inc., 444651 (AP)~~
    - 2a. Robert John Delava, 446676 (AC)
    - 2b. West Printing and Graphics, Inc., 446675 (AC)
    3. Best Remodeling Solutions, Inc., 417566 (EA)
    4. 7250 Entertainment Group, LLC, 466183 (AS)
    5. Silverise Corporation, 430525 (EA)
    6. Walid Abdo Al-Tawil, 460687, 460961 (FH)
    7. Theresa Marie Christopher, 445288 (GH)
    8. David Villanueva Cabal, 472370 (FH)

9. Robert Chang Soung, 462258 (GH)
  10. Piara Singh and Surinder Kaur, 434022 (ET)
  - Petitions for Release of Seized Property
    11. Harjap Singh, 554455 (ET)
    12. Andrew Khun, Ly Kheng-Ky Lao, David Odom and Chhay Pang Ving, 554460 (ET)
    13. LA Tobacco Wholesale Corporation, 556258 (ET)
    14. Ednader, Inc., 553886 (ET)
    15. Song's Enterprises, Inc., 554458 (ET)
  - Petition for Rehearing
    16. Eel River Fuels, Inc., 511249 (JH)
- G2. Franchise and Income Tax Matters .....Mr. Ambrose
- Decisions
    1. Jerry Anthony Alarcon, 539071
    2. Auto Theft R.F. Systems, LLC, 336033
    3. Ayana Clark, 496060
    4. Isaac B. Coker, 487486
    5. James H. Cornell and Martha E. Cornell, 506809
    6. Howard R. Edge, 473075
    7. Danny Frink and Katrina G. Kincaid, 539594
    8. Larry Gaab and Estate of Anna M. Gaab (Dec'd), 513550
    9. Michael C. Kelley, 435101
    10. Simon Leung, 491072
    11. Nathaniel M. Llana, 487075
    12. Mid-State Bancshares, 461574
    13. Tae G. Mok and Gyum S. Mok, 472910
    14. Jesse Ramirez, 468619
    15. Mireya Rivas-Barrera, 546588
    16. Roy E. Tuckman, 472789
    17. Kamal K. Varma and Shubhra S. Varma, 468747
    18. Deborah Wolfe, 506878
  - Petitions for Rehearing
    19. Maureen T. Scarbery and Brian E. Scarbery, 480106
    20. James N. Smith, 510914
- G3. Homeowner and Renter Property Tax Assistance Matters  
There are no items for this matter.
- G4. Sales and Use Taxes Matters .....Mr. McGuire
- Redeterminations
    1. Applied Materials, Inc., 482471 (OH)
    2. Applied Materials, Inc., 489365 (OH)
    3. Do It Best Corp., 436171 (OH)
  - Denial of Claim for Refund
    4. Bowe Bell + Howell Company, 506596 (OH)
  - Denial of Relief of Penalty/Interest
    5. Kirk Negrete, Inc., 557414 (EH)

- G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds .....Mr. McGuire
- Credits and Cancellations
    1. The Leather Factory, Inc., 556842 (AA)
    2. Graphic Distributors, 557428 (AP)
    3. Williams Lea, Inc., 215298 (OH)
  - Refunds
    4. St. John Knits, Inc., 531230 (EA)
    5. S.L. Fusco, Inc., 557515 (AA)
    6. ACCO Engineered Systems, Inc., 539353 (AC)
    7. Chevron U.S.A., Inc., 554502 (BH)
    8. Chevron U.S.A., Inc., 156080 (BH)
    9. Resource Management and Control Systems, Inc., 522666 (AS)
    10. Mercedes-Benz USA, LLC, 554766 (KH)
    11. Fair Oaks Finance, LLC, 514492 (UT)
    12. General Instrument Corporation, 427398 (OH)
    13. Comverse, Inc., 513292 (OH)
    14. Telocity, Inc., 518433 (GH)
    15. Good Samaritan Hospital, LP, 468149 (GH)
    16. Banc of America Leasing & Capital, 546340 (OH)
    17. Xerox Corporation, 553996 (OH)
    18. Ford Motor Credit Company, 522661 (OH)
    19. Point Financial, Inc., 490955 (OH)
    20. ATK Services, Inc., 515284 (AR)
    21. Balboa Thrift & Loan Association, 536032 (FH)
    22. Villa Amorosa, 556672 (JH)
    23. Darley Stud Management, LLC, 535383 (OH)
    24. Pileco, Inc., 531602 (OH)
    25. Faith Com, Inc., 485616 (AA)

There are no items for the following matters:

- G6. Special Taxes Matters
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds
- G8. Property Tax Matters
- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

There are no items for the following matters:

- H. Tax Program Nonappearance Matters – Adjudicatory
- I. Tax Program Nonappearance Matters

#### 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**

These items are scheduled for Tuesday afternoon, March 22, 2011.

Announcement of Closed Session ..... Ms. Olson

**Q. Closed Session**

- Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11).
- Q2. Discussion and action on personnel matters (Gov. Code § 11126(a)).

Announcement of Open Session..... Ms. Olson

**1:30 p.m. Board Meeting Reconvenes\*****B. Corporate Franchise and Personal Income Tax Hearings**

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- B7. [Aurelio Serrano and Haidee Serrano, 519860 +](#)  
 For Appellant: Haidee Serrano, Taxpayer  
 Amber Bridges, Representative  
 For Franchise Tax Board: Jane Perez, Tax Counsel  
 Suzanne Small, Tax Counsel
- B8. [Patrick T. Mead and Melissa A. Mead, 520063 +](#)  
 For Appellant: Patrick Mead, Taxpayer  
 Amber Bridges, Representative  
 For Franchise Tax Board: Nancy E. Parker, Tax Counsel  
 Jozel Brunett, Tax Counsel
- B9. [Marna M. Skaar, 520443 +](#)  
 For Appellant: Melinda Skaar, Representative  
 For Franchise Tax Board: Jane Perez, Tax Counsel  
 Karen Smith, Tax Counsel

- B10.a [Michael Calderon, 523035 +](#)  
 B10.b [Steven Ertelt, 527234 +](#)  
 B10.c [Steven Olmos, 518961 +](#)  
 B10.d [Demeris Parks, 524781 +](#)
- For Appellants: Peymon Mottahedeh, Representative  
 Karl Rivers, Representative
- For Franchise Tax Board: Suzanne Small, Tax Counsel  
 Karen Smith, Tax Counsel

### Administrative Session

Items that appear under these matters provide information to the Members and may require Board action or direction.

#### P. Other Administrative Matters

There are no items for the following matters:

- P1. Executive Director's Report  
 P2. Chief Counsel Matters
- P3. Sales and Use Tax Deputy Director's Report .....Mr. McGuire
1. [CROS Project Update +](#)  
 Report on the progress of the CROS project to replace BOE's two current tax legacy technology systems to reduce the compliance burden for tax and fee payers and improve business program efficiencies.
  2. [Issue Paper on the Financial Institution Record Match \(FIRM\) Proposal +](#)  
 Issue paper on whether BOE should become part of the Franchise Tax Board's proposed legislation on FIRM.
  3. ~~[Contract Over \\$1 Million - Use Tax Gap Pilot Project +](#)~~  
~~Requesting approval to proceed with a Request for Proposal to vendors to provide a data/system design regarding internet purchase information.~~

There are no items for the following matters:

- P4. Property and Special Taxes Deputy Director's Report  
 P5. Administration Deputy Director's Report  
 P6. Technology Deputy Director's Report  
 P7. External Affairs Deputy Director's report

**Recess** - The meeting will reconvene on Wednesday, March 23, 2011, at 9:30 a.m.

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Diane G. Olson, Chief  
Board Proceedings Division

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**Board Meeting\***

**C. Sales and Use Tax Appeals Hearings**

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C1.a [Melody Arya Husaini and Bahram Arya Husaini, 415086 \(AC\) +](#)

C1.b [Chra Fasl Cusine Resturant, Inc., 418856 \(AC\) +](#)

C1.c [Char Fasl Restaurant, Inc., 418861 \(AC\) +](#)

C1.d [Bahram Arya Husaini, 418864 \(AC\) +](#)

C1.e [Melody Arya Husaini, 418867 \(AC\) +](#)

For Petitioners: Melody Husaini, Taxpayer

For Department: Scott Lambert, Hearing Representative

C2. [Jack Nadel, Inc., 382431 \(AS\) +](#)

For Petitioner: Robert Kritzler, Representative

Chatnee Aram, Representative

Manuel A. Almeida, Representative

For Department: Andrew Kwee, Tax Counsel

C3. [Tom Young Chung, 470308 \(AA\) +](#)

For Petitioner: Tom Chung, Taxpayer

Mel Mitchell, Attorney

Don Le, Representative

For Department: Scott Lambert, Hearing Representative

- C4. [Marwa Ahmad Harb, 401718 \(AS\) +](#)  
 For Petitioner: Jim Speed, Representative  
 Howard L. Hoffenberg, Attorney  
 For Department: Andrew Kwee, Tax Counsel
- C5. [Earth-N-Ware, Inc., 459938 \(EA\) +](#)  
 For Petitioner: Gerald Newton, Taxpayer  
 Scott Kauffman, Attorney  
 For Department: Cary Huxsoll, Tax Counsel
- C6. [Wareforce Corp., 442311 \(EA\) +](#)  
 For Petitioner: Ferdinand Alfajora, Representative  
 For Department: Scott Lambert, Hearing Representative
- C7. [Li Fang Ye, 478046 \(AP\) +](#)  
 For Petitioner: Li Fang Ye, Taxpayer  
 Johnny Shih, Representative  
 For Department: Cary Huxsoll, Tax Counsel
- C8. [Eritech International, Inc., 469541 \(AC\) +](#)  
 For Petitioner: Ali Khoshkhoo, Representative  
 Ken Gorden, Attorney  
 For Department: Scott Lambert, Hearing Representative
- C9.a [Jill Jan, 406775 \(FH\) +](#)  
 C9.b [Deborah S. Weber, 406773 \(FH\) +](#)  
 For Petitioners: Jill Jan, Taxpayer  
 Kendrick Jan, Attorney  
 For Department: Scott Claremon, Tax Counsel
- C10. ~~[Shantilli, LLC, 434838 \(UT\) +](#)~~  
~~For Petitioner: Brett Hoffman, Representative~~  
~~For Department: Scott Claremon, Tax Counsel~~
- C11.a [7 Bay Truck Station, Inc., 484942 \(AA\) +](#)  
 C11.b [Aris Manukian, 484943 \(AA\) +](#)  
 For Petitioners: Haig Keledjian, Attorney  
 For Department: Scott Lambert, Hearing Representative
- C12. ~~[Beach City Market, Inc., 466431 \(FH\) +](#)~~  
~~For Petitioner: Brian R. Jackson, Taxpayer~~  
~~For Department: Scott Lambert, Hearing Representative~~

**Recess** - The meeting will reconvene on Thursday, March 24, 2011, at 9:30 a.m.

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**C. Sales and Use Tax Appeals Hearings**

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C13.a [Russell C. Robbins, Sr., 479532 \(EH\) +](#)

C13.b [Russell Charles Robbins, Jr., 485670 \(EH\) +](#)

For Petitioners: Russell C. Robbins, Sr., Taxpayer

For Department: Stephen Smith, Tax Counsel

C14.a [Marc Laidler, 358821 \(AS\) +](#)

C14.b [Raul Becerril, 358820 \(AS\) +](#)

C14.c [Constantina Susie Frial, 360058 \(AS\) +](#)

C14.d [James J. Brennan, 358974 \(AS\) +](#)

For Petitioners: Brian Shanaghan, Representative

For Department: Andrew Kwee, Tax Counsel

C15. ~~[Boris Khodzhoyan, 405900 \(AP\) +](#)~~

~~For Petitioner: Boris Khodzhoyan, Taxpayer~~

~~Akop Baltayan, Attorney~~

~~For Department: Scott Lambert, Hearing Representative~~

C16. [Nikyar Hossein, 443193 \(EH\) +](#)

For Petitioner: Hossein Nikyar, Taxpayer

For Department: Scott Lambert, Hearing Representative

- C17. [Lisa Marie Bagot, 435016 \(FH\) +](#)  
For Petitioner: Lisa Bagot, Taxpayer  
For Department: Pamela Mash, Tax Counsel
- C18. ~~[RC Marketing, Inc., 377842, 461615 \(EH\) +](#)~~  
~~For Petitioner/Claimant: Regnor Hastings, Representative~~  
~~For Department: Cary Huxsoll, Tax Counsel~~
- C19. [PYPK Production, Inc., 441163 \(AA\) +](#)  
For Petitioner: Justin Park, Representative  
For Department: Scott Lambert, Hearing Representative
- C20. [Shady Kathem Muhammad, 404603 \(EH\) +](#)  
For Petitioner: Shady Kathem Muhammad, Taxpayer  
Bradley L. Hogan, Representative  
For Department: Scott Lambert, Hearing Representative
- C21. [Francis Ramo Newcomer, 416900 \(AS\) +](#)  
For Petitioner: Francis Ramo Newcomer, Taxpayer  
Aaron Gurrola, Representative  
For Department: Cary Huxsoll, Tax Counsel
- C22. [John D. Wright, 445514 \(UT\) +](#)  
For Petitioner: John D. Wright, Taxpayer  
Ken Morton, Witness  
Cris John Wenthur, Attorney  
For Department: Scott Claremon, Tax Counsel

**D. Special Taxes Appeals Hearing**

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

**Cigarette License Revocation Appeal**

- D1. ~~[Mowafak Waw, 444794 \(ET\) +](#)~~  
~~For Appellant: Stanley L. Friedman, Attorney~~  
~~For Department: Pamela Mash, Tax Counsel~~

**Adjourn**

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