

STATE BOARD OF EQUALIZATION



Appeal Name: HOWARD BRIEF

Case ID: 530872 ITEM #: B2

Date: JUNE 21, 2011 Exhibit No: _____

TP FTB DEPT _____

Like-Kind Exchanges

(and section 1043 conflict-of-interest sales)

2004

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.

Attachment
Sequence No. **109**

Name(s) shown on tax return

Identifying number

HOWARD BRIEF

Part I Information on the Like-Kind Exchange

Note: If the property described on line 1 or line 2 is real or personal property located outside the United States, indicate the country.

1	Description of like-kind property given up ▶	COMMERCIAL BLDG./ELECTRIC AVE./SEAL BEACH	
2	Description of like-kind property received ▶	30362 VIA FESTIVO/S.J.C., CA	
3	Date like-kind property given up was originally acquired (month, day, year)	3	1/01/81
4	Date you actually transferred your property to other party (month, day, year)	4	12/01/04
5	Date like-kind property you received was identified by written notice to another party (see instructions for 45-day written notice requirement) (month, day, year)	5	2/07/05
6	Date you actually received the like-kind property from other party (month, day, year) (see instructions)	6	6/21/05
7	Was the exchange of the property given up or received made with a related party, either directly or indirectly (such as through an intermediary) (see instructions)? If "Yes," complete Part II. If "No," go to Part III	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Part II Related Party Exchange Information

8	Name of related party	Relationship to you	Related party's identifying number
Address (no., street, and apt., room, or suite no., city or town, state, and ZIP code)			
9	During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did the related party directly or indirectly (such as through an intermediary) sell or dispose of any part of the like-kind property received from you in the exchange?		<input type="checkbox"/> Yes <input type="checkbox"/> No
10	During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did you sell or dispose of any part of the like-kind property you received?		<input type="checkbox"/> Yes <input type="checkbox"/> No
If both lines 9 and 10 are "No" and this is the year of the exchange, go to Part III. If both lines 9 and 10 are "No" and this is not the year of the exchange, stop here. If either line 9 or line 10 is "Yes," complete Part III and report on this year's tax return the deferred gain or (loss) from line 24 unless one of the exceptions on line 11 applies.			
11	If one of the exceptions below applies to the disposition, check the applicable box:		
a	<input type="checkbox"/> The disposition was after the death of either of the related parties.		
b	<input type="checkbox"/> The disposition was an involuntary conversion, and the threat of conversion occurred after the exchange.		
c	<input type="checkbox"/> You can establish to the satisfaction of the IRS that neither the exchange nor the disposition had tax avoidance as its principal purpose. If this box is checked, attach an explanation (see instructions).		

Part III Realized Gain or (Loss), Recognized Gain, and Basis of Like-Kind Property Received

Caution: If you transferred and received (a) more than one group of like-kind properties or (b) cash or other (not like-kind) property, see Reporting of multi-asset exchanges in the instructions.

Note: Complete lines 12 through 14 only if you gave up property that was not like-kind. Otherwise, go to line 15.

12	Fair market value (FMV) of other property given up	12	
13	Adjusted basis of other property given up	13	
14	Gain or (loss) recognized on other property given up. Subtract line 13 from line 12. Report the gain or (loss) in the same manner as if the exchange had been a sale	14	
15	Cash received, FMV of other property received, plus net liabilities assumed by other party, reduced (but not below zero) by any exchange expenses you incurred (see instructions)	15	
16	FMV of like-kind property you received	16	1,793,726
17	Add lines 15 and 16	17	1,793,726
18	Adjusted basis of like-kind property you gave up, net amounts paid to other party, plus any exchange expenses not used on line 15 (see instructions)	18	356,071
19	Realized gain or (loss). Subtract line 18 from line 17	19	1,437,655
20	Enter the smaller of line 15 or line 19, but not less than zero	20	0
21	Ordinary income under recapture rules. Enter here and on Form 4797, line 16 (see instructions)	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797, unless the installment method applies (see instructions)	22	0
23	Recognized gain. Add lines 21 and 22	23	
24	Deferred gain or (loss). Subtract line 23 from line 19. If a related party exchange, see instructions	24	1,437,655
25	Basis of like-kind property received. Subtract line 15 from the sum of lines 18 and 23	25	356,071

TAXPAYER EXHIBIT

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