BEFORE THE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

IN THE MATTER OF THE APPEAL OF,	
EMA DESIGN AUTOMATION, INC.,	OTA NO. 18114022
APPELLANT.	

TRANSCRIPT OF PROCEEDINGS

Cerritos, California

Thursday, December 19, 2019

Reported by:
ERNALYN M. ALONZO
HEARING REPORTER

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IN THE MATTER OF THE OF, EMA DESIGN AUTOMATION, INC., APPELLANT.	OTA NO. 18114022

Transcript of Proceedings, taken at 12900 Park Plaza Dr., Cerritos, California, 91401, commencing at 1:48 p.m. and concluding at 2:15 p.m. on Thursday, December 19, 2019, reported by Ernalyn M. Alonzo, Hearing Reporter, in and for the State of California.

APPEARANCES:

Panel Lead:	ALJ JEFF ANGEJA
Panel Members:	ALJ ANDREW KWEE ALJ MICHAEL GEARY
For the Appellant:	PAUL W. RAYMOND
For the Respondent:	STATE OF CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION By: KEVIN SMITH MONICA SILVA LISA RENATI

I N D E X

E X H I B I T S

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Cerritos, California; Thursday, December 19, 2019

1:48 p.m.

JUDGE ANGEJA: We are now on the record in the Office of Tax Appeals oral hearing of appeal of EMA Design Automation, Case ID 18114022. I know she just said it, but I have to put it on the record. We are in Cerritos, California. The date is Thursday, December 19th. The time is approximately 1:48.

My name is Jeff Angeja. I will be the Lead Administrative Law Judge for this hearing. My fellow co-panelists today are Andrew Kwee and Mike Geary.

Appellant, could you identify yourself for the record.

MR. RAYMOND: I'm Paul Raymond. Last name spelling is R-a-y-m-o-n-d.

JUDGE ANGEJA: Thank you.

And for CDTFA?

MR. SMITH: I'm Kevin Smith, and to my left is Monica Silva, and to her left is Lisa Renati.

JUDGE ANGEJA: All right. Thank you.

And we had agreed previously this appeal involves one issue which is whether Appellant is entitled to relief from the liability based on prior audit advice. That's still correct, I believe.

MR. RAYMOND: Correct.

JUDGE ANGEJA: And during our prehearing conference the parties agreed to the admission into evidence of Appellant's Exhibits 1 through 4 -- my order had a typo in it. We tried to correct that with the binder -- and CDTFA's Exhibits A through J. Neither party had any objections to the admission of those exhibits at that time. If that's still the case, all right, then I hereby admit those exhibits.

(Appellant's Exhibits 1-4 were received in evidence by the Administrative Law Judge.)

(Department's Exhibits A-J were received in evidence by the Administrative Law Judge.)

JUDGE ANGEJA: Subsequently, Appellant submitted the declaration page under penalty of perjury for Ms. Sherry Wacht, which appends to Exhibit 1, but for ease of reference, we marked it as Exhibit 5.

Does CDTFA have any objection?

MR. SMITH: No. We do not object.

JUDGE ANGEJA: All right. Then we will admit Exhibit 5.

(Appellant's Exhibits 5 were received in evidence by the administrative Law Judge.)

JUDGE ANGEJA: That takes care of all the exhibits. And then based on the last e-mail from

Mr. Raymond, there are no witnesses today?

MR. RAYMOND: Correct, Your Honor.

JUDGE ANGEJA: And CDTFA has none?

MR. SMITH: Correct.

JUDGE ANGEJA: So we will only have arguments today. And then as we agreed, based on the prehearing conference and the subsequent e-mail, we will begin with Appellant's argument not to exceed 20 minutes or so. And the judges may ask questions. And CDTFA will make its presentation not to exceed 15 minutes. The judges may ask questions. We will allow you a five-minute rebuttal. These are not hard and fast, but that's the general parameters.

If nobody has any procedural questions, we'll get started with your presentation, Mr. Raymond.

OPENING STATEMENT

MR. RAYMOND: Thank you, Your Honor. Thank you, as well as to CDTFA.

I'd like to make a comment first, and this is going to sound like I'm appealing to your good side, but it's my first appearance here. And I've had the opportunity to watch the hearings that have been going on all day. I know Amanda Vassigh from another case. I also know a number of representatives.

And it's abundantly clear to me that despite differences, we may end up on different sides of the row, so to speak, meaning we disagree with the Department or what used to be SBE or the FTB, the proceedings have been very nice. They've been very -- they've been connected in a very taxpayer friendly way, giving the opportunity for the taxpayer. I think you all should be commended for that. I know that's the message that you want to send. I want to go on record and on camera and at least indicate that as well.

JUDGE ANGEJA: Of all the times for us not to have working microphones --

MR. RAYMOND: You mean this is all for not. Okay.

JUDGE ANGEJA: No. The camera should pick it up.

MR. RAYMOND: All right. Well, I hope it doesn't make me look fat. That's all I ask.

I probably would have submitted this case, Your Honor. If you recall, we had the conference call. We debated about the witness, Sherry Wacht. Unfortunately, Ms. Wacht, W-a-c-h-t, who is located in San Diego, predominantly is in New York, can't get a flight, isn't going to be able to attend, which is the reason we didn't have her appear.

I would have submitted the case, therefore, on

the basis of the record, in other words, without argument. But I thought I would at least spend a little time talking about the case, and talking about what our position is, and certainly allow the Department to state theirs.

One of the things as a lawyer you look at -- and I've been doing this for 36 years -- is you look for themes, and you try and think of things that come up with your case and what it's all about. And I think, Your Honor, you may recall that you said you hadn't seen a case like this before. And I haven't seen a case like this before either. I'm assuming that the other judges are familiar with the declaration of Sherry Wacht. If you're not, I'm happy to read it into the record. I really don't want to do that. I would prefer to --

JUDGE ANGEJA: No. We've got it as part of the record.

MR. RAYMOND: Excellent. Then I don't need 20, I'm doing my Chick Hearn impersonation of the Lakers, if you all remember him, and I'm gonna be on the boulevard very quickly. But one of the things that's a theme here for us is -- and, again, I'm reminded of this too. Somebody sent this to me today, and it's in light of the -- regardless of your -- I know I'm going on and on. I apologize.

But regardless of your political persuasion, you

know, there's a momentous occasion that occurred in our country yesterday. So somebody was posting this, and I thought it was very appropriate today, and I hope to live through this, not just here but in my life as we go on. Before you speak, let your words pass through three gates. Is it true? Is it necessary? And is it kind? And I think that's the theme we want to promote here.

I -- I can't read the mind, as Gordon Lightfoot would say, of what the prior auditor was thinking when he inconsistently decided to give a dongle tax. Impose a dongle tax and not impose a dongle tax. You all know that the records got some 16 -- if I'm not mistaken -- exhibits. I may be wrong about the number. That some of which show that he didn't tax the dongle and some of which show that he did.

For us as practitioners and for us representing taxpayers, the one thing I hear in my office is, "I'm going to follow what the auditor told me to do. I'm going to reach out to that auditor, which Sherry Wacht did in this case. In fact, Sherry Wacht reached out to the Board as it was and asked for something in writing. And, of course, the Board responded in December of that year and said, "Well," -- maybe it was January.

They said, "You know, you have to rely on what the auditor says," which is part of our argument as I

mentioned at the prehearing conference, Your Honor, which is -- maybe it qualifies as written advice. Maybe it doesn't. It's close. Admittedly it's not the controlling issue. The controlling issue is the reliance on what the statements that were made by the auditor indicated.

And I just -- I don't think it's a case of he said, or she said, because, unfortunately, that auditor is no longer with us. I think that auditor, hopefully, could -- if he was here, he could explain why he was inconsistent. We can sit back and use hindsight and 20/20 and all that good stuff and say, "Well, he did it this way because, and he did it this way because."

And to be honest with you -- and this is one for you, as I'm looking at the reporter -- it reminds me of a Ouija board. The spelling on that, I can't help you. But I can tell you that it -- and I'll bring it in in more context -- it, kind of, reminds me a little bit of Carnac the Magnificent. And I don't see anybody who even has a remote recognition of who that was.

It was Johnny Carson. This gentleman does. Judge Geary does, and Judge -- how do you pronounce your last name?

JUDGE ANGEJA: Angeja.

MR. RAYMOND: That's what I was going to say. The middle Judge says he recognizes him. I'm suffering

from lack of caffeine. I apologize. Carnac was on the Johnny Carson Show. And he would take a card from Ed McMahon, his side kick. He made millions, of course. He would say the answer or Johnny would say what the answer is. And, of course, it was always a comic relief.

This is not comic relief. This is not at all comic relief. What's sad about this case is that we can't read the mind. We can't understand. We can't know what the auditor was saying. We can look at field audits. We can say that he relied on what the manual said, maybe, kind of. But at the end of the day, here's what I've got.

I've got one witness. I've got a live human being who can testify. I carried my burden of proof. And I realize this is not the court of law. I realize this is not something that you look at in terms of, you know, the evidence code. I mean, you consider everything. It's taxpayer friendly. You let people talk.

But what I do know is at the end of the day, I think a judge or jury, if it should go that far, might look on this case favorably for one reason, and that is what's fair here. What's the underlying fairness here? What's fair to the taxpayer if they say they want to rely, like most taxpayers do, on what the government tells them to do? That's where my case is. That's really all that I have.

I'm happy to answer any questions from the Board. Excuse me. My goodness. I said the Board -- the panel. I'm happy to answer any questions and respond, if I may, to anything that the Department says. And that's really all that I have at this moment.

JUDGE ANGEJA: Okay. We can allow time on rebuttal.

MR. RAYMOND: Please.

JUDGE ANGEJA: You guys have questions?

JUDGE KWEE: I do.

JUDGE ANGEJA: Okay.

JUDGE KWEE: I'm not sure if now or after CDTFA is a good time to raise questions for the parties? Or do you want CDTFA to go first and then ask questions?

JUDGE ANGEJA: Yeah. I think it might be more efficient that way.

JUDGE KWEE: Okay.

JUDGE ANGEJA: So go ahead, CDTFA, make your presentation.

MR. SMITH: Thank you.

OPENING STATEMENT

MR. SMITH: Good morning.

At issue today is whether -- I'm sorry. Good afternoon.

At issue today is whether Appellant is entitled to relief based on his reliance on written advice received from the Department. We ask that this appeal be denied.

Revenue and Taxation Code Section 6596 provides that if a person's failure to make a timely return or payment was due to the person's reasonable reliance on written advice from CDTFA, the person may be relieved of the taxes imposed and any penalty or interest. And written advice includes advice provided in a prior audit.

Appellant is a software company. The Appellant was audited for the period of April 1, 2003, to March 31st, 2006. That audit is not at issue today. At issue is a subsequent audit of Appellant for the period from January 1st, 2011, through December 31st, 2013. During that audit, Appellant incorrectly claimed as nontaxable transactions in which a transferred software electronically and a separately shipped dongle. It maintains it did so in reliance on both oral statements and written audit schedules made by the prior auditor for the period April 1, 2003, through March 31st, 2006.

Our review of the invoices and audit schedules shows three instances in which the auditor accepted transactions where Appellant delivered software electronically and separately shipped a dongle at no charge to the customer as nontaxable sales of software

transferred electronically.

We don't know why the auditor did not properly assess these items in the audit. However, it is undisputed that there were at least 14 invoices involving sales of software transferred electronically with a dongle separately shipped to the customer where the auditor correctly concluded that the transactions were taxable. We've also provided additional invoices as Exhibit J. And 17 of those invoices show either a shipping and handling charge or shipped to address listed. Which likely means a dongle was sent to the customer.

In all those instances, tax was properly assessed by the auditor as part of the audit. In addition, the invoices provided as Exhibit J show that Appellant reached out in 2006 to the customers that Appellant failed to collect tax from to obtain reimbursement for the tax which is now required to pay to the Department as a result of the audit. This shows Appellant's awareness that it should be collecting tax on those sales.

Regarding the oral statements purportedly made by the auditor Mr. McIntosh to Sherry Wacht regarding the taxability of these types of transactions to qualify for Section 6596 relief, the advice must be in writing. Therefore, such an oral communication does not establish a basis for reliance. We must look to the audit schedules

and the invoices.

While we agree with Appellant that the auditor's review and evaluation of similar transactions was inconsistent. We find unpersuasive Appellant's assertion that it should, therefore, be granted relief based upon its reliance on the auditor's erroneous conclusions. For 3 transactions, in the face of at least 14 virtually identical transactions, the auditor correctly found taxable.

Such obvious inconsistency would put a reasonable person on notice that he or she cannot rely upon the results of this audit, at least as it pertains to the dongle transactions for purposes of future tax reporting, absent further written clarification from the auditor or auditors within CDTFA.

Therefore, Appellant did not fail to charge or collect tax on reasonable reliance on and auditor's written advice, and consequently, Appellant is not entitled to relief under Section 6596. Therefore, this appeal should be denied. Thank you.

JUDGE ANGEJA: All right. Do you want to do the rebuttal now?

MR. RAYMOND: Respond to questions and rebuttal if I possibly can?

JUDGE ANGEJA: Sure. Go ahead.

JUDGE KWEE: Yeah. So I'm not sure if questions is the right word. Maybe I have some concerns with the 6596 reliance argument. And maybe if you could help me if I could maybe list my concerns or tell you what my concerns are and then give you an opportunity to respond.

So I'll start with -- first, with the prior audit-work papers. In the prior audit-work papers, there's the verification comments. And the verification comment state -- this is CDTFA Exhibit I, I believe the verification comments. And they state, "The auditor examined the data furnished on the exempt Internet transactions. The data show that all items were transmitted through the Internet with no tangible personal property involved, thus these allowed on the audit."

So, I mean, with this here -- I mean, this is a quote from the CDTFA's documents from the prior audit. And my first concern here, really, is that if the auditor advised -- the auditor advised the taxpayer that it's okay to transmit a dongle and still be nontaxable, why would the auditor write in his findings that no tangible personal property was transmitted for the law of transactions.

And, you know, on the one hand you have 3 that he allowed and 14 that he disallowed. This really seems to suggest to me that maybe it was just an oversight that he

allowed those 3 and the other 14 are what he really intended to -- as consistent with his comments here. So that's really the first comment -- concern that I was trying to get help with in understanding your position.

MR. RAYMOND: May I address that?

JUDGE KWEE: Oh, yes. Please do.

MR. RAYMOND: Picture this. I've got a card in front of my forehead. I'm about to tell you the answer. And I wish to God I knew the answer. You're asking a legitimate question. It actually helps us, obviously, what I'm also saying to you is we don't know what was going on with that auditor. I really don't want to get personal here, but maybe he was suffering from his illness.

I understand -- and, again, I don't want this to really be in the record, but I think you know where I'm going with this. I don't know if he was preoccupied with his health or other concerns. I don't know if he was sloppy. I don't know. I can't answer the question. And I don't know if the Department can answer the question either because we just don't -- I don't know. And I don't know if my client would know if they were here to testify.

JUDGE KWEE: Okay. I guess that's part of my concern -- or the difficulty here because we're left interpreting whether advice given more than a decade after

with what little information we do have. Maybe this is something that might be more easier to look at or -- so my next concern, basically -- it's, basically the date of the audit work papers from the prior audit. So, I mean, like if you go to the first page, this is the same exhibit, Exhibit I, it has a date here of December 5th, 2006 when the audit work papers were completed.

And so if you turn and compare that with the taxpayer's Exhibit 2, the taxpayer's Exhibit 2 was the e-mail from the taxpayer to BOE headquarters asking how tax applies from the software that's transferred and the dongle that's transferred, including when the dongle was transferred over a month later on a separate invoice for no charge.

And that -- interestingly, that e-mail was dated 12/5/2006 the exact date as the completion date for the audit file, and it was transmitted -- the e-mail was transmitted at 5:54 p.m. So I guess the concern or question that comes into my mind here is --

MR. RAYMOND: Why have you issued -- why would you issue that e-mail?

JUDGE KWEE: Yeah. Well, I mean, like why did the taxpayer -- well, first, why didn't the taxpayer ask the auditor this question? Why would he go over the auditor and straight to headquarters? And from reading

the docs, you know, one possible interpretation is if you bring this up with an audit, hey, this is a mistake. You know, the possibility is you get dinged and the audit liability goes up. So I -- I mean --

MR. RAYMOND: I see you working it a number of ways, and I agree with you. Why would you -- my question would be, "Why would you send that letter if orally, the auditor told you that you didn't have to pay tax?" So one of the things that comes up a lot with taxpayers is "get it in writing". Make sure that you get something in writing. I wasn't there. I didn't advise them. I can't tell you what, if anything, happened at that particular point in time.

But to me, that would be the reason that somebody would do that. If I was the Department, I might suggest this stuff. Well, it sounds like Mr. Raymond, your client really wasn't too sure about their position. And therefore, it, kind of, cast doubt as to whether that statement even made by the auditor to the -- to the -- Ms. Wacht.

And, therefore, you then reached out to the Department by way of e-mail and wanted to get something of that nature. I can see that being an argument. I agree with that. Again, we're trying to go back in time and deal with somebody who is no longer with us. We're trying

to go back in time and deal with someone who is not with us.

And you can extrapolate facts a number of different ways on this case. It's why -- I'm not going to mention anything about the context of the settlement, but I did pursue that avenue. So, you know, there was an attempt made to go to that avenue because it's a mixed bag. I see the inconsistencies, et cetera. I can't answer the question beyond that, sir.

JUDGE KWEE: Okay. I guess I was trying to put myself in the position of the taxpayer's shoes, and I was thinking that, you know, the auditor is telling me this is nontaxable. And I know these 14 transactions were picked up in audit. I guess in my shoes, I probably would have told the auditor, "Hey, you know, you told me this is nontaxable. You should delete these from the audit."

That's the way I was looking at it and trying to conceptualize that, you know, with an alternative argument.

MR. RAYMOND: Could be.

JUDGE KWEE: Yeah.

MR. RAYMOND: Could be. I just -- we don't have that in the record. Unfortunately, it's not in her declaration/affidavit, and it did occur some years ago. There's no question that it did occur some years ago.

But, you know, you step back, and you're left with this mixed bag, which is how I opened this afternoon.

I -- I wish I had concrete answers. I wish the Department did. I think I wouldn't be here. In other words, we would have resolved the case through, hopefully, settlement if we -- if we could. But it appears that that's not going to be the case. So --

JUDGE KWEE: Okay. Well, I guess I just have one thought that when I'm trying to understand how to interpret this. I guess I'll just put it out there, the other thought that came to my mind. When you have the copy of -- this is taxpayer's Exhibit 2 -- the copy of the e-mail that the taxpayer had sent requesting advice.

CDTFA's response said that they referred it to the auditor for a follow up. So I'm, kind of, expecting that -- I guess I would expect that the auditor would have some type of response provided to the taxpayer. And I just don't see anything in the record after this date whether there is some sort of response.

MR. RAYMOND: We looked. We asked. We inquired. We made those, you know --

JUDGE KWEE: Right.

MR. RAYMOND: Of course, as a lawyer you would know that. That's what I have to do. I have to follow up. Why would you send the e-mail? Why would you do

these things? What was the, you know, the rationale behind all of these things. I -- I don't have anything more I could offer you. I wish I did.

JUDGE KWEE: I -- I guess -- I guess I'm just thinking that, you know, the taxpayer did keep this copy. And I was thinking if there was a response that was favorable, you know, it seems like something the taxpayer would have kept, considering they kept that. And that's just how I was trying to conceptualize this. I guess that's not really a question that --

MR. RAYMOND: I'm sorry. You're saying that we didn't keep something?

JUDGE KWEE: I'm saying that if there was a follow-up response --

MR. RAYMOND: Oh, yes.

JUDGE KWEE: -- I would expect that there would have been something that you kept. And that's how I was just trying to conceptualize this.

MR. RAYMOND: Let me make it clear from an argument standpoint that I'm not aware of any follow up that was received by my client. And we -- I asked them, of course, to search high and low for everything. You know, get the prior files. Get the e-mails. Get what you got to get so we can present that in our audit in advance of, you know, a determination.

JUDGE KWEE: Again, maybe that's a question for CDTFA. Don't mind me, but I have other questions here. But, you know, it does say that -- the e-mail from -- this is the taxpayer's Exhibit 2, page 1. It does say that your headquarters forwarded an inquiry of how tax applies to an auditor for response. I mean, isn't that something that the auditor would have responded to? And why don't you have a record of what the response was? Or is that not a procedure that you would follow to follow-up on a taxpayer's inquiry like this asking for how tax applies.

MS. RENATI: Generally, when those letters would come in, the auditor would refer the taxpayer back to their audit and say, "All the comments are in the audit." If there was a separate letter needed, then another letter would be written.

And it would go through the same process, and it will be issued within 30 days. Then that would go into the taxpayer's file. And then it would be the next auditor would have it when they started their audit. So they would have that information.

JUDGE KWEE: And did you -- did CDTFA look in their file to see if there was any additional responses like what would be a response to this letter here?

MR. SMITH: Like, in my review of the file, I didn't find a response to this.

JUDGE KWEE: Okay. So this date here is after the other audit -- prior audit was completed. So is that something that would still have been referred to the auditor as to refer back to the audit file? Or is that something that would have come separately?

MS. RENATI: It would depend on the process if where the audit was, if it was in a nonconcurrent status or where. But the auditor would generally -- the same auditor who did the audit would write the letter, unless the auditor was no longer available.

JUDGE KWEE: Okay. Yeah. I mean, I guess this is really hard because it's so far after the date that I'm just trying to interpret what we have from the little information available. And maybe I should turn it over to the other judges to see if they have questions at this point.

JUDGE ANGEJA: Questions?

JUDGE GEARY: Clarification, actually. Are the parties in agreement that when the Appellant would mark its software products, typically, the software itself would be sent by electronic download to the customer. And typically, a dongle with a security key that was necessary to use the software would then be sent to the client. Is that what typically happened in the sales?

MR. RAYMOND: I'm looking at the Department. I'm

not too sure if that's typical. It sounds like a fair statement.

JUDGE GEARY: Okay.

MR. RAYMOND: Like, I can't say 100 percent, but it sounds fair.

JUDGE GEARY: All right. Department, is that your understanding?

MR. SMITH: That seems right. I guess I don't know the whole -- all the transactions. I mean, there's a lot of transactions here, so I don't know.

JUDGE GEARY: Well, the ones that we're talking about, typically, those all have dongles; correct?

MR. SMITH: Correct.

JUDGE GEARY: Okay. And it's your understanding that the dongles contain a security key that was necessary to use the software?

MR. SMITH: Correct.

JUDGE GEARY: Okay.

MR. RAYMOND: And it's actually -- if I may, Your Honor -- it's kind of been mentioned. I flashed on this. In her declaration, paragraph 7, she talks about it a little bit about the taxability of that. So I'm assuming what you're saying is correct.

JUDGE GEARY: Okay. That's my only request. Thank you.

JUDGE ANGEJA: I don't have any more questions. Did you have more?

JUDGE KWEE: I think I've taken up enough time.

JUDGE ANGEJA: So we took questions. We didn't give you the rebuttal yet. We'll give you the last word, so you can sum it up.

REBUTTAL STATEMENT

MR. RAYMOND: I always like to have the last words, but if you've been married as long as I have, you find that that's a definite short coming in "mi casa". Okay.

So I really don't have much more than to echo what I have said before in terms of this case. I sincerely wish we had more answers. We seem to have more questions and some excellent questions as well about what actually happened and why things happened. I go back to what my witness said and who she is and what she is and how she represents herself, from what we like to call a hazardous litigation approach, which means at the next level.

The taxpayer is paid, by the way, all of -- most, if not all, the liability. There is some liability that they have. So they're familiar with the next round, if they choose to do that. Having said that, the last thing

I want to say is another message that someone sent to me that I think is a good way to end it.

There are three ways to ultimate success. The first way is to be kind. The second way is to be kind, and third way is to be kind. And they were quoting Fred Rogers, which I think is very appropriate. So I want to thank the members of the panel as well as the Board for -- sorry. I can't get out of that.

It's either the SBE in my head or the Board. I am so sorry. The California Department of Tax and Fee Administration.

JUDGE ANGEJA: Both they and we have no official response. Go ahead.

MR. RAYMOND: And that's what I wanted to say is thank you for considering the case as well.

JUDGE ANGEJA: Okay. If no one has any further questions or comments? All right. Then at this point I will close the record, and we will conclude the hearing. I want to thank each party for coming in today and waiting as long as we have.

Following this hearing, my co-panelists and I will discuss the evidence and the argument. We will issue a written opinion within 100 days, and that will do it.

This hearing is now closed. Thank you.

(Proceedings adjourned at 2:15 p.m.)

HEARING REPORTER'S CERTIFICATE

I, Ernalyn 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 22nd day of January, 2020.

_____

ERNALYN M. ALONZO
HEARING REPORTER