



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
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Fourth District, Los Angeles

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State Controller

RAMON J. HIRSIG
Executive Director

STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
FEBRUARY 27-28, 2007
NOTICE AND AGENDA (Update 2/27/07)

Tuesday, February 27, 2007 **"Listen Live"**

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

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chairwoman, Ms. Yee, may modify the order of the items on the agenda.

ORAL HEARINGS

A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS
These items are scheduled for Wednesday, February 28, 2007.

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS
These items are scheduled for Wednesday, February 28, 2007.

C. SALES AND USE TAX APPEALS HEARINGS
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C1. UCI University Club, 290120 (EA)
For Petitioner: Suzanne Beaudelaire, Representative
Dave Tomcheck, Representative
For Department: Robert Stipe, Tax Counsel

C2. Eugene Tripp, 286863 (AS)
For Petitioner: Eugene Tripp, Taxpayer
For Department: Kevin Hanks, Hearing Representative

C3. DC Motors, LLC, 285802 (EA)
For Petitioner: Doug Ramirez, Taxpayer
Erin Arroyo, Accountant
For Department: Robert Stipe, Tax Counsel

- C4. Carpet U.S.A., Ltd., 299501 (AS)
 For Petitioner: Jerry Agam, Taxpayer
 Lien Tien, Accountant
 For Department: Sharon Jarvis, Tax Counsel
- C5. Hosmer Chandler McKoon, 273016 (EA)
 For Petitioner: Hosmer McKoon, Taxpayer
 Dennis Connelly, Attorney
 Lois McKoon, Witness
 For Department: Robert Stipe, Tax Counsel
- C6. Elier A. Rivera, 259745 (AA)
 For Petitioner: Elier Rivera, Taxpayer
 For Department: Sharon Jarvis, Tax Counsel
- C7. Rafinity, Inc., 244305 (AS)
 For Petitioner: Nazareth Sadorian, Enrolled Agent
 For Department: Kevin Hanks, Hearing Representative

G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT

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

G1 Legal Appeals MattersMr. Levine

- Petition for Rehearing
 1. B & R Industries, Inc., 254513 (EA)
- Hearing Notice Sent – No Response
 2. Paul Marcynyszyn, 266730 (EH)
 3. Acromedia Systems, Incorporated, 288207 (AS)
 Oliver P. Lasley, 288208 (AS)
 Merle Janine Vaughn, 288209 (AS)
 4. Le Roy Properties, Inc., 272699 (EH)
 5. Ascend Communications, Inc., 253790, 297471 (CH)
- Petitions for Release of Seized Property
 6. Roy's Liquor & Market, Inc., 380233 (ET)
 7. Elma Margarita Fernandez, 383169 (ET)

G2 Franchise and Income Tax Matters..... Mr. Schreiter

- Decisions
 1. Cheryl Lynn Blankenbiller, 333115
 2. Arnold Bryman, 342582
 3. Thomas R. Camerato, 311016
 4. Stewart B. Cole, 341511
 5. Regine De Guzman, 349011
 6. DPEX, Inc., 287820
 7. Jennifer G. Frost, 346081
 8. Mansour Khajehjahromi, 348938
 9. Joel Kreiner, 340869

10. Gregory H. Mikkelsen, 343668
11. Ronald C. Nelson, 329716
12. Mohammad H. Nili, 349309
13. Steven A. Schellenger, 341905
14. Derrick R. Stephens, 330557
15. John S. Ballard, 339524
16. Rick Burningham, 330830
17. Tennison Dong, 339976
18. Andrea Erickson, 330530
19. Robert Frankson, 316456
20. Patrick E. Galvin, 333157
21. Carol Grant, 328920
22. Richard Grant, 335775
23. Charles A. Harris, 328928
24. Byron Hoffman, 327674, 339738
25. David Klein, 316299, 342006
26. Jackie Krienke, 337077
27. Walter J. Kubon, Jr., 337056
28. Anthony Long, 343666
29. Elizabeth Magness, 343250
30. Steven Nicholas, 340536
31. Anthony Oropeza, 333238
32. Jim Robertson, 342187
33. Margaret L. Rogers, 330576, 331883, 332659
34. Roger Romero, 342029
35. George A. Saffas, 333072
36. Gregory Stover, 341967
37. Alice S. Willis, 333059
38. Richard Wood, 339841
- Petitions for Rehearing
39. Timothy Gallagher, 325457
40. Wayne E. Kean, 346182
41. John Laszloffy, 315489
42. Leonard R. Magness, 268508
43. Parker G. Montgomery, 333233
44. Byron Reynolds, 267947
45. Clifford F. Swanke, 328680

G3 Homeowner and Renter Property Tax Assistance Matters..... Mr. Schreiter

- Decisions
1. Bryan Bailey, 332592
2. Stephanie D. Brown, 345106
3. Jacqueline Carter, 347893
4. John Colasante, Jr., 332657
5. Maria Guzman, 339337
6. Dao Anhthi Nguyen, 329461

7. Brenda Poston, 351154
8. Robert Lewis Thelen, 349046
9. Kathleen Yarussi, 352444

G4 Sales and Use Taxes Matters Ms. Henry

- Redeterminations
 1. Pacific Union Company, 343237 (JH)
 2. Recomm Wireless, Inc., 273014 (AC)
 3. Coach, Inc., 349439 (OHB)
 4. Lifoam Industries, LLC 342277 (OHB)
 5. CMS Auto Body & Auto Sales, LLC, 260920 (AC)
- Relief of Penalty/Interest
 6. Hamer Motors, Inc., 382609 (AC)
 7. Applied Materials, Inc., 382613 (OHC)
 8. NCR Corporation, 377413 (OHA)
 9. Hof's Hut Restaurants, Inc., 380115 (AA)
 10. Serac, Inc., 379801 (OHA)
- Denials of Claims for Refund
 11. Intn'l Rehabilitative Sciences, Inc., 380327 (OH)
 12. TDK Semiconductor Corporation, 383710 (EAA)
 13. Household Automotive Finance Corporation, 381451 (FH)

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

- Credits and Cancellations
 1. I.B.I. Leasing and Renting, Inc., 382338 (GH)
 2. Donald R. Loya, 260215 (AC)
 3. Heather L. Guilliom, 328132 (KHM)
 4. ZN Corporation, 382341 (AS)
 5. Phase Shift Technology, Inc., 382907 (OH)
 6. Clear Story Systems, Inc. 382687 (OHB)
 7. De Won Motors Group, Inc., 382340 (AS)
 8. Abbey Auto Sales & Leasing, Inc., 382387 (FH)
 9. Feroz R. Jadhavji, 382408 (AC)
 10. Agorra Building Supply, Inc., 382391 (CH)
 11. Federated Auction Systems, Inc., 382437 (EH)
 12. Federated Pub Auc Agency of Upland, 382422 (EH)
 13. Herndon Enterprises, Inc., 382264 (KHO)
 14. Herndon Enterprises, Inc., 382336 (KHO)
- Refunds
 15. CSC Outsourcing, Inc., 377099 (FH)
 16. LagraphiCo.com, Inc., 240683 (AC)
 17. Wells Fargo Leasing Corporation, 271455 (BH)
 18. Southwick, Inc., 375279 (CH)
 19. Bank of the West, 281359 (CH)
 20. Credence Systems Corp, 351828 (GH)
 21. Bobst Group, Inc., 367345 (OHB)
 22. UMG Recordings, Inc., 350293 (OHB)

23. Cerner Corporation, 314681 (OHA)
24. Mercedes-Benz USA, LLC, 372995 (KH)
25. California Capital Insurance Company, 379660 (GHC)
26. General Instrument Corporation, 203863 (OHB)
27. Wells Fargo Bank (Auto Lease), 271676 (CH)
28. Meat and Potatoes, Inc., 325804 (AC)
29. Maria L. Magallanes, 344814 (ARH)
30. D.R. Systems, Inc., 381450 (FH)
31. Orange County Teachers Federal Credit Union, 380262 (EA)
32. Beverly Ent-Distribution Services, Inc., 313727 (OHA)
33. International Rehabilitative Sciences, Inc., 350673 (OH)
34. STMicroelectronics (RB), Inc., 311985 (OHC)
35. Medallion Landscape Management, Inc., 379663 (GH)
36. TDK Semiconductor Corporation, 353617 (EAA)
37. Formtek Metal Forming, Inc., 344753 (OHB)
38. Modern Finance Company, 378340 (AC)
39. Westlake Services, Inc., 339245 (AS)
40. Nuvision Financial Federal CU, 382413 (EA)
41. Point Loma Credit Union, 373988 (FH)
42. Point Loma Credit Union, 272758 (FH)
43. Household Automotive Finance Corporation, 381452 (FH)
44. Lexicon Marketing (USA), Inc., 381461 (AS)
45. Belkin Logistics, Inc., 374180 (AA)
46. Joginder Singh Virk, 330496 (EH)
47. Key Government Finance, Inc., 344755 (OHB)
48. Cicoil Cable & Mgnt., Inc., 379719 (AR)

G6 Special Taxes Matters Mr. Gau

- Relief of Penalty
 1. Massachusetts Mutual Life Ins. Company, 265294 (ET) – “CF”

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

- Refunds
 1. Thrifty Payless, Inc., 383563 (ET)
 2. Young’s Market Company, LLC, 383605 (ET) – “CF”

There are no Items for the Following Matters:

- G8 Property Tax Matters
- G9 Cigarette License Fee Matters
- G10 Legal Appeals Property Tax Matters

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY

There are no items for this matter.

I. TAX PROGRAM NONAPPEARANCE MATTERS

There are no items for this matter.

BOARD MEETING RECONVENES AT 1:30 p.m.**ORAL HEARINGS****C. SALES AND USE TAX APPEALS HEARINGS**

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

C8. Lexus Plastics, Inc., 181652 (EH)
For Petitioner: Frank M. Weisner, CPA
Munther Sholakh, Taxpayer
For Department: Kevin Hanks, Hearing Representative

C9. James Bess, 286797 (AP)
For Petitioner: James Bess, Taxpayer
For Department: Trecia Nienow, Tax Counsel

C10. Fakheri, Inc., 269581 (AC)
Comm. Club, LLC, 269579 (AC)
For Petitioner: Ivan Sotomayor, CPA
Dariush Fakheri, Taxpayer
Amir Ammona, Taxpayer
For Department: Kevin Hanks, Hearing Representative

C11. Michael Brian McCullough, 295005 (EA)
For Petitioner: Graham Hoad, Representative
For Department: Sharon Jarvis, Tax Counsel

~~C12. Center for Bio-Ethical Reform, 271792 (UT)
For Petitioner: Gregg Cunningham, Taxpayer
Don Cooper, Representative
For Department: Robert Stipe, Tax Counsel~~

C13. Global Micro, Inc., 273209 (EH)
For Petitioner: James F. Berger, CPA
For Department: Kevin Hanks, Hearing Representative

D. SPECIAL TAXES APPEALS HEARINGS

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

~~D1. Industrial Service Oil Company, Inc., 313527 (EF)
For Petitioner: Claudia C. Bohorquez, Attorney
Anu Sood, Representative
For Department: Carolee Johnstone, Tax Counsel~~

- D2. Joseph Elias Amash, 261204 (MT)
 For Petitioner: Joseph Amash, Taxpayer
 Ron Greenlee, Bookkeeper
 For Department: Carolee Johnstone, Tax Counsel
- D3. Mardiros Abadjian and Anouckik Abadjian, 197934 (ET)
 For Petitioner: Dan Reising, Attorney
 Mardiros Abadjian, Taxpayer
 Charles Janiguian, Representative
 For Department: Monica Brisbane, Tax Counsel
- D4. Bharat Bhuptani, 259956 (ET)
 Source Cigar, Inc., 259697 (ET)
 For Petitioner: Bryan C. Altman, Attorney
 Bharat Bhuptani, Taxpayer
 For Department: Tim Treichelt, Tax Counsel
- D5. Asher Shaitrit, 198549 (ET)
 For Petitioner: Asher Shaitrit, Taxpayer
 For Department: Monica Brisbane, Tax Counsel

E. PROPERTY TAX APPEALS HEARINGS

There are no items for this matter.

CHIEF COUNSEL MATTERS

There are no Items for the Following Matters:

- J. Rulemaking
- K. Business Taxes
- L. Property Taxes

M. Other Chief Counsel Matters

M1 Request for Filing Amicus Curiae Brief ----- Ms. Cazadd+
Steinhart v. County of Los Angeles, Court of Appeal,
 Second Appellate District No. B190957

ADMINISTRATIVE SESSION

N. Consent Agenda..... Mr. Evans+

N1 Approval of Sustained/Superior Accomplishment Award Nominees

There are no Items for the Following Matters:

- O. Approval of Board Committee Meeting Minutes
- P. Other Administrative Matters

F. PUBLIC HEARINGS

F1 Business Taxpayers' Bill Of Rights Hearings.....Mr. Gilman+

Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board's administration of its tax programs. At the Business Taxes hearings you can comment on the administration of sales and use taxes, environmental fees, fuel taxes, and excise taxes.

F2 Property Taxpayers' Bill Of Rights HearingsMr. Gilman+

Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board's administration of its tax programs. At the Property Taxes hearings you can comment on the property taxes programs and laws administered by the Board, and identify ways to resolve any problems identified in the Property Taxpayers' Advocate's Annual Report.

ANNOUNCEMENT OF CLOSED SESSION..... Mr. Evans

Q. Closed Session

Q1 Discussion and action on personnel matters (Gov. Code § 11126(a))

ANNOUNCEMENT OF OPEN SESSION Mr. Evans

ADJOURN - The meeting will reconvene on Wednesday, February 28, 2007, at 9:30 a.m.

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The hearing location is accessible to people with disabilities. Please contact Claudia Madrigal at (916) 324-8261, or e-mail Claudia.Madrigal@boe.ca.gov if you require special assistance.

Gary Evans, Acting Chief
Board Proceedings Division

- * Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- + Material for this Item is available on the Internet.
- "CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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ORAL HEARINGS

A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- A1. Carlos R. Chavez, 339274
For Claimant: Shirley Faluan, Representative
For Franchise Tax Board: Suzanne Small, Tax Counsel

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- B1. Alaska Airlines, Inc., 342596
For Appellant: Kathleen P. Dill, Representative
Jon A. Sperring, Representative
Laurie A. Sands, Witness
For Franchise Tax Board: Kathryn Harker, Tax Counsel
- B2. Tonya Harris, 351399
For Appellant: Tonya Harris, Taxpayer
For Franchise Tax Board: Bruce Langston, Tax Counsel
- B3. Vance White, 332851
For Appellant: Vance White, Taxpayer
For Franchise Tax Board: Bruce Langston, Tax Counsel

- B4. Donald Iwuchukwu, 309168
For Appellant: Jr. Mukathe, CPA
For Franchise Tax Board: Diane Ewing, Tax Counsel
- ~~B5. Ronald Ashimine and Sheue Ling Chang, 351909
For Appellant: Michael S. Sy, Enrolled Agent
For Franchise Tax Board: Jozel Brunett, Tax Counsel~~
- B6. Elke L. Coffey, 333143
For Appellant: Elke L. Coffey, Taxpayer
Arnold Kaufman, Accountant
For Franchise Tax Board: Diane Ewing, Tax Counsel
- B7. Nathalie M. Lohrli, 329170
For Appellant: David Lohrli, Taxpayer's Husband
For Franchise Tax Board: Diane Ewing, Tax Counsel
- ~~B8. Donald E. Schrock and Lucie Kay Schrock, 341970
For Appellant: Donald E. Schrock, Taxpayer
Lucie Kay Schrock, Taxpayer
Carol P. Schaner, Attorney
For Franchise Tax Board: Suzanne Small, Tax Counsel~~
- B9. Terry L. Moreland and Peggy J. Moreland, 286425
For Appellant: Terry Moreland, Taxpayer
Howard S. Fisher, Attorney
Larry Baker, CPA
For Franchise Tax Board: Renel Sapiandante, Tax Counsel

BOARD MEETING RECONVENES AT 1:30 p.m.

ORAL HEARINGS

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS (Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- ~~B10. Hiroshi Katahira and Keiko Katahira, 312776
For Appellant: Robert F. Klueger, Attorney
For Franchise Tax Board: Diane Ewing, Tax Counsel~~

- B11. Lisa Cervantes, 351773
For Appellant: Appearance Waived
For Franchise Tax Board: Jozel Brunett, Tax Counsel
- B12. Benjamin R. Du and Carmela L. Du, 339310
For Appellant: Charles P. Rettig, Attorney
Sharyn M. Fisk, Attorney
For Franchise Tax Board: Jozel Brunett, Tax Counsel
- B13. Brian K. Shaw, 341954
For Appellant: Charles P. Rettig, Attorney
David Roth, Attorney
For Franchise Tax Board: John Penfield, Tax Counsel
- B14. Daniel L. Mahnke, 334606
For Appellant: Daniel L. Mahnke, Taxpayer
For Franchise Tax Board: Suzanne Small, Tax Counsel
- B15. Jose Alvarez, Jr., 342600
For Appellant: Jose Alvarez, Jr., Taxpayer
For Franchise Tax Board: Jane Perez, Tax Counsel
- B16. Victor Roy, 307162
For Appellant: Victor Roy, Taxpayer
For Franchise Tax Board: Mark McEvilly, Tax Counsel

C. SALES AND USE TAX APPEALS HEARINGS

These items are scheduled for Tuesday, February 27, 2007.

D. SPECIAL TAXES APPEALS HEARINGS

These items are scheduled for Tuesday, February 27, 2007.

E. PROPERTY TAX APPEALS HEARINGS

There are no items for this matter.

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Gary Evans, Acting Chief
Board Proceedings Division

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