

**Wednesday, December 15, 2004**

The Board met at its offices at 450 N Street, Sacramento, at 9:30 a.m., with Mr. Chiang, Chair, Mr. Parrish, Vice Chair, Ms. Yee and Mr. Leonard present, Ms. Mandel present on behalf of Mr. Westly in accordance with Government Code section 7.9.

### **SALES AND USE TAX APPEALS HEARINGS**

#### **Lightwave Electronics Corporation, 223053**

Tax Period Ending 11-30-98, \$29,366.00 Claim for Refund

Tax Period Ending 11-30-99, \$28,060.00 Claim for Refund

Tax Period Ending 11-30-00, \$15,748.00 Claim for Refund

Tax Period Ending 11-30-01, \$47,147.00 Claim for Refund

Tax Period Ending 11-30-02, \$42,834.00 Claim for Refund

For Claimant:

Jon A. Sperring, Representative

Derick Brannan, Representative

For Sales and Use Tax Department:

Brad Heller, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether claimant is entitled to a refund pursuant to Revenue and Taxation Code section 6902.2.

Action: Upon motion of Mr. Parrish, seconded by Mr. Leonard and unanimously carried, Mr. Chiang, Mr. Parrish, Mr. Leonard and Ms. Mandel voting yes, Ms. Yee abstaining, the Board ordered that the petition be granted.

#### **Grundfos US Holding Corporation, 209694**

Fiscal Year 12-31-98, \$4,763.00 Claim for Refund

Fiscal Year 12-31-99, \$285,766.00 Claim for Refund

Fiscal Year 12-31-00, \$318,073.00 Claim for Refund

Fiscal Year 12-31-01, \$14,948.00 Claim for Refund

For Claimant:

Ernest J. Dronenburg, Representative

David D. Goss, Attorney

Harvey M. Tatsumura, CPA

For Sales and Use Tax Department:

Brad Heller, Tax Counsel

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

Issues: Whether claimant is entitled to a refund pursuant to Revenue and Taxation Code section 6902.2.

Action: Upon motion of Mr. Parrish, seconded by Mr. Leonard and unanimously carried, Mr. Chiang, Mr. Parrish, Mr. Leonard and Ms. Mandel voting yes, Ms. Yee abstaining, the Board ordered that the petition be granted.

Mr. Chiang stated that he would not participate in the matter of *Conextant Systems, Inc.*, 196556, in accordance with Government Code section 87105, and left the Boardroom.

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**Conextant Systems, Inc., 196556**

12-31-98 to 9-30-99, \$4,174,604.00 Claim for Refund

For Claimant: Jon A. Sperring, Representative  
Derick Brannan, Representative

For Sales and Use Tax Department: Brad Heller, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether claimant is entitled to a refund pursuant to Revenue and Taxation Code section 6902.2.

Action: Upon motion of Mr. Leonard, seconded by Ms. Mandel and unanimously carried, Mr. Parrish, Mr. Leonard and Ms. Mandel voting yes, Ms. Yee abstaining, Mr. Chiang absent and not participating in accordance with Government Code section 87105, the Board ordered that the petition be granted.

Mr. Chiang returned to the Boardroom.

**Lightwave Electronics Corporation, 223053**

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish, and duly carried, Mr. Parrish and Mr. Leonard voting yes, Mr. Chiang voting no, Ms. Yee abstaining, Ms. Mandel not participating, the Board ordered a memorandum opinion be drafted for Board approval at the next Board meeting on *Lightwave Electronics Corporation, 223053*.

**LEGAL APPEALS MATTERS, CONSENT**

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

**Kathreen Leann Writesman, 214649**

7-1-96 to 4-30-01, \$32,745.36 Tax, \$1,104.00 Late Prepayment Penalty

Action: Grant the petition for redetermination and deny the petition for rehearing as recommended by the Appeals Division.

**Margaret Ann Barker-Early, 210206, -07, -09, -11, -12, -13, -15, -17, -19, -21, -23, 233919**

1-1-00 to 9-30-02, \$7,303.00 Tax

10-1-99 to 12-31-99, \$308.00 Claim for Refund, \$00.00 Finality Penalty

Action: Redetermine as recommended by the Appeals Division.

**Caffe Verona, Inc., 240870**

7-1-99 to 6-30-02, \$24,695.43 Tax

Action: Redetermine as recommended by the Appeals Division.

**Bachint Singh Rathor and Neelam Kaur Rathor, 281364**

July 8, 2004 Notice of Seizure and Forfeiture

Action: Determined that staff properly seized the cigarettes.

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Ali M. Alawdi, 281363

April 13, 2004 Notice of Seizure and Forfeiture

Action: Determined that staff properly seized the cigarettes.

Judy Taing and Williams Seng Tain, 283261

June 17, 2004 Notice of Seizure and Forfeiture

Action: Determined that staff properly seized the cigarettes.

**CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, CONSENT**

The Board deferred consideration of the following matters: *Clayinvest, Inc., 249945; Sherrie D. Haney, 246253; Scott R. and Judith E. Martin, 253561; Medsearch, Inc., 253647; Terry W. and Dawn W. Williamson, 241485; and, James and Jean A. Bagley, 217274.*

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

Gordon Anderson, 249655

1999, \$5,115.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Henry E. and Claudie L. Barnes, 260008

1995, \$341.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Richard Beal, 254206

2001, \$662.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Ronald Brekke, 224269

1999, \$1,013.00 Tax, \$253.25 Late Filing Penalty

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

David W. Carstetter, 263738

2000, \$1,518.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Hong Chen, 251870

2001, \$1,253.60 Assessment

Action: Sustain the action of the Franchise Tax Board.

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**Michael S. Cianciola, 258740**

2000, \$740.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Clayinvest, Inc., 249945**

1997, \$427,627.77 Assessment

Action: The Board deferred consideration of this matter.

**Kyle and Kimberly Cooper, 267648**

1998, \$11,864.00 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

**John J. Deveno, Jr., 241050**

1999, \$186.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Clarence D. and Elaine Edwards, 258766**

2000, \$444.00 Assessment

Action: Dismissed for lack of jurisdiction.

**Pete Fettig, 254014**

2000, \$5,964 Tax, \$1,491.00 Late Filing Penalty

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

**Frank E. Fish, 251228**

2001, \$1,077.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Brian J. Flynn, 253988**

1999, \$631.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Perseveranda M. Goins, 263184**

2001, \$840.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**William Gomez, 246311**

2001, \$587.00 Tax, \$146.75 Late Filing Penalty, \$1,729.50 Notice and Demand Penalty

Action: Sustain the action of the Franchise Tax Board and impose a \$1,000.00 frivolous appeal penalty.

**Maxine Hall, 220767**

1999, \$855.00 Assessment

Action: Modify the action with concession by the Franchise Tax Board.

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**Sherrie D. Haney, 246253**

1993, \$2,666.00 Claim for Refund

Action: The Board deferred consideration of this matter.

**Bruce R. Harris, 251237**

2000, \$2,920.00 Assessment

Action: Modify the action with concession by the Franchise Tax Board.

**Servando Hurtado, 251236**

2001, \$926.25 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Scott R. and Judith E. Martin, 253561**

1999, \$9,399.00 Assessment

Action: The Board deferred consideration of this matter.

**Keyvan Masoudi, 259716**

2002, \$3,177.54 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Medsearch, Inc., 253647**

1999, \$19,693.49 Tax, \$12,021.74 Penalties and Fees

Action: The Board deferred consideration of this matter.

**Jeffrey M. Michaels, 242563**

**Sandra L. Michaels, 242606**

1995, \$4,793.45

Action: Sustain the action of the Franchise Tax Board.

**Hung Ngo, 254210**

2001, \$703.00 Tax, \$175.75 Notice and Demand Penalty

Action: Sustain the action of the Franchise Tax Board.

**John and Dorothy Perez, 260702**

2000, \$528.00 Assessment

Action: Modify the action with concession by the Franchise Tax Board.

**Greg A. Presco, 258167**

1977, \$25,279.53 Assessment

1978, \$20,490.68 Assessment

1979, \$16,484.07 Assessment

1981, \$9,297.43 Assessment

Action: Modify the action of the Franchise Tax Board.

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**Phyllis A. Purcell, 261168**

2000, \$121.75 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Abraham G. Ramirez, 261929**

2000, \$609.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Gilbert A. Rodriguez, 253660**

2000, \$3,714.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Tommy Romanio and Deborah Romanio (Deceased), 252108**

1979, \$2,260.00 Claim for Refund

1980, \$6,627.78 Claim for Refund

1988, \$907.78 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

**Ahmed and Siham Saleem, 264057**

2002, \$403.01 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

**Roger D. Salera, 251023**

2001, \$870 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

**Thomas R. Schroeder, 250421**

1999, \$45,610.00 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

**Larry M. Sena, 253199**

2001, \$515.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Esteban Serrano, 249291**

2001, \$571.25 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Kenneth Shaw, 260959**

2000, \$335.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**James P. Simpson, 250415**

1999, \$1,072.00 Assessment

2000, \$1,203.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

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**Peter Skikos, 264062**

1990, \$387.50 Late Filing Penalty, \$602.50 Notice and Demand Penalty

Action: Sustain the action of the Franchise Tax Board.

**Kenneth H. Strauss, 238362**

2000, \$847.00 Tax, \$211.75 Late Filing Penalty, \$211.75 Notice and Demand Penalty

Action: Sustain the action of the Franchise Tax Board and impose a \$1,000.00 frivolous appeal penalty.

**John Thomas, 257710**

1984, \$11,152.72 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Darrel Alan Travis, 254306**

2001, \$355.00 Tax, \$100.00 Late Filing Penalty

Action: Sustain the action of the Franchise Tax Board and impose a \$1,000.00 frivolous appeal penalty.

**Mfon F. Udoisa, 254307**

2001, \$1,294.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Michael Kenji Wakamiya, 250414**

1998, \$8,238.24 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

**Graham Walker, 259422**

2000, \$1,035.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**Michael F. Walsh, 249341**

1999, \$312.00 Assessment

Action: Modify the action with concession by the Franchise Tax Board.

**Connie Watkins, 258567**

1990, \$4,546.66 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

**Terry W. and Dawn W. Williamson, 241485**

1993, \$4,228.56 Claim for Refund Tax

Action: The Board deferred consideration of this matter.

**Antoine A. Zeigler, 257712**

1999, \$373.00 Tax, \$100.00 Late Filing Penalty

Action: Sustain the action of the Franchise Tax Board and impose a \$500.00 frivolous appeal penalty.

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**Estate of Jane L. Andrews, 224316**

1990, \$34,172.00 Claim for Refund

Action: Deny the petition for rehearing.

**James and Jean A. Bagley, 217274**

1994, \$436,394.00 Assessment

1995, \$214,272.00 Assessment

1996, \$525,255.00 Assessment

1997, \$57,700.00 Assessment

Action: The Board deferred consideration of this matter.

**Burriss and Glaus, Inc., 237016**

2002, \$800.00 Tax, \$200.00 Late Filing Penalty

Action: Deny the petition for rehearing.

**Fakhradin and Laura Mirian, 198390**

1999, \$2,300.00 Assessment

Action: Deny the petition for rehearing.

**Kirk C. Odegaard, 203278**

1999, \$4,225.00 Tax, \$1,056.25 Late Filing Penalty, \$1,056.25 Notice and Demand Penalty

Action: Deny the petition for rehearing.

**Wendell and Gerry Simmons, 241900**

1999, \$902.00 Assessment

Action: Deny the petition for rehearing.

**Lloyd and Joan Takasugi, 239341**

1998, \$1,385.69 Claim for Refund

Action: Deny the petition for rehearing and modify the Board's decision dated May 25, 2004 as recommended by staff.

**Gwendolyn and Sam Wade, 237223**

1999, \$732.00 Assessment

Action: Deny the petition for rehearing.

**David C. Walker, 241996**

1998, \$3,722.00 Assessment

Action: Deny the petition for rehearing.

**William R. Walsh, 217872**

2001, \$1,092.17 Claim for Refund

Action: Deny the petition for rehearing.

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Robert B. and Marjorie R. Whitman, 215139  
1999, \$2,114.00 Assessment  
Action: Deny the petition for rehearing.

**HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE MATTERS, CONSENT**

The Board deferred consideration of the following matter: *Pun Loi Wong*,  
262990.

With respect to the Homeowner and Renter Property Tax Assistance Matters Consent Agenda, upon a single motion of Ms. Mandel, seconded by Ms. Yee and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board made the following orders:

Alex Aflaki, 254519  
2003, \$1.00 or more  
Action: Sustain the action of the Franchise Tax Board.

Seda Ambartsumyan, 262237  
2003, \$ 347.50  
Action: Sustain the action of the Franchise Tax Board.

Carol Ave-Lallemant, 252042  
2003, \$1.00 or more  
Action: Sustain the action of the Franchise Tax Board.

Jasper Bailey, 251837  
2003, \$342.00  
Action: Sustain the action of the Franchise Tax Board.

Jessie Bair, 259431  
2002, \$275.00  
Action: Sustain the action of the Franchise Tax Board.

Geraldine Ballo, 254529  
2003, \$1.00 or more  
Action: Sustain the action of the Franchise Tax Board.

Jeanne Beyer, 259433  
2003, \$472.60  
Action: Sustain the action of the Franchise Tax Board.

Ebony Blake, 259869  
2002, \$1.00 or more  
Action: Sustain the action of the Franchise Tax Board.

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Kenneth Borrás, 251834

2003, \$688.00

Action: Modify the action with concession by the Franchise Tax Board.

Deborah Chandler, 250064

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Tyler Chilcott-Marquez, 253860

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Chris Colon, 257709

2003, \$345.50

Action: Sustain the action of the Franchise Tax Board.

Araksi Dzheyranyan, 254021

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

N. B. Guzman, 251433

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Timothy Hampton, 257687

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Barbara A. King, 259394

2003, \$282.50

Action: Reverse the action of the Franchise Tax Board.

Martin McLain, 253624

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Lorna Rae Moore, 252866

2003, \$297.50

Action: Sustain the action of the Franchise Tax Board.

James J. Myers, 258861

2002, \$295.00

Action: Sustain the action of the Franchise Tax Board.

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Tan Thanh Nguyen, 264378

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Sandra Ann Williams Parker, 253627

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Valentina Y. Povazkova, 255908

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Ermelinda Sanchez, 253658

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Nancy M. Seeley, 257931

2003, \$332.50

Action: Sustain the action of the Franchise Tax Board.

Jerry E. Sexton, 251754

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Earnest Shortridge, 257926

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Mark Sigal, 257927

2003, \$340.00

Action: Sustain the action of the Franchise Tax Board.

Boris Slobodnyuk, et al., 255024

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Sedrak Stepanpour, 257944

2003, \$265.00

Action: Sustain the action of the Franchise Tax Board.

Anita Story, 256311

2003, \$347.00

Action: Sustain the action of the Franchise Tax Board.

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Samuel L. Toles, 260695

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Tsangki Tsoi, 252180

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Rebekah Viselli, 252607

2002, \$347.50

2003, \$347.50

Rachel Viselli, 252608

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Latrice Walker, 253885

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Paris Lee Wallace, 252923

2003, \$347.50

Tyshon L. Harris, 252982

2003, \$1.00 or more

Passion L. Harris, 253248

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Hsiu-Lin Wang, 257977

2003, \$275.00

Action: Sustain the action of the Franchise Tax Board.

Aaron Weiss, 257981

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Lawrence West, 252671

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Julia Whitfield, 264525

2003, \$320.00

Action: Sustain the action of the Franchise Tax Board.

Julie K. Williams, 252678

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

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Pun Loi Wong, 262990

2003, \$400.00

Action: The Board deferred consideration of this matter.

Wen Ying Yang, 258004

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

George W. Jordan, 244433

2003, \$347.50

Action: Deny the petition for rehearing.

Earle L. Penn, 244182

2003, \$347.50

Action: Deny the petition for rehearing.

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

The Board deferred consideration of the following matter: *Lion Motors, Inc.*, 283471.

With respect to the Sales and Use Tax Matters, Redeterminations, Relief of Penalties and Denials of Claims for Refund, Consent Agenda, upon a single motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Ms. Mandel not participating in accordance with Government Code section 87105 in *American Express Travel Related Services Company*, 285978, the Board made the following orders:

Compaq Computer Corporation, 172352

1-1-95 to 12-31-98, \$1,932,361.40

Action: Approve the redetermination as recommended by staff.

Konica Quality Photo West, Inc., 187849

4-1-97 to 9-30-98, \$137,266.42

Action: Approve the redetermination as recommended by staff.

Cosine Communications, Inc., 201822

12-1-98 to 12-31-01, \$867,446.92

Action: Approve the redetermination as recommended by staff.

Pall Corporation, 258412

7-1-97 to 9-30-01, \$194,317.91

Action: Approve the redetermination as recommended by staff.

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**El Dorado Stone LLC, 267046**

3-1-00 to 12-31-02, \$329,172.33

Action: Approve the redetermination as recommended by staff.

**Lion Motors, Inc., 283471**

1-1-04 to 3-31-04, \$54,261.12

Action: The Board deferred consideration of this matter.

**Golden State Supply Inc., 283319**

1-1-04 to 3-31-04, \$78,363.20

Action: Approve the relief of penalty as recommended by staff.

**Banana Republic, LLC, 284755**

2-1-04 to 4-30-04, \$408,527.78

Action: Approve the relief of penalty as recommended by staff.

**Old Navy LLC, 286451**

2-1-04 to 4-30-04, \$824,565.36

Action: Approve the relief of penalty as recommended by staff.

**American Express Travel Related Services Company, 285978**

7-1-99 to 3-31-01, \$126,906.28

Action: Approve the denial of claim for refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

**Stein, Inc., 284243**

4-1-01 to 6-30-01, \$53,854.00

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

**Car Rental Direct.Com, Inc., 205337**

4-1-02 to 9-30-02, \$68,348.71

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

**Arman Vakili, 91283**

4-1-95 to 3-31-98, \$116,124.52

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

**TA Operating Corporation, 285741**

7-1-98 to 6-30-01, \$58,607.34

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

**Foundation Health Warehouse Company, 94057**

1-1-96 to 12-31-98, \$358,823.00

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

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**SALES AND USE TAX MATTERS, CREDITS, CANCELLATIONS AND REFUNDS,  
CONSENT**

The Board deferred consideration of the following matter: *Michael Sun, 267107.*

With respect to the Sales and Use Tax Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Mr. Leonard, seconded by Ms. Yee and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Mr. Chiang not participating in accordance with Government Code section 87105 in *Conexant Systems, Inc., 282281; LSI Logic Corporation, 221302; and Old Navy (California) LLC, 282901;* Mr. Parrish not participating in accordance with Government Code section 87105 in *H. J. Heinz Company, 283812;* Ms. Mandel not participating in accordance with Government Code section 87105 in *Hilton Supply Management, Inc., 283756; American Express Travel Related Service Company, 187607; Alcatel Networks, Inc., 283155; and, DaimlerChrysler Services North America LLC, 201774,* the Board made the following orders:

**Hilton Supply Management, Inc., 283756**

1-1-01 to 3-31-01, \$68,746.52

Action: Approve the credit and cancellation as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

**Rialto Concrete Products, Inc., 283990**

4-1-04 to 6-30-04, \$220,635.00

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

**Conexant Systems, Inc., 282281**

7-1-97 to 9-30-99, \$101,281.04

Action: Approve the credit and cancellation as recommended by staff. Mr. Chiang not participating in accordance with Government Code section 87105.

**Tumi, Inc., 283734**

10-1-95 to 6-30-00, \$81,666.70

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

**GTE Communication Systems Corporation, 285811**

1-1-98 to 12-31-00, \$141,566.53

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

**Farmers Group Inc., 217684**

1-1-01 to 6-30-03, \$794,377.03

Action: Approve the refund as recommended by staff.

**Deluxe Laboratories, Inc., 283464**

4-1-00 to 3-31-03, \$611,936.64

Action: Approve the refund as recommended by staff.

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**Pepperdine University, 207126**

10-1-99 to 6-30-03, \$124,774.43

Action: Approve the refund as recommended by staff.

**Hydro-Aire Company, 223150**

1-1-00 to 12-31-01, \$123,658.00

Action: Approve the refund as recommended by staff.

**Silver Star A.G., Ltd., 281278**

7-1-01 to 3-31-04, \$69,121.63

Action: Approve the refund as recommended by staff.

**Mark Controls Corporation, 223148**

1-1-00 to 12-31-01, \$143,189.00

Action: Approve the refund as recommended by staff.

**Chevron U.S.A., Inc., 265245**

1-1-96 to 9-30-01, \$316,476.24

Action: Approve the refund as recommended by staff.

**Impac Medical Systems, Inc., 268736**

10-1-03 to 12-31-03, \$52,415.08

Action: Approve the refund as recommended by staff.

**Scientific Technology Inc., 270611**

7-1-00 to 12-31-03, \$57,002.09

Action: Approve the refund as recommended by staff.

**Import Motors Inc., 272102**

4-1-04 to 6-30-04, \$244,500.50

Action: Approve the refund as recommended by staff.

**Freedom Acquisitions Inc. & et al, 266400**

4-1-01 to 3-31-04, \$206,385.37

Action: Approve the refund as recommended by staff.

**LSI Logic Corporation, 221302**

1-1-00 to 9-30-02, \$115,555.32

Action: Approve the refund as recommended by staff. Mr. Chiang not participating in accordance with Government Code section 87105.

**Solano Imports Inc., 281357**

4-1-04 to 4-19-04, \$88,383.70

Action: Approve the refund as recommended by staff.

Wednesday, December 15, 2004

**The Golden 1 Credit Union, 282338**

4-1-04 to 6-30-04, \$147,244.95

Action: Approve the refund as recommended by staff.

**Monschein Industries, Inc., 282906**

1-1-01 to 3-31-04, \$186,077.02

Action: Approve the refund as recommended by staff.

**Exxon Mobil Corporation, 253253**

7-1-03 to 12-31-03, \$234,375.99

Action: Approve the refund as recommended by staff.

**Business Incentives, Inc., 284452**

4-1-01 to 6-30-01, \$54,520.61

Action: Approve the refund as recommended by staff.

**Medline Industries, Inc., 168453**

1-1-99 to 6-30-03, \$146,139.41

Action: Approve the refund as recommended by staff.

**American Express Travel Related Service Company, 187607**

4-1-99 to 3-31-01, \$107,528.53

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

**Cerner Corporation, 253648**

7-1-02 to 12-31-02, \$264,527.84

Action: Approve the refund as recommended by staff.

**Lanier Worldwide Inc., 285873**

1-1-98 to 3-31-02, \$299,059.47

Action: Approve the refund as recommended by staff.

**Stein Inc., 139877**

4-1-01 to 6-30-01, \$51,032.20

Action: Approve the refund as recommended by staff.

**Alcatel Networks, Inc., 283155**

4-1-97 to 9-30-00, \$58,168.72

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105

**Michael Sun, 267107**

4-1-96 to 10-31-02, \$60,678.30

Action: The Board deferred consideration of this matter.

Wednesday, December 15, 2004

**Telfer Oil Company, 263628**

3-31-03, \$69,046.41

Action: Approve the refund as recommended by staff.

**Siemens Subscriber Networks Inc., 145231**

7-1-00 to 6-30-01, \$61,213.01

Action: Approve the refund as recommended by staff.

**Abbott Laboratories Inc., 237227**

7-1-00 to 12-31-03, \$84,581.04

Action: Approve the refund as recommended by staff.

**Old Navy (California) LLC, 282901**

2-1-98 to 12-31-02, \$78,105.36

Action: Approve the refund as recommended by staff. Mr. Chiang not participating in accordance with Government Code section 87105.

**California National Bank, 186986**

4-1-99 to 3-31-03, \$594,952.93

Action: Approve the refund as recommended by staff.

**Securitylink, Inc., 265405**

7-1-99 to 12-31-01, \$71,244.95

Action: Approve the refund as recommended by staff.

**Gary M. Reynolds & Associates Inc., 238406**

7-1-00 to 6-30-03, \$59,836.13

Action: Approve the refund as recommended by staff.

**Intermec Tech Corporation Norand Division, 282279**

1-1-01 to 12-31-01, \$74,413.76

Action: Approve the refund as recommended by staff.

**Ciber, Inc., 217482**

7-1-00 to 12-31-02, \$53,947.79

Action: Approve the refund as recommended by staff.

**Fibre Innovations LLC, 281729**

1-1-01 to 12-31-02, \$59,207.41

Action: Approve the refund as recommended by staff.

**DaimlerChrysler Services North America LLC, 201774**

10-1-01 to 03-31-03, \$1,368,090.70

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

Wednesday, December 15, 2004

Kalypsys, Inc., 259001

4-1-03 to 6-30-03, \$367,423.48

Action: Approve the refund as recommended by staff.

Dearden's, 282913

1-1-04 to 3-31-04, \$67,395.28

Action: Approve the refund as recommended by staff.

Philip Morris USA Inc., 214190

1-1-00 to 12-31-02, \$2,235,776.23

Action: Approve the refund as recommended by staff.

H. J. Heinz Company, 283812

1-1-99 to 5-3-01, \$68,009.82

Action: Approve the refund as recommended by staff. Mr. Parrish not participating in accordance with Government Code section 87105.

Mitsubishi Motors Credit America Inc., 201893

1-1-01 to 12-31-03, \$1,743,072.12

Action: Approve the refund as recommended by staff.

MDL Information Systems, Inc., 283214

10-1-00 to 3-31-04, \$68,198.02

Action: Approve the refund as recommended by staff.

Sacramento Credit Union, 266551

1-1-02 to 3-31-04, \$114,441.09

Action: Approve the refund as recommended by staff.

TA Operating Corporation, 257798

7-1-98 to 6-30-01, \$912,706.02

Action: Approve the refund as recommended by staff.

Bombardier Capital, Inc., 281766

10-1-03 to 3-31-04, \$64,010.80

Action: Approve the refund as recommended by staff.

Sun Microsystems Inc., 242273

7-1-02 to 3-31-03, \$181,710.24

Action: Approve the refund as recommended by staff.

Riverside County Federal Credit Union, 252026

7-1-02 to 12-31-03, \$66,812.14

Action: Approve the refund as recommended by staff.

Wednesday, December 15, 2004

**Extreme Networks, 282219**

1-1-98 to 12-31-98, \$227,279.25

Action: Approve the refund as recommended by staff.

**Lobel Financial Corporation, 282339**

4-1-04 to 6-30-04, \$77,242.50

Action: Approve the refund as recommended by staff.

**Time Finance Company, 271447**

1-1-03 to 3-31-04, \$96,695.25

Action: Approve the refund as recommended by staff.

**Norton Community Credit Union, 261004**

1-1-01 to 12-31-03, \$181,159.59

Action: Approve the refund as recommended by staff.

**Water & Power Community Credit Union, 268386**

4-1-98 to 9-30-02, \$68,314.96

Action: Approve the refund as recommended by staff.

**Triton Acceptance Corporation, 268387**

10-1-00 to 12-31-03, \$102,841.77

Action: Approve the refund as recommended by staff.

**Heritage Community Credit Union, 268734**

7-1-03 to 12-31-03, \$158,123.12

Action: Approve the refund as recommended by staff.

**SPECIAL TAXES MATTERS, DENIAL OF CLAIM FOR REFUND AND RELIEF OF PENALTY, CONSENT**

With respect to the Special Taxes Matters, Denial of Claim for Refund and Relief of Penalties, Consent Agenda, upon a single motion of Mr. Leonard, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9 in *Miller Brewing Company, 284077*, the Board made the following orders:

**NASA Oil Corporation, 238828**

4-1-00 to 3-31-03, \$87,544.53

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

**Miller Brewing Company, 284077**

12-1-03 to 12-31-03, \$135,907.04

Action: Approve the relief of penalty as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Wednesday, December 15, 2004

**SPECIAL TAXES MATTERS, CREDITS, CANCELLATIONS AND REFUNDS,  
CONSENT**

The Board deferred consideration of the following matter: *M V Transportation, 245295.*

With respect to the Special Taxes Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Ms. Yee, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9 in *Ultramar Inc., 251975 and Schieffelin Partner Inc., 287116*, the Board made the following orders:

**Less Hassle, Inc., 241645**

1-1-02 to 12-31-02, \$61,681.75

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

**Less Hassle, Inc., 284240**

1-1-03 to 12-31-03, \$58,380.73

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

**Atlantic Richfield Company, 206946**

7-1-98 to 12-31-01, \$285,638.07

Action: Approve the refund as recommended by staff.

**Ultramar Inc., 251975**

1-1-02 to 1-31-02, \$80,482.48

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

**ExxonMobil Oil Corporation, 261813**

5-1-99 to 12-31-02, \$68,144.30

Action: Approve the refund as recommended by staff.

**M V Transportation, 245295**

10-1-00 to 6-30-03, \$213,216.69

Action: The Board deferred consideration of this matter.

**Sistema International De Transportente De Auto, 286716**

4-1-01 to 3-31-03, \$272,001.45

Action: Approve the refund as recommended by staff.

**Thrifty Payless, Inc., 284421**

9-1-04 to 9-30-04, \$95,102.57

Action: Approve the refund as recommended by staff.

Wednesday, December 15, 2004

Thrifty Payless, Inc., 284422

9-1-04 to 9-30-04, \$67,093.38

Action: Approve the refund as recommended by staff.

Schieffelin Partner Inc., 287116

4-1-01 to 5-31-04, \$200,176.73

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

**LEGAL APPEALS MATTERS, ADJUDICATORY**

Leslie Morrison, 193559, 193561

4-1-00 to 9-30-00, \$37.99 Interest

4-1-00 to 9-30-00, \$135.54 Interest

Considered by the Board: Hearing Notice Sent – Appearance Waived

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

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

Thomas W. Dolph, 239895

7-1-99 to 9-30-02, \$27,909.10 Tax

Considered by the Board: Hearing Notice Sent – Appearance Waived

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

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

Von V. and Esther H. Riddle, 190913

5-30-01, \$6,379.87 Tax, \$00.00 Failure to File Penalty

Considered by the Board: August 24, 2004

Contribution Disclosures pursuant to Government Code section 15626: No contribution disclosure forms were filed. The Members noted that their records disclosed no contributions from this taxpayer, his agent or participants.

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

**CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, ADJUDICATORY**

Jason Barajas, 252223

2000, \$78,987.00 Assessment, \$19,746.75 Failure to Furnish Information Penalty

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

**Wednesday, December 15, 2004**

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

**Rosemarie Williams, 217726**

1988, \$2,560.00 Tax, \$128.00 Negligence Penalty

1989, \$2,374.00 Tax, \$118.00 Negligence Penalty

Considered by the Board: September 21, 2004

Contribution Disclosures pursuant to Government Code section 15626: No contribution disclosure forms were filed. The Members noted that their records disclosed no contributions from this taxpayer, his agent or participants.

Action: Upon motion of Mr. Leonard, seconded by Ms. Mandel and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board adopted a decision reversing the action of the Franchise Tax Board.

**Shirley I. Niles, 221130**

1999, \$137.60 Claim for Refund

Considered by the Board: April 13, 2004

Contribution Disclosures pursuant to Government Code section 15626: No contribution disclosure forms were filed. The Members noted that their records disclosed no contributions from this taxpayer, his agent or participants.

Action: Upon motion of Mr. Leonard, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board adopted a decision denying the petition for rehearing and upholding the Board's decision of April 13, 2004.

**SALES AND USE TAX MATTERS, REDETERMINATIONS, RELIEF OF PENALTIES AND DENIALS OF CLAIMS FOR REFUND, ADJUDICATORY**

**Conseco Finance Vendor Service Corporation, 198986**

7-1-97 to 1-31-01, \$165,160.99

Considered by the Board: October 19, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Mr. Chiang not participating, the Board approved the redetermination as recommended by staff.

**Scholastic Book Clubs, Inc., 282261**

7-1-03 to 9-30-03, \$69,066.70

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Mr. Chiang not participating, the Board approved the relief of penalty as recommended by staff.

Wednesday, December 15, 2004

**Sears-Roebuck and Company, 253144**

4-1-03 to 6-30-03, \$54,000.00

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: A disqualifying contribution was disclosed to Mr. Westly. No other disqualifying contributions were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Ms. Yee and Mr. Leonard voting yes, Mr. Chiang not participating, Ms. Mandel not participating in accordance with Government Code section 15626, the Board approved the relief of penalty as recommended by staff.

**Oracle Corporation, 222767**

4-1-02 to 6-30-02, \$169,484.70

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Mr. Chiang not participating in accordance with Government Code section 87105, the Board approved the relief of penalty as recommended by staff.

**The Good Guys – California, Inc., 264813**

2-1-04 to 2-29-04, \$150,000.00

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Mr. Chiang not participating, the Board approved the relief of penalty as recommended by staff.

**VW Credit Leasing Ltd., 249458**

4-1-03 to 6-30-03, \$58,757.40

Considered by the Board: October 19, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Parrish, Ms. Yee and Mr. Leonard voting yes, Mr. Chiang not participating, Ms. Mandel not participating in accordance with Government Code section 87105, the Board approved the denial of claim for refund as recommended by staff.

**Cannon Power Corporation, 264771**

7-1-02 to 6-30-03, \$487,008.10

Considered by the Board: October 19, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: The Board deferred consideration of this matter.

Wednesday, December 15, 2004

**SALES AND USE TAX MATTERS, CREDITS, CANCELLATIONS AND REFUNDS,  
ADJUDICATORY**

Philip O. Hamilton, 252241

12-16-97 to 2-19-98, \$81,093.27

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved the credit and cancellation as recommended by staff.

Toyota Motor Sales, U.S.A. Inc., 132785

1-1-97 to 12-31-01, \$171,340.06

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

Nissan North America, Inc., 269028

7-1-02 to 9-30-03, \$141,093.74

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

Summit Medical Center, 268231

7-1-99 to 6-30-02, \$185,912.19

Considered by the Board: October 19, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

American Suzuki Motor Corporation, 89000479330

7-1-92 to 6-30-97, \$115,624.22

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

Western Container Corporation, 206150

1-1-99 to 12-31-01, \$180,217.35

Presented for Separate Discussion

Wednesday, December 15, 2004

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

Piper Marbury Rudnick & Wolfe LLP, 250890

4-1-03 to 9-30-03, \$51,156.44

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: A disqualifying contribution was disclosed to Mr. Westly. No other disqualifying contributions were disclosed.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee and Mr. Leonard voting yes, Ms. Mandel not participating in accordance with Government Code section 15626, the Board approved the refund as recommended by staff.

The Board adjourned at 10:10 a.m.

*The foregoing minutes are adopted by the Board on March 22, 2005.*