



BEFORE THE STATE BOARD OF EQUALIZATION  
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of }  
PASADENA FEDERAL SAVINGS AND }  
LOAN ASSOCIATION }

Appearances:

For Appellant: Robert J. Wynne  
Attorney at Law

For Respondent: A. Ben Jacobson  
Counsel

**O P I N I O N**

This appeal is made pursuant to section 26077 of the Revenue and Taxation Code from the action of the Franchise Tax Board denying the claims of Pasadena Federal Savings and Loan Association for refund of franchise tax in the amounts of \$76,001.05, \$52,565.04, \$73,062.64, \$79,869.00, and \$50,352.00 for the income years 1962, 1963, 1964, 1965, and 1966, respectively.

By agreement of the parties, this case was consolidated, for purposes of hearing and decision, with the Appeal of Glendale Federal Savings and Loan Association, this day decided. Accordingly, insofar as the present appeal involves appellant's allowable bad debt deduction for the years in question, respondent's application of regulation 24348(a)<sup>1</sup> is sustained in accordance with our decision in Glendale.

<sup>1</sup>/Cal. Admin. Code, title 18, § 24348(a).

Appeal of Pasadena Federal Savings  
and Loan Association

Appellant's claims for refund also contended that the amounts appellant paid *in* each year to the secondary reserve of the Federal Savings and Loan Insurance Corporation constitute deductible business expenses, and that returns credited on its secondary reserve with FSLIC in several of the appeal years are not **includible** in taxable income. These issues, however, were neither briefed nor argued on appeal. Consequently, we will treat them as having been abandoned by appellant.

On the basis of the foregoing, respondent's action on the refund claims will be sustained in all respects.

O R D E R

Pursuant to the views expressed in the opinion of the board on file in this proceeding, and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, pursuant to section 26077 of the Revenue and Taxation Code, that the action of the Franchise Tax Board denying the claims of Pasadena Federal Savings and Loan Association for refund of franchise tax in the amounts, of \$76,001.05, \$52,565.04, \$73,062.64, \$79,869.00, and \$50,352.00 for the income years 1962, 1963, 1964, 1965, and 1966, respectively, be and the same is hereby sustained.

Done at Sacramento, California, this 9th day of April, 1973, by the State Board of Equalization.

William B. Brown Chairman

John P. Kelley, Member

John W. Lynch, Member

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ATTEST: W. W. Kinloch, Secretary