

HEARING
OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Franchise/

Income Tax Appeals Hearing of:

SELINA ANDREWS and BRUCE
ANDREWS,

OTA Case No. 18011834

Appellants.

_____ /

CALEYE CORPORATION

OTA Case No. 18011955

Appellant.

_____ /

REPORTER'S TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, FEBRUARY 26, 2020

1:00 P.M.

OFFICE OF TAX APPEALS HEARINGS
HEARING ROOM
400 R STREET
SACRAMENTO, CALIFORNIA

Reported by Peter Petty

APPEARANCES

Panel Lead:

ANDREW KWEE, ADMINISTRATIVE LAW JUDGE

Panel Members:

MICHAEL GEARY, ADMINISTRATIVE LAW JUDGE

SARA HOSEY, ADMINISTRATIVE LAW JUDGE

ELLIOTT SCOTT EWING, ADMINISTRATIVE LAW JUDGE

For Appellant:

BRUCE ANDREWS, TAXPAYER

For Franchise Tax Board:

KEVIN SMITH, TAX COUNSEL

MONICA SILVA, TAX COUNSEL

RANDY SUAZO, HEARING REPRESENTATIVE

EXHIBITS

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Appellant's 1-3 and Respondent's A-P 5

(Exhibits pre-marked, described
and retained by Administrative
Law Judge.)

1 WEDNESDAY, FEBRUARY 26, 2020 - 1:00 P.M.

2 ALJ KWEE: Would you call the first case, please.

3 THE CLERK: Our last case this afternoon is the
4 appeal of Selina Andrews and Bruce Andrews, Case Number
5 18011834.

6 ALJ KWEE: Okay. Good morning, and welcome to the
7 Office of Tax Appeals. Today's proceedings will be recorded,
8 and a certified shorthand reporter will be reporting and
9 transcribing everything that is said today. So the
10 transcript will become a part of the public record, and it
11 will be viewable on our website after the hearing.

12 If both parties are ready to proceed, I think we're
13 ready to go on the record. We're opening the record in the
14 appeal of Selina and Bruce Andrews, DBA, doing business as,
15 Caleye Company and Caleye Corporation, before the Office of
16 Tax Appeals. The case numbers are 18011834 and 18011955.

17 Today's date is Wednesday, February 26th, 2020, and
18 the time is approximately 12:35 p.m. This hearing is being
19 convened in Sacramento, California.

20 This Panel consists of three administrative law
21 judges. I am the lead judge. My name is Andrew Kwee, and to
22 my right is Judge Michael Geary, and to my left is Judge Sara
23 Hosey. They're the other members of this Panel.

24 All three judges will be meeting after the hearing,
25 and will produce a written decision as equal participants.

1 Although the lead judge, myself, will be conducting
2 today's hearing, any judge on this Panel may ask questions or
3 otherwise participate in this hearing to ensure that we have
4 all the information needed to decide this appeal.

5 So, for the record, will the parties please state
6 their names and who they represent, starting with the
7 representative for the taxpayer Appellants.

8 THE APPELLANT: My name is Bruce Andrews.

9 ALJ KWEE: Okay. For CDTFA?

10 MR. SMITH: Kevin Smith from the Legal Department.

11 MS. SILVA: Monica Silva.

12 MR. SUAZO: Randy Suazo.

13 ALJ KWEE: Okay. Great. So I understand that there
14 will be one witness today, and that witness would be Bruce
15 Andrews. Is that correct, Mr. Andrews?

16 THE APPELLANT: Yes.

17 ALJ KWEE: Okay. And CDTFA does not have any
18 witnesses testifying?

19 MR. SMITH: Correct.

20 ALJ KWEE: Does CDTFA have any objection to the
21 testimony of Mr. Andrews?

22 MR. SMITH: No, we don't.

23 ALJ KWEE: Okay. Great. So, as far as the exhibits
24 for the taxpayer, Appellant, we've received three exhibits,
25 and those exhibits were listed in the minutes and orders that

1 were sent out after the pre-hearing conference.

2 I do note that you didn't attend the conference, so I
3 just wanted to make sure that you had a copy of the minutes
4 and orders, and that the exhibits listed in there are the
5 correct documents that you submitted to OTA, or if anything
6 is missing. If you could confirm that?

7 THE APPELLANT: Whatever I had before, I have turned
8 it in.

9 ALJ KWEE: Okay. So we have the three exhibits
10 listed in the minutes and orders, and CDTFA had submitted
11 Exhibits A through P. Did you receive of a copy of the
12 CDTFA's submission? They submitted an exhibit package of
13 Exhibits A through P.

14 THE APPELLANT: (No response.)

15 ALJ KWEE: If you have any objection, please state it
16 now. Otherwise, both parties' exhibits will be admitted into
17 the record.

18 Mr. Andrews, do you have any objections to the
19 exhibits?

20 THE APPELLANT: Well, I'm not quite familiar with the
21 terms of the courts and the law, but I just say that, very
22 simple, I answer any questions with the best of my knowledge,
23 and I would just declare that I am not representing anybody
24 but myself. I'm not representing Caleye Corporation. I'm
25 not representing Selina Andrews. As an individual, I have

1 been asked to come here to the court, and I'm coming here for
2 myself only. I'm not with -- for any other person.

3 ALJ KWEE: Okay. So, just on that, because this is a
4 consolidated appeal, one appeal is the appeal of the
5 corporation, and the other appeal is a partnership, and the
6 partnership was yourself and Selina Andrews, and this is the
7 names that was going off the determination that was issued by
8 CDTFA and that was appealed.

9 Are you stating that you are not here to represent
10 the corporation, so only the liability that was billed to the
11 partnership, including you, is being represented today?

12 THE APPELLANT: I want to declare that, whatever you
13 said, it was corporation, my association with corporation,
14 partnership with Selina Andrews in any business, those are
15 basically false and lies made on no evidence at all.

16 They fabricated that Mr. Wang was the -- I don't know
17 what kind of position he has -- Yiming Peng (phonetic), who
18 was the secretary of corporation, not me, and they falsely
19 said I'm the secretary, and the evidence over there says that
20 the secretary is Yiming Peng, and the president is Selina
21 Andrews. Why they put me on?

22 I have been telling these people for a long time that
23 I am not part of this corporation. They all sitting there,
24 seven, eight people in Oakland, a few years ago, back. They
25 made me feel like I was part of the corporation, and I didn't

1 know, because I was out of country when they established a
2 corporation.

3 ALJ KWEE: Okay. I understand.

4 THE APPELLANT: Let me finish, sir. This is very
5 important, because everything is based on the false
6 assumptions. So they said, "You're part of" -- "You're
7 secretary." I believed these gentlemen being honest, working
8 for very important part of the government. I believed I was
9 the secretary, but, later on, they told me of this gentleman.
10 He's an honest guy. He came to me and said, "Okay," on the
11 phone, "They want to make a settlement." I said, "Okay."

12 Then I asked him, "What's my position there?" He
13 said, "Honestly, to tell you, I feel that you are not having
14 anything to do with it, but you are not secretary there. You
15 are not part of this corporation, and there is nothing for
16 you to show, and I understand that you don't speak Chinese,
17 and everything here needs to be Chinese spoken. But my
18 position is that I should defend my things (sic), and I'm
19 afraid of my boss to bring the truth."

20 ALJ KWEE: Okay.

21 THE APPELLANT: He told me, and that was then. I
22 found another secretary of the corporation, and they have
23 made all this false allegation against me, and they haven't
24 let me alone since 2012 to now, how many, eight years, gave
25 me such a hard time. I have a heart problem.

1 ALJ KWEE: Okay. So I understand what you're saying.
2 So right now we're going over the procedural aspects. We
3 have a dispute, and I understand your position that you
4 weren't involved in the corporation, that there wasn't a
5 partnership, and I'm not saying that you were. I'm not
6 saying -- I'm not making any findings.

7 So what has happened is, there has been an appeal
8 filed with CDTFA, and the name of the appeal that I give is
9 the name of the entities that were listed on the
10 determination, and that's why, when we call the appeal, we
11 list those names. That doesn't mean that you were involved.
12 That's just the name of the corporation. That's just the
13 title of the appeal.

14 So that's what I was getting at here. I haven't made
15 any findings. We haven't gotten into the arguments yet. I'm
16 just right now doing the procedural aspects of basically
17 identifying what exhibits that you would like, and the CDTFA
18 would like, to put forth to present their case, and I was
19 asking if you had any objections to the exhibits that CDTFA
20 has put forth.

21 Again, you'll have the opportunity to dispute what
22 they're saying, that you were an officer of the corporation,
23 that you were a partner in the Caleye Company. You will have
24 an opportunity to do that. Right now I'm just going over the
25 procedural aspects of saying, what are the exhibits that OTA

1 can consider when we decide this appeal?

2 So, when we decide the appeal, we'll take the
3 testimony that you provide today, and we'll take the exhibits
4 that are submitted by both parties into consideration. We'll
5 evaluate that, and we'll make a decision based on what we
6 find the evidence supports or does not support.

7 At this point, I'm just going over the procedural
8 aspects of determining what those exhibits are that we can
9 consider, and that's why I was just asking if you have an
10 objection to the exhibits that CDTFA has put for their case.

11 THE APPELLANT: I want just to ask them one question,
12 and they haven't answered me for so long, eight years. I
13 said, "What's your evidence? Show me where am I associated
14 with this? Where is my name as secretary?' It's evidence.
15 Okay? They have the Secretary of State, the corporation.
16 What's the name, my name there?

17 No, they don't answer me. They just say,
18 "Secretary." That's what they say. So a partnership,
19 husband and wife, always husband and wife. They want to
20 make -- put all of that because husband and wife -- okay.
21 Husband and wife partnership, at night, they can sleep
22 together, but doesn't mean they're in business together.

23 ALJ KWEE: Okay.

24 THE APPELLANT: It was husband and wife.

25 ALJ KWEE: Right. So I understand what you're

1 saying.

2 So, if you don't have an objection as to the
3 relevance of the documents that they have asked us to
4 consider, or a claim that they are subject to privilege, then
5 I will be admitting CDTFA's exhibits for consideration, and
6 I'll be admitting your exhibits for consideration.

7 With that being said, I will be admitting the
8 documents that have been identified on the minutes and orders
9 as documents that we can consider, without striking any
10 exhibits from either party. So, with that being said, we
11 have Exhibits 1 through 3 for the taxpayer.

12 THE APPELLANT: I have one more thing. Same person,
13 who is their attorneys, okay, told me, "This is a
14 corporation, and the corporation -- even so, somebody is
15 involved with this corporation. The corporation, you are not
16 liable for your personal things with the corporation, and the
17 corporation has no assets."

18 He said, "I don't understand why" -- he told me, "I
19 don't understand why they bring it up something which the
20 corporation has no assets. So you cannot go after people's
21 belongings or assets when the corporation has no assets. You
22 can go after assets of the corporation." This is what he
23 told me. I'm just quoting from their own attorney, but I
24 don't want to say his name, because he was afraid of his
25 boss.

1 ALJ KWEE: Okay. Right. And I do see that, and I
2 understand there's two separate appeals before us. One is
3 for the corporation, and one is for what CDTFA is claiming is
4 a partnership with yourself and Selina Andrews, and those are
5 the two separate liability periods at issue in this appeal.

6 As far as the exhibits, again, we have Exhibits 1
7 through 3 for the taxpayer, and Exhibits A through P for
8 CDTFA, and those are admitted into the evidentiary record.

9 With that said, does either party have any new
10 documents that they have today, beyond what was identified
11 just now?

12 (Exhibits admitted into evidence)

13 MR. SMITH: No, we don't.

14 ALJ KWEE: Okay. So thanks, and so the issues that
15 we're going to be going over today, which I understand --
16 again, there was only one appearance at the pre-hearing
17 conference.

18 So, from the briefing, I understand that there's two
19 issues, and one issue is whether Appellants made taxable
20 sales of tangible personal property in this state, and the
21 other issue is whether any adjustments are warranted to the
22 liability of Selina or Bruce Andrews individually, as
23 determined by CDTFA.

24 So, if there are any other issues, you are free to
25 raise them during the conference -- I mean, during the

1 hearing -- but those are the two issues that I understand
2 have been set forth today.

3 So, with that said, does anyone have any questions
4 before we start the proceeding and presentations?

5 (No response.)

6 ALJ GEARY: I think we need five minutes for the
7 judges to discuss something.

8 ALJ KWEE: I'm sorry. Could we take a five-minute
9 recess? Okay. Thank you. We're going off the record.

10 (A recess was held from 12:48 p.m. to 12:51 p.m.)

11 ALJ KWEE: Okay. So we're back on the record.

12 Since we do have an issue where there were the two
13 cases, and the Appellant is only disputing the aspect related
14 to the partnership, his individual liability, and not the
15 corporation's liability, we are going to be deconsolidating
16 these two appeals.

17 The appeal of the corporation will be submitted and
18 decided on the basis of the written record. The appeal for
19 the partnership will proceed as an oral hearing matter. The
20 exhibits marked for identification previously will remain the
21 same for both appeals, so we'll still have the exhibits. I
22 believe it was 1 through 3 and A through P. They'll be the
23 same for both case IDs.

24 Are there any objections, questions, or concerns
25 about the deconsolidation here?

1 MR. SMITH: We have no objection.

2 ALJ KWEE: Okay. And -- okay. So, with that said,
3 before we do proceed, I was going to give a brief
4 explanation. The taxpayer, Appellant, will have an
5 opportunity to do an opening presentation. The CDTFA will
6 also have an opportunity to do an opening presentation.
7 We'll have an opportunity for questions from the Panel, and
8 then both parties will have an opportunity to make a closing
9 presentation.

10 Are there any questions about how this process is
11 going to work?

12 (No response.)

13 ALJ KWEE: No. Okay. So, with that said --

14 MR. SMITH: Excuse me. Could we have a couple
15 minutes to discuss before we proceed?

16 MS. SILVA: Because you've deconsolidated something,
17 and we had a consolidated presentation.

18 MR. SMITH: Right. So we may want to look at it for
19 a second.

20 MS. SILVA: Can you just give us a few minutes?

21 ALJ KWEE: Yes. How about we'll take a 10-minute
22 break. We'll come back at 1:00 o'clock p.m. Is that a --

23 MS. SILVA: See what doesn't need to be -- because
24 we're now just talking about one case, correct?

25 ALJ KWEE: For now, we're going to be only addressing

1 the appeal of the party identified as the partnership of
2 Selina Andrews and --

3 MR. SMITH: The corporation will be just based on the
4 written record up to this point?

5 ALJ KWEE: And the corporation will -- see, OTA is
6 going to be issuing two separate decisions, one for the
7 partnership and one for the corporation. The corporation is
8 going to be a nonappearance, based on the written record.
9 The partnership is going to be based on the oral hearing.

10 MS. SILVA: We just want to make sure we cover the
11 corporation. So, to the extent --

12 ALJ KWEE: Okay. Thank you. We'll take a recess,
13 then. We'll go off the record.

14 (A recess was held from 12:54 p.m. to 1:00 p.m.)

15 ALJ KWEE: Okay. So we're back on the record in the
16 appeal of the partnership, Selina and Bruce Andrews, and we
17 were about to go into the opening presentations, I believe.
18 So, before I turn it over to Appellant, I'm going to ask to
19 swear him for his testimony.

20 Mr. Andrews, would you please raise your hand.

21 (Appellant sworn in.)

22 ALJ KWEE: Okay. Thank you.

23 THE APPELLANT: I never -- don't like the lies.

24 ALJ KWEE: Okay. Thank you. So you may proceed with
25 your presentation, and I will make a note on the record that

1 you had previously provided some testimony before, when we
2 started doing the procedural matters. If you also affirm
3 that your statements were correct, we'll also consider that
4 as testimony during the course of our presentation and in
5 deciding this appeal.

6 So, if you also affirm that your statements before
7 being sworn in just now, that were also under -- true and
8 correct, to the best of your knowledge, we'll take that as
9 testimony under oath, also. I just need a yes from you.

10 THE APPELLANT: I did not understand what "yes" --

11 ALJ KWEE: I was just saying that if you swear or
12 affirm that the statements you previously made today are true
13 and correct, we'll take that as testimony under oath, also.

14 Okay. Thank you. You may proceed.

15 THE APPELLANT: I proceed for what?

16 ALJ KWEE: So we're here to hear the appeal. CDTFA
17 asserted a liability against you for the partnership of
18 Selina and Bruce Andrews. My understanding is that you're
19 disputing it on the basis that you weren't involved in a
20 partnership or involved in Caleye Corporation or Caleye
21 Company -- sorry. The corporation is not at issue in this
22 appeal, because it's been deconsolidated. Only the
23 partnership is. And so you may proceed with stating or
24 explaining or offering any statements that you wish to
25 support why you were not liable for this debt.

1 THE APPELLANT: Just that, one, it (sic) has never
2 had any Caleye Company. Okay? It has not been established.
3 It has not been registered. There is no Caleye Company. So
4 it is just fabricated, Caleye Company.

5 Second is that I want to explain about the story
6 where I got involved in this. All right? My wife, Selina
7 Andrews, she was a businesswoman in Saipan before I meet her,
8 in Saipan, Mariana Islands, and she had a company,
9 apparently, made jewels and things like that, using the
10 foreign workers from other countries. Then, when Bush, the
11 son, became president, they wanted to make something maybe
12 illegal or something like that. All of the companies which
13 were in Saipan, they were closed down, including my wife.

14 So how do I met her? I was in an airplane, and she
15 was in an airplane sitting next to me. I was going to Korea,
16 and she was going to Saipan, on the way to Korea with me. So
17 we talked. We exchanged telephone (sic), and then, later on,
18 sometimes she was calling me. Her English was very poor,
19 but, anyways, I could manage.

20 One time she called me, after a few years passed, and
21 she said something like that, "I'm in trouble" and things
22 like that, and I said, "What is that?" And I find out that
23 she had some problem with her company closing, so she
24 committed suicide (sic), went to hospital. I said, "Okay.
25 Come over here to United States so I can help you." She

1 said, "Maybe I want to go to China or come here." I said,
2 "Okay. You come here just for vacation and things."

3 So she came as my guest, and during the time that she
4 was guest, I tried to help her, and eventually I got married
5 to her. Right? But she had a -- said a daughter in Hawaii,
6 and I said, "Okay. I send a ticket for her. She come, too,
7 so you (sic)." This girl is called Yiming Peng.

8 Later on, I found out that she's not really the
9 daughter. She has been somebody following her because of her
10 wealth, because she was wealthy woman before, and then she
11 paid for all her expenses to private school and things like
12 that, and now came here. Now she's very well off. She's
13 living in a two-and-a-half-million house, and she has another
14 two households paid, prepaid.

15 So I'm glad for that, but, for some reason, this girl
16 has had problem ever since came there. She doesn't like me
17 for some reason. I don't know what is that, but she's
18 entitled somebody, too (sic). And they were involved in some
19 of these businesses. They're always talking Chinese, which I
20 don't understand what they are talking about, especially at
21 that time. Their English was poor, too.

22 So one day my wife asked me, "Do you want to go to
23 this office we have," which I had never been there, in
24 Moorpark, "and meet with this Mr. Wang, because you're
25 American? Well, I'm American citizen, but I'm not born here.

1 So you're American. You go over there, sit and talk to him.
2 He understand you better," and things like that. I said,
3 "Okay." So that was the trap for me over there, I think, by
4 Yiming, to go there, and she made a fool of her mother, too.

5 So I went there, and see this Mr. Wang looks like
6 very innocent person. So I didn't know anything about this
7 business, and he really asked me some questions, so I left,
8 and he went made (sic) all these reports from there. The
9 only time that I had anything to do with this company was
10 that day that I went to their office, and I had never been in
11 that office. I didn't know where it was. But I went there,
12 and I met with this Mr. Wang.

13 Ever since, this Mr. Wang has made this false report
14 about me, and has some relationship with Yiming. I don't
15 know what it is. They are talking to each other and made
16 this trap for me. Why they did that I don't understand, but
17 I understand that Yiming really is hostile to me, because
18 that's shown in many different ways. But why Mr. Wang -- I
19 don't expect anything from Yiming, but Mr. Wang, who is part
20 of a very important organization, very sensitive things, to
21 hold revolution in this country based on the taxes, and all
22 the formation of this government is based -- and one person
23 over there acting like this, so irresponsibly, and any
24 time -- many other times, in the offices, I've met with him,
25 and I said to other people the same thing, to deaf ears.

1 It's like talking to these walls.

2 Again, they send me the same thing, the same thing
3 which is very baseless. I don't know what to make of it,
4 because, in order somebody to do it in China, he knows
5 to -- he should be familiar with what's going on in China.
6 You should have some capital. I had nothing. I bring six
7 children up, singlehandedly. I had to feed them, to go to
8 work. The youngest one was one year old. The oldest one was
9 12, something to 14 (sic) when their mother left.

10 So how could I have any money to go over there,
11 invest these kind of things? This is for a businessman,
12 somebody who has family in China, speaks the language, all
13 these things, to go to the custom (sic), all of these things.
14 How do I have time? How can I do these things? Everybody
15 knows by common sense that this is impossible. I had no
16 capital, no money. So the only thing I could think, about
17 how to feed these children, and I don't like to go around the
18 government to ask them for help. I didn't get one penny to
19 date from the government. Everything I did myself. I had no
20 family here to help me.

21 I didn't want to bring up these stories, but this is
22 what I did. After they told me that "You went there and you
23 buy all this stuff and bring it over here, and all of these
24 shops over here, you opened it," and all of these allegations
25 that they did, I went, found some of these shops. I took the

1 picture of them, and I said -- because I had some knowledge
2 how they do it.

3 These people, the shopkeepers, they use their own
4 capital to buy and bring here, and this Yiming and Selina,
5 they were helping them to release from custom, to get some
6 shops for them, and this and that. I knew that because, when
7 Selina came to this country, had one dollar in her pocket,
8 only one dollar, and so she didn't have money to go do these
9 kind of things. So I went and took the picture.

10 Why did I did that, with their address? I wanted
11 them to go over there and ask these people, "Whose money, and
12 whose these goods over here in your shops, belongs to who?"
13 I don't know if they did or not, but was very simple. They
14 could go to these people, ask them, "Okay. These merchandise
15 you are having in your place belongs to who?" And, of
16 course, they would not say, "It belongs to Bruce Andrews or
17 Selina Andrews," because it wasn't. I don't know if they did
18 their -- I did their jobs for them.

19 Then, because these people were engaged in illegal
20 activities, I went and reported their illegal activities.
21 Some of their illegal activities was like that they bring a
22 pregnant woman to United States to have a baby, and then they
23 claim they've come -- this one things (sic). They were
24 involved in selling drugs. I wasn't just the merchandise
25 they were doing.

1 I reported to some of the cities around that they
2 were there. Nobody went for inspection. Nobody went for
3 inspection, those. Those people who were supposedly on the
4 city investigators, that was their job. I did it for them.
5 They didn't do -- they didn't even go to see it, and these
6 people are continuing up to today. Today they are doing the
7 same thing, and Yiming was involved in bringing pregnant
8 women with these people. She was making lots of money out of
9 that. In China, they were advertising, bringing women here
10 to -- pregnant women.

11 Her name is not -- she's secretary. Her name is not
12 there. My name is there. I don't understand this. Her name
13 is secretary, clearly, if you look at that, secretary of this
14 corporation, Caleye. My name is not there. Why should they
15 put my name as secretary? I don't want to bring -- up to
16 today, I didn't say one bad word about her, but today I
17 couldn't control myself. I wish her the best, but this is
18 what is happening. She did to herself. I didn't want to
19 mention her name.

20 ALJ KWEE: Okay. I did have a couple questions, if I
21 may ask at this point. I don't want to interrupt you if
22 you're still going.

23 THE APPELLANT: No, I'm done.

24 ALJ KWEE: Okay. So I'm trying to understand -- I
25 guess summarize what you're saying, and if I'm understanding

1 correctly, you're saying that you had no idea about the sales
2 tax liability that was being incurred under your own name.
3 Is that an accurate summary?

4 THE APPELLANT: I'm saying absolutely, I had no
5 knowledge of any of these things, or involved in anything --

6 ALJ KWEE: Okay. So as --

7 THE APPELLANT: -- my name over there.

8 ALJ KWEE: Okay.

9 THE APPELLANT: And I say, also, I know that Selina
10 is my wife, did not have money to go purchase merchandise,
11 bring. It was from this -- she just -- because she wanted to
12 make some money, she was getting commission from these people
13 to do that.

14 ALJ KWEE: Okay. So you're also saying that your
15 wife did not know about this liability. Is that also
16 correct?

17 THE APPELLANT: She's not very knowledgeable person.
18 Okay? Especially, she doesn't know about the law. But she's
19 very good, a very shrewd businessperson. She knows how to
20 make money.

21 So I don't know how she find out about these kind of
22 business, that she went, got involved, and because Yiming has
23 the knowledge of English, and she's an accountant, also, and
24 she does all the taxes for Selina -- she doesn't do for me.
25 We're doing separate taxes.

1 So she was doing all the taxes, and she knows all
2 these gimmicks about this, you know, to custom and other
3 things. She was doing it, and I think Selina just trusts --
4 she loves so much this girl that if she says -- right now
5 it's daytime, right, the sun, and Yiming says, "It's night,
6 and this is the moon," she believes with her. That's how it
7 is, and that's why, anything I tell her, and Yiming says
8 opposite, Yiming is right. But I know Yiming has been
9 playing against her, with her, too. She does everything, and
10 Selina just simply supported her.

11 ALJ KWEE: I should ask my co-panelists if they have
12 questions at this point.

13 ALJ HOSEY: No questions.

14 ALJ GEARY: I do have some questions.

15 Mr. Andrews, thank you for coming here today. What
16 is your trade or business, if you have one?

17 THE APPELLANT: Right now I'm retired. I'm 74 years
18 old. But, before, I was doing many things. I'm educated as
19 electronic engineer, and also I had an MBA, but, because of
20 my situation, I wasn't able to do permanent jobs anywhere.
21 So I'm not retired from any -- the only thing I get is the
22 Social Security, and I had to raise six children, and they're
23 all successful. They all have very good jobs, and making
24 very good money, and they are supporting me, too, today,
25 because, on my Social Security, \$700 a month, I cannot

1 survive.

2 So my children did not abandon me. They are very
3 well off, including one of the girls that I adopted is
4 Chinese. Her mother left when she was a baby, and Selina
5 sent to her sister in China, grow up (sic). When she was
6 about 10 years old, I asked her to bring her, and I adopted
7 her. She didn't adopt. I adopted her, and she's
8 multimillionaire, more than \$100,000,000, and this girl still
9 is different from Yiming, this girl. She tells me I'm her
10 father, and she will do everything for me.

11 ALJ GEARY: The woman that was in Hawaii that you
12 sent the ticket to to come over, what is her name?

13 THE APPELLANT: Yiming Peng.

14 ALJ GEARY: Spell that for me.

15 THE APPELLANT: Y-I-M-I-N-G. The last name is Peng,
16 P-E-N-G.

17 ALJ GEARY: Did you know -- let me -- was your wife
18 involved in the importation from China of the goods that the
19 Department refers to in its exhibits?

20 THE APPELLANT: As I said, I don't know, but I'm
21 guessing yes. She was the person, but not herself directly,
22 because it requires English, and her English is very poor,
23 and she doesn't have an understanding of the laws, and Yiming
24 is the one who was doing all this work, with her support.
25 They were doing it together.

1 But the person who was doing all the gimmicks here,
2 from getting in with the transportation and the ships, and
3 getting the orders over there, and things like that, it was
4 Yiming who was doing evidence, from finding the broker,
5 custom brokers. But, from the point of whether Yiming owns
6 this, no, she didn't own. She was just getting the
7 transactions done for those people who were in China, were
8 the owners.

9 ALJ GEARY: Do you know why your wife was not here
10 today?

11 THE APPELLANT: My wife, she has some problem with
12 her health, and, actually, she's not always here in
13 Sacramento with me. She's in San Jose with her sister most
14 of the time. So that's why she's not here, because she has
15 problem with her health.

16 ALJ GEARY: You testified that you went to shops and
17 took pictures of the shops, and you're referring to the shops
18 that you believe these goods were sent to. Is that correct?

19 THE APPELLANT: I asked my wife about the owners of
20 these shops, and she gave me some of the names, and then I
21 asked, "What's their addresses?" And she gave me some of the
22 addresses. Also, on the Internet, I found some of the
23 addresses of these shops. So I went there without these
24 people's knowledge. I took the picture from outside and
25 things like that, and their names I got from my wife, but I

1 didn't say what I want it for.

2 ALJ GEARY: Do you know where your wife got the names
3 and addresses for those for whom she had addresses?

4 THE APPELLANT: Some of these people were the ones
5 that they would involve the bring the merchandise here and
6 set up the shops for them, and also, because they're all
7 connected to each other, even if some of them weren't, she
8 still couldn't know, because they are people like a chain.
9 They know all each other in this trade.

10 ALJ GEARY: What I mean is, did you see your wife,
11 where she actually went to, what records she went to to get
12 the names and addresses that she gave to you?

13 THE APPELLANT: No. I just asked her verbally, and
14 she told me, and I asked, "What's the spelling?" And I wrote
15 it down, the spelling.

16 ALJ GEARY: Is the Mr. Wang you referred to the same
17 Mr. Wang that is or was employed as an auditor by the
18 governmental agency that's here before us?

19 THE APPELLANT: Yes.

20 ALJ GEARY: Your wife speaks Chinese?

21 THE APPELLANT: Yes, she's fluent in Chinese,
22 Mandarin and Shanghainese.

23 ALJ GEARY: Those are all the questions I have.
24 Thank you.

25 ALJ KWEE: I did have one additional question. So,

1 if my understanding is correct, CDTFA had just gone off for
2 the -- determining how much is owed in sales tax, they had
3 gone off the invoice price of goods, of a declared value of
4 goods, and added a 30-percent markup. I'm wondering if, from
5 your side, did you report on income tax returns any revenue
6 from these transactions, or did your wife report anything
7 about this?

8 THE APPELLANT: Very good question. Thank you for
9 asking. Okay. Yiming is very smart, and what in her is
10 smart towards me -- because I have been always 100 percent
11 for her, and she has been always 100 percent to do something
12 against me. That's why, when we were moving from one
13 apartment to another one, she had Chinese people helping us
14 to remove things, and she was in contact with these Chinese
15 people, and they took every paper I had, including my
16 documents from school, my laptops. All of it, only for me,
17 was lost, not for Selina.

18 Then, my taxes, I do always separate from them,
19 because Yiming is a tax, also, specialist, and the content
20 (sic). She was doing the taxes for them, for the corporation
21 or whatever. I don't know. But I was doing -- my tax very
22 simple. I didn't have much of income, and the 1012 and 1011,
23 they asked me -- it was gone that time by those Chinese guys,
24 but I contacted IRS, and I said, "I need my tax returns
25 for" -- they said, "We only can go four years back, three or

1 four years. We cannot go any further."

2 So I couldn't get any documents, but, if you can get
3 that document, you will see my tax is very, very simple when
4 I was -- because it wasn't that much income there, anyways.

5 ALJ KWEE: So, since you filed separately, if I
6 understand correctly, you don't know what your wife would
7 have reported on her returns for 2011 and '12?

8 THE APPELLANT: Yiming has all the documents.

9 ALJ KWEE: Okay.

10 THE APPELLANT: If you ask Yiming, she can provide
11 you with all the documents. She does the taxes for her.

12 ALJ KWEE: Okay. Are there any other further
13 questions from the Panel?

14 ALJ HOSEY: No, thank you.

15 ALJ KWEE: Okay. At this point, I would like to let
16 CDTFA have an opportunity to do their opening presentation.

17 MR. SMITH: Thank you. Good afternoon.

18 At issue today is a liability for Appellant, Caleye
19 Company, a husband-and-wife co-ownership that operated from
20 June 2nd, 2011, to June 30th, 2012. The liability period for
21 Caleye Company runs from June 2nd, 2011, to June 30th, 2012.

22 It is undisputed that Caleye Company was in the
23 business of importing and selling ceramics, porcelain, and
24 furniture from China. Reports received from the United
25 States Customs and Border Protection, dated April 23rd, 2013,

1 which is Exhibit E, show that Appellant received goods
2 imported from China described as "ceramics, furniture, and
3 bedding," during the liability period, and the goods were
4 delivered to an address listed for Appellant in the
5 Department's electronic records systems, and a seller's
6 permit application for Caley Company, which are Exhibits H
7 and M.

8 Upon receipt of the reports from U.S. Customs and
9 Border Patrol, the Department reached out to Appellant and
10 informed them that, based on the report from Customs and
11 Border Patrol, there was evidence Appellant imported goods
12 into California during the liability period, and Caley
13 Company reported no sales to the Department.

14 The Department then determined that, due to the
15 amount, frequency, volume, and value of the imported goods,
16 as shown in the reports, as well as the fact that the
17 description of the goods imported were similar to the line of
18 business Appellants were engaged in, that Appellant was the
19 retailer of the imported goods.

20 The Department then attempted to perform an audit of
21 Appellant to determine taxable sales, but found that
22 Appellant did not maintain any sales record or other
23 documentation of sales, whether taxable or non-taxable, and
24 thus concluded that the books and records were inadequate for
25 sales and use tax purposes.

1 Because Appellant did not provide sales invoices,
2 resale certificates, or other documentary evidence to
3 demonstrate that sales were not otherwise taxable, the
4 Department relied upon the CBP report to calculate
5 Appellant's unreported taxable sales. The Department
6 examined transactions shipped into California on an actual
7 basis, applied a markup factor of 1.30 to Appellant's cost of
8 the goods to calculate unreported taxable sales.

9 California imposes sales tax on a retailer's retail
10 sales in the state of tangible personal property, measured by
11 the reseller's gross receipts, unless the sale is
12 specifically exempt or excluded from taxation by statute, and
13 a "retailer" includes every seller who makes any retail sale
14 of tangible personal property, and a "retail sale" is a sale
15 for any purpose other than the resale in the regular course
16 of business.

17 When the Department is not satisfied with the returns
18 filed or if, in this case, no returns are filed, it may base
19 its determination of the tax due upon the facts contained in
20 the return, or upon any information that comes within its
21 possession.

22 It is the taxpayer's responsibilities to maintain and
23 make available for examination, on request, all records
24 necessary to determine the current tax liability. That
25 includes bills, receipts, invoices, or other documents.

1 When it is determined that a taxpayer's records are
2 such that sales cannot be verified by a direct audit
3 approach, the Department must calculate the sales from
4 whatever information is available, using indirect audit
5 methods to determine the correct tax liability, such as
6 examining Customs and Border Patrol import logs.

7 Here there is no dispute that Appellant received the
8 goods. The description of the goods imported were similar to
9 the lines of business Appellant identified in its seller
10 permit application and in other filings. Further, no
11 documentary evidence has been provided to indicate that
12 Appellant continues to hold the goods in inventory or sold
13 the goods for resale.

14 Therefore, based on the evidence available, the
15 Department concluded that Appellant purchased these goods,
16 and subsequently sold these goods at retail, and must remit
17 tax on those sales.

18 This is just something that had come up in some of
19 the briefing previously. So, regarding any assertion that
20 the identity of Selina Andrews had been used fraudulently to
21 create accounts with the Department, again, on this, there is
22 no documentary evidence to support that the taxpayer's
23 identity, Selina Andrews, was stolen, such as police reports,
24 court filings, fraud alerts on credit reports, and things
25 like that.

1 Without such documentary evidence or other
2 substantiating information to demonstrate the theft of Ms.
3 Andrews' identity, there is no basis to adjust the tax
4 liability identity theft.

5 Appellant also argues that Caleye Company did not
6 exist. Again, if you look at our Exhibit H, that is a
7 seller's permit application for Caleye Company, and it's
8 dated December 8th, 2011, and it was signed by both Bruce and
9 Selina Andrews. So this clearly indicates that Caleye
10 Company did exist.

11 Regarding the previous arguments by Mr. Andrews that
12 he was not associated with the Caleye Corporation, we just
13 want to emphasize that the personal liability of Mr. Andrews
14 for the liability of Caleye Corporation is not at issue in
15 this appeal, and, therefore, his involvement in Caleye
16 Corporation is irrelevant.

17 Therefore, we ask that these appeals be denied.
18 Thank you.

19 ALJ KWEE: I did have one or two quick follow-up
20 questions. Did CDTFA examine personal income tax returns for
21 the Appellant to verify, or for Appellant husband or wife to
22 determine whether this income was reported on their returns?

23 MR. SMITH: We did not ask for or examine the returns
24 for 2011 through 2012. We based our determination solely
25 upon the Customs and Border Patrol records.

1 ALJ KWEE: Okay. So I also understand that
2 Appellant, Mr. Andrews, Bruce Andrews, is saying that he
3 wasn't involved in this business, and I understand the
4 customs forms are -- were the documents listed in the name of
5 only the wife, or were the documents that CDTFA is
6 using -- is it using the names of both the husband and the
7 wife? I mean, basically, what documentation do we have to
8 show that Bruce Andrews, specifically, was involved in this
9 business, as opposed to it only being Selina Andrews?

10 MR. SMITH: The import logs that we received from
11 Customs and Border Patrol list Bruce Andrews as a recipient,
12 and it lists his address that's associated with Mr. Andrews.
13 It does not show Selina Andrews as the importer, or anybody
14 else. It's just Bruce Andrews.

15 ALJ KWEE: Okay. If I could quickly turn to Mr.
16 Andrews, I think CDTFA is saying that your signature was on
17 the application for a seller's permit for the partnership of
18 Caleye Company, and they're also saying that your name
19 appears on the documents that -- the property that was
20 imported. I'm wondering if you'd like to offer a brief -- if
21 I could give you a brief chance to rebut that or address
22 that.

23 THE APPELLANT: No, I don't even see -- okay. You
24 look at that application, all is filled out by Yiming. I
25 have not filled any applications there. It's all her

1 handwritings, and because she was shortly working (sic) -- I
2 had an insurance agency before, small office, and she came
3 over there for a while, working for me, and I was paying her.
4 She knew about all my signatures and things like that. She
5 does lots of these kind of things, and it's all her
6 handwriting.

7 You can look. I can show you my driving license
8 right here, and you compare my handwriting or my signature
9 with that signature over there. She can do good job, but
10 it's not exactly. Okay? So that is the thing. For some
11 reason, they wanted to get me involved, without my knowledge
12 into anything, but the Caleye Company that this gentleman
13 says about, they just put the name of Caleye Company.

14 There was no Caleye Company. The name, they put it
15 over there. Maybe, I think, they make a mistake, and instead
16 of writing "Caleye Corporation," they said, "Caleye Company,"
17 my perception, but I'm not sure. But I think there was no
18 Caleye Company that they go register, as registered by the
19 NECT (sic) or government something like that. They just put
20 "Caleye Company" on that application, and I think they meant
21 to write "Caleye Corporation." They made a mistake or for
22 some other reason, I'm not sure.

23 ALJ KWEE: Okay. And I believe, just to go back for
24 a moment, you had mentioned that you had met on one occasion
25 with someone named Mr. Wong with CDTFA, and I wasn't quite

1 sure. That wasn't the application for a seller's permit, or
2 what was the meeting with Mr. Wong about, again?

3 THE APPELLANT: Okay. As I said, my wife asked me,
4 "Because you're American, this Mr. Wong, it's better you go
5 talk to him. You're coming from" -- I didn't (indiscernible)
6 something from which tax office, so he says, "If it's from
7 tax office, you go sit down and talk to him." I said, "Okay.
8 I go there."

9 I go see a person. He looked very innocent, very
10 nice guy. So I don't remember exactly what the conversation
11 was going about, because I had no knowledge of this. So I
12 don't remember a long time. It's like 2011 or 2012, nine,
13 eight years ago. Besides that, I couldn't have given him any
14 information, because I didn't have anything.

15 So I just wanted to say, for making good behavior and
16 getting to listen to my wife (sic), but now I think maybe
17 there was a plan by Yiming to get me involved into these
18 things, and so that Mr. Wong probably was influenced by
19 Yiming and wrote this report about me.

20 ALJ KWEE: Okay. So you didn't apply for a seller's
21 permit when you met with Mr. Wong, then?

22 THE APPELLANT: I didn't (indiscernible) seller's
23 permit.

24 ALJ KWEE: Okay. Are there --

25 THE APPELLANT: If you look at right here

1 (indicating), it's handwriting here, handwriting. It's only
2 me.

3 ALJ EWING: I have a question, just for
4 clarification. Mr. Andrews, are you saying that the
5 signature -- have you looked at the application for seller's
6 permit? Have you seen it?

7 THE APPELLANT: Yes, I have seen it.

8 ALJ EWING: Okay. So is it your testimony that the
9 signature that is attributed to you on that application for a
10 seller's permit is a forgery?

11 THE APPELLANT: Yes.

12 ALJ EWING: You did not sign that document?

13 THE APPELLANT: No. I show you my -- right now, you
14 can take a look. I show you my driving license. You can
15 take a look at my signature.

16 ALJ EWING: I don't think I can do that just yet.

17 THE APPELLANT: Okay.

18 ALJ EWING: Let me ask the Department. Does the
19 Department have any document in evidence, letters or anything
20 signed by Mr. Andrews, other than the application for a
21 seller's permit?

22 MR. SMITH: No. I would have to look. I mean, we
23 have the seller's permit application. I don't know offhand.
24 I'd have to look, like I said, whether there's other things
25 that he signed. I'm looking through the exhibits, and I

1 don't --

2 ALJ EWING: It sounds like maybe -- you have
3 (indiscernible)?

4 MS. SILVA: Yes. On the request for relief from
5 penalty, collection, cost recovery, fee, and/or interest --

6 ALJ EWING: Where is that?

7 MS. SILVA: It's page 26 of CDTFA's exhibits in our
8 system, and it looks like that's his signature and name,
9 unless it wasn't signed by him.

10 ALJ EWING: Do you recall, Mr. Andrews, submitting
11 a -- I think the -- if I remember correctly, at the appeals
12 conference that was held by the Appeals Bureau of CDTFA, it
13 might have been suggested to you, either there or in a
14 subsequent letter from the attorney or the officer who
15 presided at that appeals conference, that you might want to
16 submit an application for relief of a penalty, and there is
17 an application for relief of a penalty contained in the file
18 that I believe you submitted. Do you recall that?

19 THE APPELLANT: Would you repeat it again?

20 ALJ EWING: Do you recall submitted -- signing an
21 application for relief of interest and penalties, and then
22 submitting that to the Department, CDTFA, after the appeals
23 conference?

24 THE APPELLANT: Maybe I have done it. I don't recall
25 it, because there has been lots of -- what do you call it? --

1 going on between me and their department. Lots of
2 correspondence has been going on. So I don't recall it,
3 exactly, but, if I see it, I can say for sure.

4 ALJ EWING: Okay. Thank you. That's all I have.

5 AJA HOSEY: I have one question, yes, for CDTFA. Do
6 you know how the Border Patrol records, the import logs --
7 how they get that information, like, how they get Mr.
8 Andrews' name for this instance when they complete the logs?

9 MR. SMITH: It's my understanding that when you
10 import the goods -- I don't really have a clear
11 understanding, but I guess there has to be, I assume, an
12 importer of record, and then those are compiled by Customs
13 and Border Patrol, and we have a -- CDTFA has an electronic
14 system that those documents -- or those records are fed into,
15 and that's where we review them.

16 AJA HOSEY: The Border Patrol officer inputs the
17 data, and then you receive it, you receive the logs?

18 MR. SMITH: Yes. I don't even want to say. I don't
19 know what the U.S. Border Patrol does. I just know that we
20 receive it through an electronic system from the Border
21 Patrol.

22 AJA HOSEY: Okay.

23 MR. SMITH: I know that much.

24 AJA HOSEY: Thank you.

25 ALJ KWEE: I would like to go back to the seller's

1 permit, since CDTFA has submitted it as an exhibit. Do we
2 know, is that something that the taxpayer appeared at an
3 office location, and who showed up on behalf of the taxpayer
4 when this was filed, or do we have any information on who
5 filed this or where it was filed, if it was in person versus,
6 I guess -- if it could be a male or --

7 MR. SMITH: Well, it's unclear. I mean, we do have a
8 little notation here under the "For BOE use only." There's a
9 verification, and it has a check for "DL," meaning "driver's
10 license." So there was some -- so I would have to presume
11 somebody appeared, but, beyond that, I don't know.

12 ALJ KWEE: With the "DL" verification, would you have
13 written -- would that be -- do you -- does it say on the
14 permit whose driver's license was verified? I'm wondering if
15 there's a DL number written on it.

16 MR. SMITH: Well, there is a driver's license number.
17 It's blacked out, but, you know, I can't say which one was
18 verified or what was verified.

19 ALJ KWEE: Okay. So I do see that the driver's
20 license number for Bruce Andrews is blacked out, partially,
21 but there are some written numbers, a couple dots appearing
22 underneath the blackout, so it looks like there was something
23 written there, and there's also a Social Security number
24 blacked out. So I guess it's CDTFA's position that there was
25 documentation written underneath the blackout, then?

1 MR. SMITH: Yes.

2 ALJ KWEE: Okay. And for Mr. Andrews, it looks like
3 CDTFA's application for seller's permit indicates that your
4 Social Security number and your driver's license was verified
5 at the time the form was submitted, and it appears on the
6 form, and I'm wondering if you have a -- if you'd like to
7 make a response to that.

8 THE APPELLANT: I don't know how it got there, but,
9 as I said, anybody with knowledge of my Social Security and
10 driving license number could write it there.

11 ALJ KWEE: Okay.

12 THE APPELLANT: You should look at whose handwriting
13 is there. Is this my handwriting?

14 ALJ KWEE: Okay. I don't want to get too stuck on
15 this point, but I did have one last question on CDTFA policy
16 or procedure. When someone is applying for a seller's
17 permit, and they have the driver's license, do they do photo
18 verification, or would CDTFA allow a third party to provide
19 documentation, for example, the wife or a representative of
20 the wife, to provide the documentation in order to apply for
21 a seller's permit?

22 MS. SILVA: It's our understanding that they are
23 required to check the driver's license of those that are
24 filling out the form. That's why there's the box, and the
25 box is checked, "DL," at the upper right, as in "Driver's

1 license checked," and then you see there were numbers. They
2 were blacked out for confidentiality. So we can -- just
3 looking at the document, it says, "Driver's license checked,"
4 and there were driver's license numbers on the form.

5 THE APPELLANT: I have one question. If there is no
6 evidence there was a Caleye Company, so what is the purpose
7 of these questions? If there is -- can they prove that there
8 was a Caleye Company?

9 ALJ KWEE: So we're here to make a determination on
10 the appeal, the appeal where CDTFA has asserted that you and
11 your wife were engaging in business, regardless of whether it
12 was Caleye Company or Caleye Corporation or whatever "doing
13 business as" name it is.

14 CDTFA has asserted a liability, that you and your
15 wife sold tangible property, and my understanding is that you
16 have disputed that you sold tangible personal property, and
17 we're trying to make -- in deciding this appeal, we're trying
18 to make an actual determination as to whether or not you or
19 your wife engaged in a partnership selling tangible property
20 in this state, and that would be whether or not you are
21 liable for the sales asserted by CDTFA, and that's why we're
22 asking these questions.

23 Okay. So I believe we're ready to go to closing
24 presentations. Each party will have five minutes to make any
25 final comments or remarks that they would like to say before

1 we conclude this hearing today.

2 I'll start with Mr. Andrews. You're allowed five
3 minutes to make any closing remarks at this point.

4 THE APPELLANT: Okay. They say a corporation
5 (indiscernible) is not. I want to know why my name is not
6 there as the secretary of this corporation. They put my name
7 there. It's very obvious. If they did it by purpose, this
8 one, or by mistake, they should tell me which one it is and
9 why they did that, and why did they send me through so much
10 hardship for eight years? They should tell me.

11 They had one attorney -- Selina one time hired an
12 attorney, and that attorney, one time I met with him, and I
13 said to him about these things. I said, "Do you know what
14 the volume" -- they were not sending one copy of all of these
15 things. Constantly, they were sending the papers. I said,
16 "Do you know how many, like, tons of papers they have wasted,
17 so much of these things? Maybe more than \$100,000 these
18 people have wasted, to get 30,000." He told me, "I don't
19 know. It's crazy. It's crazy."

20 Why did they all -- why did they -- why, when I went
21 there, and there were seven, eight people sitting there in
22 Oakland, they were telling me, "You are the secretary," and I
23 asked them, "What's my position?" "Sir, you are the
24 secretary." And they had the papers of the things in front
25 of them from the Secretary of State, and they did not tell

1 me.

2 These supposed to be very honest people. They should
3 tell me. They didn't, and I believed them at that time. Now
4 I am feeling very bad that the person -- I am nobody. Okay?
5 I am nobody. I can't do anything wrong. There's no excuse.
6 But somebody who's sitting in that position should be honest,
7 to say they're right and wrong. Don't you agree with me?

8 ALJ KWEE: So I'm not sure if I can make some
9 clarification, but the corporate liability, that was the
10 appeal that we deconsolidated. So we're not deciding that
11 here, but that's a corporate liability. That's not a
12 liability that has been asserted against you individually, as
13 far as my understanding. You're listed as a secretary, but
14 that appeal didn't involve -- the appeal that came to us
15 didn't involve a personal liability.

16 So I just wanted to, I guess, clarify that, although
17 there were two appeals, there was the partnership, where you
18 were personally liable, and there was the corporation, where,
19 from my understanding, you were listed as an officer, that
20 separate appeal, the corporation, has been deconsolidated
21 because there's no representative here, and that appeal, at
22 least to us, before us, didn't involve any personal liability
23 against you, as far as my understanding was concerned, under
24 that case, and I guess that's as much as I could say on that
25 matter.

1 If you don't have anything further, I'll turn it over
2 to CDTFAs to do their final closing remarks.

3 THE APPELLANT: My problem is not whether I'm liable
4 for corporation or this and that. Those are legal issues.
5 I'm talking about ethical issues.

6 They are very intelligent people. That's why they
7 are there. They are educated, and they knew it, and they
8 hide it from me, and they misrepresented to me that "You are
9 this secretary of this corporation." It's not about me.
10 It's about the -- because now they say, "We are the state of
11 California, People of California against Bruce Andrews,"
12 right?

13 So you are representing the people of California I'm
14 representing only myself. I don't know if you got the point
15 or not that I'm trying to bring it up here. It is the people
16 of California that you are representing, and you've got to be
17 honest with the people of California, because you're
18 representing them.

19 ALJ KWEE: Okay. Thank you. And that's not
20 something that I can respond to. I'm here to decide the
21 appeal, and I appreciate the arguments, concerns, and issues
22 that you have raised today. We'll take anything that we can
23 take into consideration when deciding this appeal. We can't
24 otherwise provide advice or commentary or opinions on this
25 matter.

1 So that's where I would have to leave it at this
2 point as far as the final questions that you have presented
3 for consideration, and appoint -- unless you have anything
4 further, I'll turn it over to CDTFA, if they would like to
5 have any final comments or responses to make.

6 MR. SMITH: Let me just conclude with -- our position
7 is that the evidence establishes the liability of Appellant,
8 and the appeal should be denied. Thank you.

9 ALJ KWEE: Okay. If there are no further questions,
10 I'm going to close this appeal.

11 Okay. So I would like to thank everyone for coming
12 in today. We're going to conclude this hearing. The case is
13 hereby submitted on February 26, 2020, and the record is now
14 closed.

15 So generally we'll issue an opinion within 100 days
16 from today's hearing date, and the decision will be mailed
17 out to the parties.

18 So the hearing and the appeal of Selina and Bruce
19 Andrews is now adjourned, and we're going off the record.
20 Thank you.

21 THE APPELLANT: (Indiscernible) today?

22 ALJ KWEE: So the presentation of evidence is now
23 concluded. We will take into consideration what you said
24 today, and the documents that you submitted and CDTFA
25 submitted. We'll review everything, and we'll make a written

1 decision that will be sent out, deciding, and that decision
2 should come out within a hundred days from today.

3 THE APPELLANT: Thank you very much.

4 MR. SMITH: Thank you.

5 ALJ KWEE: Thank you.

6 MR. SMITH: Have a nice day.

7 MS. SILVA: Thank you.

8 (Whereupon the proceedings were
9 adjourned at 2:06 p.m.)

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