

BEFORE THE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

IN THE MATTER OF THE APPEAL OF,)
)
R. BREWER and M. BREWER,) OTA NO. 20076413
)
 APPELLANT.)
)
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TRANSCRIPT OF VIRTUAL PROCEEDINGS

State of California

Tuesday, September 28, 2021

Reported by:
ERNALYN M. ALONZO
HEARING REPORTER

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Transcript of Virtual Proceedings,
taken in the State of California, commencing
at 9:35 a.m. and concluding at 10:12 a.m. on
Tuesday, September 28, 2021, reported by
Ernalyn M. Alonzo, Hearing Reporter, in and
for the State of California.

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APPEARANCES:

Panel Lead: ALJ CHERYL AKIN

Panel Members: ALJ SARA HOSEY
ALJ ELLIOTT SCOTT EWING

For the Appellant: STEWART FARBER

For the Respondent: STATE OF CALIFORNIA
FRANCHISE TAX BOARD
DAVID MURADYAN
NANCY PARKER

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I N D E X

E X H I B I T S

(Appellant's Exhibits 1-3 were received at page 7.)
(Department's Exhibits A-J were received at page 8.)

P R E S E N T A T I O N

	<u>P A G E</u>
By Mr. Farber	8
By Mr. Muradyan	16

C L O S I N G S T A T E M E N T

	<u>P A G E</u>
By Mr. Muradyan	22

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California; Tuesday, September 28, 2021

9:35 a.m.

JUDGE AKIN: We are opening the record in the Appeal of Brewer. This matter is being held before the Office of Tax Appeals, OTA Case Number 20076413. Today's date is Tuesday, September 28th, 2021, and the time is approximately 9:35 a.m. The hearing is being conducted electronically with the agreement of the parties.

Today's hearing is being heard by a panel of three Administrative Law Judges. My name is Cheryl Akin, and I'll be the lead judge for the purposes of conducting this hearing today. With me are Judges Sara Hosey and Scott Ewing. All three judges will meet after the hearing and produce a written decision as equal participants. Although, I as lead, will be conducting the hearing -- okay.

I paused because we lost Ms. Parker, but it looks like she's back. Okay.

So I'm the lead for conducting the hearing, but all of the panel members may ask questions and otherwise participate to ensure that we have all the information to decide this appeal. As a reminder, Office of Tax Appeals is not a court. It is an independent appeals body. The office is staffed by tax experts and is independent of the

1 state's taxing agencies. We do not engage in any ex parte
2 communication between either party.

3 Oh, and it sound like we're getting some
4 feedback. Can I have everybody who is not speaking right
5 now mute. There's a mute button on the bottom of your
6 screen you can use with your mouse, or you can try
7 pressing the space bar.

8 Mr. Farber, can we get you to mute?

9 MR. FARBER: You'll have to forgive -- oh, I see
10 a button that says mute. Shall I push that?

11 JUDGE AKIN: Yes, please. And then you'll have
12 to unpush that when you're ready to speak. So if you can
13 click it? Okay. It looks like you're muted. Okay.

14 So which do not engage in any ex parte
15 communication between either party. So our decision will
16 be based on the arguments and evidence provided by the
17 parties on appeal and in conjunction with the appropriate
18 application of law. We have read the briefs and examined
19 the exhibits submitted up to this point, and we are
20 looking forward to your arguments today.

21 With that, let me have the parties introduce
22 themselves for the record, starting with representative
23 for Appellants.

24 MR. FARBER: What would you like to have happen
25 now, Your Honor? I'm sorry.

1 JUDGE AKIN: If you could just say your name and
2 who you represent.

3 MR. FARBER: I am Stewart Farber. I'm a CPA in
4 New Jersey. I represent Ryan and Meredith Brewer who are
5 California residents.

6 JUDGE AKIN: Okay. Thank you.

7 And Franchise Tax Board?

8 MR. MURADYAN: Good morning. My name is David
9 Muradyan, and I represent Respondent Franchise Tax Board.

10 JUDGE AKIN: Okay. Thank you. Judge Akin
11 speaking.

12 The issue to be decided in this appeal is whether
13 the late-payment penalty under Revenue & Taxation Code
14 19132 was properly imposed; and if so, whether Appellants
15 have established reasonable cause for the late payment
16 such that the penalty should be abated.

17 We are going to enter into the record Appellants'
18 Exhibits 1 through 3 and Franchise Tax Board's Exhibits A
19 through J.

20 The parties have stated that they do not have any
21 objections to these exhibits, and these exhibits are
22 hereby admitted as evidence into the record.

23 (Appellant's Exhibits 1-3 were received.

24 in evidence by the Administrative Law Judge.)

25 ///

1 (Department's Exhibits A-J were received in
2 evidence by the Administrative Law Judge.)
3 With that, I believe we are ready for the
4 parties' presentations.

5 Mr. Farber, do you have any questions before you
6 begin?

7 MR. FARBER: No, Your Honor. I have no
8 questions.

9 JUDGE AKIN: Okay. We're ready for your
10 presentation, and you have 20 minutes and may begin when
11 you're ready.

12 MR. FARBER: I'm ready. The only thing I'm
13 trying to figure out is why is it that I'm not seeing you
14 straight on? I guess maybe that's just the computer.

15

16 PRESENTATION

17 MR. FARBER: So the case resolves around what I
18 perceive to be a fairly complex question. I carefully
19 studied the California Regulations as they are applicable
20 to the obligation of California taxpayers to pay estimated
21 taxes. And my understanding of the regulation is that you
22 have three basic bundles, if you will, of taxpayers who
23 are each treated differently with respect to the
24 obligation to pay.

25 | There is one population of taxpayers who as long

1 as their current year's withholding and/or estimated tax
2 payments is greater than their prior year's liability,
3 then there is no penalty charged. So, specifically, if in
4 2017 a taxpayer's tax was \$5,000, and in 2018 he had
5 withholding of \$20,000, there would be no penalty if, in
6 fact, he owed a \$100,000 when he filed his tax return.

7 And then you have other categories, such that if
8 the tax liability in the current year is 110 percent of
9 the prior year's liability, there will be no penalty.

10 This case, unfortunately, is far more complicated. The
11 record will show that in 2014 the taxpayers had a total
12 tax to California of \$27,831, which was filed and paid
13 timely. In 2015 they had a tax of \$9,205, which was
14 timely filed and paid. In 2016, \$24,917. In 2017, their
15 total California tax was \$3,222. And suddenly in 2018,
16 the year of this issue, their tax was \$391,353, which was
17 timely filed and timely paid.

18 The assessed penalty is consequent to the fact
19 that the State is not giving this particular taxpayer any
20 credit for the fact that number one, what he did pay in
21 2018 was far greater than his 2017 tax. And the State of
22 California will undoubtedly say that's not a valid defense
23 because it doesn't comply with the rule that allow for
24 that subject to be a defense.

25 However, I would argue as follows: What is the

1 reason that this taxpayer owed, suddenly, \$391,000 in tax
2 when in every single prior year his tax liability was
3 under \$30,000. What happened? Well the fact is, Your
4 Honors, a simple thing happened. And that is that
5 Mr. Brewer and his wife Meredith were very, very, very,
6 tiny partners in a massive real estate endeavor, which
7 transacted in the year 2018.

8 They are beyond minority shareholders. They are
9 under 1 percent owners of this particular venture. They
10 had no input. They had no knowledge. They had no
11 discussion with accountants. They had no discussions with
12 the lawyers. They didn't have any detailed knowledge of
13 what this transaction was going to ultimately be, until a
14 day came at the due date of the 2018 tax return, which is
15 called a K-1, which suddenly told them -- suddenly told
16 them that they were responsible for tax on -- on massive
17 amounts of money, far greater than they ever dreamed they
18 would ever see.

19 There was no communication from the company to
20 this taxpayer at all during the year of 2018. Nor was
21 there any information given to them so they could properly
22 pay an estimated tax. Now, as judges you all realize that
23 the fact that they received money does not equal that they
24 received a tax liability. The tax liability is aware to
25 the taxpayer only when they receive a K-1, which explains

1 to them what they got and what the tax implications of
2 that K-1 are.

3 I believe it is unreasonable. And I don't think
4 the legislature of the State of California intended for a
5 taxpayer in this unusual situation to be held to the
6 obligation to pay the same estimated tax as a taxpayer who
7 knows very well that he's going to have to pay a large tax
8 but just decides to not pay the estimated tax required
9 there on. In this particular case -- in this particular
10 case, the taxpayer had to report millions of dollars of
11 income suddenly learned by him upon the day that he
12 received the K-1.

13 Now, Your Honors, could say, well, you know,
14 Mr. Farber, the fact is he received a lot of money. He
15 should have known he had to pay a big income tax. Untrue.
16 Your Honors. Because as you all know, the receipt of
17 money can be coming to them from all kinds of sources,
18 which may not, in fact, be taxable. For example, suppose
19 the property had just been refinanced, and they were able
20 to send out payments representing each person's percentage
21 of the borrowed fund. That would not create a tax
22 liability.

23 So when Mr. Brewer and Mrs. Brewer got the money
24 for this transaction, they had no way to know that there
25 was a tax that they would have to pay. And furthermore,

1 they had nobody to even ask. They were one percent
2 shareholders of a massive transaction. The legal fees
3 alone were almost a half-a-million dollars. Just the
4 legal fees. There were 12 different law firms associated
5 with this transaction as was identified in my paperwork.

6 How could you possibly anticipate or expect two
7 young taxpayers to know that they would have to pay a tax
8 when you have some of the most sophisticated and quality
9 law firms working on this transaction in the State of
10 California. They can't be. There is no way for them to
11 have known, until the day they got that K-1, that they
12 would owe this much tax. And the record will show that as
13 soon as they got the K-1, and as soon as they sent it to
14 me, I dropped everything, did their 2018 tax return,
15 which, in my opinion, had a valid extension for filing,
16 and they immediately full paid \$391,000 to the State of
17 California.

18 In my opinion, Your Honors, to assess them an
19 additional \$27,000 penalty is a disgrace. This particular
20 set of people had no way to know that they would have owed
21 this much money, and the State of California has refused
22 to acknowledge that circumstance.

23 According to your clock, my time is up, and I
24 will respectfully stop speaking. Thank you for the
25 opportunity to be heard.

1 JUDGE AKIN: Thank you, Mr. Farber. Let me turn
2 to my panel real quick to see if we have any questions for
3 you.

4 Judge Hosey?

5 JUDGE HOSEY: Thank you, Mr. Farber. I don't
6 have any questions.

7 JUDGE AKIN: Okay. And Judge Ewing.

8 JUDGE EWING: Yes. I do have one question,
9 Judge Akin. Thank you.

10 The question is for Mr. Farber.

11 Mr. Farber, were you the tax preparer or tax
12 consultant for the Appellants at the time they received
13 the distribution from the partnership?

14 JUDGE AKIN: It looks like you're muted.

15 MR. FARBER'S ASSISTANT: No it's for this. You
16 can disregard that.

17 MR. FARBER: All right. Don't go to lunch
18 because I'm going to have problems.

19 MR. FARBER'S ASSISTANT: Okay.

20 MR. FARBER: I apologize, Your Honors. I'm not
21 very computer savvy. When it says things, I get excited.

22 All right. I think the question was, Your Honor,
23 was I the accountant? I'm sorry.

24 JUDGE EWING: Yes. I'm sorry. I'll be happy to
25 repeat that, my question, Mr. Farber. My question was

1 simply, were you the CPA tax preparer or tax consultant
2 for Appellants at the time they received the distribution
3 from the partnership that you were discussing?

4 MR. FARBER: My firm had done the prior year's
5 tax return, and I would say that our firm would have been
6 engaged to do the 2018 tax return, yes. I'm not sure if
7 that answers your question, but that's my answer.

8 JUDGE EWING: It does. Thank you.

9 JUDGE AKIN: Okay. Is that the last of your
10 questions, Judge Ewing?

11 JUDGE EWING: Yes, it is. Thank you, Judge Akin.

12 JUDGE AKIN: Okay. And I did have one question
13 for you too as well, Mr. Farber. I guess I'm wondering.
14 I know Appellants received a large distribution during
15 this year. I'm wondering if there was any way that they
16 could have tried to estimate, you know, their taxable
17 income as a result of that prior to the April 15th payment
18 deadline? And also, if they took any steps to try to
19 obtain information from the entity regarding the potential
20 tax liability?

21 MR. FARBER: Excuse me, Your Honor. Are you
22 asking me about the federal tax liability now or the
23 California tax liability?

24 JUDGE AKIN: Specifically, the California tax
25 liability.

1 MR. FARBER: Okay. Your Honor, in all candor, I
2 have no -- I would have no way to have known how to go
3 about preparing an estimated liability payment. Because
4 until such time as Price Waterhouse or whatever large CPA
5 firm did all the highly complicated and sophisticated
6 calculation with respect to basis and payouts and expenses
7 and such, in my opinion, any attempt to calculate an
8 estimate would have been foolhardy because I have no
9 access, nor would any other accountant, have access to all
10 the details that you need.

11 For example, I had no way to know what the basis
12 of this stock was -- of these buildings was. I had no
13 idea what the debt was. I had no idea who the buyer -- I
14 knew nothing until the day I received the K-1. I knew
15 that they had received money, yes. But what the nature of
16 that money was, I did not know. And, frankly, I had no
17 way to know.

18 JUDGE AKIN: Okay. Thank you. And one follow-up
19 question. Did Appellants receive any sort of financial
20 statements or other information from the entity that might
21 have disclosed some of the, you know, amount of income and
22 basis of amounts? I do understand that would be different
23 for accounting tax purposes, but I'm wondering if they had
24 any financial-type of information available to them prior
25 to April 15th.

MR. FARBER: Your Honor, I can't say categorically no because I'm not them. But they did not give me anything. They didn't volunteer anything. They certainly didn't tell me they had gotten anything. They didn't tell me they weren't going to give it to me. So as far as I know they got no information from the seller.

JUDGE AKIN: Okay. Thank you Mr. Farber.

And just double checking with my panel again.

Any further questions before I move onto Franchise Tax Board's presentation? Okay. I'm seeing heads shake no, so thank you. With that, we'll move onto Franchise Tax Board.

Mr. Muradyan, you have 15 minutes and may begin when you're ready.

PRESENTATION

MR. MURADYAN: Good morning. My name is David Muradyan, and I represent Respondent Franchise Tax Board in this case. Also from Franchise Tax Board is Nancy Parker.

Before I go into my main presentation, Appellants' counsel raised the issue of the estimated tax penalty under Revenue & Taxation Code Section 19136. However, Section 19136 sets forth the law with respect to the underpayment of estimated tax penalty, not the

1 late-payment penalty that was imposed under R&TC Section
2 19132 in this case.

3 In fact, in processing Appellants' 2018 return,
4 FTB removed Appellants' self-assessed underpayment of
5 estimated tax penalty of \$3,995. Thus, Appellants'
6 discussion surrounding Section 19136 is not relevant as
7 19136 is inapplicable to this case.

8 The primary issue in this case is whether the
9 late-payment penalty under Revenue & Taxation Code Section
10 19132 was properly imposed; and if so, whether Appellants
11 have established reasonable cause for the late payment
12 such that the penalty should be abated.

13 The late-payment penalty in this case was
14 properly imposed because Appellants did not make their
15 2018 self-assessed tax payment of \$378,903 until
16 October 14th of 2019, which was six months after the due
17 date of April 15, 2019. Thus, the late-payment penalty of
18 \$29,236 was properly imposed. As such, the only other
19 issue in this case is whether Appellants have established
20 reasonable cause for the late payment such that the
21 penalty should be abated. For the reasons I will provide,
22 they have not.

23 Appellants provide the following with respect to
24 why their payment was late. They contend that they were
25 involved with a very complex real estate transaction

1 involving 35 separate properties with a total sales price
2 of \$260 million, and that there were many tax-related
3 issues as to basis, adjustments, financing, and
4 complexities with respect to the operating results.

5 As such, Appellants state that it was impossible
6 for them to have any idea of the tax issues until the
7 Schedule K-1 arrived, and that it is beyond reason that
8 FTB expects a taxpayer heavily involved in the real estate
9 industry to guess a tax liability so that he or she can
10 fund estimated taxes. For the reasons I will provide,
11 Appellants' arguments are without merit.

12 As a preliminary matter and as stated in our
13 reply brief, FTB does not question or minimize the
14 complexity of the transaction at hand, which resulted in
15 real estate gain of over \$2.4 million to Appellants.
16 Furthermore, in determining whether Appellants have
17 establish reasonable cause for the late payment, the issue
18 is not whether Appellants should have guessed their tax
19 liability but, rather, whether Appellants had sufficient
20 information to make a reasonably accurate estimate of
21 their tax liability.

22 And if Appellants demonstrate that they did not
23 have sufficient information, which they have not done so,
24 Appellants would still need to show what actions, if any,
25 they undertook to ascertain a reasonably accurate estimate

1 of their tax liability as required by the OTA's decision
2 in Moren. Such substantiation should have been available
3 to Appellants as by their own admission.

4 Appellant-husband was a 50 percent owner of assorted real
5 estate ventures, including having a 35 percent membership
6 interest in Ballast Ventures I & II, LLC.

7 Now, counsel for Appellants mention that
8 Appellants were a very tiny portion of the entire real
9 estate venture. However, Appellants previously stated
10 that Ballast Ventures I & II, LLC, was the issuer of the
11 largest Schedule K-1 in connection with the real estate
12 transaction that gave rise to the gain in this case. And
13 a review of Appellants' tax return confirms that nearly
14 all of the gain was from Ballast Ventures I & II, LLC.

15 In addition, a review of that entity's tax return
16 shows that Appellant-husband was its managing member, and
17 as I previously noted, a 35 percent owner. Therefore,
18 Appellants' argument that they had no viable way to
19 estimate taxable income, other than to rely on a Schedule
20 K-1 form, is unpersuasive as Appellant-husband, who held a
21 35 percent membership interest in the entity, was its
22 managing member. Furthermore, Appellants have failed to
23 establish why records for an entity where
24 Appellant-husband was a managing member and a 35 percent
25 owner would have been unobtainable, or what steps, if any,

1 he took to retrieve those records.

2 As the OTA stated in Moren, "A strong and often
3 determinative factor in this area of law is whether or not
4 the taxpayer has access to sufficient information upon
5 which to base a reasonable estimate of their tax
6 liability." Moreover, the decision in Moren concluded
7 that reasonably estimating a tax liability requires that a
8 minimum level of information is available to the taxpayer.
9 In this case, Appellants have not demonstrated that they
10 had no access to sufficient information upon which to base
11 a reasonable estimate of their tax liability, especially,
12 in the light of the fact that Appellant-husband was the
13 managing member of the LLC that issued the largest K-1.

14 Moreover, even if Appellants were to demonstrate
15 they had no access to sufficient information upon which to
16 base a reasonable estimate of their tax liability -- which
17 I will state they have not done so -- Appellants here,
18 unlike in Moren, have not provided any evidence
19 substantiating the efforts they made to obtain information
20 prior to the payment due date, as they simply claimed that
21 they did not have the Schedule K-1s and, thus, could not
22 estimate the tax due.

23 Again, Appellants have failed to establish why
24 records for an entity, where Appellant-husband was a
25 managing member and a 35 percent owner, would be

1 unobtainable or what steps, if any, Appellants took to
2 retrieve those records.

3 Based on the foregoing and the facts and
4 arguments in FTB's opening and reply briefs, the
5 late-payment penalty was properly imposed, and Appellants
6 have not established reasonable cause for the abatement of
7 the penalty. With that, I want to say thank you to all,
8 and I'm happy to answer any questions you may have.

9 JUDGE AKIN: Thank you, Mr. Muradyan. Let me
10 turn to my panel to see if there are any questions for
11 Franchise Tax Board.

12 Judge Hosey?

13 JUDGE HOSEY: Thank you, Mr. Muradyan.

14 No. I don't have any questions, Judge Akin.
15 Thank you.

16 JUDGE AKIN: Thank you.

17 Judge Ewing, any questions for Franchise Tax
18 Board?

19 JUDGE EWING: I do not have any questions,
20 Judge Akin. Thank you.

21 JUDGE AKIN: Okay. Thank you.

22 Mr. Farber, it looks like we're ready for your
23 closing or rebuttal statement, if you would like to begin.
24 And as a reminder, you have 10 minutes.

25 MR. FARBER: I apologize. Is this my opportunity

1 to question that gentleman?

2 JUDGE AKIN: We don't allow -- because
3 Mr. Muradyan is only providing only argument, we don't
4 allow questions. That would only be permitted if he were
5 providing witness testimony. So what you can do is
6 provide a closing statement and address any of the
7 statements he made in your closing or rebuttal statement.

8 MR. FARBER: Thank you, Your Honor for explaining
9 that to me.

10

11 CLOSING STATEMENT

12 MR. FARBER: First of all, I would like to
13 compliment Mr. Muradyan. I hope I'm saying his name
14 correctly. His presentation was highly professional and
15 very well presented. So thank you for that.

16 I think, however, Mr. Muradyan has made one very
17 grave faux pas, and that is to say that my clients do not
18 own or did not own 35 percent of this project. I wish
19 they did, but they didn't. They owned 1 percent or less,
20 as the K-1 specifically says. So what he's implying is
21 that these folks had opportunities that a 35 percent
22 managing partner would have to understand the details of
23 the transaction well in advance of the due date for the
24 proper estimated tax. Unfortunately, he's wrong.

25 My clients own 35 percent of a company that owned

1 one percent, which was not a managing entity. This
2 company was owned substantially by a major, major New York
3 City financial entity. They controlled it. They
4 controlled the books. They handled the recordkeeping, not
5 my clients. They were just little tiny cogs in a massive
6 undertaking. I don't think -- not that it's really
7 relevant, but I don't think the taxpayers are over
8 45 years old. They certainly could never have amassed a
9 \$350 or \$60 million combination of pieces of real estate.
10 They were fortunate to be a part -- a tiny part.

11 And he is incorrect when he alleges that they had
12 every conceivable opportunity to get to the underlying
13 information, which would have allowed them to file a
14 proper estimated tax well before the date that they paid
15 it. They paid the tax by October 15th, 2019, which was
16 the arranged due date by way of the extensions that they
17 had for filing their 2018 tax return. And only in
18 September of 2020 -- sorry -- 2019, which by the way was
19 an erroneous K-1 and it had to be redone. So by the time
20 the taxpayers actually got the final K-1 for the 2018 tax
21 return, was close to the middle of October. I remember
22 having to stay here at night to do the tax returns so it
23 would be done on time.

24 So with all due respect to the State of
25 California, which is fortunate to have such a fine

1 gentleman in their employee, the information that he
2 presented gives the impression that this gentleman was a
3 35 percent owner of this entire entity and, therefore, he
4 should have known every indication of what the tax
5 liability would be. That is incorrect. I am not saying
6 he's misleading or trying to say information which he
7 knows to be false. I believe he's simply not correctly
8 explaining to you, Your Honors, what the facts are.

9 What he had was a 35 percent interest in a
10 company that had a 1 percent interest in this entire
11 massive project. And I repeat my original argument, which
12 is that this transaction was simply way too complicated
13 for the State of California to burden these people with on
14 top of a \$391,000 tax, an additional penalty. And I am
15 repeating that the taxpayers tried to get the information,
16 but they didn't have any way to get it. Who are they
17 going to talk to? Where were they going to go? There was
18 no such thing. And they were like little tiny pieces in a
19 giant puzzle.

20 And so, Your Honors, perhaps I'm repeating
21 myself, but I respectfully, I implore you to look at the
22 facts. These are taxpayers who never paid more than
23 \$30,000 suddenly pay \$391,000 timely, accurately, and
24 properly. And to burden them with a penalty is simply
25 inconsistent with the facts as displayed and explained by

1 me.

2 Thank you very much for the opportunity to be
3 heard. And once again, my compliments to the State of
4 California.

5 JUDGE AKIN: Thank you, Mr. Farber. I appreciate
6 your presentation.

7 Before we wrap up here, let me just circle back
8 with my Co-Panelists to see if either of them have
9 questions for either party.

10 Judge Hosey, do you have any questions for
11 Franchise Tax Board or Appellants?

12 JUDGE HOSEY: No questions. Thank you,
13 Judge Akin.

14 JUDGE AKIN: Okay. Thank you.

15 And Judge Ewing, do you have any final questions
16 for either party?

17 JUDGE EWING: Judge Akin, I do not. Thank you.

18 JUDGE AKIN: Okay. Thank you.

19 The evidence has been admitted into the record.
20 We have the parties' evidence and briefs, as well as the
21 arguments presented today. We now have a complete record
22 for this hearing or for this appeal, and we will base our
23 opinion on all of the evidence presented and the arguments
24 made both in the briefs and here today.

25 Do we have any final questions from the parties

1 before we wrap up this hearing today?

2 Mr. Farber.

3 MR. FARBER: I'm sorry, Your Honor. You're
4 giving me the opportunity to ask questions?

5 JUDGE AKIN: Just of me. Do you have any
6 questions before we wrap up the hearing here today?

7 MR. FARBER: Okay. No, Your Honor. I have no
8 further questions. Thank you.

9 JUDGE AKIN: Okay. Thank you.

10 And Mr. Muradyan?

11 MR. MURADYAN: Yeah, Judge Akin. Would it
12 appropriate if I just reference your panel to the relevant
13 documents which show all the relevant percentage
14 ownerships?

15 JUDGE AKIN: I think I'm going to not allow you
16 to do that only because then I would give Appellant the
17 last and final word. I think we have all of the exhibits
18 in the record. And we will be able to look at the
19 appropriate ownership of percentages.

20 I appreciate the offer. I'm going to decline.
21 Thank you.

22 MR. MURADYAN: Not a problem.

23 JUDGE AKIN: Okay. With that, let's see. Okay.

24 This case is submitted on Tuesday, September 28th, 2021.

25 The record is now closed.

1 I would like to thank everyone for coming today.
2 The judges will meet and decide your case later on, and we
3 will send you a written opinion within 100 days from
4 today. Today's hearing in the Appeal of Brewer is now
5 adjourned.

6 The next hearing will start at approximately
7 10:30 a.m.

8 Thank you again, everyone. I know it's a lot of
9 hard work. I appreciate the presentations from both
10 parties. Thank you.

11 (Proceedings adjourned at 10:12 a.m.)

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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 11th day
of October, 2021.

ERNALYN M. ALONZO
HEARING REPORTER