

Wednesday, May 27, 2009

The Board met at its offices at 450 N Street, Sacramento, at 9:38 a.m., with Ms. Yee, Chairwoman, Dr. Chu, Vice Chair, Mr. Leonard, Ms. Steel, and Mr. Chiang present.

BOARD PHOTOGRAPH

The annual Board photograph was taken of Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang.

PROPERTY TAX MATTER

STATE-ASSESSED PROPERTIES VALUE SETTING

Ken Thompson, Chief, State-Assessed Properties Division, Property and Special Taxes Department, made introductory remarks regarding the valuation of state-assessed properties.

Electric Generation Facilities

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

1100	AES Alamitos, LLC	226,400,000
1101	AES Redondo Beach, LLC	167,200,000
1102	AES Huntington Beach, LLC	86,700,000
1103	Dynegy Moss Landing, LLC	653,200,000
1104	Dynegy Morro Bay, LLC	46,500,000
1105	Dynegy Oakland, LLC	5,720,000
1106	Cabrillo Power I, LLC	102,700,000
1107	Cabrillo Power II, LLC	7,880,000
1108	Mirant Potrero, LLC	36,200,000
1109	Mirant Delta, LLC	89,300,000
1110	El Segundo Power, LLC	42,100,000
1111	Long Beach Generation, LLC	78,400,000
1112	La Paloma Generating Company, LLC	482,200,000
1113	Reliant Energy Coolwater, Inc.	25,000,000
1114	Reliant Energy Mandalay, Inc.	46,300,000
1115	Reliant Energy Ormond Beach, Inc.	55,500,000
1116	Reliant Energy Etiwanda, Inc.	47,800,000
1117	Reliant Energy Ellwood, Inc.	3,150,000
1118	Dynegy South Bay, LLC	6,070,000
1122	GWF Energy, LLC - Hanford	56,700,000
1123	GWF Energy, LLC - Henrietta	59,600,000
1124	GWF Energy, LLC - Tracy	89,800,000
1126	Elk Hills Power, LLC	324,500,000

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1127	High Desert Power Trust 2000-A	445,200,000
1128	Delta Energy Center, LLC	439,900,000
1129	Gilroy Energy Center, LLC	78,700,000
1131	Pastoria Energy Facility, LLC	489,100,000
1132	Calpine Construction Finance Company, LP	249,500,000
1133	Metcalf Energy Center, LLC	357,000,000
1134	Otay Mesa Generating Company, LLC	339,100,000
1137	Sunrise Power Company, LLC	394,100,000
1143	Los Esteros Critical Energy Facility, LLC	95,000,000
1145	Harbor Cogeneration Company	7,940,000
1146	AES Placerita, Inc.	442,000
1148	Inland Empire Energy Center, LLC	753,300,000
1149	Caithness Blythe II, LLC	608,000
1150	Tesla Power Plant	17,800,000

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

1119	Mountainview Power Company, LLC	664,600,000
1136	Blythe Energy, LLC	239,200,000
1141	Indigo Generation, LLC	75,900,000
1142	Larkspur Energy, LLC	48,000,000
1151	Russell City Energy Company, LLC	4,900,000
1152	Panoche Energy Center, LLC	258,500,000
1153	Starwood Power-Midway, LLC	23,600,000

Energy Companies

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

101	Golden State Water Company	516,100,000
103	Anza Electric Cooperative, Inc.	14,400,000
106	PacifiCorp	209,300,000
146	Sierra Pacific Power Company	203,400,000
149	Southern California Gas Company	3,194,600,000
152	Southwest Gas Corporation	202,400,000
153	Transwestern Pipeline Company	508,000
160	Valley Electric Association, Inc.	41,900
173	Surprise Valley Electrification Corp.	13,600,000
176	Plumas-Sierra Rural Electric Cooperative	48,700,000
185	Mountain Utilities, LLC	4,130,000

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188	Kern River Gas Transmission Company	321,700,000
189	Standard Pacific Gas Line, Incorporated	23,000,000
190	Tuscarora Gas Transmission Company	78,300,000
191	Arizona Public Service Company	2,560,000
192	Alpine Natural Gas Operating Company No. One, LLC	2,180,000
193	Southwest Transmission Cooperative, Inc.	120,000
194	West Coast Gas Company, Inc.	861,000
195	Wild Goose Storage, LLC	170,200,000
196	Questar Southern Trails Pipeline Company	22,800,000

Action: Upon motion of Dr. Chu, seconded by Mr. Chiang and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

119	Trans Bay Cable, LLC	54,300,000
141	San Diego Gas & Electric Company	4,790,100,000
148	Southern California Edison Company	12,667,800,000
156	Atlantic Path 15, LLC	137,000,000
180	North Baja Pipeline, LLC	89,600,000
187	Mojave Pipeline Company	50,000,000
197	El Paso Natural Gas Company	73,000,000
198	Lodi Gas Storage, LLC	327,600,000

Action: Upon motion of Ms. Yee, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed company as of January 1, 2009, be as follows and that staff conduct an audit to examine the issues raised in the Engineers and Scientist of California, Local 20 letter (Exhibit 5.1):

135	Pacific Gas and Electric Company	19,361,000,000
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Exhibits to these minutes are incorporated by reference.

Pipeline Companies

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, Ms. Steel not participating in 465, *Plains Pipeline, LP*; 467, *ConocoPhillips Company*; 480, *ConocoPhillips Pipe Line Company*; and, 488, *Pacific Terminals, LLC*, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

402	CALNEV Pipe Line, LLC	81,600,000
406	CPN Pipeline Company dba Calpine Pittsburg, Inc.	14,900,000
407	Valero Refining Company - California	950,000
409	West Coast Pipe Lines	211,200,000

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410	Homestake Mining Company of California	139,000
412	Kings County Canal Company	930,000
428	CPN Pipeline Company	28,500,000
429	Chevron U.S.A., Inc.	41,200,000
432	Equilon Enterprises, LLC	207,400,000
435	Natomas Central Mutual Water Company	131,000
461	SFPP, LP	344,300,000
462	ARCO Midcon, LLC	1,500,000
464	Ventura Pipeline System	4,030,000
465	Plains Pipeline, LP	8,830,000
467	ConocoPhillips Company	472,000
468	Shell California Pipeline Company, LLC	5,920,000
469	San Ardo Pipeline Company	19,400,000
475	Searles Valley Minerals Operations, Inc.	2,060,000
476	Chevron USA, Inc.	9,280,000
478	California Gas Gathering, Inc.	60,900
479	Chevron Pipeline Company	53,700,000
480	ConocoPhillips Pipe Line Company	42,500,000
484	CPN Pipeline Company dba Calpine Pipeline Corporation	7,520,000
488	Pacific Terminals, LLC	31,800,000
489	Venoco, Inc.	6,080,000
490	Crimson California Pipeline, LP	8,360,000

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and duly carried, Ms. Yee, Dr. Chu, Mr. Leonard and Mr. Chiang voting yes, Ms. Steel not participating, the Board ordered that the market value to be used in the assessment of unitary property of the following listed company as of January 1, 2009, be as follows:

486	Pacific Pipeline System, LLC	56,700,000
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Railroad Companies

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

800	Alameda Belt Line	295,000
804	BNSF Railway	1,008,400,000
808	West Isle Line, Inc.	216,000
810	California Northern Railroad	14,900,000
812	Ventura County Railroad	2,860,000
813	Pacific Harbor Lines	24,300,000
815	Mendocino Railway	1,670,000
817	Tulare Valley Railroad	331,000
818	Central California Traction Company	6,240,000

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819	Carrizo Gorge Railway, Inc.	150,000
821	Modoc Northern Railroad Company	1,830,000
839	Oakland Terminal Railway Company	124,000
843	Union Pacific Railroad Company	1,070,700,000
850	Modesto & Empire Traction Company	30,800,000
857	Richmond Pacific Railroad Corporation	957,000
865	San Diego & Imperial Valley Railroad Co., Inc.	7,770,000
869	Coast Belle Railroad Company	702,000
878	Stockton Terminal and Eastern Railroad	11,200,000
882	Trona Railway Co.	15,000,000
883	McCloud Railway Company	1,120,000
889	Yreka Western Railroad Co.	486,000
892	Almanor Railroad Company	389,000
894	Napa Valley Wine Train, Inc.	20,800,000
896	Santa Cruz Big Trees & Pacific Railway Co.	2,610,000
897	San Joaquin Valley Railroad Company	7,860,000
898	Sierra Northern Railway	1,300,000
899	Arizona & California Railroad	2,230,000

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

802	Central Oregon & Pacific Railroad	2,230,000
822	Pacific Sun Railroad, LLC	107,000

Radio Telephone and Paging Companies

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

3002	American Messaging Services, LLC	1,880,000
3005	Mobilephone of Humboldt, Inc.	74,600
3039	Fresno Mobile Radio, Inc.	392,000
3052	Vincent Communications, Inc.	41,500
3362	Madera Radio Dispatch, Inc.	333,000
3430	USA Mobility Wireless, Inc.	4,750,000
3432	Point Telesystems, LLC	12,300
3434	James R. McKeown	42,300

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Interexchange Telephone Companies

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

2014	Sprint Communications Company, LP	320,000,000
2054	Spacenet, Inc.	29,800
2099	Smart City Networks, LP	659,000
2207	Global Crossing Telecommunications, Inc.	34,000,000
2274	MCI Communications Services, Inc.	376,500,000
2275	SES Americom, Inc.	420,000
2310	AT&T Communications, Inc.	812,700,000
2366	Value-Added Communications, Inc.	28,500
2368	Globe Wireless, LLC	1,140,000
2372	MCI Metro Access Transmission Services, LLC	157,800,000
2376	Working Assets Funding Service, Inc.	859,000
2416	NOS Communications, Inc.	2,340,000
2430	Electric Lightwave, LLC	27,800,000
2437	Dialink Corporation	24,400
2443	National Comtel Network, Inc.	8,500
2463	Qwest Communications Corporation	182,400,000
7503	Verizon Select Services, Inc.	13,800,000
7512	Frontier Communications of America, Inc.	6,620,000
7522	TW Telecom of California, LP	188,900,000
7536	Global Crossing North American Networks, Inc.	11,200,000
7538	Tremcom International, Inc.	75,400
7544	Telswitch, Inc.	24,600
7560	XO Communications Services, Inc.	75,000,000
7571	Network Enhanced Technologies, Inc.	296,000
7580	Evercom Systems, Inc.	792,000
7581	ABS-CBN Telecom North America, Inc.	326,000
7588	PNG Telecommunications, Inc.	5,300
7621	SES Americom California, Inc.	4,460,000
7623	Verizon Enterprise Solutions, LLC	420,000
7625	TCAST Communications, Inc.	729,000
7631	Worldnet Communications Services, Inc.	8,000
7632	Business Discount Plan, Inc.	29,700
7636	Network Telephone Services, Inc.	2,600,000
7638	Integrated Telemangement Services, Inc.	109,000
7640	Cox California Telecom, LLC	112,200,000
7645	Communications Brokers & Consultants, Inc.	3,100
7686	Primus Telecommunications, Inc.	350,000
7690	CCT Telecommunications, Inc.	60,100
7699	Legacy Long Distance International	378,000

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7705	Sierra Telephone Long Distance	6,200
7706	Covad Communications Company	47,400,000
7707	SureWest Long Distance	6,300
7729	New Global Telecom, Inc.	126,000
7732	NTT America, Inc.	25,700,000
7740	TRI-M Communications, Inc.	596,000
7757	U.S. TelePacific Corp.	106,800,000
7758	BT Americas, Inc.	14,000,000
7761	Level 3 Communications, LLC	431,000,000
7766	KDDI America, Inc.	5,560,000
7769	Airnex Communications, Inc.	77,200
7777	MGEN Services Corporation	2,300
7778	NTI of California, LLC	264,000
7779	360networks (USA), Inc.	6,200,000
7781	KT America, Inc.	549,000
7782	Ton Services, Inc.	30,700
7791	O1 Communications, Inc.	3,980,000
7792	Point To Point, Inc.	389,000
7799	Wilshire Connection, LLC	1,570,000
7800	New Edge Networks	463,000
7811	Public Communications Services, Inc.	3,110,000
7813	Advanced Telecom, Inc.	2,770,000
7814	PAETEC Communications, Inc.	15,300,000
7823	U.S. Telestar Communications Group	1,200
7834	Pannon Telecom, Inc.	136,000
7837	AboveNet Communications, Inc.	40,500,000
7845	San Carlos Telecom, Inc.	63,900
7866	Telmex USA, LLC	21,200,000
7871	GTE.NET, LLC	101,700,000
7872	Infotech Telecommunications & Network, Inc.	14,900
7876	Total Call International, Inc.	1,850,000
7880	Quick-Tel, Inc.	6,600
7885	SBC Advanced Solutions	323,500,000
7887	Accessline Communications Corporation	212,000
7894	Ponderosa Cablevision	705,000
7899	RGT Utilities of California, Inc.	10,900
7902	Zone Telecom, Inc.	1,520,000
7907	Telscape Communications, Inc.	5,110,000
7910	Champion Broadband California, LLC	6,420,000
7912	Americom Government Services, Inc.	892,000
7913	VCOM Solutions, Inc.	187,000
7914	McLeodUSA Network Services, Inc.	659,000
7916	Peak Communications, Inc.	27,000
7927	Rapid Link, Inc.	20,400
7938	McBlue Telecom, Inc.	43,300

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7940	Consumer Telcom, Inc.	1,000
7945	ZTG, Inc.	13,900
7947	IDT America, Corp.	177,000
7948	Vizada, Inc.	8,190,000
7949	Call America, Inc.	376,000
7950	ATMC, Inc.	7,100
7951	SWB Communications Services, Inc.	2,170,000
7953	Openpop.com, Inc.	334,000
7955	Enhanced Communications Network, Inc.	132,000
7956	Telespan Communications, LLC	71,000
7957	Telekenex, Inc.	7,220,000
7959	Airespring, Inc.	318,000
7961	SureWest Televideo	169,100,000
7967	New World Telecom International, Inc.	75,500
7969	Intelsat Global Service Corporation	8,120,000
7972	Reliance Globalcom Services, Inc.	12,800,000
7973	Alliance Payphone, Inc.	250,000
7978	Legent Communications Corporation	34,400
7980	Teledata Solutions, Inc.	878,000
7981	Leading Edge Communications, LLC	685,000
7982	NextG Networks Of California, Inc.	74,600,000
7983	LCR Services, Inc.	2,100
7985	UCN, Inc.	1,690,000
7988	Global Tel*Link Corporation	4,770,000
7990	CMTel (USA), LLC	1,020,000
7992	NobelTel, LLC	893,000
7993	Clear World Communications Corporation	131,000
7994	Utility Telephone, Inc.	871,000
7995	IP Networks, Inc.	13,100,000
7996	RuralWest - Western Rural Broadband, Inc.	853,000
7997	Edison Carrier Solutions	57,300,000
7999	Purple Language Services Co.	3,060,000
8002	Neutral Tandem - California, LLC	5,460,000
8003	Creative Interconnect Communications, LLC	900,000
8004	Greenfield Communications, Inc.	720,000
8005	Cable and Wireless Americas Operations, Inc.	1,660,000
8006	Lucky Communications, Inc.	70,200
8007	Asia Talk Telecom, Inc.	149,000
8009	France Telecom Corporate Solutions, LLC	4,400
8010	A+ Wireless, Inc.	10,000
8011	DelTel, Inc.	292,000
8012	RB Communications, Inc.	72,900
8015	China Telecom (Americas) Corporation	2,810,000
8017	Locus Telecommunications, Inc.	534,000
8022	Allstate Communications, Inc.	407,000

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8023	One Phone, Inc.	368,000
8027	Blue Casa Communications, Inc.	367,000
8028	Mercury Telecom, Inc.	192,000
8029	IPC Network Services, Inc.	56,000
8031	Backbone Communications, Inc.	122,000
8032	BCE Nexxia Corporation	430,000
8037	CA-CLEC, LLC	1,520,000
8038	Telespan Carrier Access, LLC	68,200
8039	Voicecom Telecommunications, LLC	1,160,000
8040	Mission Telecom, Inc.	7,600
8041	DMR Communications, Inc.	210,000
8046	Hypercube, LLC	381,000
8047	Syniverse Technologies, Inc.	35,800
8048	Bright House Networks Information Services (California), LLC	261,000
8049	Cbeyond Communications, LLC	14,600,000
8051	Inteltrace, Inc.	518,000
8057	Vertex Telecom, Inc.	779,000
8060	Comtel Telecom Assets, LP	276,000
8061	Charter Fiberlink CA-CCO, LLC	39,300,000
8062	Ezequiel Guido	1,200
8063	Time Warner Cable Information Services (California), LLC	2,600,000
8065	ConnectTo Communications, Inc.	161,000
8066	Calmtel USA, Inc.	45,800
8067	Sunesys, LLC	74,900,000
8070	Across the Globe Telecommunications, Inc.	251,000
8071	Verizon Long Distance, LLC	562,000
8072	Cypress Communications Operating Co., Inc.	699,000
8073	Koncept International, Inc.	143,000
8074	Silv Communication, Inc.	81,200
8075	Trans National Communications International, Inc.	178,000
8076	OPEX Communications, Inc.	52,300
8077	Newpath Networks, LLC	8,660,000
8078	U.S. Telecom Long Distance, Inc.	16,200
8079	Cal-Ore Communications, Inc.	591,000
8080	Ymax Communications Corporation	85,400
8081	Sonic Telecom, LLC	551,000

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

2043	Pac-West Telecomm, Inc.	21,000,000
7516	Cybernet Communications, Inc.	90,000
7735	Pacific Centrex Services, Inc./TGEC,LLC	70,100
7756	Centergistic Solutions, Inc.	81,100

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7832	Astound Broadband, LLC	57,200,000
7846	The Telephone Connection Local Services, LLC	23,000
7859	EAS Communication, Inc.	59,100
7874	Competitive Communications, Inc.	24,200
7917	APEX Telecom, Inc.	101,000
7934	Telecom House, Inc.	43,100
7952	Advanced Tel, Inc.	18,000
7960	CallTower, Inc.	1,630,000
7964	Aries Network, Inc.	25,200
7965	VizAbility Communications, Inc.	8,200
7998	Norcast Communications Corporation	251,000
8001	Custom Switching Technologies, Inc.	56,000
8018	Telewest, Inc.	10,700
8019	Global Touch Telecom, Inc.	136,000
8026	Nationwide Telecom, Inc.	38,000
8033	Telecom Consultants, Inc.	1,800
8042	Paxio, Inc.	406,000
8044	Intermetro Communications, Inc.	1,390,000
8054	G2G Telecom, Inc.	11,300
8068	North County Communications Corp	123,000
8083	Network Expert Group, Inc.	13,900
8084	T-Netix Telecommunications, Inc.	250,000
8085	Cosmobridge America, Inc.	14,200
8086	Associated Network Partners, Inc.	12,700
8087	CCG Communications, LLC	76,600
8088	Janaslani Enterprises, LLC	6,900
8089	Conterra Ultra Broadband, LLC	2,150,000
8091	Roadway Communications, Inc.	198,000
8092	Global Telecom, LLC	37,100
8093	ExteNet Systems (California), LLC	15,500,000
8094	Trillion Partners, Inc.	1,170,000
8095	Network Enhanced Telecom, LLC	615,000
8096	Octagon Networks, Inc.	107,000
8097	Reunion Communications, Inc.	37,300
8098	Allcom Telink Corporation	1,460,000
8099	Race Telecomm	416,000
8100	Dial Long Distance, Inc.	6,600
8101	FastBlue Communications, Inc.	2,700
8102	Ekit.com, Inc.	38,500
8103	LiveTV Airfone, Inc.	187,000

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Wireless Telephone Companies

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

2532	Los Angeles SMSA Ltd., Partnership	821,500,000
2552	Fresno MSA Limited Partnership	100,500,000
2559	Cellco Partnership	1,058,700,000
2602	Digital Communications Network, Inc.	76,000
2605	Nova Cellular West, Inc.	35,500
2606	AT&T Mobility, LLC	1,401,100,000
2649	Action Cellular Rent-A-Phone, Inc.	5,000
2665	WWC License, LLC	9,750,000
2668	California RSA No. 3 Limited Partnership	13,300,000
2669	California RSA #4 Partnership	14,000,000
2671	California Rural Service Area #1, Inc.	29,900,000
2681	Everything Wireless, LLC	65,900
2687	SLO Cellular, Inc.	6,290,000
2720	Sprint PCS	1,567,600,000
2733	MetroPCS California, LLC	202,300,000
2745	West Coast P.C.S.	4,910,000
2748	OmniPoint Communications, Inc.	1,712,400,000
2760	Fisher Wireless Services, Inc.	1,420,000
2762	Cricket Communications, Inc.	171,400,000
2764	NTCH-CA, Inc.	849,000
2767	Virgin Mobile USA, LP	23,700,000
2772	Globalstar USA, LLC	3,910,000
2773	Accessible Wireless, LLC	893,000
2775	Nextlink Wireless, Inc.	442,000
2779	Royal Street Communications, LLC	234,500,000
2780	i-wireless, LLC	881,000

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2009, be as follows:

2658	Intouch America, Inc.	65,300
2683	Pay-Less Cellular, Inc.	3,290,000
2746	Alpine PCS, Inc.	52,000
2770	Aircell, Inc.	1,630,000
2778	Movida Communications, Inc.	3,700

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Local Exchange Companies

Action: Upon motion of Mr. Chiang, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2009 be as follows:

201	Verizon California, Inc.	3,328,200,000
202	CenturyTel of Eastern Oregon, Inc.	40,500
205	The Ponderosa Telephone Co.	30,200,000
209	Pinnacles Telephone Co.	1,460,000
210	Calaveras Telephone Company	14,000,000
228	Ducor Telephone Company	7,690,000
235	Foresthill Telephone Co.	13,600,000
239	Hornitos Telephone Company	1,370,000
240	Happy Valley Telephone Company	1,670,000
246	Kerman Telephone Co.	19,600,000
279	Pacific Bell Telephone Company	7,741,200,000
284	Citizens Telecommunications Company of California, Inc.	124,100,000
286	Sierra Telephone Company, Inc.	42,900,000
294	SureWest Telephone	152,700,000
301	The Siskiyou Telephone Company	39,100,000
320	Verizon West Coast Inc.	10,500,000
327	Volcano Telephone Company	24,000,000
328	Cal-Ore Telephone Co.	7,800,000
330	Winterhaven Telephone Company	1,460,000

SPECIAL TAXES MATTERS, CREDITS, CANCELLATIONS AND REFUNDS, CONSENT

With respect to the Special Taxes Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Dr. Chu, seconded by Mr. Chiang and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board made the following orders:

Inter-State Oil Company, Inc., 447100 (MT)
4-1-05 to 3-31-08, \$53,037.49

Action: Approve the refund as recommended by staff.

BP West Coast Products, LLC, 443021 (MT)
1-1-03 to 9-30-05, \$1,066,479.46

Action: Approve the refund as recommended by staff.

California State Automobile Association, 348182 (ET)
1-1-01 to 12-31-04, \$15,234,205.48

Action: Approve the refund as recommended by staff.

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Mclane/Suneast, Inc., 447045 (ET)

5-29-08 to 5-29-08, \$101,678.49

Action: Approve the refund as recommended by staff.

Basso Distributing Company, Inc., 451500 (ET)

9-1-05 to 8-31-08, \$382,169.54

Action: Approve the refund as recommended by staff.

Verizon California, Inc., 444045 (ET)

2-1-99 to 12-31-01, \$86,682.17

Action: Approve the refund as recommended by staff.

PROPERTY TAXES MATTER, ADJUDICATORY

Pacific Bell, 406931 (279)

2003, \$81,000,000.00 Escaped Assessed Value, \$8,100,000.00 Penalty, \$26,730,000.00 In-lieu Interest

Considered by the Board: Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Dr. Chu, seconded by Ms. Yee and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered to reduce the value to \$38,500,000.00, \$3,850,000.00 penalty, \$12,705,000.00 in-lieu interest.

TAX PROGRAM NONAPPEARANCE MATTERS NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

PROPERTY TAX MATTERS

Audits

Golden State Water Company (101)

2005, \$14,000,000.00 Excessive Assessment, \$4,620,000.00 In-lieu Interest

2006, \$15,500,000.00 Excessive Assessment, \$3,720,000.00 In-lieu Interest

2007, \$16,400,000.00 Excessive Assessment, \$2,460,000.00 In-lieu Interest

2008, \$5,200,000.00 Escaped Assessment, \$312,000.00 In-lieu Interest

Action: Upon motion of Dr. Chu, seconded by Mr. Chiang and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board adopted the audit escaped and excessive assessments, plus in-lieu interest, as recommended by staff.

Pacific Bell Telephone Company (279)

2005, \$257,700,000.00 Escaped Assessment, \$25,770,000.00 Penalties, \$85,041,000.00 In-lieu Interest

2006, \$9,900,000.00 Escaped Assessment, \$990,000.00 Penalties, \$2,376,000.00 In-lieu Interest

Action: Dr. Chu moved to adopt the audit escaped assessment, plus penalties and in-lieu interest, as recommended by staff. The motion was seconded by Ms. Yee, but the motion was withdrawn.

The Board deferred consideration of the matter to later in the day.

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Unitary Land Escaped Assessments

OmniPoint Communications, Inc., (2748)

2007-2008, \$572,035.00 Value

2008, \$3,424,324.00 Value

Action: Upon motion of Dr. Chu, seconded by Ms. Yee and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard and Ms. Steel voting yes, Mr. Chiang absent, the Board adopted the unitary escaped assessments as recommended by staff.

AT&T California (279)

2007-2008, \$4,704,480.00 Value

Verizon Wireless (2559)

2005-2008, \$520,951.00 Value

Verizon California (201)

2005-2008, \$2,970,000.00 Value

Action: Upon motion of Dr. Chu, seconded by Mr. Leonard and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard and Ms. Steel voting yes, Mr. Chiang absent, the Board adopted the unitary escaped assessments as recommended by staff.

Board Roll Changes

2005, 2006, 2007 and 2008 Board Rolls of State-Assessed Property

Action: Upon motion of Ms. Steel, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard and Ms. Steel voting yes, Mr. Chiang absent, the Board approved corrections to the 2005, 2006, 2007 and 2008 Board Rolls of State-Assessed Property as recommended by staff (Exhibit 5.2).

Speakers: Mark Mitchel, Executive Director, Engineers and Scientists of California, Local 20, made remarks regarding PG&E Unitary Value Setting
Joshua Sperry, Organizing and Political Coordinator, Engineers and Scientists of California, Local 20, made remarks regarding PG&E Unitary Value Setting

Audits

Pacific Bell Telephone Company (279) (Continued)

2005, \$257,700,000.00 Escaped Assessment, \$25,770,000.00 Penalties, \$85,041,000.00 In-lieu Interest

2006, \$9,900,000.00 Escaped Assessment, \$990,000.00 Penalties, \$2,376,000.00 In-lieu Interest

Action: Upon motion of Dr. Chu, seconded by Ms. Yee and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard and Mr. Chiang voting yes, Ms. Steel not participating, the Board adopted the audit escaped assessment, plus penalties and in-lieu interest, as recommended by staff.

Mr. Chiang directed staff to discuss with the company the pole issues.

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The Board recessed at 10:14 a.m. and reconvened at 10:28 a.m. with Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel present on behalf of Mr. Chiang in accordance with Government Code section 7.9.

SPECIAL PRESENTATION

Ms. Yee read into the record a retirement resolution to Robert Stipe, Tax Counsel, Tax and Fee Programs Division, Legal Department. Members of the Board joined in congratulating Mr. Stipe on his retirement.

Ms. Yee acknowledged Dr. Chu in her victorious election and congratulated her. Ms. Yee also congratulated Ms. Mandel on receiving the *Award of Excellence by a Government Official* from the Los Angeles County Bar Tax Association. Lastly, Ms. Yee thanked Mike Lopez of the Salinas Office, for his hard work and service.

SALES AND USE TAX APPEALS HEARINGS

Ultradent Products, Inc., 215829 (OH)

1-1-96 to 12-31-98, \$645,564.96 Tax, \$0.00 Penalty

For Petitioner: Micha Barach, Attorney

For Sales and Use Tax Department: Cary Huxsoll, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether petitioner has established that sales of six categories of its products were sales of medicines exempt from tax under Revenue and Taxation Code section 6369.

Whether petitioner has established grounds for relief of interest on the tax owed.

Mr. Barach stated for the record that he was conceding several of the products.

Action: Upon motion of Dr. Chu, seconded by Ms. Yee and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Shirley Everett-Dicko and Donald Ray White, 342570 (CH)

10-1-02 to 9-30-05, \$39,404.11 Tax, \$3,940.43 Negligence Penalty

For Petitioner: Shirley Everett-Dicko, Taxpayer

Elizabeth Regan, CPA

Deborah Bell, CPA

For Sales and Use Tax Department: Scott Lambert, Hearing Representative

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether the audited understatement of taxable sales are excessive.

Whether petitioner was negligent.

Whether a portion of the interest that has accrued should be relieved.

Action: The hearing was continued later in the day.

The Board recessed at 11:08 a.m. and reconvened at 11:34 a.m. with Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel present.

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Shirley Everett-Dicko and Donald Ray White, 342570 (CH) (Continued)

10-1-02 to 9-30-05, \$39,404.11 Tax, \$3,940.43 Negligence Penalty

For Petitioner: Shirley Everett-Dicko, Taxpayer
Elizabeth Regan, CPA
Deborah Bell, CPA

For Sales and Use Tax Department: Scott Lambert, Hearing Representative

Action: Upon motion of Mr. Leonard, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

The Board recessed at 12:33 p.m. and reconvened at 1:30 p.m. with Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel present.

Ahmed Bahman Lari, 406718 (AR)

1-1-01 to 6-30-01, \$19,693.00 Tax, \$31,086.08 Late Payment Penalty

For Petitioner: Douglas Smith, Representative

For Sales and Use Tax Department: Cary Huxsoll, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether petitioner is liable as a responsible person under Revenue and Taxation Code section 6829 for Auto Mart's unpaid liabilities.

Whether petitioner has established reasonable cause to relieve the late payment penalties assessed against the corporation.

David Levine, Tax Counsel, Appeals Division, stated for the record that the Appeals Division recommends relief of the amnesty penalty if, within 30 days of the Notice of Redetermination, petitioner either: pays the full amount of tax and interest due; or enters into an installment agreement with the Sales and Use Tax Department for full payment of the tax and interest due within 13 months, and successfully completes that installment agreement.

Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Softbyte, LLC, 436211 (GH)

1-1-04 to 12-31-06, \$13,828.21 Tax, \$0.00 Penalty

For Petitioner: Satish Sandadi, Taxpayer

For Sales and Use Tax Department: Scott Lambert, Hearing Representative

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether additional adjustments are warranted.

Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

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PETITION FOR RELEASE OF SEIZED PROPERTY

U.S. Business Associates, Inc., 469810 (ET)

July 30, 2008 Notice of Seizure and Forfeiture

For Petitioner:

Satwant Verma, Taxpayer

Richard E. Coombs, Attorney

For Property and Special Taxes Department: Stephen Smith, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether the tobacco products should be forfeited because they are described by Business and Professions Code section 22974.3, subdivision (b).

Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

PUBLIC HEARING**Proposed Amendments to Sales and Use Tax Regulation 1668, *Sales for Resale***

Robert Tucker, Tax Counsel, Tax and Fee Programs Division, Legal Department, made introductory remarks regarding the proposed amendments to clarify the use of qualified resale certificates. (Exhibit 5.3.)

Speakers were invited to address the Board, but there were none.

Action: Upon motion of Mr. Leonard, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board adopted the proposed amendments.

LEGAL APPEALS MATTERS, CONSENT

With respect to the Legal Appeals Matters Consent Agenda, upon a single motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board made the following orders:

Kanhaiya Naidu and Gangamma Kanhaiya Naidu, 474048 (ET)

October 7, 2008, \$36.00 Approximate Value

Action: Determined that staff properly seized the tobacco products.

Chhunra Kroeu, 479755 (ET)

November 25, 2008, \$195.00 Approximate Value

Action: Determined that staff properly seized the tobacco products.

Agoura Liquor & Wine Cellar, Inc., 482981 (ET)

September 16, 2008, \$518.40 Approximate Value

Action: Determined that staff properly seized the tobacco products.

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Oaks Liquor, Inc., 479765 (ET)
September 16, 2008, \$219.80 Approximate Value
Action: Determined that staff properly seized the tobacco products.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, CONSENT

With respect to the Corporate Franchise and Personal Income Tax Matters Consent Agenda, upon a single motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board made the following orders:

Vera S. Hall, 439811
2004, \$5,246.00 Assessment
Action: Sustain the action with concession by the Franchise Tax Board.

Inja Han, 424373
1997, \$6,537.00 Assessment, \$2,033.60 Post-Amnesty Penalty
Action: Sustain the action of the Franchise Tax Board.

HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE MATTERS, CONSENT

With respect to the Homeowner and Renter Property Tax Assistance Matters Consent Agenda, upon a single motion of Dr. Chu, seconded by Ms. Steel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board made the following orders:

B. K. Anderson, 436139
2007, \$1.00 or more
Action: Sustain the action of the Franchise Tax Board.

Carolyn Basey, 437703
2007, \$347.50
Action: Sustain the action of the Franchise Tax Board.

Hoi Sun Bui, 426199
2007, \$347.50
Action: Sustain the action of the Franchise Tax Board.

Rebecca B. Cabrera, 424186
2007, \$347.00
Action: Sustain the action of the Franchise Tax Board.

Mavis Craig, 437566
2007, \$347.00
Action: Sustain the action of the Franchise Tax Board.

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Bill Dixon, 436037

2007, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Gregory V. George, 437560

2007, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Panah Havil, 423602

2007, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Cathy Ho, 437590

2007, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Amber Leslie, 424207

2007, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Carmen J. Lotito III, 426558

2007, \$340.00

Action: Sustain the action of the Franchise Tax Board.

Michele R. Mitchell, 426525

2007, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Jessica Selby, 378356

2006, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Tyrone Stough, 425547

2007, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Steven G. Lee, 387881

2006, \$347.50

Action: Deny the petition for rehearing.

Reginald Patrick, 426678

2007, \$247.50

Action: Sustain the action of the Franchise Tax Board.

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SALES AND USE TAX MATTERS, REDETERMINATIONS AND DENIALS OF CLAIMS FOR REFUND, CONSENT

With respect to the Sales and Use Tax Matters, Redeterminations and Denials of Claims for Refund, Consent Agenda, upon a single motion of Mr. Leonard, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, Ms. Mandel not participating in accordance with Government Code section 87105 in *NEC Business Network Solutions, Inc., 422975*; and, *CIT Funding Company, LLC, 401687*, the Board made the following orders:

NEC Business Network Solutions, Inc., 422975 (OH)

7-1-00 to 3-31-04, \$68,568.63

Action: Approve the redetermination as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

Computer Giants.Com, Inc., 420934 (OH)

4-1-03 to 3-31-06, \$164,424.17

Action: Approve the redetermination as recommended by staff.

Verizon Media Ventures, Inc., 333126 (OH)

1-1-98 to 12-31-02, \$427,387.56

Action: Approve the denial of claim for refund as recommended by staff.

CIT Funding Company, LLC, 401687 (OH)

10-1-02 to 12-31-02, \$1,785,585.00

Action: Approve the denial of claim for refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

Siemens Carrier Networks, LLC, 233377 (OH)

10-1-00 to 6-30-02, \$326,945.71

Action: Approve the denial of claim for refund as recommended by staff.

STMicroelectronics (RB), Inc., 482385 (OH)

7-1-99 to 12-31-02, \$53,172.81

Action: Approve the denial of claim for refund as recommended by staff.

Excellence in Motivation, Inc., 383894 (OH)

7-1-03 to 12-31-05, \$205,096.57

Action: Approve the denial of claim for refund as recommended by staff.

Capital One Auto Finance, Inc., 470352 (OH)

7-1-08 to 9-30-08, \$121,762.00

Action: Approve the denial of claim for refund as recommended by staff.

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Laboratory Corporation of America, 381277 (OH)

4-1-05 to 6-30-06, \$113,449.80

Action: Approve the denial of claim for refund as recommended by staff.

SALES AND USE TAX MATTERS, CREDITS, CANCELLATIONS AND REFUNDS, CONSENT

With respect to the Sales and Use Tax Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Ms. Steel, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board made the following orders:

Wet Enterprises, Inc., 482264 (AC)

7-1-06 to 9-30-06, \$161,805.00

Action: Approve the credit and cancellation as recommended by staff.

Divine Aviation, LLC, 480993 (UT)

5-20-03 to 5-20-03, \$60,739.69

Action: Approve the credit and cancellation as recommended by staff.

Great Circle Family Foods, LLC, 480427 (AS)

8-23-07 to 9-30-07, \$184,449.54

Action: Approve the credit and cancellation as recommended by staff.

NKS Enterprises, Inc., 479318 (FH)

7-1-04 to 6-30-05, \$169,123.85

Action: Approve the credit and cancellation as recommended by staff.

Kemira Water Solutions, Inc., 482331 (OH)

4-1-07 to 3-31-08, \$56,980.19

Action: Approve the credit and cancellation as recommended by staff.

Graphic Color Systems, Inc., 351404 (AA)

1-1-03 to 12-31-05, \$867,883.91

Action: Approve the refund as recommended by staff.

Fireside Bank, 448946 (CH)

1-1-08 to 9-30-08, \$10,085,033.19

Action: Approve the refund as recommended by staff.

Guthy-Renker Corporation, 406639 (EA)

1-1-04 to 9-30-07, \$140,459.69

Action: Approve the refund as recommended by staff.

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Siliconix Incorporated, 395247 (GH)

7-1-04 to 6-30-07, \$725,651.69

Action: Approve the refund as recommended by staff.

KLA-Tencor Corporation, 288546 (GH)

7-1-01 to 12-31-04, \$150,604.61

Action: Approve the refund as recommended by staff.

Advanced Polymer Systems, Inc., 468195 (BH)

7-1-05 to 3-31-08, \$161,428.74

Action: Approve the refund as recommended by staff.

Ford Construction Company, Inc., 399728 (KH)

4-1-06 to 12-31-08, \$502,092.15

Action: Approve the refund as recommended by staff.

Northwest Airlines, Inc., 359464 (OH)

4-1-03 to 9-30-05, \$175,332.77

Action: Approve the refund as recommended by staff.

Rohm & Haas Company, 435119 (OH)

1-1-03 to 12-31-05, \$53,207.87

Action: Approve the refund as recommended by staff.

Goss International Americas, Inc., 468777 (OH)

4-1-07 to 3-31-08, \$90,167.29

Action: Approve the refund as recommended by staff.

STMicroelectronics, Inc., 374890 (CH)

7-1-99 to 6-30-02, \$103,434.83

Action: Approve the refund as recommended by staff.

Verizon Media Ventures, Inc., 333126 (OH)

1-1-98 to 12-31-02, \$2,747,316.02

Action: Approve the refund as recommended by staff.

Marlin Leasing Corporation, 475681 (OH)

1-1-07 to 6-30-08, \$65,556.21

Action: Approve the refund as recommended by staff.

D. Jenkins Enterprises, Inc., 404291 (GH)

4-1-03 to 3-31-06, \$56,252.47

Action: Approve the refund as recommended by staff.

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Ann Taylor Retail, Inc., 444342 (OH)

1-1-04 to 12-31-06, \$123,458.51

Action: Approve the refund as recommended by staff.

Wachovia Dealer Services, Inc., 470335 (EA)

7-1-08 to 9-30-08, \$4,116,973.53

Action: Approve the refund as recommended by staff.

Tastea, LLC, 435279 (EA)

4-1-05 to 12-31-07, \$135,113.56

Action: Approve the refund as recommended by staff.

Beverages & More, Inc., 440265 (CH)

4-1-05 to 3-31-08, \$147,591.73

Action: Approve the refund as recommended by staff.

STMicroelectronics (RB), Inc., 374889 (OH)

7-1-99 to 12-31-02, \$324,739.90

Action: Approve the refund as recommended by staff.

Weatherford U S, LP, 341682 (OH)

1-1-00 to 9-30-03, \$1,946,306.19

Action: Approve the refund as recommended by staff.

Americredit Financial Services, Inc., 470371 (OH)

7-1-08 to 9-30-08, \$1,429,071.69

Action: Approve the refund as recommended by staff.

Lobel Financial Corporation, 470339 (EA)

7-1-08 to 9-30-08, \$105,228.57

Action: Approve the refund as recommended by staff.

Excellence in Motivation, Inc., 383894 (OH)

7-1-03 to 12-31-05, \$265,386.02

Action: Approve the refund as recommended by staff.

Balboa Thrift & Loan Association, 470354 (FH)

7-1-08 to 9-30-08, \$71,053.90

Action: Approve the refund as recommended by staff.

Capital One Auto Finance, Inc., 470352 (OH)

7-1-08 to 9-30-08, \$998,301.52

Action: Approve the refund as recommended by staff.

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Premier America Credit Union, 461705 (AC)
4-1-08 to 6-30-08, \$56,480.65
Action: Approve the refund as recommended by staff.

Russell-Newman, Inc., 391021 (OH)
1-1-04 to 9-30-06, \$171,018.95
Action: Approve the refund as recommended by staff.

CIG Financial, 469764 (EA)
4-1-08 to 6-30-08, \$132,049.19
Action: Approve the refund as recommended by staff.

Schawk USA, Inc., 360148 (BH)
1-1-04 to 12-31-05, \$504,041.47
Action: Approve the refund as recommended by staff.

ATCO Noise Management, Inc., 442175 (KH)
10-1-06 to 12-31-06, \$82,441.42
Action: Approve the refund as recommended by staff.

Medcal Sales, LLC, 459863 (EH)
8-1-05 to 3-31-08, \$138,947.53
Action: Approve the refund as recommended by staff.

Kern Schools Federal Credit Union, 470393 (AR)
4-1-06 to 9-30-07, \$155,829.40
Action: Approve the refund as recommended by staff.

Eagle Windows Coverings, Inc., 466655 (BH)
4-1-08 to 9-30-08, \$53,787.04
Action: Approve the refund as recommended by staff.

Schawk USA, Inc., 479845 (OH)
1-1-06 to 12-31-07, \$133,081.90
Action: Approve the refund as recommended by staff.

Siemens Government Services, Inc., 457644 (OH)
10-1-07 to 3-31-08, \$50,178.14
Action: Approve the refund as recommended by staff.

SPECIAL TAXES MATTERS, REDETERMINATIONS, CONSENT

With respect to the Special Taxes Matters, Redeterminations, Consent Agenda, upon a single motion of Ms. Steel, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board made the following orders:

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Conco Paint Company, 259626 (MT)

1-1-03 to 12-31-03, \$76,332.92

Action: Approve the redetermination as recommended by staff.

Conco Paint Company, 306859 (MT)

1-1-04 to 12-31-04, \$78,285.88

Action: Approve the redetermination as recommended by staff.

LEGAL APPEALS MATTERS, ADJUDICATORY

Ravi Singh Sekhon, 329684 (ET)

7-1-01 to 2-29-04, \$55,537.00 Tax, \$0.00 Penalty

Considered by the Board: April 15, 2009

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Mr. Leonard moved to grant the petition for rehearing. The motion was seconded by Ms. Steel but failed to carry, Mr. Leonard and Ms. Steel voting yes, Ms. Yee, Dr. Chu and Ms. Mandel voting no.

Upon motion of Dr. Chu, seconded by Ms. Mandel and duly carried, Ms. Yee, Dr. Chu and Ms. Mandel voting yes, Mr. Leonard and Ms. Steel voting no, the Board ordered that the petition for rehearing be denied.

Ga Na Bang U.S.A., Inc., 401792 (AS)

1-1-03 to 12-31-05, \$199,395.86 Tax, \$19,939.56 Negligence Penalty

Considered by the Board: February 25, 2009

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and duly carried, Ms. Yee, Dr. Chu, Mr. Leonard and Ms. Mandel voting yes, Ms. Steel voting no, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

ABC-NACO, Inc., 167411 (OH)

1-1-99 to 10-17-01, \$232,021.73 Tax

Considered by the Board: December 17, 2008

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

Norman P. Shockley, Jr., 306953 (GH)

Acclaim Technology, Inc., 341204 (GH)

10-1-00 to 12-31-02, \$64,067.00 Disputed Amount

Considered by the Board: May 28, 2008

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Dr. Chu, seconded by Ms. Steel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board granted the petition and denied the claim for refund as recommended by the Appeals Division.

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John F. Steele and Gayle Jeanine Steele, 333230 (UT)

9-21-03, \$10,616.76 Tax

Considered by the Board: January 22, 2009

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

Zuma Arc, Inc., 466074 (ET)

May 15, 2008, \$368.47 Approximate Value

Considered by the Board: February 25, 2009

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Dr. Chu moved to determine that staff properly seized the tobacco products. The motion was seconded by Ms. Mandel but no vote was taken.

Upon motion of Mr. Leonard, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision, granting the petitioner 30 days to file supporting documents, the Department 30 days to respond, and the Appeals Division 30 days thereafter to review the petitioner's supporting documents, the Department's response and provide its recommendation to the Board.

City of Stockton, 472908

9-28-94, \$361,559.00 Tax

Considered by the Board: Presented for Separate Discussion

Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be granted.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, ADJUDICATORY

James A. Alyn and Lisa E. Alyn, 258065

1997, \$385,884.00 Tax, \$64,314.00 Accuracy-Related Penalty

Considered by the Board: Formal Opinion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Dr. Chu, seconded by Mr. Leonard and duly carried, Ms. Yee, Dr. Chu, Mr. Leonard and Ms. Steel voting yes, Ms. Mandel voting no, the Board adopted the formal opinion.

Speakers: Bruce Woolpert, President, Granite Rock Company
Daniel Biedler, Tax Counsel, Franchise Tax Board

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Granite Rock Company, 420038
Bruce W. Woolpert and Rose Ann Woolpert, 420171
Bruce G. Woolpert and Mary E. Woolpert, 420181
Arthur Woolpert, 420187
Marianne Woolpert, 420219
Stephen G. Woolpert and Elizabeth M. Woolpert, 420221
Joseph Woolpert, 420222
Melissa E. Woolpert, 420223

1995, \$72,173.00 Claim for Refund

Considered by the Board: November 12, 2008

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Mandel, seconded by Mr. Leonard and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board adopted a decision granting the petition for rehearing.

HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE MATTERS, ADJUDICATORY

Sharon A. Maniaci, 406657

2005, \$472.60

Cheryl A. Thomas, 404987

2005, \$347.50

Nga Phan, 406782

2005, \$448.21

Louise Courtney, 414112

2005, \$1.00 or more

Felicita S. Ibarra, 414184

2005, \$347.50

Ira N. Kanarek, 414863

2005, \$347.50

Considered by the Board: Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board adopted a decision reversing the action of the Franchise Tax Board.

Catherine H. Ung, 423820

2007, \$347.50

Considered by the Board: April 15, 2009

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board adopted a decision sustaining the action of the Franchise Tax Board.

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SALES AND USE TAX MATTERS, REDETERMINATIONS AND RELIEF OF PENALTIES, ADJUDICATORY

Richard W. Boothman, 348231 (OH)

7-1-03 to 12-31-03, \$67,919.50

Considered by the Board: Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board approved the redetermination as recommended by staff.

Joyce M. Wooley, 348230 (OH)

7-1-03 to 12-31-03, \$67,919.50

Considered by the Board: Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board approved the redetermination as recommended by staff.

FFPE, LLC, 479433 (FH)

4-1-08 to 6-30-08, \$65,830.40

Considered by the Board: Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board approved the relief of penalty as recommended by staff.

ADMINISTRATIVE SESSION**ADMINISTRATIVE MATTERS, CONSENT**

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Ms. Steel, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board made the following orders:

Action: Adopt the following resolutions extending its best wishes on their respective retirements and its appreciation for their service to the State Board of Equalization and the State of California. (Exhibit 5.4.)

Jose (Joe) C. DeLeon, Associate Tax Auditor, Van Nuys District Office
Wayne Fortier, Business Tax Specialist I, Van Nuys District Office
Carl L. Herth, Supervising Tax Auditor III, Riverside District Office
Craig Kisro, Associate Tax Auditor, Van Nuys District Office
Roy Warren, Jr., Associate Programmer Analyst, Technology Services Division,
Headquarters

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Action: Approve the Board Meeting Minutes of February 25-26, 2009 and March 16-17, 2009.

Action: Adopt the 4-R Act Equalization Ratio for 2009-10. (Exhibit 5.5.)

Action: Approve the proposed new Audit Manual section 1208.50, *Solar Energy Systems*. (Exhibit 5.6.)

ADOPTION OF BOARD COMMITTEE REPORTS AND APPROVAL OF COMMITTEE ACTIONS

Legislative Committee

Action: Upon motion of Ms. Steel, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board approved the Legislative Committee report and the actions therein. (Exhibit 5.7.)

Committee votes were as follows:

A motion to adopt the addition of section 14673.11 to the Government Code unanimously passed with Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes.

A recommendation of support for AB 15, AB 50, AB 79, AB 157 and AB 311 unanimously passed with Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes.

A recommendation of support for AB 852 duly passed with Ms. Yee, Dr. Chu and Ms. Mandel voting yes, Mr. Leonard and Ms. Steel voting no.

OTHER ADMINISTRATIVE MATTERS

Executive Director's Report

Ramon Hirsig, Executive Director, provided a report regarding time extensions to Butte, Kern, Kings, Lassen, Los Angeles, Madera, Mariposa, Monterey, Orange, Placer, Sacramento, San Diego, San Luis Obispo, Santa Cruz, Sierra, Sonoma, Sutter, Tehama, Trinity, Tulare and Yolo Counties to complete and submit 2009-10 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155. (Exhibit 5.8.)

Ramon Hirsig, Executive Director, congratulated the Board of Equalization's *Taxpayer Appeals Assistance Program* for being acknowledged by the Federation of Tax Administrators (FTA) as a co-winner of the *2009 FTA Award for Taxpayer Service and Education*.

Mr. Leonard thanked and congratulated all the staff of the Taxpayer's Bill of Rights Section and the Legal Department staff who work with the Taxpayer Appeals Assistance Program for their hard work.

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Deputy Directors Reports

Randie Henry, Deputy Director, Sales and Use Tax Department, provided an update regarding the issue paper 08-014, Proposal to Raise the Threshold for Board Member Approval of Refunds in Excess of \$50,000. (Exhibit 5.9.)

The Board directed staff to compose an explanatory disclaimer with a list of “usual explanations” and make it available when any taxpayer information is publicly made available.

Action: Upon motion of Dr. Chu, seconded by Ms. Yee and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board delegated authority to staff to grant or deny refunds authorized by Revenue and Taxation Code sections 6901, 8126, 9151, 12977, 30361, 32401, 38601, 40111, 41100, 43451, 45651, 46501, 50139, 55221, and 60521, unless the refunds exceed \$100,000; delegated authority to staff to grant or deny refunds of the Private Railroad Car Tax authorized by Revenue and Taxation Code section 11551, unless the refunds exceed \$100,000; and, additionally the Board directed staff to amend the Board’s regulations to incorporate the delegations.

Elizabeth Houser, Deputy Director, Administration Department, made a presentation regarding contracts over \$1 million. (Exhibit 5.10.)

Action: Upon motion of Mr. Leonard, seconded by Dr. Chu and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board approved the contract renewal for the Department of Motor Vehicles and the contract amendment for the Maryland Teksystems, Inc.

Mr. Leonard directed staff to question the means of payment for taxes and registration for the Department of Motor Vehicles when a change of vehicle registration is required.

Elizabeth Houser, Deputy Director, Administration Department, provided an update on the on-going projects at 450 N Street and provided an update on the site search.

Ms. Yee requested that the Department of General Services’ consultant, LaCroix Davis, be available for the June Board meeting to present and discuss their recent water intrusion report.

Elizabeth Houser, Deputy Director, Administration Department, provided an update regarding the 2009/10 budget and the furlough plan.

Anna Brannen, Chief, Technologies Services Division, provided an update on the Digital BOE activities.

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**FINAL ACTION ON SALES AND USE TAX APPEALS HEARINGS HELD
MAY 27, 2009**

Ultradent Products, Inc., 215829 (OH)

Final Action: Upon motion of Dr. Chu, seconded by Ms. Yee and duly carried, Ms. Yee, Dr. Chu, Mr. Leonard and Ms. Mandel voting yes, Ms. Steel voting no, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

Shirley Everett-Dicko and Donald Ray White, 342570 (CH)

Final Action: Upon motion of Dr. Chu, seconded by Mr. Leonard and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that seven months of interest be relieved, otherwise redetermined as recommended by the Appeals Division.

Ahmed Bahman Lari, 406718 (AR)

Final Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

Softbyte, LLC, 436211 (GH)

Final Action: Upon motion of Dr. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

**FINAL ACTION ON PETITION FOR RELEASE OF SEIZED PROPERTY HELD
MAY 27, 2009**

U.S. Business Associates, Inc., 469810 (ET)

Final Action: Upon motion of Dr. Chu, seconded by Ms. Yee and unanimously carried, Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board determined that staff properly seized the tobacco products.

Ms. Steel directed staff to check on the invoice that the taxpayer referenced during the hearing that might not have been accounted for, before seizing all property.

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 4:00 p.m. and reconvened immediately in closed session with Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel present.

CLOSED SESSION

The Board met to discuss pending litigation (Gov. Code § 11126(e) and 11126(e)(2)(B)(i)), settlements (Rev. & Tax. Code §§ 7093.5, 9271, 30459.1, 32471, 40211, 41171, 43522, 45867, 46622, 50156.11, 55332, and 60636) and personnel matters (Gov. Code § 11126(a)).

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The Board recessed at 4:14 p.m. and reconvened immediately in open session with Ms. Yee, Dr. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel present.

The Board adjourned at 4:15 p.m.

The foregoing minutes are adopted by the Board on July 21, 2009.

Note: The following matters were removed from the calendar prior to the meeting: *URS Corporation, 389145; Smoke Rings, Inc., 391126 (AR); Rami Michell Darghalli, 402639 (AR); Rami Michell Darghalli and Faiz Mohamed Munassar, 404172 (AR); John D. Bogdanoff and Janora G. Bogdanoff, 440634; and, Arlene Send, 403763.*