

THURSDAY, NOVEMBER 29, 2001

The Board met at its offices at 450 N Street, Sacramento, at 10:00 a.m. with Chairman Parrish, Vice Chairman Chiang, Mr. Klehs and Mr. Andal present, Ms. Mandel present on behalf of Dr. Connell in accordance with Government Code Section 7.9.

2000 - 2001 SUSTAINED AND SUPERIOR ACCOMPLISHMENT AWARDS

James Speed, Executive Director and Members of the Board presented 2000 - 2001 Sustained Superior Accomplishment Awards to the following-listed employees in recognition of their outstanding achievements:

SUPERIOR ACCOMPLISHMENT AWARDS

Individual Gold Award

Larry Hanson

Individual Silver Awards

Laila L. Asgari
Steven Cabrera
Ricardo A. Gomez

John C. Hancock
Mark R. Kashay
E. Linda Malme

Veronica H. Smith
Philip W. Spielman
Kathy Tyler

Group Silver Awards

Supplemental Survey Development Team

H. John Corum

Peter C. Gaffney

Attendance and Personnel Transaction Team

Nadine Bloom

Diane Frith

Auditing High Tech Companies and Large Manufacturers Training Team

Caren Foster

Alice Johnson

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Document Management and Correspondence System Group

Kelli Spangler

Ralph Valencia Jr.

Homeowners and Renters Assistance Appeals Program Group

Katherine Evatt

Chinatsu Hastings

Craig Shaltes

Ian Foster

Cristina Herrera

Selvi Stanislaus

Katrina Goolsby

Rebecca Landeros

Kathryn Taylor

Theresa Vina

International Fuel Tax Agreement Team

Dora Arredondo

Marlene Cordell

Thaya Lopes

Michelle Beatge

Diane DeGroot

Shelly Maready

Mia Brown

Danyale Deloney

Elizabeth Martinez

Jason Cole

Nancy Fore

Carilyn Scorza

Troy Shinpaugh

SUSTAINED SUPERIOR ACCOMPLISHMENT AWARDS**Individual Awards**

Linda Alexander

Barbara A. Edd

Trino A. Martinez

Delana Scott

Eyoline Antonio

Antoinette Garibaldi

Candice McCanne

Connie Vasquez

Deborah Austin

Kathy Golberg

Scott R. Miller

Gail Vaughn

Carol Bailey

Lisa Hunt

Bill G. Molina

Estelita B. Velasquez

Claire Biscocho

Todd Keefe

Shelley Morse

Melanie Vichente

Cynthia Bresnan

Carole Kellogg

Juanita Navarro

Wun-chi Wang

Jeanine Candelaria

Ani A. Kindall

Gloria V. Quiroz

Brenda Ward

Colleen Dottarar

Marcia M. Kountz

Joann Richmond

Charlton Whitten

Chris Drews

Brittany C. Lien

Sylvia Salgado

Craig Wilson

Donnie L. Ebelt

Mary Lindgren

Lorene Salles

James S. Wrenn

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Group Award

Bakersfield Tax Technicians

Nedra Brown
Anna Santa Cruz
Linda Mason

Hilda Garza
Julie Delgado

Rita Longorita
Maryann Grado

ADMINISTRATIVE MATTER

LEGISLATIVE COMMITTEE REPORT

Upon the motion of Mr. Klehs, seconded by Mr. Andal and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, the Board approved the committee report.

CUSTOMER SERVICES AND ADMINISTRATIVE EFFICIENCY COMMITTEE REPORT

Upon the motion of Mr. Klehs, seconded by Mr. Andal and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, the Board approved the committee report.

BUSINESS TAXES COMMITTEE REPORT

Upon the motion of Mr. Klehs, seconded by Mr. Andal and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, the Board approved the committee report.

PROPERTY TAXES COMMITTEE REPORT

Upon the motion of Mr. Klehs, seconded by Mr. Andal and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, the Board approved the committee report.

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PROPOSED 2002-03 BASELINE BUDGET

James E. Speed, Executive Director and Sally Lee, Deputy Director, Administration Department, made introductory remarks regarding the proposed 2002-2003 Baseline Budget.

Upon motion of Mr. Klehs, seconded by Mr. Andal and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, the Board approved the 2002-03 Baseline Budget (Exhibit 11.30).

ADMINISTRATIVE MATTERS, CONSENT

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Mr. Andal, seconded by Ms. Mandel and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang not participating, made the following orders:

Action: Adopt the following resolution 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 11.31).

Paula F. Gerber, Senior Tax Auditor, Culver City District Office
 Paul K. Hellie, Associate Tax Auditor, Van Nuys District Office
 James Schellhorn, Tax Technician II, San Francisco District Office
 Marcia M. D'Angelo, Office Services Supervisor II, Refund Section,
 Headquarters
 Romero Y. Celedon, Supervising Tax Auditor II, San Jose District Office
 Sandra Garcia, Business Taxes Compliance Supervisor II, Return Analysis
 Section, Headquarters
 Shirley Banyai, Tax Technician III, Fuel Taxes Division, Headquarters
 Sara L. Grassel, Associate Tax Auditor, Van Nuys District Office
 Allan K. Stuckey, Deputy Director, Special Taxes Department,
 Headquarters
 Paul A. Nathan, Business Tax Specialist I, San Jose District Office
 May Kireopoulos, Secretary, San Francisco District Office
 Dennis Low, Business Tax Specialist, San Francisco District Office

Action: Adopt the Board Meeting Minutes of September 26, 2001 and October 2-4, 2001.

Action: Approve the 2002 Timberland Production Zone values (Exhibit 11.32).

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Action: Approve the January 2002 Assessors' Handbook Section 222, Standard Form List, for publication (Exhibit 11.33).

Action: Approve a backfill determination of \$25.9 million as recommended by staff in accordance with Section 130105(c) of Health and safety code, as added by Proposition 10 (Exhibit 11.34).

PROPERTY TAX MATTER – PETITION FOR REASSESSMENT OF UNITARY VALUE – FINDINGS AND DECISIONS

Electric Lightwave, Inc., SAU 01-014; 130811
2001, \$117,800,000.00 Value
\$ 11,780,000.00 Penalty

Action: Upon the motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs and Mr. Andal voting yes, Ms. Mandel not participating, the Board approved the Findings and Decision.

LEGAL APPEALS MATTERS, ADJUDICATORY

Ralphs Grocery Company, SY AA 14-743151; 89000123230
7-22-91 to 1-29-95, \$27,458.69 Tax

Considered by the Board: Hearing Notice Sent – No Response
Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: The Board deferred consideration of this matter.

Kevin Francis Foehr & Francis G. Foehr, SR GHD 15-773231; 33470
7-1-95 to 6-30-98, \$27,288.69 Tax, \$2,728.88 Penalty, Negligence

Considered by the Board: Hearing Notice Sent – No Response
Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board ordered that the negligence penalty be deleted otherwise the petition be redetermined as recommended by Appeals Section.

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Olga M. Santos Salinas, SR ARF 22-800863; 89000381900

1-1-95 to 12-14-97, \$22,190.60 Tax, \$ 542.06 Penalty, Negligence
\$1,573.33 Penalty, Failure to File

Considered by the Board: Hearing Notice Sent – No Response

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Mr. Klehs moved the petition be redetermined as recommended by Appeals Section. The motion was seconded by Ms. Mandel but failed to carry, Mr. Klehs and Ms. Mandel voting yes, Mr. Parrish and Mr. Andal voting no, Mr. Chiang absent.
The Board deferred consideration of this matter.

Sergio Blanco, SR Y ARK 98-038983; 89002094150

7-1-94 to 12-31-96, \$12,405.24 Tax, \$1,240.53 Penalty, Negligence

Considered by the Board: Hearing Notice Sent – No Response

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Andal and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board ordered that the petition be redetermined as recommended by Appeals Section.

Jubran Raji Jaber, SR ARF 99-652157; 33108

1-1-96 to 12-31-98, \$48,590.93 Tax, \$4,808.05 Penalty, Negligence

Considered by the Board: Hearing Notice Sent – No Response

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Andal and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board ordered that the petition be redetermined as recommended by Appeals Section.

Trim-Lok, Inc., SR EA 16-629602; 56764

7-1-95 to 12-31-98, \$9,095.87 Tax

Considered by the Board: Hearing Notice Sent – Appearance Waived

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

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Action: Upon motion of Mr. Andal, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board ordered that the petition be redetermined with adjustment to the measure of tax.

Hemet Auto Center Leasing, Inc., SR EH 23-840840; 78699

7-1-98 to 9-30-98, \$1,694.77 Tax

Considered by the Board: Hearing Notice Sent – Appearance Waived
Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Andal and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board ordered that the petition be redetermined as recommended by Appeals Section.

PMS A California General Partnership, SR EA 52-005912; 89000965660

7-1-94 to 9-30-95, \$72,243.00 Tax

Considered by the Board: Hearing Notice Sent – Appearance Waived

Action: The Board deferred consideration of this matter.

Palace Holdings, Inc., SR AS 11-802944; 89000032940

4-1-94 to 3-31-97, \$00.00 Tax, \$00.00 Penalty, Negligence

Considered by the Board: Hearing Request Withdrawn

Action: The Board took no action.

Western Micro Technology, Inc., SY GH 26-691981; 89000650330

1-1-95 to 6-30-97, \$31,957.03 Tax, \$00.00 Penalty, Negligence

Considered by the Board: Hearing Request Withdrawn

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Mr. Andal moved that the petition be redetermined with adjustments. The motion was seconded by Mr. Parrish but failed to carried, Mr. Parrish and Mr. Andal voting yes, Mr. Klehs and Ms. Mandel voting no, Mr. Chiang absent.

The Board deferred consideration of this matter.

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Francisco J. & Ana Maria Rodriguez, SX AS 12-670112; 89000044040

4-1-92 to 6-30-95, \$00.00 Tax, \$00.00 Penalty, Negligence

Considered by the Board: July 10, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board ordered that the petition be redetermined as recommended by Appeals Section.

Richard Brian Powers, SR CH 21-763169; 16476

1-1-98 to 12-31-98, \$1,664.00 Tax

Considered by the Board: October 25, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Mr. Andal moved to grant the petition. The motion was seconded by Mr. Parrish but failed to carry, Mr. Parrish and Mr. Andal voting yes, Mr. Klehs and Ms. Mandel voting no, Mr. Chiang absent.

The Board deferred consideration of this matter.

Amray, Inc., SC OHB 30-647850; 90756

1-1-97 to 12-31-98, \$3,385.81 Tax

Considered by the Board: October 25, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board ordered that the petition be redetermined as recommended by Appeals Section.

Interior Designs by Ricci, Inc., SR EAA 99-408873; 89002239300

7-1-93 to 6-30-96, \$438.03 Tax, \$00.00 Penalty, Negligence

Considered by the Board: October 25, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

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Action: Upon motion of Mr. Andal, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board ordered that the petition be granted as recommended by Appeals Section.

Harvy Select Cars, Inc., SR ARF 99-516380; 89002289380
10-1-94 to 9-30-97, \$46,424.18 Tax, \$00.00 Penalty, Negligence

Considered by the Board: August 1, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board ordered that the petition be redetermined as recommended by Appeals Section.

Deals on Wheels Inc., SR X AC 99-688978; 15747
4-1-95 to 3-31-98, \$59,333.96 Tax, \$6,209.89 Penalty, Negligence

Considered by the Board: July 12, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and duly carried, Mr. Parrish, Mr. Klehs and Mr. Andal voting yes, Ms. Mandel voting no, Mr. Chiang absent, the Board ordered that the petition be redetermined as recommended by Appeals Section.

Cardservice International, Inc., SP UT 82-659153; 89001144640
8-31-97, \$358,462.50 Tax

Considered by the Board: October 2, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board ordered to deny the petition for rehearing.

Santa Ynez Band of Mission Indians, SC AR 97-068485; 37763
1-1-95 to 6-30-98, \$350,964.22 Claim for Refund

Considered by the Board: October 2, 2001

Action: The Board deferred consideration of this matter.

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CORPORATE FRANCHISE AND INCOME TAX MATTER, ADJUDICATORY

Reitman Atlantic Corporation, 56334

1993, \$80,536.14 Assessment, \$20,134.03 Penalty, Delinquent

\$20,134.00 Penalty, Demand

Considered by the Board: Formal Opinion

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board adopted the formal opinion.

Raymond H. Berner, 88344

1986, \$ 95,691.00 Assessment, \$23,922.75 Penalty, Failure to File

1987, \$313,694.00 Assessment, \$78,423.50 Penalty, Failure to File

1988, \$ 49,672.00 Assessment, \$ 3,932.90 Penalty, Negligence

Considered by the Board: Formal Opinion

Action: The Board took no action.

Paul and Carolyn Irons, 78950

1985, \$48,742.00 Assessment

1986, \$49,256.00 Assessment

Considered by the Board: October 2, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board adopted a decision sustaining the action of the Franchise Tax Board.

David Schultz, 92197

1998, \$00.00 Assessment, \$604.75 Penalty, Notice and Demand

Considered by the Board: July 31, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board adopted a decision sustaining a modified action of the Franchise Tax Board.

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Continental Kiewit Inc., 98082
1990, \$251,359.00 Assessment
Considered by the Board: October 2, 2001
Action: The Board took no action.

Louis J. and Brenda L. Alpinieri, 101508
1995, \$10,240.00 Assessment
Considered by the Board: October 2, 2001
Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.
Action: Upon motion of Mr. Klehs, seconded by Mr. Andal and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board adopted a decision sustaining the action of the Franchise Tax Board.

David and Marilee J. Duff, 101519
1998, \$5,232.98 Claim for Refund
Considered by the Board: October 2, 2001
Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.
Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board adopted a decision sustaining a modified action of the Franchise Tax Board.

Michael and Suzanne Gwin, 102683
1994, \$5,946.00 Claim for Refund
Considered by the Board: October 2, 2001
Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.
Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board adopted a decision sustaining the action of the Franchise Tax Board.

Roger Phillip and Thorild Urdal, 104264
1991, \$1,933.00 Assessment, \$386.60 Penalty
Considered by the Board: October 2, 2001
Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

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Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board adopted a decision sustaining the action of the Franchise Tax Board.

Stephen Diamond, 99A-0150; 89002467110

1993, \$247,734.00 Assessment

Considered by the Board: July 31, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Ms. Mandel moved to sustaining the action of the Franchise Tax Board. The motion was seconded by Mr. Andal but failed to carry, Ms. Mandel voting yes, Mr. Parrish and Mr. Andal voting no, Mr. Klehs not participating, Mr. Chiang absent.

Upon motion of Mr. Andal, seconded by Ms. Mandel and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board adopted a decision sustaining the action of the Franchise Tax Board with regards to Issue 1.

Upon motion of Mr. Andal, seconded by Mr. Parrish and duly carried, Mr. Parrish and Mr. Andal voting yes, Ms. Mandel voting no, Mr. Klehs not participating, Mr. Chiang absent, the Board adopted a decision reversing the action of the Franchise Tax Board with regards to Issue 2.

Kaufman & Broad Home Corporation, 37312

1989, \$ 772,368.00 Assessment

1990, \$1,200,694.00 Assessment

1991, \$ 393,770.00 Assessment

Considered by the Board: October 3, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Ms. Mandel and unanimously carried, Mr. Parrish, Mr. Klehs and Ms. Mandel voting yes, Mr. Andal not participating, Mr. Chiang absent, the Board adopted a decision denying the petition for rehearing.

Sandra M. Morgan, 56350

1997, \$1,158.00 Assessment

Considered by the Board: May 31, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

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Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board adopted a decision denying the petition for rehearing.

SALES AND USE TAX MATTERS, REFUNDS, ADJUDICATORY

Sumitomo Corporation of America, SR BH 19-601909; 129079

10-1-99 to 12-31-00, \$2,688,041.85 Claim for Refund

Considered by the Board: October 25, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Parrish and duly carried, Mr. Parrish, Mr. Klehs and Mr. Andal voting yes, Ms. Mandel voting no, Mr. Chiang absent, the Board approved the claim for refund as recommended by staff.

LEGAL APPEALS MATTERS, CONSENT

The Board deferred consideration of the following matter:

James D. Green, SR BH 97-163640; 66259.

With respect to the Legal Appeals Matters Consent Agenda, upon a single motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board made the following orders:

Golden West Leasing Company, SR GH 15-647350; 89000138560

7-1-89 to 3-31-92, \$27,548.19 Tax

Action: Redetermine as recommended by Appeals Section.

Richard A. Hirsch & William Hoang, SY GH 97-166193; 89002069090

4-1-94 to 12-31-95, \$178,954.98 Tax

Richard A. Hirsch & William Hoang, SR GH 97-166189; 89002069080

4-1-94 to 12-31-95, \$73,106.46 Tax

Richard A. Hirsch & William Hoang, SY GH 26-749020; 89000662090

4-1-94 to 12-31-95, \$63,063.56 Tax

Action: Redetermine as recommended by Appeals Section.

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Nabisco, Inc., SR Z OHB 98-002455; 89002085800, 119074
10-1-93 to 9-30-96, \$00.00 Tax, \$31,074.95 Penalty, Negligence
Action: Redetermine as recommended by Appeals Section.

Mary Ryan and William Glennon, SR CH 21-784636; 77924
7-1-97 to 12-31-99, \$16,530.75 Tax, \$00.00 Penalty, Negligence
Action: Redetermine as recommended by Appeals Section.

Paul M. Berens, SR BHA 99-175487; 31161
7-1-95 to 12-31-98, \$2,052.28 Tax, \$00.00 Penalty
Action: Redetermine as recommended by Appeals Section.

Cincinnati Milacron Marketing Company, SR OHA 14-054035; 89000103590
1-1-94 to 6-30-97, \$00.00 Tax, \$00.00 Penalty
Action: Redetermine as recommended by Appeals Section.

F. C. Whitman Revocable Trust and J. Jeffery Morris, SY EA 99-391729; 89002231150
4-1-94 to 12-31-97, \$00.00 Tax
Action: Redetermine as recommended by Appeals Section.

Infra-Structures, Inc., SC OHB 99-620866-010; 89002331600
1-1-88 to 3-31-96, \$00.00 Tax, \$00.00 Penalty
Action: Redetermine as recommended by Appeals Section.

James D. Green, SR BH 97-163640; 66259
12-02-97 to 12-31-99, \$33,179.23 Tax
Action: The Board took no action.

CORPORATE FRANCHISE AND INCOME TAX MATTERS, CONSENT

With respect to the Franchise & Income Tax Matters Consent Agenda, upon a single motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board made the following orders:

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Jason R. Fanugo, 57645

1997, \$1,529.00 Assessment

Action: Sustain the action of the Franchise Tax Board and impose a \$750.00 frivolous appeal penalty.

Shambhu and Bimala Kayastha, 99206

1996, \$3,939.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Silvia Valdivia, 99654

1996, \$469.89 Assessment

Action: Reverse the action of the Franchise Tax Board.

Troy J. Davis, 101516

1991, \$1.00 or more

1992, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Christina Bennett, 103685

1990, \$366.86 or more

Action: Sustain the action of the Franchise Tax Board.

Joseph D. Silva, 106415

1998, \$15,944.00 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Izett S. Barnett, Jr., 110562

1996, \$1,692.00 Assessment, \$423.00 Late Filing Penalty

Action: Sustain the action of the Franchise Tax Board.

Carl J. Tessmann, 110586

1988, \$731.63 or more Assessment

1990, \$629.33 or more Assessment

Action: Sustain the modified action of the Franchise Tax Board.

Patrick W Manzo, 111392

1997, \$771.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

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Sukhdev Singh, 112349

1997, \$120.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

David Reed James, 112367

1997, \$293.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Vy Trac and Anh Do, 112543

1996, \$853.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Kelly J. Lynch, 113606

1998, \$939.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Esther Wong, 113654

1997, \$1,056.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Harold and Mary Wagner, 113656

1992, \$1,092.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Roger P. and Victoria O'Malley, 113953

1997, \$2,280.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Ricky N. Del Sontro, 114015

1995, \$1,148.52 or more Assessment

Action: Sustain the action of the Franchise Tax Board.

Michael A. Hagberg, 114273

1997, \$ 65.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

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William A. & Deborah L. Boddy, 115259

1997, \$340.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Thomas W. Jr. & Donna Browne, 115266

1991, \$1.00 or more Assessment

1992, \$1.00 or more Assessment

Action: Sustain the action of the Franchise Tax Board.

Meena Manwani, 115472

1997, \$78.00 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Emad Mirgoli, 118224

1997, \$711.00 Assesment

Action: Sustain the action of the Franchise Tax Board.

George A. & Beret M. Stanton, 118630

1997, \$2,780.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Ronald & Sharon Dillon, 118711

1997, \$1.00 or more Claim for Refund

1998, \$1.00 or more Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Christian O. Homan & Xandra M. Joliet-Homan, 119106

1997, \$301.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Marc Manca, 126815

1999, \$1,215.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Donald C. Marro & Lillian S. Clancy, 83206

1993, \$4,495.00 Assessment

1994, \$4,772.00 Assessment

Action: Deny the petition for rehearing.

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**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 Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board made the following orders:

Patricia Nicholas, 90013
2000, \$1.00 or more Claim for Credit
Action: Sustain the action of the Franchise Tax Board.

Frances Sepulved, 110025
2000, \$1.00 or more Claim for Credit
Action: Sustain the action of the Franchise Tax Board.

Thomas Reid Wilkie, 112675
2000, \$12.50 Claim for Credit
Action: Sustain the action of the Franchise Tax Board.

Jess W. Ellis, 114193
2000, \$66.30 Claim for Credit
Action: Sustain the action of the Franchise Tax Board.

Mary Lee Harper, 114204
2000, \$1.00 or more Claim for Credit
Action: Sustain the action of the Franchise Tax Board.

Ryan Liu, 114583
2000, \$1.00 or more Claim for Credit
Action: Sustain the action of the Franchise Tax Board.

Va Moua, 114587
2000, \$1.00 or more Claim for Credit
Action: Sustain the action of the Franchise Tax Board.

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Ronald V. Lozier, 114597

1998, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Filiberto R. Nol, 114604

1999, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Tiffany M. Reace, 114612

1999, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Glenn Agee, 114904

1999, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Dorothy Amelong, 114905

2000, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Annie L. Bingham, 114914

2000, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Jeannine A. Chambers, 114924

1999, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Reza Divani, 114932

1999, \$240.00 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Juan Garcia, 114934

2000, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Sandra J. Williams, 115431

2000, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

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Deneen Pully, 116197

2000, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Ana Maria Martinex, 116227

2000, \$430.05 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Nadine O. Gelesky, 118293

2000, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Cristobal N. Gonzalez, 118295

1998, \$1.00 or more Claim for Credit

1999, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Donna Jane Feilen, 129927

1999, \$1.00 or more Claim for Credit

Action: Reverse the action of the Franchise Tax Board.

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 Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board made the following orders:

Hughes Communication Satellite Service Inc., SR AB 12-730097; 66339

07-01-95 to 05-16-97, \$93,202.49

Action: Approve credit and cancellation as recommended by staff.

Masters Design & Technical Center, SR GH 26-813621; 141713

04-01-01 to 06-30-01, \$85,594.47

Action: Approve credit and cancellation as recommended by staff.

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Lancer USA Inc., SR OHC 52-006972; 142321

10-01-91 to 06-30-98, \$150,284.98

Action: Approve credit and cancellation as recommended by staff.

Exelixis Pharmaceuticals, Inc., SU BHA 97-480130; 141436

04-01-99 to 06-30-99, \$60,325.46

Action: Approve credit and cancellation as recommended by staff.

Leo's Associates, Inc. SR AS 99-541382; 48861

04-01-95 to 06-30-98, \$221,690.12

Action: Approve credit and cancellation as recommended by staff.

Twin Falls Enterprises Inc., SR KHE 99-751576; 77920

01-01-96 to 12-31-98, \$57,564.19

Action: Approve credit and cancellation as recommended by staff.

USA Leasing, LLC, SC OH 99-960384; 142083

04-21-00 to 05-18-00, \$63,180.15

Action: Approve credit and cancellation as recommended by staff.

Incentive Innovations, Inc., SR AC 12-695362; 141027

04-01-98 to 03-31-01, \$77,194.48

Action: Approve refund as recommended by staff.

Warner Elektra/Atlantic Corp., SR AR 13-664153; 141093

07-01-96 to 12-31-99, \$67,589.61

Action: Approve refund as recommended by staff.

Insync Media, SR AS 18-082600; 37482

07-01-96 to 12-31-00, \$266,713.47

Action: Approve refund as recommended by staff.

R. L. Ragsdale, Inc., SR Y ARH 22-634745; 111716

01-01-96 to 12-31-00, \$126,436.54

Action: Approve refund as recommended by staff.

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El Cajon Wholesale Building Materials, Inc., SR FH 25-741778; 94329
01-01-99 to 03-31-00, \$69,772.369.00

Action: Approve refund as recommended by staff.

Stanford University Hospital, SR X GH 26-092713; 111969
04-01-00 to 03-31-00, \$159,955.58

Action: Approve refund as recommended by staff.

United Green Mark, SR Y JHD 27-692223; 129075
07-1-0 to 03-31-01, \$60,603.39

Action: Approve refund as recommended by staff.

Magawest Systems, Inc., SR S OH 30-687374; 127357
01-01-01 to 06-30-01, \$222,369.55

Action: Approve refund as recommended by staff.

Xesystems, Inc., SR S OHB 97-520988; 128927
10-01-00 to 12-31-00, \$71,581.60

Action: Approve refund as recommended by staff.

W-Bel Age LLC, SR AS 97-606366; 118749
07-1-00 to 12-31-00, \$72,311.38

Action: Approve refund as recommended by staff.

Seren Innovations, Inc., SR S OHA 97-785835; 129067
01-01-01 to 03-31-01, \$105,717.97

Action: Approve refund as recommended by staff.

Edge Wireless, LLC, SR Z OH 97-825825; 129065
01-01-01 to 03-31-01, \$55,509.12

Action: Approve refund as recommended by staff.

Owens Corning, SR Z OHA 98-039042; 63131
07-01-95 to 12-31-98, \$143,488.05

Action: Approve refund as recommended by staff.

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Spy, Optic, Inc., SR FHB 99-536546; 131086
04-01-98 to 06-30-01, \$60,300.91

Action: Approve refund as recommended by staff.

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

With respect to the Sales and Use Tax Matters, Redeterminations, Relief of Penalty, and Denials of Claims For Refund, Consent Agenda, upon a single motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang absent, the Board made the following orders:

Rhoe Poulenc AG Company, Inc., SR S OHB 17-083384; 106385
10-01-95 to 12-31-97, \$93,604.06

Action: Approve redetermination as recommended by staff.

John Couchman Mabee, SR FH 25-827929; 62463
07-01-96 to 03-31-99, \$526,037.50

Action: Approve redetermination as recommended by staff.

Guild Wineries/Distilleries, Inc., SR Y KHE 28-914779; 41157
04-01-95 to 06-30-97, \$102,687.89

Action: Approve redetermination as recommended by staff.

The Whitnon Manufacturing Co., SC OHB 30-606976; 103658
04-01-97 to 12-31-99, \$61,494.86

Action: Approve redetermination as recommended by staff.

Picturetel Corporation, SC OHB 30-691334; 52170
01-01-95 to 12-31-97, \$137,291.63

Action: Approve redetermination as recommended by staff.

Physician Sales & Service, Inc., SR Z OHC 30-694231; 17220
01-01-94 to 12-31-96, \$123,929.65

Action: Approve redetermination as recommended by staff.

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M J Aviation, Inc., SP H UT 84-014058; 118974
11-04-99, \$99,987.50

Action: Approve redetermination as recommended by staff.

Yellowstone Aviation, LLC, SP H UT 84-019041; 105419
09-22-99, \$185,170.16

Action: Approve redetermination as recommended by staff.

Adams Investment Enterprises, LLC, SP H UT 84-022338; 138674
12-30-99, \$389,689.00

Action: Approve redetermination as recommended by staff.

Pegasdystems, Inc., SC OHB 97-774792; 135329
04-01-97 to 09-30-00, \$75,464.00

Action: Approve redetermination as recommended by staff.

Electro Scientific Industries, Inc., SC OH 99-003142; 92512
01-01-96 to 12-31-98, \$272,767.67

Action: Approve redetermination as recommended by staff.

Texaco Refining & Marketing, Inc., SR S AB 99-317022; 89002197200
01-01-91 to 03-31-94, \$3,387,449.66

Action: Approve redetermination as recommended by staff.

Texaco Refining & Marketing, Inc., SR S AB 99-317022; 89002197210
04-01-94 to 12-31-95, \$2,978,146.58

Action: Approve redetermination as recommended by staff.

Houghton Mifflin Company, SC OHB 26-078722; 139339
05-01-00 to 06-15-00, \$86,115.60

Action: Approve relief of penalty as recommended by staff.

Market America, Inc., SC OHB 97-210779; 142571
01-01-97 to 12-31-97, \$52,853.20

Action: Approve relief of penalty as recommended by staff.

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AT & T Network Procurement, LP, SR S OHB 97-518347; 139072
10-01-00 to 12-31-00, \$92,049.20
Action: Approve relief of penalty as recommended by staff.

Sam Ash Megastores, LLC, SR Z OHB 97-590189; 135544
10-01-00 to 12-31-00, \$77,366.20
Action: Approve relief of penalty as recommended by staff.

Carwell, LLC, SR Y AB 97-605488; 141000
01-01-01 to 03-31-01, \$51,930.30
Action: Approve relief of penalty as recommended by staff.

Sonus Networks, Inc., SC OHB 97-812714; 141782
10-01-00 to 12-31-00, \$51,300.50
Action: Approve relief of penalty as recommended by staff.

Ford Credit Titling Trust, SR S OHA 99-582314; 135440
01-01-01 to 01-31-01, \$304,354.74
Action: Approve relief of penalty as recommended by staff.

Edison Security Corp., SR Z AP 99-828725; 139217
10-01-96 to 12-31-99, \$ 934,827.18
Action: Approve the denial of claim for refund as recommended by staff.

**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 Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs and Mr. Andal voting yes, Ms. Mandel not participating, Mr. Chiang absent, the Board made the following orders:

Betty Ann Giannelli, TK MT 44-006307; 61188
01-01-92 to 12-31-98, \$238,768.84
Action: Approve the credit and cancellation as recommended by staff.

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U. S. Department of Navy, HA Y EF 36-043231; 143136

01-01-93 to 12-31-94, \$69,942.40

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

Petro-Diamond, Inc., DD MT 57-250014; 82860

02-01-00 to 02-28-00, \$573,765.17

Action: Approve the refund as recommended by staff.

AIG Life Insurance Company, IT ET 34-001746; 129955

01-01-97 to 12-31-97, \$62,378.06

Action: Approve the refund as recommended by staff.

Chemical Waste Management, Inc., HA EF 36-000163; 139278

07-01-99 to 12-31-00, \$357,591.90

Action: Approve the refund as recommended by staff.

Vons Grocery Company, CR ET 02-000960; 142995

10-01-01 to 10-31-01, \$52,216.20

Action: Approve the refund as recommended by staff.

Ralphs Grocery Company, CR ET 02-001194; 142996

10-01-01 to 10-31-01, \$56,325.62

Action: Approve the refund as recommended by staff.

SPECIAL TAXES MATTERS, REDETERMINATIONS AND DENIALS OF CLAIMS FOR REFUND, CONSENT

With respect to the Special Taxes Matters, Redeterminations and Denials of Claims For Refund, Consent Agenda, upon a single motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs and Mr. Andal voting yes, Ms. Mandel not participating, Mr. Chiang absent, the Board made the following orders:

Dan Eugene Dewitt, FP HQ 98-500614; 59301

08-01-92 to 08-31-93, \$392,521.25

Action: Approve the redetermination as recommended by staff.

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Larry Bobs Mini Mart, TK MT 44-038850; 100774
01-01-91 to 03-31-98, \$69,199.42

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

PROPERTY TAX MATTERS, CONSENT

With respect to the Property Taxes Matter, Consent Agenda, upon a single motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs and Mr. Andal voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, Mr. Chiang absent, the Board made the following orders:

Petition for Reassessment of 2001 Unitary Value

SFPP, LP (461), SAU 01-025; 131265
2001, \$369,800,000.00 Value

Action: Modify the petition reducing the Board adopted 2001 Unitary Value to \$358,800,000.00 as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Global Crossing Telecommunications, Inc. (2207) SAU 01-026; 131266
2001, \$161,100,000.00 Value

Action: Modify the petition reducing the Board adopted 2001 Unitary Value to \$160,100,000.00 as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Qwest Communications Corporation (2463) SAU 01-023; 130879
2001, \$675,100,000.00 Value

Action: Deny the petition for reassessment of 2001 Unitary Value as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Cox Communications PCS L.P. (2720), SAU 01-048; 133186
2001, \$655,700,000.00 Value

Action: Grant the petition reducing the Board adopted 2001 Unitary Value to \$324,300,000.00 as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

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Sprint Spectrum L.P. (2722), SAU 01-047; 133182

2001, \$394,700,000.00 Value

Action: Grant the petition reducing the Board adopted 2001 Unitary Value to \$370,600,000.00 as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Nextel of California (2737) SAU 01-035; 131401

2001, \$587,600,000.00 Value

Action: Grant the petition reducing the Board adopted 2001 Unitary Value to \$558,400,000.00 as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Global Crossing North American Networks, Inc. (7536), SAU 01-022; 130878

2001, \$168,000,000.00 Value

Action: Grant the petition reducing the Board adopted 2001 Unitary Value to \$125,600,000.00 as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Williams Communications LLC (7819), SAU 01-021; 130877

2001, \$150,100,000.00 Value

Action: Deny the petition for reassessment of 2001 Unitary Value as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Petition for Reassessment and Penalty Abatement on Unitary Value

Firstworld Communications, Inc. (7624), SAU 01-036; 131530

2001, \$101,200,000.00 Value

\$ 10,120,000.00 Penalty

Action: Grant the petition reducing the Board adopted 2001 Value to \$35,900,000.00 and abate penalty as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

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PROPERTY TAXES NONAPPEARANCE MATTERS, NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUE [M]

With respect to the Property Taxes Nonappearance Matters, Not Subject to Contribution Disclosure Statue, upon a single motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Klehs and Mr. Andal voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, Mr. Chiang absent, the Board made the following orders:

Audit

Pac West Telecomm, Inc. (2043)
1997, \$ 200,000.00 Escapes (Excessive) Assessment
\$ 20,000.00 Penalty
\$ 66,000.00 Assessment in Lieu of Interest
1998, (\$ 3,500,00.00) Escaped (Excessive) Assessment
1999, \$14,700,000.00 Escaped (Excessive) Assessment
\$ 1,470,000.00 Penalty
\$ 2,205,000.00 Assessment in Lieu of Interest
2000, \$16,200,000.00 Escaped (Excessive) Assessment
\$ 1,620,000.00 Penalty
\$ 972,000.00 Assessment in Lieu of Interest

Action: Adopt audit escaped and excessive assessment, plus penalties and assessment in lieu of interest as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Assessment Cancellation

Helvey Com, Inc. (7809)
2001, \$7,568,000.00

Action: Approve cancellation of 2001 Board adopted value as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Board Roll Changes

Action: Approved Board Roll Changes as recommended by staff (Exhibit 11.35) Ms. Mandel not participating in accordance with Government Code section 7.9.

THURSDAY, NOVEMBER 29, 2001

The Board recessed at 11:00 a.m. and reconvened at 1:30 p.m. with Mr. Parrish, Mr. Chiang, Mr. Andal and Ms. Mandel present.

BUSINESS TAXES APPEALS HEARINGS

Nader Amirvand, SR EA 24-855661; 33146

10-1-97 to 12-31-97, \$76,520.79 Tax, \$00.00 Penalty, Negligence

For Petitioner: Waived Appearance

For Sales and Use Tax Department: Robert Tucker, Counsel

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Issues: Whether the measure of unreported taxable sales of vehicles was established in accordance with the facts.

Whether the measure of tax for two vehicles withdrawn from petitioner's resale inventory was established in accordance with the facts.

Action: Upon motion of Mr. Andal, seconded by Ms. Mandel and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Andal and Ms. Mandel voting yes, Mr. Klehs absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

Pierre Lafond & Company, SR Y AR 15-625974; 27347

4-1-95 to 3-31-98, \$120,566.58 Tax

For Petitioner: Abe Golomb, Representative

For Sales and Use Tax Department: Kevin Hanks, Hearing Representative

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Issues: Whether petitioner relied on written misinformation from a Board employee.

Whether audited taxable sales are overstated.

Action: Upon motion of Mr. Andal, seconded by Mr. Chiang and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, the Board ordered that the petition be redetermined with adjustments.

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Wayne Erickson & Patricia Neale, SR AA 11-771595, SR AP 53-000490; 89000027170, 89000970650

Image People, SR AP 97-007978; 89002033870

7-1-94 to 6-30-96, \$24,344.07 Tax

For Petitioner: Waived Appearance

For Sales and Use Tax Department: Jeffrey H. Graybill, Counsel

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Issues: Whether the disallowed claimed sales for resale of printing aids are valid sales for resale.

Whether the evidence is sufficient to show that certain disallowed claimed sales for resale of printed matter are, in fact, valid sales for resale.

Action: Upon motion of Mr. Klehs, seconded by Mr. Andal and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

Pam Ross, Inc., SR AS 24-669724; 37844

4-1-95 to 3-31-98, \$5,850.30 Tax, \$1,969.36 Penalty, Negligence

For Petitioner: Lynn N. Talbott, Jr. CPA

For Sales and Use Tax Department: Kevin Hanks, Hearing Representative

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Issue: Whether the audited measure of tax was established in accordance with the facts.

Whether the evidence shows that petitioner was given proper credits for taxes paid with its sales and use tax returns.

Whether relief from the 10 percent penalty for negligence is warranted.

Action: Upon motion of Mr. Andal, seconded by Mr. Klehs and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Rajinder Singh Garcha, SR KH 99-624109, 30060

7-1-95 to 6-30-98, \$18,928.21 Tax

For Petitioner: No Appearance

For Sales and Use Tax Department: Kevin Hanks

Action: The Board took no action.

THURSDAY, NOVEMBER 29, 2001

LEGAL APPEALS MATTER

Mike David and Kimberly A. Tomasetti, SR ARF 99-861580-010; 89002420010

4-1-93 to 6-30-96, \$25,110.00 Tax, \$00.00 Penalty, Negligence
\$00.00 Penalty, Failure to File

Considered by the Board: October 25, 2001

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Andal, seconded by Mr. Parrish and duly carried, Mr. Parrish, Mr. Andal and Ms. Mandel voting yes, Mr. Chiang and Mr. Klehs voting no, the Board ordered that the petition be granted

BUSINESS TAXES APPEALS HEARINGS

Paul Briones aka Leopoldo Briones, SR BHA 53-000228; 32884

10-1-92 to 4-15-93, \$5,330.39 Tax

For Petitioner: No Appearance

For Sales and Use Tax Department: Jeffrey H. Graybill, Counsel

Contribution Disclosures pursuant to Government Code Section 15626: No contributions were disclosed.

Issue: Whether claimant is subject to corporate officer liability for the period at issue.

Action: Upon motion of Mr. Andal, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, the Board ordered that the petition be redetermined in accordance with the revised recommended by the Appeals Section.

FINAL ACTION ON PETITIONS HEARD NOVEMBER 29, 2001

Upon motion of Mr. Andal, seconded by Mr. Chiang and unanimously carried, Mr. Parrish, Mr. Chiang, Mr. Klehs, Mr. Andal and Ms. Mandel voting yes, the Board ordered that in the petition of *Pam Ross, Inc.*, SR AS 24-669724; 37844, the negligence penalty be deleted otherwise be redetermined as recommended by the Appeals Section.

Mr. Klehs stated for the record that he would have voted with the majority in the petition of *Nader Amirvand*, SR EA 24-855661; 33146.

THURSDAY, NOVEMBER 29, 2001

The Board adjourned at 2:00 p. m.

The foregoing minutes are adopted by the Board on February 6, 2002.

THURSDAY, NOVEMBER 29, 2001