Wednesday, November 19, 2014

The Board met at its offices at 450 N Street, Sacramento, at 10:09 a.m., with
Mr. Horton, Chairman, Ms. Steel, Vice Chairwoman, Ms. Yee and Mr. Runner present,
Ms. Mandel present on behalf of Mr. Chiang in accordance with Government Code section 7.9.

Mr. Horton congratulated the Members elect on winning their respective
electoral races.

The Board recessed at 10:10 a.m. and reconvened at 1:04 p.m. with Mr. Horton,
Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel present.

CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARINGS

Rudolph Buriani and Norma Jean Buriani, 668146
2008, $3,555.00 Assessment
For Appellant: Rudolph Buriani, Taxpayer
Norma Jean Buriani, Taxpayer
For Franchise Tax Board: Libby Rodoni, Tax Counsel
Mary Yee, Tax Counsel

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

Issue: Whether appellants have demonstrated error in the Franchise Tax Board’s
assessment, which was based upon a federal adjustment.

Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried,
Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board submitted the
appeal for decision.

Clovus M. Sykes, 790625
2009, $427.00 Tax, $106.75 Late Filing Penalty, $106.75 Demand Penalty, $88.00 Filing
Enforcement Fee
For Appellant: Clovus M. Sykes, Taxpayer
For Franchise Tax Board: Brian Werking, Tax Counsel
Mary Yee, Tax Counsel

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

Issues: Whether appellant has demonstrated any error in the Franchise Tax Board’s
proposed assessment.

Whether appellant has demonstrated reasonable cause to abate the late
filing penalty.

Whether appellant has demonstrated reasonable cause to abate the demand
penalty.

Whether the filing enforcement fee can be abated.

Whether the Board should impose a frivolous appeal penalty.

Appellant’s Exhibit: Miscellaneous Documents (Exhibit 11.3)

Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried,
Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board submitted the
appeal for decision.

Exhibits to these minutes are incorporated by reference.
SPECIAL TAXES APPEALS HEARING

E. M. Fransis Enterprises, Inc., 588145 (STF)
07/01/08 to 10/31/09, $54,747.66 Tax, $14,219.17 Negligence Penalty
For Petitioner: Emad Fransis, Taxpayer
Homam Rady, Representative
Sherif Matar, Representative
For Property and Special Taxes Department: Pamela Mash, Tax Counsel

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

Issues:
Whether adjustments are warranted to the amount of disallowed claimed exempt distributions of tobacco products in interstate commerce.
Whether petitioner was negligent.

Jeff Angeja, Tax Counsel, Appeals Division, Legal Department, advised of the revised recommendation of the Appeals Division to reduce the measure of tax by $8,610 as to item 1.

Action: Upon motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

LEGAL APPEALS MATTERS, CONSENT

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

Almekdad Nasser Ahmed Alharbi and Fatima E. Abdalla, 578943 (CH)
10/01/07 to 09/30/10, $33,112.90 Tax, $3,383.67 Negligence Penalty
Action: Redetermine as recommended by the Appeals Division.

Vernon Hickman, 626555 (STF)
04/01/07 to 09/30/08, $522.00 Tax, $52.20 Finality Penalty
Vernon Hickman, 626556 (STF)
04/01/07 to 09/30/08, $57.00 Tax, $5.70 Finality Penalty
Action: Redetermine as recommended by the Appeals Division.

Kiosko, Inc., 538748 (OH)
09/03/04 to 12/31/08, $23,236.01 Tax, $1,732.79 Failure-to-File Penalty
Action: Redetermine as recommended by the Appeals Division.

Mariscos Linda, Inc., 528349 (AA)
01/05/05 to 12/31/07, $87,098.97 Tax, $00.00 Penalty
Action: Redetermine as recommended by the Appeals Division.

Folsom Discount Food & Liquor, Inc., 798658 (STF)
December 30, 2013 Seizure Date, $583.00 Approximate Value
Action: Determined that staff properly seized the tobacco products.
GPS Enterprise, Inc., 825127 (STF)
May 20, 2014 Seizure Date, $917.93 Approximate Value
Action: Determined that staff properly seized the tobacco products.

Neszhao Consulting Company, LLC, 826590 (STF)
May 14, 2014 Seizure Date, $121.03 Approximate Value
Action: Determined that staff properly seized the tobacco products.

Tareq Ziad Alrehani, 842769 (STF)
July 15, 2014 Seizure Date, $2,346.68 Approximate Value
Action: Determined that staff properly seized the tobacco products.

GEO G2 Solutions, Inc., 563641 (UT)
05/09/08 Date Purchased, $84,975.00 Tax
Action: Deny the petition for rehearing as recommended by the Appeals Division.

R & G Schatz Farms, Inc., 547724, 588579 (KH)
07/01/06 to 06/30/07, $26,801.93 Tax
07/01/07 to 06/30/09, $10,555.65 Tax, $00.00 Penalty
Action: Deny the petition for rehearing as recommended by the Appeals Division.

Gurenderjeet Singh Sandhu, 515741 (KH)
07/01/05 to 12/31/08, $84,655.73 Tax, $00.00 Penalty
Action: Deny the petition for rehearing as recommended by the Appeals Division.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, CONSENT

The Board deferred consideration of the following matters: Christopher Henningfeld and Christine Henningfeld, 735174; Sherri Jones, 756292; and Mark S. Shepherd, 789649.

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

Marie B. Batta, 766498
2008, $9,127.00 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Donald E. Bloom, 745188
2008, $6,531.66 Assessment
Action: Sustain the action of the Franchise Tax Board.

Justin Calvin, 728341
2008, $780.00 Assessment
Action: Sustain the action of the Franchise Tax Board.
Staci A. Campbell, 594124
2006, $40,829.41 Assessment
Action: Sustain the action of the Franchise Tax Board.

Shirley Carter, 636517
2006, $1,083.44 Claim for Refund
2007, $1,474.94 Claim for Refund
2008, $1,618.24 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

The Chatsworth Company, 727158
1999, $24,389.41 Assessment
2000, $68,788.00 Assessment
2002, $48,385.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

Joy A. Clark, 739059
2008, $731.40 Claim for Refund
Action: Sustain the action of the Franchise Tax Board as modified by its concessions on appeal.

Robert D. Cook, Jr., 694990
2008, $1,067.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

George P. Gallegos, 538621
2003, $10,571.60 Assessment
2004, $10,095.60 Assessment
Action: Sustain the action of the Franchise Tax Board.

Joseph R. Gerardo, 758167
2008, $882.00 Tax, $220.50 Late Filing Penalty
Action: Sustain the action of the Franchise Tax Board and impose a $2,500.00 frivolous appeal penalty.

Juan M. Gonzalez, 740764
2008, $381.00 Assessment, $100.00 Late Filing Penalty, $95.25 Demand Penalty, $100.00 Filing Enforcement Fee
Action: Sustain the action of the Franchise Tax Board.

Jay A. Greek, 773291
2009, $1,156.00 Assessment
Action: Modify the action of the Franchise Tax Board and impose a $750.00 frivolous appeal penalty.
Guy Hamilton, 758168
2006, $1,215.00 Assessment
2007, $2,313.00 Assessment
2008, $2,860.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

Christopher Henningfeld and Christine Henningfeld, 735174
2007, $1,447.00 Claim for Refund
Action: The Board took no action.

Allen B. Jacobs, 732679
2008, $5,475.00 Assessment, $1,095.00 Accuracy-Related Penalty
Action: Sustain the action of the Franchise Tax Board.

Sherri Jones, 756292
2008, $5,316.00 Tax, $1,329.00 Late Filing Penalty
Action: The Board took no action.

K & T Properties General Partnership, 733449
2010, $432.00 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Jessie Y. Lee, 721067
2008, $510.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

Jose Mendez, 759227
2010, $1,135.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

James D. Morgan, 762099
2009, $891.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

Trang D. Nguyen, 764995
2002, $18,815.00 Assessment, $7,526.00 Accuracy-Related Penalty, $1,276.80 Post-Amnesty Penalty
Action: Modify the action of the Franchise Tax Board.

Linda T. Noble, 790059
2011, $405.50 Assessment
Action: Sustain the action of the Franchise Tax Board.

Barry L. Nudelman, 766821
2012, $1,439.61 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.
Noel Pena, 610952
2008, $558.00 Claim for Refund
Godofredo B. Abuyo, 611581
2008, $462.00 Claim for Refund
2009, $1,230.00 Claim for Refund
2010, $1,193.00 Claim for Refund
Francisco B. Tacliad, Jr., 611699
2009, $4,474.00 Claim for Refund
2010, $4,503.00 Claim for Refund
Ernie Alayon and Roselle Alayon, 612714
2007, $808.00 Claim for Refund
2009, $1,082.00 Claim for Refund
Joel Malit, 620788
2007, $570.00 Claim for Refund
2008, $718.00 Claim for Refund
2009, $630.00 Claim for Refund
Edward Conroy, 624143
2009, $444.00 Claim for Refund
Eduardo U. Garcia, 624575
2008, $3,019.00 Claim for Refund
Dennis W. Santana, 624643
2009, $1,032.00 Claim for Refund
Ulysses B. Jacob and Lourna P. Jacob, 668187
2007, $418.00 Claim for Refund
2009, $378.00 Claim for Refund
2010, $282.00 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Jonathan D. Schultz, 609652
2005, $2,718.00 Tax, $679.50 Late Filing Penalty, $543.60 Accuracy-Related Penalty
2006, $4,523.00 Tax, $1,130.72 Late Filing Penalty
Action: Sustain the action of the Franchise Tax Board as modified by its concessions on appeal.

Mark S. Shepherd, 789649
2012, $3,750.59 Claim for Refund
Action: The Board took no action.

John L. Sommer, 702798
2005, $655.00 Claim for Refund
2006, $7,934.00 Claim for Refund
2007, $6,799.00 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.
Woping Tam and YimYung Chiu, 710829
2009, $1,154.00 Tax, $230.80 Accuracy-Related Penalty
Action: Sustain the action of the Franchise Tax Board.

Marian Toma, 772611
2011, $329.50 Assessment
Action: Sustain the action of the Franchise Tax Board.

Michael Tran, 788386
2009, $2,048.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

Christopher Treble and Estate of Nancy Treble (Dec’d), 736153
2003, $1,247,532.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

Roger P. Vititow and Janice Vititow, 724814
2006, $263,998.00 Tax, $52,799.60 Accuracy-Related Penalty
2007, $114,157.00 Tax, $22,831.40 Accuracy-Related Penalty
Action: Sustain the action of the Franchise Tax Board.

Wayne T. Wefel and Christeta A. Wefel, 606169, 610528
2007, $4,037.00 Claim for Refund
2008, $3,292.00 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Charles F. Weymann and Janet S. Weymann, 756300
2011, $1,041.32 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Joseph A. Zawacki, 741888
2006, $632.00 Tax, $126.40 Accuracy-Related Penalty
Action: Sustain the action of the Franchise Tax Board.

SALES AND USE TAX MATTERS, REDETERMINATIONS, RELIEF OF PENALTIES, DENIALS OF CLAIMS FOR REFUND, AND, GRANT-ONE DAY INTEREST RELIEF, CONSENT

With respect to the Sales and Use Tax Matters, Redeterminations, Relief of Penalties, Denials of Claims for Refund, and, Grant-One Day Interest Relief, Consent Agenda, upon a single motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board made the following orders:

E Trade Financial Corp. Services, Inc., 724858 (OH)
01/01/08 to 12/31/10, $1,084,089.58
Action: Approve the redetermination as recommended by staff.
Sy Katz, 478354 (AP)
07/01/05 to 04/30/06, $830,042.32
Action: Approve the redetermination as recommended by staff.

Kevin Heaton Whalen, 733799 (CH)
04/01/09 to 06/30/09, $443,991.00
Action: Approve the redetermination as recommended by staff.

Horizon Distributors, Inc., 620767 (OH)
07/01/07 to 12/31/09, $171,620.29
Action: Approve the redetermination as recommended by staff.

Stryker Sales Corporation, 523716 (OH)
10/01/03 to 09/30/06, $4,557,115.23
Action: Approve the redetermination as recommended by staff.

J-2 Gourmet Kitchen, Inc., 556697 (AP)
09/01/03 to 06/30/09, $151,060.54
Action: Approve the redetermination as recommended by staff.

Restoration Hardware, Inc., 842477 (JH)
01/01/14 to 03/31/14, $214,585.90
Action: Approve the relief of penalty as recommended by staff.

Pier 1 Imports U.S., Inc., 842476 (OH)
05/01/14 to 06/15/14, $105,393.78
Action: Approve the relief of penalty as recommended by staff.

Sunpower Corporation, Systems, 842478 (CH)
04/01/14 to 04/30/14, $150,611.14
Action: Approve the relief of penalty as recommended by staff.

Taco Bell, 765475 (OH)
10/03/12 to 03/19/13, $132,089.56
Action: Approve the denial of claim for refund as recommended by staff.

Gateway One Lending & Finance, LLC, 606705 (EA)
12/01/09 to 12/31/09, $424,234.00
Action: Approve the denial of claim for refund as recommended by staff.

Gateway One Lending & Finance, LLC, 628385 (EA)
01/01/10 to 06/30/10, $676,564.00
Action: Approve the denial of claim for refund as recommended by staff.

United Irish Cultural Center, 842480 (BH)
04/01/14 to 06/30/14, $28.26
Action: Approve the one day interest relief as recommended by staff.
Taft Auto Group, Inc., 842479 (DF)  
01/01/14 to 03/31/14, $170.11  
Action: Approve the one day interest relief as recommended by staff.

Doppelmayr USA, Inc., 842482 (OH)  
01/01/14 to 03/31/14, $295.65  
Action: Approve the one day interest relief as recommended by staff.

Joann.com, LLC, 842481 (OH)  
01/01/14 to 01/31/14, $263.84  
Action: Approve the one day interest relief as recommended by staff.

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. Runner, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Mandel not participating in accordance with Government Code section 87105 in Morgan Stanley Capital Group, Inc., 731675 (OH), the Board made the following orders:

SSS Clothing, Inc., 842438 (AS)  
01/02/13 to 12/31/13, $333,450.00  
Action: Approve the credit and cancellation as recommended by staff.

Ward P. Warren, 781387 (AP)  
04/01/05 to 03/31/13, $184,299.19  
Action: Approve the credit and cancellation as recommended by staff.

Trojan Petroleum, Inc., 742008 (AR)  
04/01/10 to 06/30/10, $142,682.00  
Action: Approve the refund as recommended by staff.

Kratos Analytical, Inc., 606746 (OH)  
07/01/09 to 09/30/10, $109,920.00  
Action: Approve the refund as recommended by staff.

School Specialty, Inc., 765815 (OH)  
01/01/08 to 12/31/10, $214,413.87  
Action: Approve the refund as recommended by staff.

BMW of North America, 839703 (OH)  
06/07/13 to 08/29/13, $530,514.24  
Action: Approve the refund as recommended by staff.

BMW of North America, 839701 (OH)  
01/18/13 to 04/26/13, $363,550.18  
Action: Approve the refund as recommended by staff.
Gordon S. Barienbrock, 716688 (EA)
01/01/05 to 12/20/07, $103,082.36
Action: Approve the refund as recommended by staff.

Albertsons, LLC, 826608 (UT)
03/28/14 to 03/28/14, $233,716.00
Action: Approve the refund as recommended by staff.

Morgan Stanley Capital Group, Inc., 731675 (OH)
01/01/10 to 12/31/11, $269,649.07
Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

Midway Rent A Car, 447254 (AS)
10/01/06 to 12/31/07, $105,166.27
Action: Approve the refund as recommended by staff.

Cellco Partnership, 743872 (OH)
01/01/12 to 06/30/12, $246,155.75
Action: Approve the refund as recommended by staff.

Taco Bell, 765475 (OH)
10/03/12 to 03/19/13, $846,819.44
Action: Approve the refund as recommended by staff.

Quest Diagnostics Incorporated, 608878 (OH)
01/01/09 to 12/31/10, $116,093.84
Action: Approve the refund as recommended by staff.

Quest Diagnostics Clinical Labs, 609315 (OH)
01/01/09 to 12/31/10, $196,902.85
Action: Approve the refund as recommended by staff.

Reliant Financial Corporation, 804391 (EA)
04/01/13 to 12/31/13, $169,451.00
Action: Approve the refund as recommended by staff.

Creative Design Consultants, LLC, 809305 (EA)
10/01/09 to 09/30/12, $106,456.12
Action: Approve the refund as recommended by staff.

T-System, Inc., 785922 (OH)
01/01/10 to 06/30/13, $226,604.00
Action: Approve the refund as recommended by staff.

DISH Purchasing Corporation, 717020 (OH)
01/01/09 to 12/31/11, $210,554.31
Action: Approve the refund as recommended by staff.
Ricoh Produc. Print Solutions, LLC, 578749 (OH)  
04/01/10 to 06/30/10, $169,869.41  
Action: Approve the refund as recommended by staff.

Symbility Solutions (USA), Inc., 636929 (OH)  
10/01/11 to 12/31/11, $100,100.00  
Action: Approve the refund as recommended by staff.

Calisolar, Inc., 627171 (GH)  
07/01/09 to 06/30/12, $259,309.09  
Action: Approve the refund as recommended by staff.

Mercedes-Benz Fncl Servs USA, LLC, 575854 (OH)  
07/01/09 to 06/30/11, $1,361,776.15  
Action: Approve the refund as recommended by staff.

Laurent J. Katgely, 845399 (BH)  
04/01/09 to 03/31/12, $193,363.29  
Action: Approve the refund as recommended by staff.

PROPERTY TAXES MATTERS, CONSENT

With respect to the Property Taxes Matters, Consent Agenda, upon a single motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee and Mr. Runner voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, the Board made the following orders:

Petitions for Reassessment of Unitary Value

Qwest Communications Company, LLC (2463), 836940  
2014, $169,100,000.00 Unitary Value  
Action: Reduce the 2014 unitary value to $164,420,000.00 as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Indigo Generation, LLC (1141), 837311  
2014, $46,900,000.00 Unitary Value  
Action: Reduce the 2014 unitary value to $45,500,000.00 as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Bicent (California) Malburg, LLC (1154), 837315  
2014, $78,300,000.00 Unitary Value  
Action: Reduce the 2014 unitary value to $76,800,000.00 as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

MetroPCS California, LLC (2733), 837528  
2014, $203,400,000.00 Unitary Value  
Action: Reduce the 2014 unitary value to $184,600,000.00 as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.
Larkspur Energy, LLC (1142), 837542
2014, $40,600,000.00 Unitary Value
Action: Reduce the 2014 unitary value to $38,100,000.00 as recommended by staff.
Ms. Mandel not participating in accordance with Government Code section 7.9.

CPV Sentinel, LLC (1160), 837573
2014, $798,200,000.00 Unitary Value
Action: Reduce the 2014 unitary value to $710,900,000.00 as recommended by staff.
Ms. Mandel not participating in accordance with Government Code section 7.9.

NRG Marsh Landing, LLC (1157), 840267
2014, $756,500,000.00 Unitary Value
Action: Reduce the 2014 unitary value to $678,300,000.00 as recommended by staff.
Ms. Mandel not participating in accordance with Government Code section 7.9.

Petitions for Penalty Abatement on Unitary Value

Valley Electric Association, Inc. (160), 837309
2014, $148,000.00 Unitary Value, $14,800.00 Penalty
Action: Approve the penalty abatement on 2014 unitary value as recommended by staff.
Ms. Mandel not participating in accordance with Government Code section 7.9.

Trona Railway Co. (882), 836909
2014, $16,800,000.00 Unitary Value, $1,680,000.00 Penalty
Action: Approve the penalty abatement on 2014 unitary value as recommended by staff.
Ms. Mandel not participating in accordance with Government Code section 7.9.

Foresthill Telephone Co. (235), 836920
2014, $17,600,000.00 Unitary Value, $1,760,000.00 Penalty
Action: Approve the penalty abatement on 2014 unitary value as recommended by staff.
Ms. Mandel not participating in accordance with Government Code section 7.9.

Audeamus (7824), 836928
2014, $9,880,000.00 Unitary Value, $988,000.00 Penalty
Action: Approve the penalty abatement on 2014 unitary value as recommended by staff.
Ms. Mandel not participating in accordance with Government Code section 7.9.

NOS Communications, Inc. (2416), 824111
2014, $742,000.00 Unitary Value, $74,200.00 Penalty
Action: Approve the penalty abatement on 2014 unitary value as recommended by staff.
Ms. Mandel not participating in accordance with Government Code section 7.9.

Kerman Telephone Co. (246), 836914
2014, $23,400,000.00 Unitary Value, $2,340,000.00 Penalty
Action: Approve the penalty abatement on 2014 unitary value as recommended by staff.
Ms. Mandel not participating in accordance with Government Code section 7.9.
Petitions for Reassessment and Penalty Abatement on Unitary Value

Searles Valley Minerals Operations, Inc. (475), 836911
2014, $4,640,000.00 Unitary Value, $464,000.00 Penalty
Action: Reduce the Board-adopted unitary value from $5,104,000.00 to $2,740,000.00 to reflect adjustment to the ReproCLD and abatement of the late-filing penalty as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

LEGAL APPEALS MATTERS, ADJUDICATORY

Raymond Harry Simmons, 531521 (AS)
10/01/06 to 01/18/07, $00.00 Tax, $00.00 Penalty
Considered by the Board: July 26, 2014
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: Upon motion of Mr. Runner, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be granted as recommended by the Appeals Division.

Mox, Inc., 569235 (STF)
01/01/06 to 02/28/06, $382,591.73 Tax, $95,647.93 Fraud Penalty
Mox, Inc., 570251 (STF)
05/01/04 to 12/31/05, $2,389,056.31 Tax, $597,264.00 Fraud Penalty
Speaker: Todd Luoma, Attorney
Considered by the Board: September 23, 2014
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: Upon motion of Ms. Yee, seconded by Ms. Mandel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition for rehearing be denied.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, ADJUDICATORY

Richard N. Eisenberg and Anita Eisenberg, 610025
2007, $562,524.00 Tax, $112,504.80 Accuracy-Related Penalty
Considered by the Board: August 5, 2014
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: Upon motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board adopted a decision denying the petition for rehearing.

LEGAL APPEALS PROPERTY TAXES MATTERS, ADJUDICATORY

(Motion expunged later in the day.)
TAX PROGRAM NONAPPEARANCE MATTERS NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

PROPERTY TAX MATTERS

Board Roll Changes

2014 Board Roll of State-Assessed Property
Action: Upon motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Yee and Mr. Runner voting yes, Ms. Steel not participating in accordance with Government Code section 87105, Ms. Mandel not participating in accordance with Government Code section 7.9, the Board approved corrections to the 2014 Board Rolls of State-Assessed Property as recommended by staff (Exhibit 11.4).

OFFER-IN-COMPROMISE RECOMMENDATIONS
Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board approved the Offer in Compromise Recommendations of Lutfi Hussein Abed; Monterey Information Tech.; Crom, Inc.; Luis Gonzalez Diez-Canseco; Tram Anh Thi Duong; K & K Capital Investments, Inc.; Mohammad Khalid; George Khoury; Coco Rikka Kurelordpai; Robert Emmett Lynch; Robby Matar; Bruce Patrick McNall; Edwin E. Toy; Urban Gardens Unlimited, LLC; Ross Aldon Vexler; and, Christopher Lawrence White; as recommended by staff.

CHIEF COUNSEL MATTERS

RULEMAKING

Regulation 6001, General Provisions

Kimberly Willy, Tax Counsel, Settlement & Taxpayer Services Division, Legal Department, made introductory remarks regarding s request for authorization to publish proposed amendments to update the Board’s conflict of interest code (Exhibit 11.5).

Action: Upon motion of Ms. Steel, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board approved authorization to publish proposed amendments to the Board’s conflict of interest code as recommended by staff.

Section 100 Changes

Property Tax Rule 140.1, Requirements for Managing General Partner of Limited Partnership for Welfare Exemption for Low-Income Housing Properties

Amanda Jacobs, Tax Counsel, Tax and Fee Programs Division, Legal Department, made introductory remarks regarding staff’s request for authorization to complete Section 100 changes to make the rule consistent with amendments to the Corporations Code (Exhibit 11.6).

Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board approved authorization to make Rule 100 changes to Property Tax Rule 140.1 as recommended by staff.
OTHER CHIEF COUNSEL MATTERS

Request for Authorization to file Amicus Curiae Brief: Gunter Seibold v. County of Los Angeles Assessment Appeals Board et al., Los Angeles Superior Court No. SC107640, Court of Appeal, 2nd Appellate District No. B253701

Richard Moon, Tax Counsel, Tax and Fee Programs Division, Legal Department, made introductory remarks regarding staff’s request for authorization to file amicus curiae brief regarding the assessment of a property interest on tax exempt publicly owned real property (Exhibit 11.7).

Action: Upon motion of Ms. Steel, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board authorized the filing of the amicus curiae brief as recommended by staff.

ADMINISTRATIVE SESSION

ADMINISTRATIVE MATTERS, CONSENT

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Ms. Yee, seconded by Ms. Mandel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board made the following orders:

Action: Adopt the following resolutions, extending its sincere and grateful appreciation to the retirees for their dedicated service to the State Board of Equalization and to the State of California, their congratulations on each retiree's well-earned retirement, and best wishes to them and their families for continued success, happiness and good health in the years to come (Exhibit 11.8).

Julia Castaneda, Tax Technician II, San Jose District Office
Stephen Coyle, Staff Information Systems Analyst, Technology Services Department, Headquarters
Frederick N. Dueñes, Supervising Tax Auditor II, Sales and Use Tax Department, Culver City District Office
June Fukuhara, Business Taxes Specialist I, Sales and Use Tax Department, Culver City District Office
Peter Murphy, Senior Forest Property Appraiser, State-Assessed Properties Division, Property and Special Taxes Department, Redding District Office
Romulo S. Nogra, Business Taxes Specialist I, Sales and Use Tax Department, New York Out-of State Office
Lilian M. Sibal, Office Assistant (T), Sales and Use Tax Department, West Covina District Office
Edgar Valera, Business Taxes Specialist I, San Francisco District Office
Ronnie Yang, Tax Technician III, Sales and Use Tax Department, Ventura District Office
Action: Approve the 2015 Timberland Production Zone Values as recommended by staff (Exhibit 11.9).

Action: Approve the 2015 revision of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*, as recommended by staff (Exhibit 11.10).


Action: Adopted the property tax forms as presented by staff (Exhibit 11.13).

ADOPTION OF BOARD COMMITTEE REPORTS AND APPROVAL OF COMMITTEE ACTIONS

Business Taxes Committee

Action: The Board deferred matter to latter in the day.

OTHER ADMINISTRATIVE MATTERS

Executive Director’s Report

Eric Steen, CROS Project Director, provided a report regarding the progress on the CROS project to replace BOE’s two current tax legacy technology systems.

Property and Special Taxes Deputy Director’s Report

Lynn Bartolo, Acting Deputy Director, Property and Special Taxes Department, provided a report regarding the effects of Proposition 10 on cigarette and tobacco products consumption (Exhibit 11.14).

Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Yee, Ms. Steel, Mr. Runner and Ms. Mandel voting yes, the Board approve the backfill determination of $14.7 million for fiscal year 2013-14 for the effects of Proposition 10 on cigarette and tobacco products consumption as recommended by staff.

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 2:44 p.m. and reconvened immediately in closed session with Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel present.

CLOSED SESSION

The Board met to discuss settlements (Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11) and personnel matters (Gov. Code § 11126(a)).

The Board recessed at 2:50 p.m. and reconvened immediately in open session with Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel present.
LEGAL APPEALS PROPERTY TAXES MATTERS, ADJUDICATORY

With respect to the Legal Appeals Property Taxes Matters, Adjudicatory Agenda, upon motion of Mr. Runner, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee and Mr. Runner voting yes, Ms. Mandel not participating accordance with Government Code section 7.9, the Board ordered that its previous motions be expunged.

Petitions for Reassessment of Unitary Value

Verizon California, Inc. (0201), 837518
2014, $2,936,500,000.00 Unitary Value
Considered by the Board: Presented for Separate Discussion
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: Upon motion of Mr. Runner, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee and Mr. Runner voting yes, Ms. Mandel not participating accordance with Government Code section 7.9, the Board ordered that the petition be granted in part reducing the 2014 Board-adopted unitary value to $2,609,100,000.00 as recommended by the Appeals Division.

La Paloma Generating Company, LLC (1112), 837006
2014, $300,200,000.00 Unitary Value
Considered by the Board: Presented for Separate Discussion
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: Upon motion of Mr. Runner, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee and Mr. Runner voting yes, Ms. Mandel not participating accordance with Government Code section 7.9, the Board ordered that the petition be denied as recommended by the Appeals Division.

Crown Castle NG West, Inc. (7982), 836972
2014, $121,500,000.00 Unitary Value
Considered by the Board: Presented for Separate Discussion
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: Upon motion of Mr. Runner, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee and Mr. Runner voting yes, Ms. Mandel not participating accordance with Government Code section 7.9, the Board ordered that the petition be denied as recommended by the Appeals Division.

Pacific Pipeline System, LLC (486), 836319
2014, $56,900,000.00 Unitary Value
Considered by the Board: Presented for Separate Discussion
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: Upon motion of Mr. Runner, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Yee and Mr. Runner voting yes, Ms. Steel not participating in accordance with Government Code section 87105, Ms. Mandel not participating accordance with Government Code section 7.9, the Board ordered that the petition be granted in part reducing the 2014 Board-adopted unitary value to $38,800,000.00 as recommended by the Appeals Division.
Plains West Coast Terminals, LLC (488), 836320
2014, $6,150,000.00 Unitary Value
Considered by the Board: Presented for Separate Discussion
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: Upon motion of Mr. Runner, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Yee and Mr. Runner voting yes, Ms. Steel not participating in accordance with Government Code section 87105, Ms. Mandel not participating accordance with Government Code section 7.9, the Board ordered that the petition be denied as recommended by the Appeals Division.

FINAL ACTION ON CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARINGS HELD NOVEMBER 19, 2014

Rudolph Buriani and Norma Jean Buriani, 668146
Final Action: Upon motion of Ms. Mandel, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board sustained the action of the Franchise Tax Board.

Clovis M. Sykes, 790625
Final Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board sustained the action of the Franchise Tax Board and imposed a $5,000.00 frivolous appeal penalty.

FINAL ACTION ON SALES AND USE TAX APPEALS HEARINGS HELD NOVEMBER 19, 2014

Pritpal S. Walia, 609568 (CH)
07/01/08 to 06/30/11, $54,266.48 Tax, $5,531.27 Negligence Penalty
For Petitioner: Waived Appearance
For Sales and Use Tax Department: Scott Lambert, Hearing Representative
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Issues: Whether adjustments are warranted to the amount of unreported taxable sales.
Whether petitioner was negligent.
Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

Jagjit Singh Bhandal, 535643 (KH)
08/13/08 to 09/30/09, $10,594.77 Tax
For Petitioner: Waived Appearance
For Sales and Use Tax Department: Scott Lambert, Hearing Representative
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Issues: Whether additional adjustments are warranted to the amount of unreported taxable sales.
Whether adjustments are warranted to the amount of unreported taxable cigarette rebates.
Action: Upon motion of Ms. Mandel, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

**FINAL ACTION ON SPECIAL TAXES APPEALS HEARING HELD NOVEMBER 19, 2014**

E. M. Fransis Enterprises, Inc., 588145 (STF)
Final Action: Upon motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be redetermined in accordance with the revised recommendation of the Appeals Division.

**ADMINISTRATIVE SESSION**

**ADOPTION OF BOARD COMMITTEE REPORTS AND APPROVAL OF COMMITTEE ACTIONS**

**Business Taxes Committee (Continued)**

Action: The Board deferred the matter to the December 2014 Sacramento meeting.

The Board adjourned at 2:57 p.m.

_The foregoing minutes are adopted by the Board on December 18, 2014._

Note: The following matters were removed from the calendar prior to the meeting: *Capital City Restaurants, Inc.*, 522640; *Rodolfo Dagoberto Carranza*, 623951; *Jagjit Singh Bhandal*, 534239 (KH), and, *Elite Cert' Auto Service & Tires, Inc.*, 550595.