



STATE BOARD OF EQUALIZATION  
450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080  
(916) 322-2270 • FAX (916) 324-3984  
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BETTY T. YEE  
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Second District, Lancaster  
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Third District, Orange County  
JEROME E. HORTON  
Fourth District, Los Angeles  
JOHN CHIANG  
State Controller  
CYNTHIA BRIDGES  
Executive Director

**STATE BOARD OF EQUALIZATION MEETING**  
**5901 Green Valley Circle, Room 207, Culver City**  
**June 24-26, 2014**

**PRELIMINARY RECORD OF BOARD ACTIONS**

**Tuesday, June 24, 2014**

The following is a preliminary record of Board actions taken at the June 24-26, 2014 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. ~~Rajparkash Singh, 608445~~
  - B2. ~~Unified Precious Metals, Inc., 606172~~
  - B3. ~~Semyon Shekhter and Elena Shekhter, 740750~~
  - B4. Richard A. Hall, 533898

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

## B5. Ilona Foyer, 569037

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Mr. Horton	Yes
The Board ordered Appeals Division staff to hold a conference with the parties and provide its recommendation to the Board.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~B6. Rob Zakir and Raya Zakir, 624832~~

## B7. Youram Nassir and Shirin Farzadmehr, 739070

<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

## B8. Ellen Gruber, 728277

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

## B9. Willard M. Christine, 743543

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

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

These items are scheduled for Wednesday and Thursday, June 25 and 26, 2014.

**D. Special Taxes Appeals Hearings**

These items are scheduled for Thursday, June 26, 2014.

**E. Property Tax Appeals Hearings**

There are no items for this matter.

**F. Public Hearings**

## F1. Timber Harvest Values and Modified Harvest Values

<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

F2. [Business Taxpayers' Bill of Rights Hearings](#)F3. [Property Taxpayers' Bill of Rights Hearings](#)**Tax Program Nonappearance Matters**

The following items are scheduled for Wednesday, June 25, 2014.

- G. Tax Program Nonappearance Matters – Consent
- 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****N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.  No final determination on sub-items N5.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## N1. Retirement Resolutions

- Brenda Hail
- Jullie Stricker

## N2. Approval of Board Meeting Minutes

- May 22, 2014

## N3. Approval of Corrected Board Meeting Minutes

- October 31, 2013

N4. Proposed Revisions to Audit Manual, Chapter 4, *General Audit Procedures*N5. ~~Proposed Revisions to Compliance Policy and Procedures Manual, Chapter 5, *Returns*~~N6. Proposed Revisions to Compliance Policy and Procedures Manual Chapter 7, *Collections*

- O. Adoption of Board Committee Reports and Approval of Committee Actions  
There are no items for this matter.

**P. Other Administrative Matters**

P1. Executive Director's Report

1. Report on time extensions to Amador, Colusa, Glenn, Humboldt, Inyo, Lassen, Los Angeles, Madera, Mendocino, Monterey, Nevada, San Benito, San Joaquin, Santa Cruz, and Sonoma Counties to complete and submit 2014/15 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155.
- ~~2. Summons to Annual Meeting of the Board and County Assessors and Proposed Meeting Location~~
3. CROS Project Update and Actions

~~P2. Chief Counsel's Report~~

- ~~1. A report on the constitutionality of the Board of Equalization's Taxpayer Bill of Rights~~

There are no items for the following matters:

P3. Sales and Use Tax Deputy Director's Report

P4. Property and Special Taxes Deputy Director's Report

P5. Administration Deputy Director's Report

1. 2014/15 Budget Update

There are no items for the following matters:

P6. Technology Deputy Director's Report

P7. External Affairs Deputy Director's Report

**Q. Closed Session**



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**Wednesday, June 25, 2014**

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

**Local Tax Reallocation Hearing**

C1. City of Fillmore, 626418

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Jurisdiction's petition granted.	Mr. Horton	Yes
The Board's decision was not held in abeyance pending adoption of a summary decision for publication.	Ms. Steel	No
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**Sales and Use Tax Appeals Hearings**

~~C2. PCS Wireless, Inc., 572015 (EA)~~

~~C3. Golden Tran III, Inc., 579091 (AC)~~

~~C4. Eva Marie Tice, 484005 (UT)~~

~~C5. Garo Apo Garabedian, 522650 (AP)~~

~~C6. Osteria Panevino, Inc., 529994 (FH)~~

## C7. Andrew Steven Roganson, 538417, 737457 (AC)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition and claim partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
The Board removed the failure-to-file penalty.	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C8. Pamela Jane Everett, 426785 (EH)~~

## C9. Seyednasrollah Mirghafouri, 574269 (EA)

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

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

## G1. Legal Appeals Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item 8.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Hearing Notice Sent – No Response

1. Alchemy Restaurant Group, LLC, 598242 (FH)
2. Duwop, LLC, 573923 (AC)
3. Sami Z. Elias, 588528 (FH)
4. Jose Luis Franco, 607398 (EH)
5. Herbal Love Caregivers/Blvd., Inc., 495223 (AS)
6. Hospitality Furniture Group, Inc., 547391 (BH)
7. I.I. Fuels, 572009 (EA)
8. ~~Jeffrey Scott Mankins, 467919, 760227 (FH)~~
9. Medical Caregivers Co-Op, Inc., 573076 (AP)
10. Micro Matrix Systems, 606809 (EH)
11. Motus Brothers Restaurant Group, 548321, 551304 (EA)
12. Nativity Medical, Inc., 552586 (AS)
13. Hugo Alfredo Orellana and Dora Alicia Orellana, 525118 (AC)

14. Raul C. Ramirez, 494773 (EH)
15. Nusrat Siddique and Tania Khondoker, 521063 (AC)
16. Smart Office Interiors, 556752 (GH)
- 17a. Janis De La Torre, 594888 (STF)
- 17b. Janis De La Torre, 594889 (STF)
- Hearing Notice Sent – Appearance Waived
18. Raku Japanese Restaurant, Inc., 593204 (AC)
- Petitions for Release of Seized Property
19. Sodhi Singh Bains, 785893 (STF)
20. Miguel Torres-Campos, 745234 (STF)
21. Rouaida Hanna Charestan, 781909 (STF)
22. Tony & Mathew, Inc., 785014 (STF)

## 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. John M. Amaral and Doreen A. Amaral, 595890
  2. Marcos S. Armenta and Renee M. Armenta, 739040
  3. Mary E. Bissell, 722300
  4. Arthur Black, 721471
  5. Breitburn Management Company, LLC, 488021
  6. Cards Limited Liability Company, 734183
  7. Robert L. Chase, Jr., 709616
  8. Velma Chavis, 728963
  9. Kenneth Cook and Margery Cook, 727426
  10. Carl Covitz and Aviva Covitz, 725800
  11. Dustin S. Currey, 734186
  12. De Tolosa Ranch Limited Partnership, 716926
  13. Cari Foote and Ronald Foote, 729691
  14. Gary N. Hall, 574103
  15. Mark A. Hanacek and Lismer C. Ramos Hanacek, 596689
  16. Headcount Management, 605760
  17. Kliewer-Olivero, Inc., 738581
  18. Karen Knecht, 719341
  19. Bradley McPhee and Patricia Tagliolini, 730133
  20. John D. Moore and Karen K. Moore, 724749
  21. Shaunie O'Neal, 739994
  22. James P. Pezanoski, 703879
  23. Redwood Warehousing, 739998
  24. Zhen Z. Song (Jenjen Song), 533716
  25. The Trade Machine Corporation, 711988

26. Todd Felciano Construction Company, 720755
27. Lance Townley, 608600
28. Lorraine Vondeauxplette, 612828
29. Young.Ward, Attorneys, 741807
30. Young Ward & Lothert, A Partnership, 732523
31. Stacy Zimmerman, 624793

➤ Petitions for Rehearing

32. Rick Burningham, 688096
33. Paul S. Entin, 575896
34. Masami Hirata, 606576

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. Corpro Companies, Inc., 734719 (OH)
2. Lucky Stores, Inc., 362673 (OH)
3. OCE Financial Services, Inc., 719336 (OH)
4. Unger Construction, Co., 576303 (KH)

➤ Relief of Penalty/Interest

5. Fisher Scientific Co., LLC, 803460 (OH)
6. Victoria's Secret Stores, LLC, 800654 (OH)
7. Burlington Coat Factory of California, LLC, 800656 (OH)

➤ Denials of Claims for Refund

8. Sony Electronics, Inc., 742010 (OH)
9. Larry Harmon & Associates, P.A., 552853 (KH)

➤ Grant-One Day Interest Relief

10. Advanced Fixtures, Inc., 799659 (OH)
11. Med Exchange International, Inc., 799660 (OH)
12. Roku, Inc., 799678 (GH)
13. TD Oil & Gas, LLC, 799680 (CH)
14. HD Supply Repair & Remodel, LLC, 799666 (OH)
15. Cellerant Therapeutics, Inc., 803465 (BH)
16. Sullivan Solar Power of California, Inc., 799665 (FH)

## 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
	Ms. Steel	Yes – except not participating in sub-item 9
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-items 19 and 25

- Credits and Cancellations
  1. Elizabeth Lamont, 510412 (AS)
  2. Circuit City Stores West Coast, Inc., 514179 (OH)
  3. Pro-Motors Corp., 797417 (EA)
- Refunds
  4. Siemens Healthcare Diagnostics, Inc., 724810 (OH)
  5. Intermetro Industries Corp., 577345 (OH)
  6. Payless Shoe Source, Inc., 796194 (OH)
  7. Sony Electronics, Inc., 742010 (OH)
  8. PetSmart, Inc., 795787 (OH)
  9. ConocoPhillips Company, 797631 (OH)
  10. Vacco Industries, 568182 (AP)
  11. Mercedes-Benz USA, LLC, 796445 (KH)
  12. BMW of North America, 799092 (OH)
  13. BMW of North America, 800355 (OH)
  14. US Bank NA, 578458 (OH)
  15. RSC Equipment Rental, Inc., 794475 (OH)
  16. Owens & Minor Distribution, Inc., 609185 (OH)
  17. Ally Financial, Inc., 598236 (OH)
  18. Arrowhead Central Credit Union, 772182 (EH)
  19. DirecTV Operations, Inc., 313706 (AS)
  20. Best Buy Stores, LP, 791349 (OH)
  21. Clorox Service Company, 798787 (CH)
  22. Americredit Financial Service, Inc., 734431 (OH)
  23. Balboa Thrift & Loan Association, 772561 (FH)
  24. United Auto Credit Corporation, 791477 (EA)
  25. DirecTV, LLC, 334363 (AS)
  26. KC Employees Federal Credit Union, 769184 (DF)
  27. Arista Networks, Inc., 726795 (GH)

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

**H. Tax Program Nonappearance Matters – Adjudicatory**

## H1. Legal Appeals Matters

## ➤ Case Heard Not Decided

## 1. Benalex Windows &amp; Doors Corp., 446664 (AA)

<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	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

H2. Franchise and Income Tax Matters

H3. Homeowner and Renter Property Tax Assistance Matters

H4. Sales and Use Taxes Matters

H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

## ➤ Section 40 (AB 2323) Matter

## 1. SEL Retail Operations, 735345 (OH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted the written summary decision as presented by staff.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

H6. Special Taxes Matters

H7. Special Taxes Matters – Credits, Cancellations, and Refunds

H8. Property Tax Matters

H9. Cigarette License Fee Matters

H10. Legal Appeals Property Tax Matters

**I. Tax Program Nonappearance Matters**

## I1. Property Taxes Matters

There are no items for this matter.

## 12. Offer in Compromise Recommendations

<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

1. Natividad Escobedo Alfaro
2. Alice Bowler
3. Irene Bracamonte
4. Michael J. Brick
5. Khurshid K. Choudhry
- 6a. Michael E. Dolinar
- 6b. Lisa A. Dolinar
7. Guillermo Zamora Gutierrez
8. Alice J. Kilgore
9. Guillermina Rodriguez
10. Hassan Abdelrahim Talli
11. Waldeck's, Inc.

13. Local Tax Reallocation Matters  
There are no items for this matter.



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**PRELIMINARY RECORD OF BOARD ACTIONS**

**Thursday, June 26, 2014**

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

C10. Raymond Harry Simmons, 531521 (AS)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Mr. Horton	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 parties' submissions and provide its recommendation to the Board.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C11. Leonard J. Silberman, 607254 (EA)~~

~~C12. Dastigir G. Omar, 609881 (EH)~~

**D. Special Taxes Appeals Hearings**

D1a. Nyoka Edy, 563276 (STF)

D1b. Nyoka Edy, 563277 (STF)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' petition denied.	Mr. Horton	Yes
The Board directed staff to inform the taxpayer of the Offer in Compromise program.	Ms. Steel	No
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**Cigarette Licensing Penalty Appeal**

D2. Benny Le Huynh, 640263 (STF)

<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