



STATE BOARD OF EQUALIZATION  
450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080  
(916) 322-2270 • FAX (916) 324-3984  
www.boe.ca.gov

BETTY T. YEE  
Acting Member  
First District, San Francisco

BILL LEONARD  
Second District, Sacramento/Ontario

CLAUDE PARRISH  
Third District, Long Beach

JOHN CHIANG  
Fourth District, Los Angeles

STEVE WESTLY  
State Controller, Sacramento

RAMON J. HIRSIG  
Executive Director

## STATE BOARD OF EQUALIZATION MEETING

### Preliminary Record of Board Action

The following is a preliminary record of Board actions taken at the August 16, 2006, Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions are the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone (916) 322-2270 or e-mail: [cathy.stroh@boe.ca.gov](mailto:cathy.stroh@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

#### A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS

There were no items for this matter.

#### B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

B1. David F. Paré, 287785, 325764

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeals Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B2. Michael Edward Farrell and Christine Marie Farrell, 268382 - Deferred

## B3. Michael J. Kelley, 312843 – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied – A \$750.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

## B4. Rebecca K. Hahn, 310934 – Dismissed

B5. Kingston Technology Corporation, 288052  
John Tu and Mary Tu, 286420  
David Sun and Diana Sun, 286421

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Appeal Denied – Incorporating the Franchise Tax Board's concession that the Tus' and the Suns' tax liability is calculated after applying a \$10 million exclusion instead of a \$5 million exclusion to reflect the community property nature of their holdings.	Mr. Leonard	No
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	No

## B6. Daniel Y. Hagan and Helen M. Hagan, 316566

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

**C. SALES AND USE TAX APPEALS HEARINGS****C1. Palomar Technologies, Inc., 205059, 272356 (FHB)**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition for Redetermination Denied and Claim for Refund Granted. Approved Revised Staff Recommendation.	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mrs. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

**C2. Jeffrey L. Brown, 260934 (FH)**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

**C3a. Brian Jerome Doherty, 236451 (UT)****C3b. John Peter Mouyos, 239662 (EH) – No Appearance**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Board Determination Ordered that Taxpayers be granted 30 days to submit post hearing documentation, the Department 30 days to respond and the Appeals Division 30 days to prepare a recommendation to the Board	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

## C4. Aero Transit, Inc., 266803 (UT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

## C5. Peter T. Fei, 239825, 239826 (EH) – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petitions Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

## C6. Raad Shakir Ajou, 285896 (FH) – Appearance Waived

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied - Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

Adjourned