



STATE BOARD OF EQUALIZATION

February 1, 1957

K---s & L---
Suite XXX --- Building
XXX --- --- Street
--- --- XX, California

Attention: Mr. L--- J. K---

Re: B--- J--- & T--- D---
dba A--- E--- & M---. Co.
Account X-XXXX

Gentlemen:

We have made a review of the facts developed by examination of the file and have reviewed the information obtained at the preliminary hearing.

It appears that in one transaction substantially all the property of petitioner was transferred to three corporations, a portion to each. It further appears that the two partners in petitioner each had a 50% interest in petitioner and also had an equal shareholding interest in the three corporations. The staff now takes the position that a transfer such as outlined above is an occasional sale as defined in section 6006.5(b) of the California Revenue and Taxation Code and therefore exempt under section 6367 of the Code.

Accordingly, we shall recommend to the Board that your client's petition be granted. You will receive notice of action taken by the Board in due course.

vtv
WWM