



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
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Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

KRISTINE CAZADD
Executive Director

STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
July 24-26, 2012

PRELIMINARY RECORD OF BOARD ACTION

Tuesday, July 24, 2012

The following is a preliminary record of Board actions taken at the July 24-26, 2012 Culver City 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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A. Homeowner and Renter Property Tax Assistance Appeals Hearings
There are no items for this matter.

B. Corporate Franchise and Personal Income Tax Appeals Hearings

B1. David Du Tran and Thuyen Thi Tran, 547815

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. The Board ordered that the appeal be submitted for decision, granting the Franchise Tax Board 60 days to submit supporting documents, the appellant 30 days to respond, and the Appeals Division 30 days thereafter to review the parties' submissions and provide its recommendation to the Board.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B2a. William Justice and Lisa Blinderman, 573575

B2b. Michael L. Panek and Tracy Panek, 585508

B2c. David Sterling, 585513

B2d. Mark Cronin and Lois Cronin, 586117

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' appeals denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B3. — JK Group, LLC, 448306

B4. Manik R. Bose and Devika Bose, 574066

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' appeal denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B5. — Yolanda Molina and Alejandro Molina, 553853

B6. Daniel R. Marcotte, 589131

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. The Board ordered that the appeal be submitted for decision, granting the appellant 30 days to submit supporting documents, the Franchise Tax Board 30 days to respond, and the Appeals Division 30 days thereafter to review the parties' submissions and provide its recommendation to the Board.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B7. Robert C. Johnson and Ruby B. Johnson, 574843

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final determination. Decision deferred to next Board meeting.	Mr. Horton Ms. Steel Mr. Runner Ms. Yee Mr. Chiang/ Ms. Mandel	

B8. Will C. Jamison and Lynette P. Jamison, 576614

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' appeal dismissed.	Mr. Horton Ms. Steel Mr. Runner Ms. Yee Mr. Chiang/ Ms. Mandel	

B9. Irene C. Tritz, 592022

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

B10. Ruby Jeffery, 595546—Waived Appearance

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

B11. ~~Shin P. Yang and Connie L. Deng, 589501~~

B12. Levern Staples, 589098

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

C. Sales and Use Tax Appeals Hearings

These items are scheduled for Wednesday, July 25, 2012, and Thursday, July 26, 2012.

There are no items for the following matters:

- D. Special Taxes Appeals Hearings
- 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. No final determination on sub-items 4a-b and 16.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

➤ Hearing Notices Sent – No Response

1. P.D.S., Inc., 512220 (EA)
2. Steve William Nolan, 523275 (EH)
3. Sevan Derohanian, 530164 (AC)
- 4a. ~~Saad Dawood Pattah, 479619 (FH)~~
- 4b. ~~Annand Nadir Sliuman, 475771 (FH)~~
5. Ram Milo, 491197 (AS)
6. Mark Garduno, 358093, 418990 (EA)
7. Legend Labels & Card Printing, Inc., 521219 (FH)
8. Cathy L. Rowland Cooley, 547366 (UT)
9. Nicola's Nightclub, Inc., 528280, 528699 (AA)
10. Ben A.B.F., Inc., 533735 (AP)
11. V.91., Inc., 529709 (EH)
12. Godwin Emonena Abodoh, 528671 (EH)
13. Keith Robert Smith, 461729, 483158 (FH)

14. HD Media, Inc., 491768 (AP)
15. AAF Business Corporation, 530437 (AS)
16. ~~Sharon E. Melamed, 516151 (AS)~~
17. Quick Trip, Inc., 493394 (FH)
18. Asanti Fine Jewellers, LTD., 441235 (AP)
19. Rubidoux Enterprises, Inc., 549959, 573163 (EH)
20. All Out Of, Inc., 533725 (EH)
21. Raza Mahmud, 528594, 528659 (AA)
22. Union Station Venture One Corp., 512063, 515151 (AA)
- 23a. TJ Fresh Baja Grill, 521238 (EH)
- 23b. Ramon De Lao and Elvia O. De Lao, 521437 (EH)
- 23c. Ramon De Lao and Martha E. Hernandez, 521056 (EH)
- 23d. Javier Orozco Mendoza and Ramon De Lao, 521059 (EH)
- 23e. Javier Orozco Mendoza and Ramon De Lao, 521057 (EH)
- 23f. Javier Orozco Mendoza, Ramon De Lao and Martha E. Hernandez, 521058 (EH)
- 23g. Javier Orozco Mendoza and Ana R. Mendoza, 521438 (EH)
24. Gabriel Ocampo, 525172 (EA)
- Petitions for Release of Seized Property
25. Manjeet Singh Bedi, 607229 (ET)
26. Raj K. Narayan and Maya Wati Narayan, 608497 (ET)

G2. Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Decisions
1. Robert L. Blair and Cheryl L. Blair, 520199, 523715
2. Cleanright Enterprise, Inc., 563988
3. Rodney L. Davis, 569025
4. John M. Fleischman (Deceased), 557364
5. James A. Gregoline, 554339
6. Judith L. Heavens, 552473
7. Nasser Nouri and Azadeh Sadatshirazi, 556547
8. Don Patino, 547510
9. Tsegie G. Woldezhghi, 511615

G3. Homeowner and Renter Property Tax Assistance Matters

There are no items for this matter.

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Redeterminations
 1. Panasonic Corp. of North America, 575617 (OH)
 2. Castle B., Inc., 535063 (KH)
- Relief of Penalty/Interest
 3. Univar USA, Inc., 608558 (OH)
 4. Carmax Auto Superstores California, LLC, 608088 (OH)
- Denials of Claims for Refund
 5. Mainline Information Systems, Inc., 475407 (OH)
 6. Mullen Bros., Inc., 496732 (AC)

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item 3.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Credits and Cancellations
 1. Avica Technology Corp., 562453 (AS)
 2. Numero Uno, Inc., 576371 (AP)
 3. ~~Roberto Difranchesco, 352493 (EH)~~
- Refunds
 4. Business Incentives, Inc., 529362 (OH)
 5. Key Information Systems, Inc., 588593 (AC)
 6. Owens & Minor Distribution, Inc., 589784 (OH)
 7. Valley Power Systems, Inc., 606757 (AP)
 8. Travis Credit Union, 594918 (JH)
 9. Directv, Inc., 334361 (AS)
 10. United Healthcare Services, Inc., 531491 (OH)
 11. Mullen Bros., Inc., 496732 (AC)
 12. Infor Global Solutions (MI), Inc., 578286 (OH)
 13. Financial Partners Credit Union, 594103 (AA)
 14. Navteq North America, LLC, 607036 (OH)
 15. Parsons RCI, Inc., 572037 (OH)

G6. Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

➤ Redetermination

1. J and K Tobacco Corporation, 424171 (ET)

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

➤ Refunds

1. CFJ Properties, 568815 (MT) 'CF'
2. Tesoro Refining and Marketing Co., 567152 (MT) 'CF'

There are no items for the following matters:

- 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

This item is scheduled for Wednesday, July 25, 2012.

Administrative Session**N. Consent Agenda**

These items are scheduled for Wednesday, July 25, 2012.

- O. Adoption of Board Committee Reports and Approval of Committee Actions
There are no items for this matter.
- P. **Other Administrative Matters**
These items are scheduled for Wednesday, July 25, 2012.
- Q. **Closed Session**
These items are scheduled for Wednesday, July 25, 2012.

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STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
July 24-26, 2012

PRELIMINARY RECORD OF BOARD ACTION

Wednesday, July 25, 2012

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C. Sales and Use Tax Appeals Hearings

- C1a. Randeep Singh Dhillon, 485664 (AR)
 C1b. Beale Monterey Enterprises, Inc., 485668 (AR)
 C1c. Sam Sambee Enterprises, Inc., 485729 (AR)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Postponed to October Board meeting.	Mr. Horton Ms. Steel Mr. Runner Ms. Yee Mr. Chiang/ Ms. Mandel	

- C2. Tarun Maitra, Soma Prasad, Partha Sarathi Sinha and Basudha Sinha, 473027 (AA)

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

C3. Bas Food Services, Inc., 507142 (EA)

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

C4. Karlen Antonyan, 472389 (AC)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied. The Board directed staff to inform the taxpayer of the Offer in Compromise program.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C5. Juana Maria Olmos, 496090 (AC)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Postponed to October Board meeting.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C6. Macradij Sarkis Yacoubian, 508838 (AC)~~~~C7. AF Services, LLC, 527382, 577082 (AS)~~

C8. Richard J. Robledo and Gloria M. Robledo, 483571 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition granted.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C9. Imad Elias Mahli and Elias Niman Mahli, 531323 (EH) - Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied. Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C10. Elite Cert' Auto Service & Tires, Inc., 550595 (EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. 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 parties' submissions and provide its recommendation to the Board, unless the Department deems that a reaudit is necessary.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

Chief Counsel Matters**M. Other Chief Counsel Matters**

M1. Resolution Conferring Powers on the Executive Director

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

Administrative Session**N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- N1. Board Resolution
- Jan K. Ishii

P. Other Administrative Matters

- P1. Executive Director's Report
1. CROS Project Update and Actions

There are no items for the following matters:

- P2. Chief Counsel Report
- P3. Sales and Use Tax Deputy Director's Report
- P4. Property and Special Taxes Deputy Director's Report
1. Adoption of the 2012/13 Private Railroad Car Tax Rate – 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

2. Adoption of the 2012 Private Railroad Car Roll –'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

3. Adoption of the 2012 State-Assessed Property Roll – ‘CF’

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

4. Fire Prevention Fee Program

There are no items for the following matters:

P5. Administration Deputy Director's Report

P6. Technology Deputy Director's Report

P7. External Affairs Deputy Director's Report

Q. Closed Session

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July 24-26, 2012

PRELIMINARY RECORD OF BOARD ACTION

Thursday, July 26, 2012

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C. Sales and Use Tax Appeals Hearings

C11. Phillip C. Strickland, 480561 (UT)

Table with 3 columns: DECISION, MEMBER, BOARD VOTE. Row 1: Taxpayer's petition denied, Mr. Horton, Yes. Row 2: The Board directed staff to inform the taxpayer of the Offer in Compromise program, Ms. Steel, No. Row 3: (Continuation of previous row), Mr. Runner, Yes. Row 4: (Continuation of previous row), Ms. Yee, Yes. Row 5: (Continuation of previous row), Mr. Chiang/ Ms. Mandel, Yes.

C12. Deanna Robinson Interiors, Inc., 519485 (EA)

C13. Francis Stephan Ghosal, 445460, 464724, 468127 (FH)

C14. Max Express, Inc., 464061 (AA)

C15. Daniel Wallace and Grisel M. Wallace, 420232 (UT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C16. Gateway Auto Center, Inc., 437262 (AS)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	No
	Mr. Runner	No
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C17. Blue Baroness, LLC, 519591 (UT)~~~~C18. Jerry Pena, 478061 (EH)~~

C19. DKL Intertrading, Inc., 436179 (AP)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	No
	Mr. Chiang/ Ms. Mandel	Yes

~~C20. Joaquin E. Hernandez, 523684 (AA)~~~~C21. Richard Festo Bwogi, 514577 (AS)~~