

BEFORE THE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

IN THE MATTER OF THE APPEAL OF, )  
 )  
MICHAEL S. SY and ANA C. SY, ) OTA NO. 18042700  
 )  
 APPELLANT. )  
 )  
 )

## TRANSCRIPT OF PROCEEDINGS

Van Nuys, California

Thursday, January 24, 2019

Reported by:  
ERNALYN M. ALONZO  
HEARING REPORTER

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Transcript of Proceedings, taken at  
6150 Van Nuys Blvd., Van Nuys, California, 91401,  
commencing at 10:34 a.m. and concluding  
at 10:37 a.m. on Thursday, January 24, 2019,  
reported by Ernalyn M. Alonzo, Hearing Reporter,  
in and for the State of California.

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APPEARANCES:

Panel Lead: Hon. TERESA STANLEY

Panel Members: Hon. DANIEL CHO  
Hon. DOUGLAS BRAMHALL

For the Appellant: MICHAEL S. SY, Taxpayer

For the Respondent: State of California  
Franchise Tax Board  
By: BRAD COUTINHO  
NATASHA PAGE  
  
TAX COUNSEL  
Legal Division  
P.O. Box 1720  
Rancho Cordova, CA 95741  
916-845-2498

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I N D E X

DEPARTMENT'S  
WITNESSES:

DIRECT

CROSS

REDIRECT

RECROSS

(None offered)

APPELLANT'S  
WITNESSES:

DIRECT

CROSS

REDIRECT

RECROSS

(None offered)

E X H I B I T S

(Appellant's Exhibits were received at page 6.)

(Franchise Tax Board's Exhibits were received at page 6.)

1 Van Nuys, California; Thursday, January 24, 2019

2 10:34 a.m.

3

4 ADMINISTRATIVE LAW JUDGE STANLEY: This is the  
5 matter of the appeal of Michael S. Sy and Ana C. Sy,  
6 Case No. 18042700. The date is January 24th, and we're  
7 hearing the matter in Van Nuys, California, and the time  
8 is 10:34 a.m.

9 I am Teresa Stanley. I have Judge Cho and  
10 Judge Bramhall with me today. And we have no Appellant  
11 who has checked in, and he had indicated -- Mr. Sy had  
12 indicated in an e-mail that he did not intend to appear  
13 today.

14 So I'll have the Franchise Tax Board state your  
15 appearances for the record.

16 MR. COUTINHO: Yes. Brad Coutinho for the  
17 Franchise Tax Board, and I'm with Natasha Page.

18 ADMINISTRATIVE LAW JUDGE STANLEY: Thank you.

19 And then the issue statement, I'll state it for  
20 the record, is whether Appellants showed that the FTB  
21 adjustments for taxable year 2013 were based on federal  
22 adjustments for unreported taxable interest and dividends  
23 and capital gain were incorrect.

24 We have -- we have Appellants' exhibits -- well,  
25 first of all, Mr. Coutinho, that is the issue?

1 MR. COUTINHO: That is correct.

2 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. And  
3 we're going to enter into evidence Appellants' Exhibits 1  
4 through 3 and Franchise Tax Board's A through G. There  
5 were no objections to any of those by Mr. Sy at the  
6 prehearing conference, nor by the Franchise Tax Board.

7 Am I correct that there's no objection today?

8 MR. COUTINHO: That is correct.

9 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. Then  
10 those will be entered into evidence.

11 (Appellants' Exhibits 1-3 were received  
12 in evidence by the Administrative Law Judge.)

13 (Respondent's Exhibits A-G were received  
14 in evidence by the Administrative Law Judge.)

15 ADMINISTRATIVE LAW JUDGE STANLEY: Unless you  
16 feel you need to make a closing statement, I'm going to  
17 close the record. Well, I'm not going to close the  
18 record. But do you feel the need to make a closing  
19 statement?

20 MR. COUTINHO: No. Franchise Tax Board would  
21 like to submit on the briefs.

22 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. So what  
23 we're going to do, since nobody appeared today, is to  
24 adjourn the hearing, but we're not going to close the  
25 record for 30 days. We're going to give the Appellants

1       time that they claim they need to get information from the  
2       Internal Revenue Service when the government reopens.

3               And so I'll give them 30 days, and then we will  
4       close the record at that point. And I'll issue something  
5       in writing so that both Appellants and Franchise Tax Board  
6       have that.

7               MR. COUTINHO: Just to be clear, it's 30 days  
8       from today?

9               ADMINISTRATIVE LAW JUDGE STANLEY: Yes.

10              MR. COUTINHO: Okay. Thank you.

11              ADMINISTRATIVE LAW JUDGE STANLEY: Okay. Then  
12       the hearing is adjourned.

13                       (Proceedings adjourned at 10:37)

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HEARING REPORTER'S CERTIFICATE

I, Ernalyne M. Alonzo, Hearing Reporter in and for the State of California, do hereby certify:

That the foregoing transcript of proceedings was taken before me at the time and place set forth, that the testimony and proceedings were reported stenographically by me and later transcribed by computer-aided transcription under my direction and supervision, that the foregoing is a true record of the testimony and proceedings taken at that time.

I further certify that I am in no way interested in the outcome of said action.

I have hereunto subscribed my name this 15th day of February, 2019.

\_\_\_\_\_  
LYNNE M. ALONZO  
HEARING REPORTER