

BEFORE THE STATE OF CALIFORNIA
OFFICE OF TAX APPEALS
COUNTY OF SACRAMENTO

IN THE MATTER OF THE APPEAL OF:)
B. PATEL AND S. PATEL,) CASE NO. 20076372
APPELLANTS.)
_____)

CERTIFIED COPY

TRANSCRIPT OF PROCEEDINGS
Sacramento, California
Tuesday, February 21, 2023

Reported by:

Maria Esquivel-Parkinson,
CSR No. 10621

Job No.:
40408 OTA(A)

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5

COUNTY OF SACRAMENTO

IN THE MATTER OF THE APPEAL OF:)
)
 B. PATEL AND S. PATEL,) CASE NO. 20076372
)
 APPELLANTS.)
)
)

TRANSCRIPT OF PROCEEDINGS, taken at
Office of Tax Appeals, 400 R Street, Sacramento,
California, commencing at 9:39 a.m. and
concluding at 11:05 a.m. on Tuesday,
February 21, 2023, reported by
Maria Esquivel-Parkinson, CSR No. 10621, RPR,
a Certified Shorthand Reporter in and for
the State of California.

1 APPEARANCES:

2
3 PANEL MEMBERS:

4 Mike Le, Lead ALJ

5 Sara Hosey

6 Josh Lambert

7
8
9 FOR THE APPELLANTS:

10 Andrew Allen, Attorney

11
12
13 FOR THE RESPONDENT:

14 STATE OF CALIFORNIA
15 FRANCHISE TAX BOARD
16 P.O. Box 1720, Legal Division
Rancho Cordova, California
By: David Hunter, Attorney

17 Marguerite Mosnier, Attorney

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

E X H I B I T S

(Appellants' Exhibit 1 was received at page 7)

(Respondent's Exhibits A-NN, Z and OO were received at page 7)

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

	PAGE
By Mr. Allen	8
By Mr. Hunter	32
By Ms. Mosnier	42

W I T N E S S T E S T I M O N Y

APPELLANTS' WITNESSES	DIRECT	CROSS	REDIRECT	RECROSS
Bhupendra Patel	10			

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

	PAGE
By Mr. Allen	46

1 Sacramento, California
2 Tuesday, February 21, 2023
3 9:39 a.m.

4
5 ALJ LE: We are now going on the record. We are
6 opening the record in the Appeal of Patel. This matter
7 is being held before the Office of Tax Appeals. The
8 OTA case number is 20076372. Today's date is Tuesday,
9 February 21st, 2023, and the time is 9:39 a.m. This
10 hearing's being held in person in Sacramento,
11 California.

12 Today's hearing is being heard by a panel of three
13 administrative law judges. My name is Mike Le, and I
14 will be the lead judge. Judge Sara Hosey and Judge
15 Josh Lambert are the other members of this Tax Appeals
16 panel.

17 All three judges will meet after the hearing and
18 produce a written opinion as equal participants.
19 Although the lead judge will conduct the hearing, any
20 judge on this panel may ask questions or otherwise
21 participate to ensure we have all the information
22 needed to decide this appeal.

23 Now for the parties' introductions. For the
24 record, will the parties please state their names and
25 who they represent, starting with Respondent Franchise

1 Tax Board.

2 MR. HUNTER: Good morning. Nice to see you as
3 always, Judge Le. My name is David Hunter,
4 H-u-n-t-e-r, on behalf of Respondent Franchise Tax
5 Board. And to my left.

6 MS. MOSNIER: Good morning. Marguerite Mosnier,
7 M-o-s-n-i-e-r, for Respondent Franchise Tax Board.

8 ALJ LE: Thank you. And turning for Appellants.

9 MR. ALLEN: Yes. My name is Andrew D. Allen, on
10 behalf of my client Bhupendra Patel, who's present.

11 MS. PATEL: My name is Bhupendra B. Patel.

12 ALJ LE: Thank you. Let's move on to the issues in
13 this case. So there are two issues in this matter.
14 The first is whether the \$7,998,295 deduction claimed
15 on Appellants' 2013 tax return is business bad debt.
16 The second is whether Respondent correctly denied net
17 operating loss deductions on Appellants' 2014 and 2015
18 tax returns arising from the business -- from the bad
19 debt deduction.

20 The parties made some stipulations, as notated in
21 the minutes and orders. Appellant will have B. Patel
22 testify regarding his intent and motive at the time he
23 guaranteed and started paying off the Bank of America
24 loan.

25 As to the exhibits, there are no objections to each

1 party's exhibits. Appellants' Exhibit 1 is admitted
2 into the record.

3 (Appellants' Exhibit No. 1 received into evidence.)

4 ALJ LE: Respondent's exhibits marked A through NN
5 are admitted into the record.

6 (Respondent's Exhibit A through NN received into
7 evidence.)

8 ALJ LE: And Respondent's exhibits marked as a
9 complete copy of Exhibit Z and Exhibit OO are also
10 admitted into the record.

11 (Respondent's Exhibit Z and Exhibit OO received
12 into evidence.)

13 ALJ LE: This oral hearing will begin with
14 Appellants' opening statement for up to 30 minutes and
15 Appellants' witness testimony for up to 40 minutes.

16 Does anyone have any questions before we begin with
17 Appellants' presentation?

18 MR. HUNTER: No, Judge.

19 MR. ALLEN: No, Judge.

20 ALJ LE: Thank you. At this time I'm going to go
21 ahead and swear in Mr. Patel first. And then,
22 Mr. Allen, you may begin your opening.

23 MR. ALLEN: Thank you.

24 ALJ LE: Mr. Patel, would you raise your right
25 hand.

1 Do you swear or affirm to tell the truth, the whole
2 truth and nothing but the truth?

3 MR. PATEL: I do.

4 ALJ LE: Thank you.

5 Mr. Allen, you may proceed with your presentation.

6 MR. ALLEN: Thank you, Judge.

7
8 PRESENTATION

9 BY MR. ALLEN, Attorney for Appellant:

10 This is an unique set of facts in this case.
11 The audit has been going on, or commenced, in
12 2015/2016. We've all survived a pandemic in the
13 interim. And here we are about eight years later
14 approximately. And most of us, if not all of us, are
15 new to the case. The panel, of course, has had an
16 opportunity to review the briefs and the exhibits filed
17 by the parties. And we have new counsel for Respondent
18 today representing the FTB. And I'm new to the case as
19 well in the last year or so.

20 So the only person here that's lived this case the
21 entire time is Mr. Patel. And he's here today to
22 discuss his case, to provide testimony as to what he
23 lived during this time period which resulted in the
24 business bad debt in 2013.

25 What we know is the case law on addressing

1 Section 166(d)(2), which was adopted by the -- in the
2 California Revenue and Taxation Code -- the California
3 Tax and Revenue Code is that it's the dominant motive
4 of the taxpayer at the time they entered into the
5 transaction. Here it's a guarantee. It's a guarantee
6 on a loan, a credit line, for one of his side
7 investments.

8 "Side investment" is the term used by Respondent's
9 counsel in their briefs, and that's what -- that's what
10 Signet Solar was to Mr. Patel, it was a side
11 investment. And he had many investments, but his main
12 livelihood is his hotel business. He is in the real
13 estate development and hotel business. And as we're
14 going to learn today and hear more about, this business
15 is -- relies heavily on financing for real estate
16 projects and development projects and for operating his
17 hotel business.

18 We have unique set of facts in this case. There
19 was some fear in the briefs talking about this is a --
20 potentially a slippery slope: Well, if a taxpayer
21 could make up his mind that this was a business bad
22 debt in this case or a nonbusiness bad debt in that
23 case, on a whim, that they could then dictate the tax
24 consequences.

25 But this is a very unique case. We have a

1 gentleman who's made his entire life by investing in
2 hotel properties and running hotels. We are going to
3 learn that this \$1 million investment in Signet Solar
4 was merely a side investment. It was not his main
5 livelihood, his source of income. And unfortunately,
6 that project did not go well and that company went
7 bankrupt.

8 So with that, I will turn to taking testimony from
9 Mr. Patel. The intent here is to be informal and have
10 a conversation with Mr. Patel. This is his first time
11 testifying, so I want to make him comfortable as
12 possible so that we can all learn from him.

13
14 BHUPENDRA B. PATEL,
15 having been called as a witness on behalf of the Appellant
16 and previously sworn by the Administrative Law Judge, was
17 examined and testified as follows:

18
19 DIRECT EXAMINATION

20 BY MR. ALLEN:

21 Q So with that, good morning, Mr. Patel. If you
22 could turn your microphone on. If you would -- and please
23 speak slowly and clearly today.

24 A Sure.

25 Q If you could describe your educational background

1 briefly for the panel.

2 A So -- so I came to this country in 1966. I did my
3 master in Mechanical Engineering from Villanova University.
4 It's a suburb of Philadelphia. And then I started to work
5 as a control system engineer, joint venture between the
6 medical industry and IBM. That was a IBM1800 computer,
7 which was a process control. IBM was trying to get online
8 computing systems.

9 So I work up to '73. And I always have mind to
10 get in the hotel business. And the reason for getting in
11 the hotel business, there was a few early pioneer came from
12 our district in India in the '40s and they settle in
13 San Francisco. They were in valley picking fruits, get
14 some money together. And then they leased a hotel in
15 San Francisco.

16 And when they come back, they were telling us the
17 story. So I decided to go in the hotel business in 1973.

18 I took leave of absent from the company and purchased my
19 first property in October 1973, 30 units hotel in Redwood
20 City. I still have that property.

21 And then I went back to the company, Philadelphia.

22 And 1974, I decided to, with my family, migrant to
23 California. I started that business. And as to develop as
24 engineer, I was looking for building the hotel. And to do
25 that, you require the plans and the finance. So I was

1 working on those things.

2 And around 1978, I was involved in organizing the
3 first bank, Bay Area Bank, with a group from Atherton area.
4 And we opened the bank in 1979.

5 Q If I could interrupt and just --

6 A Sure.

7 Q -- ask a few more questions --

8 A Sure.

9 Q -- briefly. So you were able to -- you said that
10 had family from India that had relocated to San Francisco.
11 What time period was that?

12 A That was 1974. My two sister and my brother. And
13 their sibling, 19 of them, came in 1974 to California.
14 They immigrated as a permanent residents. And to support
15 them, I needed to give -- get them gainful employment plus
16 a place to stay. And a motel was ideal way where kid --
17 everybody can stay. Kids can go to the school. Adult can
18 work in the motels. And they have a place to stay.

19 Q And to purchase that first hotel, did you obtain
20 any financing initially for the purchase or subsequently?

21 A I think those days hotel used to be treated as a
22 single user. So no bank was financing a hotel -- motel at
23 those days. So it was an owner finance. And I paid 28,000
24 down payment, saving from my jobs.

25 Q And then what was the second -- what was the

1 second hotel that you purchased and in approximately what
2 year?

3 A I think 1975 we purchased the second property,
4 which was 18 units on 2300 El Camino Real in Mountain View.
5 Then we purchased the third property in 1977, which was in
6 Santa Cruz. That was also I think around \$100,000 down
7 payment, and the balance was owner finance. Those days
8 owner finance.

9 And 1979 I started to build the first motel on El
10 Camino in Mountain View, which was the land I had acquired
11 in 2300 El Camino Real. The first Best Western property I
12 built and opened in 1981.

13 Q And did you obtain financing to build that
14 property?

15 A Yeah. That one the bank financed. The Bay Area
16 Bank had financed \$500,000. And the balance, I have to put
17 the equity.

18 Q And Bay Area Bank, was that a smaller bank?

19 A Yeah. It was a small community bank. We
20 organized in '78/'79, with a \$1 and a half million
21 capitals.

22 Q Let's move into talking a little bit about your
23 experience with banking and the importance of banking for
24 obtaining financing. You had mentioned a moment ago Bay
25 Area Bank and that you had somehow become involved with Bay

1 Area Bank. Can you explain that to the panel, please.

2 A Right. So the Bay Area Bank, I was involved
3 organizing initially, \$1 and a half million. I was one of
4 them. I was not, you know, lead investor. Then in '79,
5 the CFO from Bay Area Bank left the Bay Area Bank and he
6 wants to organize a bank in South San Francisco called
7 Liberty Bank. I took \$130,000 worth of the stock in that
8 bank, which was roughly 8 percent of the original capital
9 \$1 and a half million.

10 So then I started to develop my connection with
11 the financial institute. And then I got involved with the
12 Best Westerns, which is a brand. Finance in the brand too
13 to expand in the business. So I become Best Western member
14 in 1981. My first property, Mountain View Inn, was a Best
15 Western property.

16 And during that time, I had a connection.
17 Bank of America was right across my hotel property in
18 Redwood City. So I started to develop contact at the
19 branch level, the manager level. And then subsequently
20 manager introduce to me the district person, and then I
21 went to the private banking group of Bank of America.

22 Q So you've mentioned Bay Area Bank and Liberty Bank
23 and you were -- you weren't formally employed by these two
24 banks, but you were investor in the bank --

25 A Right. Right.

1 Q -- and you brought other investors. You mentioned
2 you were a lead investor. You brought other investors from
3 the local community --

4 A Right.

5 Q -- and the Bay Area.

6 A Right. So I was doing like a community work,
7 property investor, also the depositor. Because bank need a
8 deposit to expand. So I was heavily involved on that side.
9 But I was not on the board, just the advisory committee. I
10 was on advisory committee.

11 Q Did you ever get involved with any banks where you
12 did join the board?

13 A Yes. Then we decided to form Indian Community
14 Bank. So we started around '87, and we organized in
15 1988/'89 time frame. It's called First Indo American Bank.
16 It was headquartered in San Francisco. And I was on the
17 board on that bank.

18 Q And what -- is that bank still in existence today?

19 A No. That bank then we sold to Wells Fargo.

20 Q Around what time period was that?

21 A I think it probably around about '93, '94. Exit
22 date I don't know, but I think it was somewhere around
23 there.

24 Q And did you have any other roles at any other
25 banks after that pursuant --

1 A Then I was --

2 Q -- to Indo American Bank?

3 A I was on the bank board and heading the loan
4 committee in '94 -- no, I take it back. I think it was
5 around about 2004, '5. It's Korean bank called Innovative
6 Bank, I-n-n-o-v-a-t-i-v-e, Innovative Bank. They had a
7 branch in Oakland and also branch in Southern California.
8 I was on that bank board for roughly two years. And --

9 Q And what was your role on the board at Innovative
10 Bank?

11 A On the board, one time I was heading the loan
12 committee. And the loan committee chair, you have to
13 review the different loan requests. Officer normally find
14 the loan. They will -- they will do the write-up. And
15 then they bring the write-up to the loan committee and loan
16 committee review with a different parameter. That was a
17 five-member committee, and we kind of, you know, review and
18 approve the loan.

19 Q And in that process, when you're looking at the
20 creditworthiness of potential loan customers, you're
21 looking at their assets and their ability to pay back the
22 loan; is that correct?

23 A That's true. But also you -- you look at the, you
24 know, the customer past history, how he is doing, whether
25 he is paying I think, you know, in time. Credit and other

1 things. So that's -- that was important because sometime
2 on the paper it looks good, but in reality there might be
3 some black hole in it.

4 Q So you'd look at the full picture of the loan
5 customer before making a determination if they were --

6 A Right.

7 Q -- creditworthy?

8 A That's correct.

9 Q Let's move, if we could, just to the -- 2006
10 roughly and the founding of Signet Solar. If you could
11 just briefly describe. It's in the briefs. The panel's
12 probably familiar with Signet Solar somewhat. But if you
13 could just briefly describe how you became involved with
14 Signet Solar.

15 A So Signet Solar, we -- there was two other
16 founder. One was Dr. Lahri, Rejeeva Lahri, who is a Ph.D.
17 in photovoltaic from Buffalo in New York City. And in
18 2006, he was a CTO of the company called Intercell,
19 I-n-t-e-r-c-e-l-l. They were in the chip business.

20 And a second founder, Dr. Prabhu Goel, who did the
21 master and Ph.D. from Carnegie Mellon. And he was a gold
22 medalist at IIT Kanpur, which is a very prestigious
23 institute in India. IIT is -- probably you might have seen
24 some slot on 60 minutes I think, you know. Is cream of
25 cream to go to IIT.

1 Q And I can provide the spelling of these names
2 afterward. And they are in the briefs as well.

3 A Yeah.

4 Q So that was Mr. Goel. And he was a Ph.D. from
5 Carnegie Mellon. And how much money did you personally
6 invest in Signet?

7 A I invested -- which --

8 Q Initially --

9 A All founder invested \$1 million each.

10 Q And where did Signet raise some of its early
11 funding, apart from the initial --

12 A Other funding came from the, you know, the
13 investor in community and mostly the, you know, India
14 regions. No institutions.

15 Q And the German government gave a grant or made an
16 investment --

17 A German government give a grant of \$33 million.

18 Q And who was instrumental in raising funds from the
19 private investors, approximately \$30 million?

20 A I was involved in raising almost I think 70, 80
21 percent of the fund from the, you know, community.

22 Q And at some point in 2007, the company needed
23 further funding; is that right?

24 A That's right.

25 Q To cover operating expenses --

1 A Operating and also we were expanding the line
2 to -- you know, the manufacturing line.

3 Q And you obtained a credit line from
4 Bank of America; is that correct?

5 A That's right, I think.

6 Q And who -- did either -- the other co-founders,
7 Lahri, L-a-h-r-i, or Goel, G-o-e-l, did they have any
8 relationship with Bank of America to your knowledge?

9 A Not to -- not to my knowledge. But I discussed
10 with them my relationship with the Bank of America and I
11 took them to Bank of America.

12 Q And what other options did you have for raising
13 money at this time?

14 A So at that time, to raise the additional capital,
15 either we go to the VC and give up -- venture capitalists
16 and give up part of the company or obtain the financing.
17 And the Signet was start-up company. So no bank will lend
18 the money I think you know. I think it was a start-up
19 company, infancy stage. The failure is very -- there.

20 So we decided to go to Bank of America. And I
21 took them to Bank of America. And at that time when we
22 started Signet Solar, solar -- photovoltaic was a
23 leading-age technology. Everybody was thinking about
24 global warming and growing these thing. It was a very hot
25 items.

1 So -- and with Dr. Lahri, who had done Ph.D. in
2 this field, and Prabhu Goel my other partner, Dr. Goel, who
3 was also, you know, electrical engineering, did Ph.D. in
4 electrical engineering, they were the two very technical,
5 sharp mind I think you know. So -- and being engineer, I
6 feel that it was -- it was something good we can do, you
7 know.

8 Q So if we could, we're talking about the -- when
9 you became a guarantor of initially a \$15 million credit
10 line with Bank of America. This was around June/July of
11 2007. What was your relationship with Bank of America at
12 that time? How much -- what was your approximate loan
13 balance on -- for your hotel business at that time?

14 A So I think with the Bank of America, I had
15 relationship from '70s, but I think really we started to
16 get the mortgage money, money on the property, and I think
17 I probably have at that time around about \$25 million
18 exposure alone on the hotels from Bank of America at that
19 time.

20 Q And would these -- approximately, if you can
21 recall, about how many hotels did you own in your portfolio
22 around 2007, roughly?

23 A I would say maybe at that time probably nine, ten
24 property.

25 Q And roughly how many employees do you think you

1 had in the hotels at that time?

2 A At that time we had roughly 225 employee.

3 Q And so you took -- your co-founders and you went
4 to Bank of America to obtain a line of credit; is that
5 correct?

6 A Yes, right. Yes, correct.

7 Q I want to shift to what's really primarily at
8 issue here is what was your motivation for becoming the
9 guarantor on the Signet line of credit. You -- you'd
10 mentioned that you'd been in the hotel business for many,
11 many years and that you've also mentioned -- it's in your
12 declaration -- that financing is instrumental, it's the
13 lifeblood of your hotel operations; is that correct?

14 A That is correct.

15 Q Why -- among other things, you have a
16 million-dollar investment in Signet Solar at the time you
17 take out the -- become a guarantor, basically a lender, for
18 Signet Solar. You have about a million-dollar investment.
19 Did you have any other similar investments at that time?

20 A Yes, I think --

21 Q And pardon -- let me interrupt. Apologies.

22 A Yeah, sure.

23 Q My question ultimately is, is this Signet Solar
24 \$1 million investment a major investment of yours at this
25 time.

1 A No. I think I have a few other investment. And I
2 was looking at to diversification because I was very
3 successful in the hotel business, was doing very good. So
4 I thought to diversify, I should also invest in other
5 field.

6 Signet was not only my side investment. I -- at
7 that time, I had maybe a four other investment. And that
8 was a magnitude of \$1 million.

9 I put \$1 million in the CalLife (phonetic) Fund,
10 which was a mortgage-backed security they were working on.

11 Other million dollar I had invested in
12 infrastructure development Ireo, I-r-e-o.

13 A third investment was --

14 Q And that was a fund? I-r-e-o Fund?

15 A Yeah. Yeah, that's a fund.

16 Q And you invested about a million dollars?

17 A Million dollar. Other million dollar I invested
18 in Dynamic India Fund. That was development in India, but
19 it was secure from Mauritius. So it was not direct
20 investment in India. You put the money in a dollar to
21 Mauritius and Mauritius is goes to India. Okay. It was --
22 and you get given. It's -- it's very transparent.

23 Then I had a half a million dollar in another fund
24 called Telesoft, which was a technological fund in the Bay
25 Area. Another million dollar I had was it's X Ranch

1 (phonetic), which was a real estate development fund in
2 U.S. here.

3 Q And so Signet was an important investment to you;
4 right?

5 A Yeah. It was -- it was investment. But I think,
6 you know, I had other investment, as I discussed.

7 Q And what was interesting to you about the Signet
8 Solar investment?

9 A Signet Solar was -- I was little more involved
10 than the other investment because I raised the money. And
11 I think as being engineer, it was in engineering field so I
12 was kind of more involved in this investment than just the
13 other investment.

14 Q And, of course, you wanted Signet Solar to do
15 well; right?

16 A Yes. Yes.

17 Q And you wanted Signet to bring -- to succeed
18 because it would bring you future income from that
19 investment; correct, potentially?

20 A Yes.

21 Q But the potential liability you took on when you
22 became a guarantor was approximately \$7 million if Signet
23 defaulted; right? But your investment was only a million
24 dollars; is that correct?

25 A That's right.

1 Q I'm trying to figure out why would somebody risk
2 \$7 million to protect \$1 million in a start-up company
3 that -- you know, like all start-up companies, they're
4 struggling, but, you know, there's always potential; right?
5 We live in the Silicon Valley. Or he and I live in the
6 Silicon Valley, and there's -- start-up companies are --
7 I'm not going to say a dime a dozen, but there are many
8 start-up companies where we live.

9 What was it -- why would you take on this
10 \$7 million potential liability for a \$1 million investment?
11 Was there anything else that was -- we'd call your primary
12 dominant motivation?

13 A I think the reason was this was technological
14 things. Also, that was feel -- we feel very confident that
15 Signet would succeed. If I take a Signet to
16 Bank of America and if Signet succeed, Bank of America
17 succeed, I succeed, and I think it will give us good
18 credibility, my credibility with the Bank of America.

19 Q Well, so let me ask. How -- how do you succeed if
20 Bank of America succeeds with the Signet Solar investment?

21 A Well, I think it's -- I defer -- I took the
22 business to Bank of America, Signet business. So if Signet
23 succeed and the Bank of America, you know, succeeds in
24 getting a return, then I will have additional credibility
25 with the Bank of America, not on top what I was doing in my

1 business.

2 Q Right.

3 A That's the way I looked at -- you know, I looked
4 at that this thing is that it will be a win-win for Signet,
5 Bank of America, and for me. Because I think, you know --
6 I want to expand it. I want to expand the facility with
7 the Bank of America or larger institutions Bank of America
8 or something because the community bank -- what my need was
9 at that time, community bank cannot reach there because
10 their lending limit is 5, \$7 million. Here we're talking
11 about project maybe 20-, \$30 million.

12 Q And -- but your primary business at the time, and
13 now as well, and back in 1973 in fact, was the business of
14 real estate development and owning and managing hotels in
15 California; is that correct?

16 A That's correct.

17 Q And as characterized by Respondent, your
18 investment in Signet Solar, which is just a mere start-up
19 solar panel company, was your side investment; is that
20 correct?

21 A That's right.

22 Q You would agree with that characterization?

23 A Yes.

24 Q And you relied on Mr. Lahri and Goel as the solar
25 panel experts; correct?

1 A Right. Because that -- that was their -- you
2 know, their field. And they -- they're a master at that.

3 MR. ALLEN: If we could turn a moment. I plan to
4 reserve some time for rebuttal for later on today. By my
5 calculation, I still have about 16 minutes left. I don't
6 know if that's close.

7 But I want to talk briefly about this case. You
8 know, the direct evidence comes from Mr. Patel. He is the
9 one who -- he's the only person that can harbor his
10 motivations for doing things. And this case really is --
11 Section 166(d)(2) defines a nonbusiness debt, by exclusion
12 of course. It is "a debt other than a debt created or
13 acquired (as the case may be) in connection with a trade or
14 business of the taxpayer." The statute 166(d)(2) does not
15 say "the" business. It says "a" business of the taxpayer.
16 "Or a debt the loss from the worthlessness of which is
17 incurred in the taxpayer's trade or business?"

18 And we know from the tax case law developed over
19 many, many years that a taxpayer can pursue more than one
20 great -- one trade or business during a tax year. And, in
21 fact, Mr. Patel is one of these individuals that is
22 involved in multiple businesses.

23 But as the Supreme Court has stated in
24 United States v. Generes, that to determine whether a
25 particular bad loss is proximately related to the

1 taxpayer's trade or business, we have to look at the
2 taxpayer's dominant motivation for making the loan. And I
3 posit that the dominant motivation here, consistent with
4 Section 166, was he incurred the debt to protect and
5 enhance his business with Bank of America, as he's
6 testified.

7 If Signet Solar does well, of course he can earn
8 dividends. He can make -- he can earn income from that
9 investment. There's no doubt about that. But as the
10 record shows, his primary business is the hotel business.
11 And his portfolio is growing and growing, and he's looking
12 at ways to expand his hotel portfolio, and that is by
13 obtaining financing to continue on with projects.

14 It's a challenging case for everybody I believe,
15 but Respondent has made some assumptions, assumptions that,
16 sure, they're alluring, they're easy to come arrive at, but
17 the assumptions are not based on fact and they're
18 speculative. And I want to just ask Mr. Patel a few
19 questions about those assumptions.

20 Q (By Mr. Allen) I want to ask if -- I want to ask
21 you if these assumptions are correct or if they're just
22 mere speculation. But -- and I'm referring to a few parts
23 of the Respondent's opening brief. And I quote, "They held
24 a significant equity interest, having invested \$1 million
25 in Signet, and clearly would have wanted to protect and

1 increase the value of their investment in Signet." And
2 that's at their opening brief, page 13, line 11 through 13.

3 Do you agree with that assumption, Mr. Patel, that
4 you clearly would have wanted to protect and increase the
5 value of your investment in Signet?

6 A Yes.

7 Q But why would you risk \$7 million of liability to
8 protect this \$1 million?

9 A Well, that's -- that's -- you know, that's I'm not
10 agreeing because I think for a million dollar I had some
11 other million dollar investment. And a \$7 million loan, we
12 took it because I think we were believing that Signet would
13 succeed with the other two guys' technological knowledge.
14 And at that time, the technology was new. A German
15 government, I think if they didn't -- if they didn't
16 believe in technology, they would not have given
17 \$33 million subsidy.

18 So we at that time with the other two founder,
19 myself and other two founder, we thought this is in the
20 right directions. And that's why we took the \$15 million
21 line from Bank of America. I think that was the true case,
22 not just to protect my million dollar. Because I had a few
23 other million-dollar investment in other company, other
24 investment.

25 Q And another assumption made that's -- by

1 Respondent is that, "Appellant husband," and I quote, "a
2 successful business person must have believed that Signet
3 had a great deal of investment potential to have
4 contributed one million."

5 You agree to that, correct?

6 A Yes.

7 Q Of course. And that's at the brief page 13 as
8 well, opening brief. "Appellant husband must have
9 believed," and I quote, "Signet was going to generate
10 enough cash flow to meet it's requirement with BofA."

11 Do you agree with that?

12 A Well, I think any business to start, you expect to
13 make money I think you know. You don't expect to, you
14 know, lose. Then the reality may sink in different than
15 what you have expected I think, yeah.

16 Q And if Signet, who was obligated to make payments
17 on the credit line, if they're paying for the debt and that
18 money is not coming out of your pocket, then if Signet does
19 well, Bank of America does well, and it doesn't cost you
20 anything; is that correct?

21 A That's true. I think it was -- it was -- Signet
22 was just paying the interest on that line, Bank of America
23 line. Which was like those days 4 percent. So 15 million,
24 600,000, \$50,000 a month.

25 MR. ALLEN: With that I'd like -- I have

1 approximately ten minutes remaining from my
2 calculation. If I'm off please let me know, but I'd
3 like to reserve that time.

4 ALJ LE: According to my calculation, yeah, you
5 have ten minutes remaining. So you can add that to
6 your closing and rebuttal.

7 MR. ALLEN: Great. Thank you.

8 ALJ LE: Okay.

9 Thank you, Mr. Patel, for your testimony.

10 MR. PATEL: Thank you.

11 ALJ LE: At this time let's go ahead and turn to
12 Respondent.

13 Respondent, do you have any questions for the
14 witness?

15 MR. HUNTER: Thank you, Judge Le. I have no
16 questions for the witness.

17 ALJ LE: Thank you. Now let me turn to the panel
18 to see if they have any questions.

19 Judge Hosey, any questions for the witness?

20 ALJ HOSEY: No questions at this time. Thank you
21 though for your testimony.

22 ALJ LE: Thank you, Judge Hosey.

23 Judge Lambert, any questions for the witness?

24 ALJ LAMBERT: No questions at this time. Thanks.

25 ALJ LE: Thank you, Judge Lambert.

1 I do have some questions of my own here. The first
2 one is what is -- what was the value of Appellants'
3 interest in Signet at the time that Appellant
4 guaranteed the Signet line of credit?

5 MR. PATEL: It was -- I think I invested one
6 million dollar in the City's, A round.

7 ALJ LE: Okay. So as I understand --

8 MR. PATEL: Yeah.

9 ALJ LE: -- in 2006, the -- each founder invested
10 \$1 million?

11 MR. PATEL: That's right.

12 ALJ LE: But one year later, 2007, is when the line
13 of credit was guaranteed; correct.

14 MR. PATEL: Yes. But I think at that time we
15 didn't have another round. So I think we -- you know,
16 the valuation of the company come when you raise
17 another round, then you value the company. But when we
18 put the \$15 million line, we never had a -- you know,
19 another round. So I think the \$15 million line was to
20 help the company I think.

21 ALJ LE: Okay. Thank you. What was your ownership
22 percentage in Signet at the time the guarantee was
23 signed?

24 MR. PATEL: I don't know it, Judge. It may be --
25 may be on a paper, whatever. You know, it may be. I

1 don't -- I don't, you know, have a number.

2 ALJ LE: Okay.

3 MR. ALLEN: Would it be helpful, Judge, to refer
4 him to any document? He'd be more than happy to take a
5 look.

6 ALJ LE: I don't have any -- I don't have any
7 documents --

8 MR. ALLEN: Okay. Yeah. Yeah, yeah.

9 ALJ LE: Yeah. Okay. In that case, that's all the
10 questions that I have at this moment. Let's go ahead
11 and turn to respondent, Franchise Tax Board, for your
12 presentation. It looks like you have -- you requested
13 up to 20 minutes. So let's proceed starting at
14 10:17 a.m. Thank you.

15 MR. HUNTER: Thank you, Judge.

16
17 PRESENTATION

18 BY MR. HUNTER, Attorney for Respondent:

19 Again, David Hunter on behalf of Respondent,
20 Franchise Tax Board. As you've heard already and as
21 you know, this case involves an incorrectly reported
22 bad debt deduction. And from the outset an important
23 distinction must be made. That is the difference
24 between a business bad debt and a nonbusiness bad debt.
25 This is important because, quite frankly, that's what's

1 going to turn this case.

2 Now, I will repeat what the law is on this. A
3 business bad debt is a debt that is incurred in
4 connection with the taxpayer's trade or business. For
5 example: Loans to clients, suppliers, distributors or
6 employees when you're running a business, credit sales
7 to customers that go bad, or guarantees of a loan that
8 is related to a trade or business.

9 A nonbusiness bad debt is a debt that is not
10 created or acquired in connection with a taxpayer's
11 trade or business. Also it is not incurred in the
12 taxpayer's trade or business. Maybe later on as a
13 guarantee. In other words, all other bad debts that
14 are not business are nonbusiness. They're excluded.

15 Business bad debts give rise to ordinary loss
16 treatment, while nonbusiness bad debts give rise to
17 short-term capital loss treatment. And because of the
18 limitation on capital losses, three grand per year or
19 whatever capital losses the taxpayers may report,
20 distinguishing between business and nonbusiness bad
21 debts is critical.

22 The United States Supreme Court has held that being
23 an investor to pursue personal profit is not a trade or
24 business for tax purposes, and that's a case we cited
25 called Whipple in our brief, W-h-i-p-p-l-e, which found

1 a motive is related to an investment when the guarantor
2 aims to increase or protect the value of his or her
3 stock in the debtor corporation.

4 In order to support a business bad debt deduction,
5 the record must clearly demonstrate that the primary
6 reason for making the loan was business rather than
7 investment related. Even a balanced business
8 investment motivation or a significant business
9 motivation is insufficient.

10 We heard testimony just now that taxpayer made a
11 side investment for personal profit and also an attempt
12 to conflate and bridge it over to financing in other
13 trades or business pursuits. Well, that's not even
14 balanced. And here the law says a balanced business
15 investment motivation is insufficient. Here we have an
16 investment for personal profit. And that law is from,
17 again, the United States Supreme Court. And counsel
18 cited to Generes. We also have another case citation
19 in our brief, the case is O. D. Smith v. Commissioner.

20 Now, the Treasury Regulation that is on point in
21 this case under these facts is 1.166-9(b) and also
22 (d)(1), (2) and (3). They all focus on the time the
23 taxpayer enters into the guarantee to determine the
24 proximate relationship between the guarantee and the
25 taxpayer's motivation or profit motive.

1 To determine whether a particular guarantee is
2 proximately related to the taxpayer's trade or
3 business, we measure the taxpayer's dominant motive for
4 becoming a guarantor at the time of entering into the
5 guarantee rather than the date upon which a payment and
6 discharge is made. The case that we cited to on this
7 point is in the brief. It's French v. United States.

8 Unless the guarantee itself was a business debt
9 when it was made, it can't be converted into a business
10 debt later on. And I want to bring up that point
11 because we've heard the question raised two or three
12 times, "Why would you ever throw \$7 million behind an
13 investment of \$1 million?"

14 Well, you could even try to ask that question now,
15 but we're not looking at this transaction now in 2023.
16 We're looking at the transaction at the time the
17 guarantee was made. And Judge Le asked a very good
18 question. That was a million dollars' skin in the game
19 at that point.

20 So in this case Appellant admittedly testified that
21 he runs a multi-million-dollar hotel business. The
22 assumption was confirmed that off to the side he also
23 invested in a solar panel company along with other
24 investments. The sole purpose of investing in stock is
25 to make a profit.

1 In 2007, after the company was formed and Appellant
2 received a million shares of preferred stock with a
3 million-dollar investment, the Appellant and two other
4 shareholders, as he testified to and gave us the
5 background, entered into a loan agreement with
6 Bank of America. And the bank extended the company a
7 \$15 million line of credit. Appellant testified that
8 he guaranteed the loan with the other founders.

9 When the company defaulted on the loan, Appellant
10 had to honor his guarantee. The company eventually
11 filed for bankruptcy in 2012. And in 2013, Appellant
12 filed a proof of claim in the amount of \$7.9 million.
13 And this is the amount that he incorrectly reported as
14 a business bad debt on his 2013 income tax return.

15 As we've all heard, the law is clear, income tax
16 deductions are a matter of legislative grace. And a
17 taxpayer who claims the deduction bears the burden of
18 proving that he or she squarely falls within the
19 parameters of that deduction that they are entitled to
20 that deduction. That's New Colonial Ice Company is the
21 case, and also a recent OTA precedential decision in
22 the Appeal of Vardell, V-a-r-d-e-l-l.

23 We've heard testimony this morning, and I want to
24 read into the record a couple of excerpts from
25 Exhibit A, because I think it's beneficial how the

1 Appellant described what happened in terms of his
2 investment, the subsequent guarantee. This is in
3 response to an audit. It's called, "Explanation of the
4 Credit Agreement." Again, it would add light to it.

5 So, "As additional financing, in 2007, Mr. Patel,
6 along with the other two founders, arranged a \$15
7 million line of credit with Bank of America, the
8 proceeds of which flow to Signet to establish and
9 maintain its business. Signet's" --

10 ALJ LE: I'm sorry. Can I stop you right here?

11 MR. HUNTER: Sorry.

12 ALJ LE: Is this an exhibit --

13 MR. HUNTER: Yes, sir, it is.

14 ALJ LE: -- in the record?

15 MR. HUNTER: Exhibit A.

16 ALJ LE: Exhibit A? Okay. Thank you.

17 MR. HUNTER: Page 1.

18 "The loan proceeds were used for the operations and
19 capital expenditures of Signet."

20 Now I'm on page 3. "The parties agreed to mutually
21 become personally/severally obligated to pay such
22 obligation by signing the loan agreement. And further,
23 Signet Solar, Inc., has drawn a line of credit to the
24 full amount of \$15 million for use as its operating
25 capital." This is for the company to operate.

1 Now I'm on page 5, top paragraph. "Taxpayer's
2 involvement with Signet flow from his position as the
3 holder of stock, a minor stock interest in the company,
4 and, when the company's financial situation
5 deteriorated, as a loan guarantor." So again, he
6 invested in stock. That was the first move.

7 At the bottom of page 5 leading into page 6.
8 "Taxpayer had a \$1 million" -- "had \$1 million in
9 equity in Signet compared to the \$16.5 million drawn
10 down by Signet from the Bank of America line of credit.
11 Taxpayer expected Signet to perform under the terms of
12 the debt, and he expected favorable returns on his
13 equity." Again, profit motive. "Instead, he suffered
14 a bruising loss."

15 Finally, the top of page 7 of this exhibit.
16 "Taxpayer agreed to be a guarantor of the loan in order
17 to facilitate Signet's profitable performance, which
18 would have accrued eventually to his own benefit and
19 profit as a shareholder. Thus the debt was entered
20 into in connection with a transaction entered into for
21 profit." I'll repeat that. "The debt was entered into
22 in connection with a transaction entered into for
23 profit."

24 I'd also like to refer to a couple of lines in the
25 document that I submitted, that Respondent submitted,

1 which is Exhibit 00. I'm at page 3, lines 1
2 through 13. I'm bringing this up because this document
3 was filed in 2013, more contemporaneous with the
4 transaction and the circumstances. This is drafted by
5 counsel for Appellant.

6 Background Section. "In order to fund the debtor's
7 ongoing operational expenses" -- and the debtor is
8 Signet, this is a bankruptcy case -- "in July 2007 the
9 founders entered into a loan agreement with
10 Bank of America. Each of the founders was jointly and
11 severally liable for the amounts due thereunder, and
12 the credit limit increased to \$16.5 million." We've
13 heard that. "Thanks to the founders' investments and
14 other contributions to the debtor, the debtor achieved
15 a measure of market acceptance and was able to raise
16 approximately 30 million in equity financing."

17 Line 13. "Patel sought to stabilize the debtor's
18 liquidity position throughout 2009 personally making a
19 loan of \$950,000 in loan advances to the debtor within
20 the calendar year." Again, "Patel sought to stabilize
21 the debtor's liquidity position." He was protecting
22 his investment. That's a textbook example of a
23 nonbusiness bad debt.

24 On point is the appeal of Varner, V-a-r-n-e-r, a
25 Board of Equalization case. In Varner, "The taxpayer

1 made loans and advanced sums of money to businesses he
2 had investments in." Personal investments. Profit
3 motive. "He also made payments on the guarantee he
4 entered into on loans he made to a company that he
5 invested in." Profit motive.

6 "On his tax return he claimed business bad debt
7 deductions for these payments. Respondent," like in
8 this case, "reclassified these guarantees and advances
9 as nonbusiness bad debts because Appellant," in that
10 case, "failed to establish a proximate relation between
11 the debts and his trade or business. The Board of
12 Equalization took note of Appellant's concession that
13 he gave the guarantee in that case as, quote, part of
14 the venture, end quote, indicating that the guarantee
15 was intended to further the success of his investment
16 and, in turn, assure that the company did not lose
17 money. Thus the losses resulting therefrom are
18 properly classified as nonbusiness bad debts and are
19 deducted only" -- "deductible only as capital losses."

20 Likewise here, Appellant held stock in the solar
21 panel company as his personal investment held for
22 profit. He testified that he had three or four other
23 personal investments in other companies. Had he been
24 wildly successful, he would have made money, not the
25 bank. If --

1 ALJ LE: Please try to move your mic a little
2 closer.

3 MR. HUNTER: Sorry.

4 ALJ LE: Thank you.

5 MR. HUNTER: I don't want to yell. If he would
6 have been wildly successful in embarking on these
7 personal investments, he would have made the profit.
8 He would have made money on his individual tax return,
9 not the bank. "If these investments in Signet or the
10 other personal investments he mentioned, if he took a
11 loss, he would suffer the loss, not the bank. And you
12 can't conflate the two with a personal investment to
13 somehow being related to or somehow incurred in an
14 unrelated hotel business.

15 The hotel business was not responsible to make
16 payments on his personal guarantee of the solar
17 company's debt. He testified that he was. It
18 protected his personal investment. And there's simply
19 no coming back from that, and that's where it should
20 end.

21 When you mention financing as the lifeblood of
22 Appellants' hotel business, that makes sense. He does
23 a lot of money with -- a high amount of business in
24 that area. He can also have a personal investment in
25 an unrelated solar panel company and then also have to

1 be called to the carpet and make good on his guarantee
2 of an investment that he signed. You can have both.
3 And they are separate.

4 Again, given -- you know, I thought that I would
5 have questions of the witness on cross. But given his
6 testimony, I would just like to posit that it actually
7 reinforces Respondent's position in this case when he
8 admitted -- or sorry -- conceded that he had a personal
9 investment in Signet Solar along with other pursuits.

10 And the second issue to the panel, I think it's
11 more of a sub-issue of the first, the determination
12 should be made that this was a nonbusiness bad debt,
13 and, therefore, capital loss treatment is what it's
14 entitled to. And mechanically, the net operating loss
15 is properly disallowed for years '14 and '15. It's
16 just a natural byproduct or consequence of the first
17 determination.

18 I'm here to answer any questions that you have.

19 Oh, strike that. Co-counsel.

20 MS. MOSNIER: Thank you.

21
22 PRESENTATION

23 BY MS. MOSNIER, Attorney for Respondent:

24 And not only do the documents indicate that at
25 the time the guarantee was made that the dominant

1 motivation was to protect Mr. Patel's investment, but
2 when you look at the other attendant facts at that
3 time, they support that determination.

4 Remember, the company was formed, Signet was formed
5 in 2006, and the loan guarantee was executed in 2007,
6 and that's when the money was advanced. The German
7 government had invested \$30 million in the company.
8 The line of credit funds were needed, as Mr. Patel
9 explained in his testimony, to, quote, help the
10 company. It needed operating capital.

11 It wasn't until 2009 when another country entered
12 the solar panel market that there was a downturn.
13 So -- for Signet. So there was -- at the time the
14 money was put in, everything, or at least the facts
15 that are in the record, indicates that Signet could be
16 a profitable company.

17 What the record also indicates is that the
18 motivation to preserve the relationship with
19 Bank of America is related to Mr. Patel's payment as a
20 guarantor. Exhibit J to FTB's opening brief is a
21 November 11th, 2019, response during the protest, a
22 response from the Appellants.

23 And they say, "The payment was necessary to protect
24 Mr. Patel's sterling credit reputation and access to
25 tens of millions of dollars of financing for his

1 extensive hotel business." And it said, "He paid" --
2 this is Exhibit J, page 2 -- "because had he not repaid
3 the loans, it would have destroyed his credit
4 reputation."

5 So FTB does not doubt a motivation that had to do
6 with protecting the relationship. It's simply that
7 that motivation surfaced at the time of the payment and
8 not at the time the guarantee was entered into, as
9 required by case law. Thank you.

10 ALJ LE: Thank you, Respondent, for your
11 presentation. Let me turn to the panel to see if they
12 have any questions for Respondent.

13 Judge Hosey, any questions?

14 ALJ HOSEY: No questions. Thank you.

15 ALJ LE: Thank you.

16 Judge Lambert, any questions?

17 ALJ LAMBERT: I was just wondering -- well, maybe
18 either party can answer, but what kind of corporation
19 is this exactly? Do you know if it's in S corporation
20 or C corporation?

21 MR. HUNTER: C Corp. Sorry, Judge. But just based
22 on the facts, first we had preferred stock. And then
23 when they had a second round of finance, they had other
24 classes of stock. So it's a C Corp.

25 ALJ LAMBERT: Okay. Thanks.

1 MR. ALLEN: I don't have a specific answer. I
2 would tend to agree with counselor here.

3 ALJ LAMBERT: Okay. Thank you. And then I just
4 had a question for Appellant and maybe Mr. Patel, but
5 it seemed like there were two other founders, two other
6 shareholders that also agreed to pay off the loan.
7 And, I mean, it's -- it seems like they were not
8 involved in the hotel business, but their motivation
9 then would have been, you know, to help Signet, I mean,
10 to increase their investment. But even though they
11 weren't in the hotel business, they still agreed to
12 guarantee the loan?

13 MR. ALLEN: Yeah. Well, I don't know precisely
14 their motivation, but, yes. And I think that there's
15 nothing inconsistent with that, that they could all
16 have different motivations for why to guarantee the
17 loan. But...

18 MR. PATEL: When we took a \$15 million line, the
19 guarantee was specified myself, Prabhu Goel, and Lahri.
20 So everybody was, I think, you know, was on. And the
21 15 million was divided 7 and a half -- I mean, 6 and a
22 half, 6 and a half, and \$2 million I think you know.

23 ALJ LAMBERT: Okay. Thank you. That's all I have
24 for now. Thanks.

25 ALJ LE: Thank you, Judge Lambert.

1 It is now Appellant's turn for their closing and
2 rebuttal statements. Mr. Allen, I'll give you up to 15
3 minutes. You could start at 10:30 a.m. Please
4 proceed. Thank you.

5
6 CLOSING ARGUMENT

7 BY MR. ALLEN, Attorney for Appellant:

8 Thank you very much. "Wildly successful," we heard
9 that phrase used, and I think it was in the context if
10 Signet Solar was wildly successful, Mr. Patel would be
11 wildly successful and he would be taking his money to
12 the bank from this investment and would be very happy.

13 Sure. That's a possibility. But the only fact
14 that we have here that's been -- that really shows wild
15 success is Mr. Patel in his hotel business, his real
16 estate development business. We are looking at a story
17 of an extremely successful immigrant from India who has
18 built a portfolio of hotels over a number of years.

19 He's employed hundreds of people over these years
20 from I think he said at the time maybe 125 folks -- or,
21 no, 225 people in 2007, 2008, in that time frame. And
22 I think he's mentioned to me it's upwards around 600
23 people by 2019 pre-COVID. And he's had an extremely
24 successful career with his hotel business. And he
25 attributes that to getting access to financing so that

1 he can continue to expand his hotel business.

2 In 2007 he sat at a unique situation where they
3 could go, Signet Solar, could go and raise more funds
4 from venture capitalists. It's very common in the
5 Silicon Valley. But they'd have to give up equity. So
6 there was some, you know, downside to going to the VCs
7 and asking for money.

8 And as Mr. Patel testified here today, he thought
9 about this and he thought, well, you know, basically
10 the downside is he loses in this investment. Because
11 of his success in his hotel business, he's in a unique
12 position where he's able to make a series of \$1 million
13 investments. That's not my situation, but Mr. Patel
14 had that situation in 2007 where he could make a series
15 of million-dollar investments.

16 And so he looked at this and he said, well, if I
17 bring Bank of America basically almost as a partner,
18 right, if Signet Solar does well and Bank of America
19 will obviously do well then as well. They will be paid
20 off the 16 million -- or the increase to \$16.5 million
21 credit line. Signet will continue operations hopefully
22 growing and expanding to multiple countries and
23 bringing more products to the market and increasing the
24 business.

25 Obviously that's great for Mr. Patel. But that

1 wasn't his motivation in 2007. He didn't know if this
2 company was going to work. He was an engineer. He
3 enjoyed the process of getting involved in this
4 start-up. But what he knew is if this thing is
5 successful, Bank of America is going to be knocking on
6 his door looking for other opportunities with Mr. Patel
7 and, consequently, he would be able to invest and
8 expand his hotel portfolio.

9 There's no doubt that there's multiple motivations
10 here. No one's trying to say that he invested a
11 million dollars like putting a chip down in Las Vegas
12 on black. It wasn't -- it was an important investment
13 to him. But the upside was expanding his hotel
14 business.

15 Some of the cases cited by Respondent, in
16 particular French v. U.S., it's a different case. The
17 facts are distinguishable. Most of the cases are
18 distinguishable, but that involved a taxpayer that paid
19 a guarantee later on to protect his reputation at that
20 time, not the time of the guarantee.

21 As I said at the outset, this is a unique set of
22 facts. And I don't think there's any risk of a
23 slippery slope where, oh, well, taxpayers can then just
24 make a decision after the fact on how they want the
25 treatment. There are going to be very few taxpayers

1 who are in a situation that have an established
2 business that requires substantial financing where
3 bringing that financier business would create an
4 opportunity down the road. This is a very narrow set
5 of facts.

6 If he brings business to Bank of America, if Signet
7 succeeds, all parties win. You know, I'm just using a
8 simple logic. If Bank of America's happy, then the
9 hotel business can expand. That's the simple takeaway
10 from this case. The cases that have covered business
11 bad debt and nonbusiness bad debt, they typically
12 involve a situation where somebody has taken out a loan
13 and now at the time of payment they're thinking, oh,
14 wow, now I have to protect my reputation. If I default
15 on this, I won't get financing. But I haven't seen a
16 single case that's unique like this where by bringing
17 the business to the financier, by bringing the business
18 to Bank of America, that could expand their
19 opportunities. I haven't seen that in the case law.

20 I will draw your attention to the few cases cited
21 in Appellants' reply brief. In particular the Litwin
22 v. U.S. case. And that involves looking at the size of
23 the risk. And what we have here is he's taking on
24 substantial risk of a potential guarantee of
25 \$7 million. That's a loan to Signet Solar of

1 \$7 million to chase after a million-dollar initial
2 investment.

3 I don't know what the value of the investment was
4 in June or July of 2007. I don't think it appreciated
5 significantly. There's no evidence to show that the
6 valuation of that initial investment had increased
7 substantially at that time. Even if it were 2 million
8 let's just say, it's still, looking at the Litwin case
9 and also the Estate of Allen case cited in our reply
10 brief, you have to look. Does it makes sense that
11 somebody would throw the potential bad money at good
12 money?

13 And it took me a while to understand this case, of
14 course, but Mr. Patel's this unique person. He's in a
15 unique situation where the actual act of becoming a
16 guarantor had a benefit that was much larger than the
17 potential dividends or income earned from the
18 investment in Signet Solar.

19 So again, I'd say the only wild success here is
20 Mr. Patel's dedication and hard work to his hotel
21 business and this involvement with banks quickly in the
22 1970s. He quickly learned that the way that I'm going
23 to continue to build my business is through
24 relationships with banks.

25 And he was on the board of two banks. And he

1 learned the process of what -- how do you obtain
2 financing, looking at specific cases of potential loan
3 customers coming to the bank and saying, "I need money
4 to expand my business."

5 And so he's known -- his basis for making this
6 determination in 2007 was formed on his past
7 experiences. And so he utilized those experiences when
8 he went to -- when he brought Signet Solar and his
9 cofounders to the bank and they agreed to guarantee the
10 loan to the tune of potentially \$7 million, which was
11 all paid off. And his relationship with Bank of
12 America is still pristine today.

13 Unfortunately, it didn't go the way that he wanted.
14 But at the time of the guarantee, that's what we look
15 at. And at the time of the guarantee, he was hoping
16 this was going to be a win-win for everybody, which
17 would then assist him in expanding his hotel business.

18 And with that, we'll refer the panel back to our
19 reply brief and our other filings in the case. And
20 I -- again, this is an eight-year-old case. It's been
21 going on for a long time. I think all of the documents
22 referenced in Respondent's presentation were prepared
23 by their CPAs or other representatives.

24 I'm not saying that there's any reason to doubt
25 those documents, but I don't know that any of those

1 were declarations signed by Mr. Patel. And so I
2 just -- you know, I wonder how important all of those
3 documents are and every specific sentence. But with
4 that, we will submit our case to the panel.

5 ALJ LE: Thank you for closing and rebuttal. Let
6 me turn -- again turn to the panel one last time to see
7 if they have any final questions for either party.

8 Judge Hosey, any final questions for either party?

9 ALJ HOSEY: No questions. But thank you both for
10 your presentations.

11 ALJ LE: Thank you, Judge Hosey.

12 Judge Lambert, any final questions for either
13 party?

14 ALJ LAMBERT: No final questions. Thanks.

15 ALJ LE: Thank you, Judge Lambert.

16 I do have one question myself. This is for
17 Appellant. There was discussed in the briefing \$35,077
18 that Appellant advanced to Signet to pay for insurance
19 and employee compensation. It seems to have implied
20 that that amount was conceded as nonbusiness bad debt,
21 but I just want to confirm that with Appellant.

22 MR. ALLEN: 35,000?

23 ALJ LE: Yes.

24 MR. ALLEN: Yes. There were certainly some
25 concessions in the briefs. And I think we've narrowed

1 it to 7.1 million. I apologize, I'm searching. I
2 would refer you to the Appellants' reply brief,
3 page 11, where -- for the concessions. So there is a
4 portion of this that we're not contesting, correct.

5 ALJ LE: Okay. Thank you very much.

6 MR. ALLEN: Thank you.

7 THE COURT: As of that, I have no further
8 questions. So if there's nothing else, that will
9 conclude --

10 MR. ALLEN: One last point. Apologies.

11 ALJ LE: Yes. Go ahead.

12 MR. ALLEN: It's just so say that I think that the
13 parties agree that the impact of the determination on
14 2013 then would carry into '14 and '15. I don't think
15 there's any dispute as to that. So I didn't present
16 much argument on that.

17 THE COURT: Thank you. Appreciate it.

18 MR. ALLEN: You're welcome. Thank you.

19 ALJ LE: Okay. So that will conclude our hearing.
20 Thank you, everyone, for coming in today. This case is
21 submitted on February 21st, 2023. The record is now
22 closed. The judges will meet and decide your case
23 later on, and we will send you a written opinion of our
24 decision within 100 days.

25 The next hearing for a different appeal will begin

1 at 1:00 p.m. Thank you, everyone. And goodbye.

2 MR. HUNTER: Thank you, Judge.

3 MR. ALLEN: Thank you, Judge.

4 (Conclusion of the proceedings at 10:51 a.m.)

5 ---o0o---

REPORTER'S CERTIFICATE

STATE OF CALIFORNIA)

COUNTY OF SACRAMENTO) ss.

I, MARIA ESQUIVEL-PARKINSON, do hereby certify that I am a Certified Shorthand Reporter, and that at the times and places shown I recorded verbatim in shorthand writing all the proceedings in the following described action completely and correctly to the best of my ability:

LOCATION: OFFICE OF TAX APPEALS
400 R Street

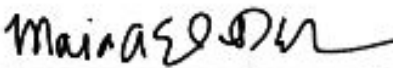
CASE: In the Matter of the Appeal of
B. Patel and S. Patel

DATE: Tuesday, February 21, 2023

I further certify that my said shorthand notes have been transcribed into typewriting, and that the foregoing pages 1 through 54 constitute an accurate and complete transcript of all my shorthand writing for the dates and matter specified.

I further certify that I have complied with CCP 237(a)(2) in that all personal juror identifying information has been redacted if applicable.

IN WITNESS WHEREOF, I have subscribed this certificate at Sacramento, California, on this 15th day of March, 2023.



Maria Esquivel-Parkinson
CSR No. 10621, RPR

<hr/>	<hr/>	<hr/>	<hr/>
\$	1	1981 13:12 14:14	30 7:14 11:19 39:16
\$1 10:3 13:20 14:3,9 18:9 21:24 22:8,9 24:2,10 27:24 28:8 31:10 35:13 38:8 47:12	1 4:4 7:1,3 37:17 39:1 1.166-9(b) 34:21 10 4:16 100 53:24 10621 2:20 10:17 32:14 10:30 46:3 10:51 54:4 11 28:2 53:3 11:05 2:18 11th 43:21 125 46:20 13 28:2 29:7 39:2, 17 14 42:15 53:14 15 29:23 42:15 45:21 46:2 53:14 16 26:5 47:20 166 27:4 166(d)(2) 9:1 26:11,14 1720 3:15 18 13:4 19 12:13 1966 11:2 1970s 50:22 1973 11:17,19 25:13 1974 11:22 12:12, 13 1975 13:3 1977 13:5 1978 12:2 1979 12:4 13:9	1:00 54:1 <hr/> 2 <hr/> 2 44:2 50:7 20 32:13 20- 25:11 2004 16:5 2006 17:9,18 31:9 43:5 2007 18:22 20:11, 22 31:12 36:1 37:5 39:8 43:5 46:21 47:2,14 48:1 50:4 51:6 20076372 2:7 5:8 2008 46:21 2009 39:18 43:11 2012 36:11 2013 6:15 8:24 36:11,14 39:3 53:14 2014 6:17 2015 6:17 2015/2016 8:12 2019 43:21 46:23 2023 2:19 5:2,9 35:15 53:21 21 2:19 5:2 21st 5:9 53:21 225 21:2 46:21 2300 13:4,11 28,000 12:23 <hr/> 3 <hr/> 3 37:20 39:1	32 4:11 35,000 52:22 <hr/> 4 <hr/> 4 29:23 40 7:15 400 2:16 40s 11:12 42 4:12 46 4:22 <hr/> 5 <hr/> 5 16:5 25:10 38:1,7 <hr/> 6 <hr/> 6 38:7 45:21,22 60 17:24 600 46:22 600,000 29:24 <hr/> 7 <hr/> 7 4:4,5 38:15 45:21 7.1 53:1 70 18:20 70s 20:15 73 11:9 78/79 13:20 79 14:4 <hr/> 8 <hr/> 8 4:10 14:8 80 18:20
<hr/>	<hr/>	<hr/>	<hr/>
(
(2) 34:22 (3) 34:22 (d)(1) 34:22 <hr/> - <hr/> ---o0o--- 54:5			

87 15:14

9

93 15:21

94 15:21 16:4

9:39 2:17 5:3,9

A

A-NN 4:5

a.m. 2:17,18 5:3,9
32:14 46:3 54:4

ability 16:21

absent 11:18

acceptance
39:15

access 43:24
46:25

accrued 38:18

achieved 39:14

acquired 13:10
26:13 33:10

act 50:15

actual 50:15

add 30:5 37:4

additional 19:14
24:24 37:5

addressing 8:25

administrative
5:13 10:16

admitted 7:1,5,10
42:8

admittedly 35:20

adopted 9:1

Adult 12:17

advanced 40:1
43:6 52:18

advances 39:19
40:8

advisory 15:9,10

affirm 8:1

afterward 18:2

agree 25:22 28:3
29:5,11 45:2
53:13

agreed 37:20
38:16 45:6,11
51:9

agreeing 28:10

agreement 36:5
37:4,22 39:9

ahead 7:21 30:11
32:10 53:11

aims 34:2

ALJ 3:4 5:5 6:8,12
7:4,8,13,20,24 8:4
30:4,8,11,17,20,
22,24,25 31:7,9,
12,21 32:2,6,9
37:10,12,14,16
41:1,4 44:10,14,
15,17,25 45:3,23,
25 52:5,9,11,14,
15,23 53:5,11,19

Allen 3:10 4:10,22
6:9 7:19,22,23
8:5,6,9 10:20 26:3
27:20 29:25 30:7
32:3,8 45:1,13
46:2,7 50:9 52:22,
24 53:6,10,12,18
54:3

alluring 27:16

America 6:23
14:17,21 19:4,8,
10,11,20,21
20:10,11,14,18
21:4 24:16,18,20,
22,23,25 25:5,7
27:5 28:21 29:19,
22 36:6 37:7
38:10 39:10 43:19
47:17,18 48:5
49:6,18 51:12

America's 49:8

American 15:15
16:2

amount 36:12,13
37:24 41:23 52:20

amounts 39:11

Andrew 3:10 6:9

Apologies 21:21
53:10

apologize 53:1

appeal 2:6 5:6,22
36:22 39:24 53:25

Appeals 2:2,16
5:7,15

APPEARANCES
3:1

Appellant 6:21
8:9 10:15 29:1,8
31:3 35:20 36:1,3,
7,9,11 37:1 39:5
40:9,20 45:4 46:7
52:17,18,21

Appellant's
40:12 46:1

Appellants 2:8
3:9 6:8 43:22

appellants' 4:4,
15 6:15,17 7:1,3,
14,15,17 31:2
41:22 49:21 53:2

appreciated 50:4

approve 16:18

approximate
20:12

approximately
8:14 13:1 18:19
20:20 23:22 30:1
39:16

area 12:3 13:15,
18,25 14:1,2,5,22
15:5 22:25 41:24

argument 46:6
53:16

arising 6:18

arranged 37:6

arrive 27:16

assets 16:21

assist 51:17

assumption
28:3,25 35:22

assumptions
27:15,17,19,21

assure 40:16

Atherton 12:3

attempt 34:11

attendant 43:2

attention 49:20

Attorney 3:10,16,
17 8:9 32:18
42:23 46:7

attributes 46:25

audit 8:11 37:3

B

back 11:16,21
16:4,21 25:13
41:19 51:18

background
10:25 36:5 39:6

bad 6:15,18 8:24
9:21,22 26:25
32:22,24 33:3,7,9,
13,15,16,20 34:4
36:14 39:23 40:6,
9,18 42:12 49:11
50:11 52:20

balance 13:7,16
20:13

balanced 34:7,14

bank 6:23 12:3,4,
22 13:15,16,18,
19,25 14:1,2,5,6,
7,8,17,21,22,24
15:7,14,15,17,18,
19 16:2,3,5,6,8,10
19:4,8,10,11,17,

- 20,21 20:10,11,
14,18 21:4 24:16,
18,20,22,23,25
25:5,7,8,9 27:5
28:21 29:19,22
36:6 37:7 38:10
39:10 40:25 41:9,
11 43:19 46:12
47:17,18 48:5
49:6,8,18 51:3,9,
11
- banking** 13:23
14:21
- bankrupt** 10:7
- bankruptcy**
36:11 39:8
- banks** 14:24
15:11,25 50:21,
24,25
- based** 27:17
44:21
- basically** 21:17
47:9,17
- basis** 51:5
- Bay** 12:3 13:15,
18,24,25 14:2,5,
22 15:5 22:24
- bears** 36:17
- begin** 7:13,16,22
53:25
- behalf** 6:4,10
10:15 32:19
- believed** 29:2,9
- believing** 28:12
- beneficial** 36:25
- benefit** 38:18
50:16
- Bhupendra** 4:16
6:10,11 10:14
- bit** 13:22
- black** 17:3 48:12
- board** 3:14 6:1,5,7
15:9,12,17 16:3,8,
9,11 32:11,20
39:25 40:11 50:25
- Bofa** 29:10
- bottom** 38:7
- Box** 3:15
- branch** 14:19
16:7
- brand** 14:12
- bridge** 34:12
- briefing** 52:17
- briefly** 11:1 12:9
17:11,13 26:7
- briefs** 8:16 9:9,19
17:11 18:2 52:25
- bring** 16:15 23:17,
18 35:10 47:17
- bringing** 39:2
47:23 49:3,16,17
- brings** 49:6
- brother** 12:12
- brought** 15:1,2
51:8
- bruising** 38:14
- Buffalo** 17:17
- build** 13:9,13
50:23
- building** 11:24
- built** 13:12 46:18
- burden** 36:17
- business** 6:15,18
8:24 9:12,13,14,
17,21 11:10,11,
17,23 14:13 17:19
20:13 21:10 22:3
24:22 25:1,12,13
26:14,15,17,20
27:1,5,10 29:2,12
32:24 33:3,4,6,8,
11,12,14,15,20,24
34:4,6,7,8,13,14
35:3,8,9,21 36:14
37:9 40:6,11
- 41:14,15,22,23
44:1 45:8,11
46:15,16,24 47:1,
11,24 48:14 49:2,
3,6,9,10,17 50:21,
23 51:4,17
- businesses**
26:22 40:1
- byproduct** 42:16
-
- C**
-
- calculation** 26:5
30:2,4
- calendar** 39:20
- California** 2:1,17,
22 3:14,15 5:1,11
9:2 11:23 12:13
16:7 25:15
- call** 24:11
- called** 10:15 14:6
15:15 16:5 17:18
22:24 33:25 37:3
42:1
- Callife** 22:9
- Camino** 13:4,10,
11
- capital** 14:8 19:14
33:17,18,19
37:19,25 40:19
42:13 43:10
- capitalists** 19:15
47:4
- capitals** 13:21
- career** 46:24
- Carnegie** 17:21
18:5
- carpet** 42:1
- carry** 53:14
- case** 2:7 5:8 6:13
8:10,15,18,20,22,
25 9:18,22,23,25
26:7,10,13,18
27:14 28:21 32:9,
21 33:1,24 34:18,
19,21 35:6,20
36:21 39:8,25
40:8,10,13 42:7
44:9 48:16 49:10,
16,19,22 50:8,9,
13 51:19,20 52:4
53:20,22
- cases** 48:15,17
49:10,20 51:2
- cash** 29:10
- Certified** 2:21
- CFO** 14:5
- chair** 16:12
- challenging**
27:14
- characterization**
25:22
- characterized**
25:17
- chase** 50:1
- chip** 17:19 48:11
- circumstances**
39:4
- citation** 34:18
- cited** 33:24 34:18
35:6 48:15 49:20
50:9
- City** 11:20 14:18
17:17
- City's** 31:6
- claim** 36:12
- claimed** 6:14 40:6
- claims** 36:17
- classes** 44:24
- classified** 40:18
- clear** 36:15
- client** 6:10
- clients** 33:5
- close** 26:6

closed 53:22	complete 7:9	converted 35:9	creditworthiness 16:20
closer 41:2	computer 11:6	copy 7:9	creditworthy 17:7
closing 4:20 30:6 46:1,6 52:5	computing 11:8	Cordova 3:15	critical 33:21
Co-counsel 42:19	conceded 42:8 52:20	Corp 44:21,24	cross 4:15 42:5
co-founders 19:6 21:3	concession 40:12	corporation 34:3 44:18,19,20	Cruz 13:6
Code 9:2,3	concessions 52:25 53:3	correct 16:22 17:8 19:4 21:5,6, 13,14 23:19,24 25:15,16,20,25 27:21 29:5,20 31:13 53:4	CSR 2:20
cofounders 51:9	conclude 53:9,19	correctly 6:16	CTO 17:18
Colonial 36:20	concluding 2:18	cost 29:19	customer 16:24 17:5
comfortable 10:11	conclusion 54:4	counsel 8:17 9:9 34:17 39:5	customers 16:20 33:7 51:3
commenced 8:11	conduct 5:19	counselor 45:2	<hr/> D <hr/>
commencing 2:17	confident 24:14	countries 47:22	date 5:8 15:22 35:5
Commissioner 34:19	confirm 52:21	country 11:2 43:11	David 3:16 6:3 32:19
committee 15:9, 10 16:4,12,15,16, 17	confirmed 35:22	COUNTY 2:3	days 12:21,23 13:7 29:23 53:24
common 47:4	conflate 34:12 41:12	couple 36:24 38:24	deal 29:3
community 13:19 15:3,6,13 18:13,21 25:8,9	connection 14:10,16 26:13 33:4,10 38:20,22	Court 26:23 33:22 34:17 53:7,17	debt 6:15,19 8:24 9:22 26:11,12,16 27:4 29:17 32:22, 24 33:3,9 34:4 35:8,10 36:14 38:12,19,21 39:23 40:6 41:17 42:12 49:11 52:20
companies 24:3, 6,8 40:23	consequence 42:16	cover 18:25	debtor 34:3 39:7, 14,19
company 10:6 11:18,21 17:18 18:22 19:16,17,19 24:2 25:19 28:23 31:16,17,20 35:23 36:1,6,9,10,20 37:25 38:3 40:4, 16,21 41:25 43:4, 7,10,16 48:2	consequences 9:24	covered 49:10	debtor's 39:6,17, 21
company's 38:4 41:17	consistent 27:3	CPAS 51:23	debts 33:13,15, 16,21 40:9,11,18
compared 38:9	contact 14:18	cream 17:24,25	decide 5:22 53:22
compensation 52:19	contemporaneo us 39:3	create 49:3	decided 11:17,22 15:13 19:20
	contesting 53:4	created 26:12 33:10	decision 36:21 48:24 53:24
	context 46:9	credibility 24:18, 24	
	continue 27:13 47:1,21 50:23	credit 9:6 16:25 19:3 20:9 21:4,9 29:17 31:4,13 33:6 36:7 37:4,7, 23 38:10 39:12 43:8,24 44:3 47:21	
	contributed 29:4		
	contributions 39:14		
	control 11:5,7		
	conversation 10:10		

declaration 21:12	direct 4:15 10:19 22:19 26:8	downside 47:6, 10	entered 9:4 36:5 38:19,20,21,22 39:9 40:4 43:11 44:8
declarations 52:1	directions 28:20	downturn 43:12	entering 35:4
dedication 50:20	disallowed 42:15	dozen 24:7	enters 34:23
deducted 40:19	discharge 35:6	drafted 39:4	entire 8:21 10:1
deductible 40:19	discuss 8:22	draw 49:20	entitled 36:19 42:14
deduction 6:14, 19 32:22 34:4 36:17,19,20	discussed 19:9 23:6 52:17	drawn 37:23 38:9	equal 5:18
deductions 6:17 36:16 40:7	dispute 53:15	due 39:11	Equalization 39:25 40:12
default 49:14	distinction 32:23	Dynamic 22:18	
defaulted 23:23 36:9	distinguishable 48:17,18	<hr/> E <hr/>	equity 13:17 27:24 38:9,13 39:16 47:5
defer 24:21	distinguishing 33:20	early 11:11 18:10	Esquivel- parkinson 2:20
defines 26:11	distributors 33:5	earn 27:7,8	establish 37:8 40:10
demonstrate 34:5	district 11:12 14:20	earned 50:17	established 49:1
denied 6:16	diversification 22:2	easy 27:16	estate 9:13,15 23:1 25:14 46:16 50:9
deposit 15:8	diversify 22:4	educational 10:25	eventually 36:10 38:18
depositor 15:7	divided 45:21	eight-year-old 51:20	evidence 7:3,7,12 26:8 50:5
describe 10:25 17:11,13	dividends 27:8 50:17	El 13:4,9,11	EXAMINATION 10:19
destroyed 44:3	Division 3:15	electrical 20:3,4	examined 10:17
deteriorated 38:5	document 32:4 38:25 39:2	embarking 41:6	excerpts 36:24
determination 17:5 42:11,17 43:3 51:6 53:13	documents 32:7 42:24 51:21,25 52:3	employed 14:23 46:19	excluded 33:14
determine 26:24 34:23 35:1	dollar 22:11,17, 20,23,25 28:10, 11,22 31:6	employee 21:2 52:19	exclusion 26:11
develop 11:23 14:10,18	dollars 22:16 23:24 43:25 48:11	employees 20:25 33:6	executed 43:5
developed 26:18	dollars' 35:18	employment 12:15	exhibit 4:4 7:1,3, 6,9,11 36:25 37:12,15,16 38:15 39:1 43:20 44:2
development 9:13,16 22:12,18 23:1 25:14 46:16	dominant 9:3 24:12 27:2,3 35:3 42:25	end 40:14 41:20	exhibits 4:5 6:25 7:1,4,8 8:16
dictate 9:23	door 48:6	enhance 27:5	existence 15:18
difference 32:23	doubt 27:9 44:5 48:9 51:24	enjoyed 48:3	
dime 24:7		ensure 5:21	

Exit 15:21
expand 14:13
15:8 25:6 27:12
47:1 48:8 49:9,18
51:4
expanding 19:1
47:22 48:13 51:17
expect 29:12,13
expected 29:15
38:11,12
expenditures
37:19
expenses 18:25
39:7
experience 13:23
experiences 51:7
experts 25:25
explain 14:1
explained 43:9
Explanation 37:3
exposure 20:18
extended 36:6
extensive 44:1
extremely 46:17,
23

F

facilitate 38:17
facility 25:6
fact 25:13 26:21
27:17 46:13 48:24
facts 8:10 9:18
34:21 43:2,14
44:22 48:17,22
49:5
failed 40:10
failure 19:19
falls 36:18
familiar 17:12

family 11:22
12:10
Fargo 15:19
favorable 38:12
fear 9:19
February 2:19
5:2,9 53:21
feel 20:6 24:14
field 20:2 22:5
23:11 26:2
figure 24:1
filed 8:16 36:11,12
39:3
filings 51:19
final 52:7,8,12,14
Finally 38:15
finance 11:25
12:23 13:7,8
14:12 44:23
financed 13:15,
16
financial 14:11
38:4
financier 49:3,17
financing 9:15
12:20,22 13:13,24
19:16 21:12 27:13
34:12 37:5 39:16
41:21 43:25 46:25
49:2,15 51:2

find 16:13
five-member
16:17
flow 29:10 37:8
38:2
focus 34:22
folks 46:20
form 15:13
formally 14:23
formed 36:1 43:4
51:6

found 33:25
founder 17:16,20
18:9 28:18,19
31:9
founders 36:8
37:6 39:9,10 45:5
founders' 39:13
founding 17:10
frame 15:15 46:21
Franchise 3:14
5:25 6:4,7 32:11,
20
Francisco 11:13,
15 12:10 14:6
15:16
frankly 32:25
French 35:7
48:16
fruits 11:13
FTB 8:18 44:5
FTB's 43:20
full 17:4 37:24
fund 18:21 22:9,
14,15,18,23,24
23:1 39:6
funding 18:11,12,
23
funds 18:18 43:8
47:3
future 23:18

G

G-O-E-L 19:7
gainful 12:15
game 35:18
gave 18:15 36:4
40:13
generate 29:9
Generes 26:24
34:18

gentleman 10:1
German 18:15,17
28:14 43:6
give 12:15 18:17
19:15,16 24:17
33:15,16 46:2
47:5
global 19:24
Goel 17:20 18:4
19:7 20:2 25:24
45:19
gold 17:21
good 6:2,6 10:21
17:2 20:6 22:3
24:17 35:17 42:1
50:11
goodbye 54:1
government
18:15,17 28:15
43:7
grace 36:16
grand 33:18
grant 18:15,17
great 26:20 29:3
30:7 47:25
group 12:3 14:21
growing 19:24
27:11 47:22
guarantee 9:5
31:22 33:13
34:23,24 35:1,5,8,
17 36:10 37:2
40:3,13,14 41:16
42:1,25 43:5 44:8
45:12,16,19
48:19,20 49:24
51:9,14,15
guaranteed 6:23
31:4,13 36:8
guarantees 33:7
40:8
guarantor 20:9
21:9,17 23:22
34:1 35:4 38:5,16

43:20 50:16

guys' 28:13

H

H-U-N-T-E-R 6:4

half 13:20 14:3,9
22:23 45:21,22

hand 7:25

happened 37:1

happy 32:4 46:12
49:8

harbor 26:9

hard 50:20

heading 16:3,11

headquartered
15:16

hear 9:14

heard 5:12 32:20
34:10 35:11
36:15,23 39:13
46:8

hearing 5:12,17,
19 7:13 53:19,25

hearing's 5:10

heavily 9:15 15:8

held 5:7,10 27:23
33:22 40:20,21

helpful 32:3

high 41:23

history 16:24

holder 38:3

hole 17:3

honor 36:10

hoping 51:15

Hosey 3:5 5:14
30:19,20,22
44:13,14 52:8,9,
11

hot 19:24

hotel 9:12,13,17
10:2 11:10,11,14,
17,19,24 12:19,
21,22 13:1 14:17
20:13 21:10,13
22:3 27:10,12
35:21 41:14,15,22
44:1 45:8,11
46:15,24 47:1,11
48:8,13 49:9
50:20 51:17

hotels 10:2 20:18,
21 21:1 25:14
46:18

hundreds 46:19

Hunter 3:16 4:11
6:2,3 7:18 30:15
32:15,18,19
37:11,13,15,17
41:3,5 44:21 54:2

husband 29:1,8

I

**I-N-N-O-V-A-T-I-
V-E** 16:6

**I-N-T-E-R-C-E-L-
L** 17:19

I-R-E-O 22:12,14

IBM 11:6,7

IBM1800 11:6

Ice 36:20

ideal 12:16

IIT 17:22,23,25

immigrant 46:17

immigrated
12:14

impact 53:13

implied 52:19

importance
13:23

important 17:1
23:3 32:22,25
48:12 52:2

income 10:5
23:18 27:8 36:14,
15 50:17

inconsistent
45:15

incorrectly 32:21
36:13

increase 28:1,4
34:2 45:10 47:20

increased 39:12
50:6

increasing 47:23

incurred 26:17
27:4 33:3,11
41:13

India 11:12 12:10
17:23 18:13
22:18,20,21 46:17

Indian 15:13

indicating 40:14

individual 41:8

individuals 26:21

Indo 15:15 16:2

industry 11:6

infancy 19:19

informal 10:9

information 5:21

infrastructure
22:12

initial 18:11 50:1,
6

initially 12:20
14:3 18:8 20:9

Inn 14:14

Innovative 16:5,
6,9

institute 14:11
17:23

institutions
18:14 25:7

instrumental
18:18 21:12

insufficient 34:9,
15

insurance 52:18

intended 40:15

intent 6:22 10:9

InterCell 17:18

interest 27:24
29:22 31:3 38:3

interesting 23:7

interim 8:13

interrupt 12:5
21:21

introduce 14:20

introductions
5:23

invest 18:6 22:4
48:7

invested 18:7,9
22:11,16,17 27:24
31:5,9 35:23 38:6
40:5 43:7 48:10

investing 10:1
35:24

investment 9:8,
11 10:3,4 18:16
21:16,18,24 22:1,
6,7,13,20 23:3,5,
6,8,10,12,13,19,
23 24:10,20
25:18,19 27:9
28:1,5,11,23,24
29:3 34:1,7,8,11,
15,16 35:13 36:3
37:2 39:22 40:15,
21 41:12,18,24
42:2,9 43:1 45:10
46:12 47:10 48:12
50:2,3,6,18

investments 9:7,
11 21:19 35:24

39:13 40:2,23
41:7,9,10 47:13,
15

investor 14:4,24
15:2,7 18:13
33:23

investors 15:1,2
18:19

involve 49:12

involved 12:2
13:25 14:2,11
15:8,11 17:13
18:20 23:9,12
26:22 45:8 48:3,
18

involvement
38:2 50:21

involves 32:21
49:22

Ireo 22:12

issue 21:8 42:10

issues 6:12,13

items 19:25

J

jobs 12:24

join 15:12

joint 11:5

jointly 39:10

Josh 3:6 5:15

judge 5:14,19,20
6:3 7:18,19 8:6
10:16 30:15,19,
22,23,25 31:24
32:3,15 35:17
44:13,16,21 45:25
52:8,11,12,15
54:2,3

judges 5:13,17
53:22

July 39:8 50:4

June 50:4

June/july 20:10

K

Kanpur 17:22

kid 12:16

Kids 12:17

kind 16:17 23:12
44:18

knew 48:4

knocking 48:5

knowledge 19:8,
9 28:13

Korean 16:5

L

L-A-H-R-I 19:7

Lahri 17:16 19:7
20:1 25:24 45:19

Lambert 3:6 5:15
30:23,24,25
44:16,17,25 45:3,
23,25 52:12,14,15

land 13:10

larger 25:7 50:16

Las 48:11

law 5:13 8:25
10:16 26:18 33:2
34:14,16 36:15
44:9 49:19

Le 3:4 5:5,13 6:3,
8,12 7:4,8,13,20,
24 8:4 30:4,8,11,
15,17,22,25 31:7,
9,12,21 32:2,6,9
35:17 37:10,12,
14,16 41:1,4
44:10,15 45:25
52:5,11,15,23
53:5,11,19

lead 3:4 5:14,19
14:4 15:2

leading 38:7

leading-age
19:23

learn 9:14 10:3,12

learned 50:22
51:1

leased 11:14

leave 11:18

left 6:5 14:5 26:5

Legal 3:15

legislative 36:16

lend 19:17

lender 21:17

lending 25:10

level 14:19

liability 23:21
24:10 28:7

liable 39:11

Liberty 14:7,22

life 10:1

lifeblood 21:13
41:21

light 37:4

Likewise 40:20

limit 25:10 39:12

limitation 33:18

lines 38:24 39:1

liquidity 39:18,21

Litwin 49:21 50:8

live 24:5,8

lived 8:20,23

livelihood 9:12
10:5

loan 6:24 9:6 16:3,
11,12,13,14,15,
18,20,22 17:4
20:12 27:2 28:11
33:7 34:6 36:5,8,9
37:18,22 38:5,16

39:9,19 43:5 45:6,
12,17 49:12,25
51:2,10

loans 33:5 40:1,4
44:3

local 15:3

logic 49:8

long 51:21

looked 25:3 47:16

lose 29:14 40:16

loses 47:10

loss 6:17 26:16,25
33:15,17 38:14
41:11 42:13,14

losses 33:18,19
40:17,19

lot 41:23

M

M-O-S-N-I-E-R
6:7

made 6:20 10:1
18:15 27:15 28:25
32:23 34:10 35:6,
9,17 40:1,3,4,24
41:7,8 42:12,25

magnitude 22:8

main 9:11 10:4

maintain 37:9

major 21:24

make 9:21 10:11
27:8 29:13,16
35:25 41:15 42:1
47:12,14 48:24

makes 41:22
50:10

making 17:5 27:2
34:6 39:18 51:5

manager 14:19,
20

managing 25:14
manufacturing
 19:2
Marguerite 3:17
 6:6
Maria 2:20
marked 7:4,8
market 39:15
 43:12 47:23
master 11:3 17:21
 26:2
matter 2:6 5:6
 6:13 36:16
Mauritius 22:19,
 21
measure 35:3
 39:15
Mechanical 11:3
mechanically
 42:14
medalist 17:22
medical 11:6
meet 5:17 29:10
 53:22
Mellon 17:21 18:5
member 14:13
members 3:3
 5:15
mention 41:21
mentioned 13:24
 14:22 15:1 21:10,
 11 41:10 46:22
mere 25:18 27:22
mic 41:1
microphone
 10:22
migrant 11:22
Mike 3:4 5:13
million 10:3 13:20
 14:3,9 18:9,17,19

20:9,17 21:24
 22:8,9,11,16,17,
 23,25 23:22,23
 24:2,10 25:10,11
 27:24 28:7,8,10,
 11,17,20,22 29:4,
 23 31:6,10,18,19
 35:12,13,18 36:2,
 7,12 37:7,24 38:8,
 9 39:12,16 43:7
 45:18,21,22
 47:12,20 48:11
 49:25 50:1,7
 51:10 53:1
million-dollar
 21:16,18 28:23
 36:3 47:15 50:1
millions 43:25
mind 9:21 11:9
 20:5
minor 38:3
minutes 6:21
 7:14,15 17:24
 26:5 30:1,5 32:13
 46:3
moment 13:24
 26:3 32:10
money 11:14 18:5
 19:13,18 20:16
 22:20 23:10
 29:13,18 40:1,17,
 24 41:8,23 43:6,
 14 46:11 47:7
 50:11,12 51:3
month 29:24
morning 6:2,6
 10:21 36:23
mortgage 20:16
mortgage-
backed 22:10
Mosnier 3:17
 4:12 6:6 42:20,23
motel 12:16,22
 13:9
motels 12:18

motivation 21:8
 24:12 27:2,3 34:8,
 9,15,25 43:1,18
 44:5,7 45:8,14
 48:1
motivations
 26:10 45:16 48:9
motive 6:22 9:3
 34:1,25 35:3
 38:13 40:3,5
Mountain 13:4,10
 14:14
move 6:12 13:22
 17:9 38:6 41:1
multi-million-
dollar 35:21
multiple 26:22
 47:22 48:9
mutually 37:20

N

names 5:24 18:1
narrow 49:4
narrowed 52:25
natural 42:16
needed 5:22
 12:15 18:22 43:8,
 10
net 6:16 42:14
Nice 6:2
NN 7:4,6
nonbusiness
 9:22 26:11 32:24
 33:9,14,16,20
 39:23 40:9,18
 42:12 49:11 52:20
notated 6:20
note 40:12
November 43:21
number 5:8 32:1
 46:18

O

Oakland 16:7
objections 6:25
obligated 29:16
 37:21
obligation 37:22
obtain 12:19
 13:13 19:16 21:4
 51:1
obtained 19:3
obtaining 13:24
 27:13
October 11:19
Office 2:2,16 5:7
Officer 16:13
one's 48:10
ongoing 39:7
online 11:7
OO 4:5 7:9,11 39:1
opened 12:4
 13:12
opening 5:6 7:14,
 22 27:23 28:2
 29:8 43:20
operate 37:25
operating 6:17
 9:16 18:25 19:1
 37:24 42:14 43:10
operational 39:7
operations 21:13
 37:18 47:21
opinion 5:18
 53:23
opportunities
 48:6 49:19
opportunity 8:16
 49:4
options 19:12

oral 7:13	participants 5:18	38:17	47:12
order 34:4 38:16 39:6	participate 5:21	period 8:23 12:11 15:20	possibility 46:13
orders 6:21	parties 5:24 6:20 8:17 37:20 49:7 53:13	permanent 12:14	potential 16:20 23:21 24:4,10 29:3 49:24 50:11, 17 51:2
ordinary 33:15	parties' 5:23	person 5:10 8:20 14:20 26:9 29:2 50:14	potentially 9:20 23:19 51:10
organize 14:6	partner 20:2 47:17	personal 33:23 34:11,16 40:2,21, 23 41:7,10,12,16, 18,24 42:8	Prabhu 17:20 20:2 45:19
organized 13:20 15:14	parts 27:22	personally 18:5 39:18	pre-covid 46:23
organizing 12:2 14:3	party 44:18 52:7, 8,13	personally/ severally 37:21	precedential 36:21
original 14:8	party's 7:1	Ph.d. 17:16,21 18:4 20:1,3	precisely 45:13
OTA 5:8 36:21	past 16:24 51:6	Philadelphia 11:4,21	preferred 36:2 44:22
outset 32:22 48:21	Patel 2:7 4:16 5:6 6:10,11,21 7:21, 24 8:3,21 9:10 10:9,10,14,21 26:8,21 27:18 28:3 30:9,10 31:5, 8,11,14,24 37:5 39:17,20 43:8 45:4,18 46:10,15 47:8,13,25 48:6 52:1	phonetic 22:9 23:1	prepared 51:22
owner 12:23 13:7, 8	Patel's 43:1,19,24 50:14,20	photovoltaic 17:17 19:22	present 6:10 53:15
ownership 31:21	pay 16:21 37:21 45:6 52:18	phrase 46:9	presentation 4:8 7:17 8:5,8 32:12, 17 42:22 44:11 51:22
owning 25:14	paying 6:23 16:25 29:17,22	picking 11:13	presentations 52:10
<hr/> P <hr/>	payment 12:24 13:7 35:5 43:19, 23 44:7 49:13	picture 17:4	preserve 43:18
p.m. 54:1	payments 29:16 40:3,7 41:16	pioneer 11:11	prestigious 17:22
P.O. 3:15	people 46:19,21, 23	place 12:16,18	previously 10:16
paid 12:23 44:1 47:19 48:18 51:11	percent 14:8 18:21 29:23	plan 26:3	primarily 21:7
pandemic 8:12	percentage 31:22	plans 11:25	primary 24:11 25:12 27:10 34:5
panel 3:3 5:12,16, 20 8:15 11:1 14:1 25:19,25 30:17 35:23 40:21 41:25 42:10 43:12 44:11 51:18 52:4,6	perform 38:11	pocket 29:18	pristine 51:12
panel's 17:11	performance	point 18:22 34:20 35:7,10,19 39:24 53:10	private 14:21 18:19
paper 17:2 31:25		portfolio 20:21 27:11,12 46:18 48:8	proceed 8:5 32:13 46:4
paragraph 38:1		portion 53:4	proceedings 2:15 54:4
parameter 16:16		posit 27:3 42:6	proceeds 37:8,18
parameters 36:19		position 38:2 39:18,21 42:7	process 11:7
pardon 21:21			
part 19:16 40:13			

16:19 48:3 51:1
produce 5:18
products 47:23
profit 33:23 34:11, 16,25 35:25 38:13,19,21,23 40:2,5,22 41:7
profitable 38:17 43:16
project 10:6 25:11
projects 9:16 27:13
proof 36:12
properly 40:18 42:15
properties 10:2
property 11:19,20 13:3,5,11,14 14:14,15,17 15:7 20:16,24
protect 24:2 27:4, 25 28:4,8,22 34:2 43:1,23 48:19 49:14
protected 41:18
protecting 39:21 44:6
protest 43:21
provide 8:22 18:1
proving 36:18
proximate 34:24 40:10
proximately 26:25 35:2
purchase 12:19, 20
purchased 11:18 13:1,3,5
purpose 35:24
purposes 33:24

pursuant 15:25
pursue 26:19 33:23
pursuits 34:13 42:9
put 13:16 22:9,20 31:18 43:14
putting 48:11

Q

question 21:23 35:11,14,18 45:4 52:16
questions 5:20 7:16 12:7 27:19 30:13,16,18,19, 20,23,24 31:1 32:10 42:5,18 44:12,13,14,16 52:7,8,9,12,14 53:8
quickly 50:21,22
quote 27:23 29:1, 9 40:13,14 43:9

R

raise 7:24 18:10 19:14 31:16 39:15 47:3
raised 23:10 35:11
raising 18:18,20 19:12
Ranch 22:25
Rancho 3:15
reach 25:9
read 36:24
real 9:12,15 13:4, 11 23:1 25:14 46:15
reality 17:2 29:14

reason 11:10 24:13 34:6 51:24
rebuttal 26:4 30:6 46:2 52:5
recall 20:21
received 4:4,5 7:3,6,11 36:2
recent 36:21
reclassified 40:8
record 5:5,6,24 7:2,5,10 27:10 34:5 36:24 37:14 43:15,17 53:21
RECROSS 4:15
REDIRECT 4:15
Redwood 11:19 14:18
refer 32:3 38:24 51:18 53:2
referenced 51:22
referring 27:22
regions 18:14
Regulation 34:20
reinforces 42:7
Rejeeva 17:16
related 26:25 33:8 34:1,7 35:2 41:13 43:19
relation 40:10
relationship 19:8,10 20:11,15 34:24 43:18 44:6 51:11
relationships 50:24
relied 25:24
relies 9:15
relocated 12:10
remaining 30:1,5
Remember 43:4

repaid 44:2
repeat 33:2 38:21
reply 49:21 50:9 51:19 53:2
report 33:19
reported 2:19 32:21 36:13
Reporter 2:21
represent 5:25
representatives 51:23
representing 8:18
reputation 43:24 44:4 48:19 49:14
requested 32:12
requests 16:13
require 11:25
required 44:9
requirement 29:10
requires 49:2
reserve 26:4 30:3
residents 12:14
respondent 3:13 5:25 6:4,7,16 8:17 25:17 27:15 29:1 30:12,13 32:11, 18,19 38:25 40:7 42:23 44:10,12 48:15
respondent's 4:5 7:4,6,8,11 9:8 27:23 42:7 51:22
response 37:3 43:21,22
responsible 41:15
resulted 8:23
resulting 40:17

return 6:15 24:24
36:14 40:6 41:8

returns 6:18
38:12

Revenue 9:2,3

review 8:16
16:13,16,17

rise 33:15,16

risk 24:1 28:7
48:22 49:23,24

road 49:4

role 16:9

roles 15:24

roughly 14:8 16:8
17:10 20:22,25
21:2

round 31:6,15,17,
19 44:23

RPR 2:20

running 10:2 33:6

runs 35:21

S

Sacramento 2:3,
16 5:1,10

sales 33:6

San 11:13,15
12:10 14:6 15:16

Santa 13:6

Sara 3:5 5:14

sat 47:2

saving 12:24

school 12:17

searching 53:1

Section 9:1 26:11
27:4 39:6

secure 22:19

security 22:10

send 53:23

sense 41:22
50:10

sentence 52:3

separate 42:3

series 47:12,14

set 8:10 9:18
48:21 49:4

settle 11:12

severally 39:11

shareholder
38:19

shareholders
36:4 45:6

shares 36:2

sharp 20:5

shift 21:7

short-term 33:17

Shorthand 2:21

show 50:5

shows 27:10
46:14

sibling 12:13

side 9:6,8,10 10:4
15:8 22:6 25:19
34:11 35:22

signed 31:23 42:2
52:1

Signet 9:10 10:3
17:10,12,14,15
18:6,10 19:17,22
21:9,16,18,23

22:6 23:3,7,9,14,
17,22 24:15,16,
20,22 25:4,18
27:7,25 28:1,5,12
29:2,9,16,18,21
31:3,4,22 37:8,19,
23 38:2,9,10,11
39:8 41:9 42:9
43:4,13,15 45:9
46:10 47:3,18,21
49:6,25 50:18

51:8 52:18

Signet's 37:9
38:17

significant 27:24
34:8

significantly
50:5

signing 37:22

Silicon 24:5,6
47:5

similar 21:19

simple 49:8,9

simply 41:18 44:6

single 12:22
49:16

sink 29:14

sir 37:13

sister 12:12

situation 38:4
47:2,13,14 49:1,
12 50:15

size 49:22

skin 35:18

slippery 9:20
48:23

slope 9:20 48:23

slot 17:24

slowly 10:23

small 13:19

smaller 13:18

Smith 34:19

solar 9:10 10:3
17:10,12,14,15
19:22 21:16,18,23
23:8,9,14 24:20
25:18,19,24 27:7
35:23 37:23 40:20
41:16,25 42:9
43:12 46:10 47:3,
18 49:25 50:18
51:8

sold 15:19

sole 35:24

sought 39:17,20

source 10:5

South 14:6

Southern 16:7

speak 10:23

specific 45:1 51:2
52:3

speculation
27:22

speculative
27:18

spelling 18:1

squarely 36:18

stabilize 39:17,20

stage 19:19

start 29:12 46:3

start-up 19:17,18
24:2,3,6,8 25:18
48:4

started 6:23 11:4,
23 13:9 14:10,18
15:14 19:22 20:15

starting 5:25
32:13

state 2:1,22 3:14
5:24

stated 26:23

statement 4:20
7:14

statements 46:2

States 26:24
33:22 34:17 35:7

statute 26:14

stay 12:16,17,18

sterling 43:24

stipulations 6:20

stock 14:7 34:3

35:24 36:2 38:3,6
40:20 44:22,24
stop 37:10
story 11:17 46:16
Street 2:16
strike 42:19
struggling 24:4
sub-issue 42:11
submit 52:4
submitted 38:25
53:21
subsequent 37:2
subsequently
12:20 14:19
subsidy 28:17
substantial 49:2,
24
substantially
50:7
suburb 11:4
succeed 23:17
24:15,16,17,19,23
28:13
succeeds 24:20,
23 49:7
success 40:15
46:15 47:11 50:19
successful 22:3
29:2 40:24 41:6
46:8,10,11,17,24
48:5
suffer 41:11
suffered 38:13
sums 40:1
suppliers 33:5
support 12:14
34:4 43:3
Supreme 26:23
33:22 34:17
surfaced 44:7

survived 8:12
swear 7:21 8:1
sworn 10:16
system 11:5
systems 11:8

T

takeaway 49:9
taking 10:8 46:11
49:23
talk 26:7
talking 9:19 13:22
20:8 25:10
tax 2:2,16 3:14
5:7,15 6:1,4,7,15,
18 9:3,23 26:18,
20 32:11,20 33:24
36:14,15 40:6
41:8
Taxation 9:2
taxpayer 9:4,20
26:14,15,19
34:10,23 36:17
38:8,11,16 39:25
48:18
taxpayer's 26:17
27:1,2 33:4,10,12
34:25 35:2,3 38:1
taxpayers 33:19
48:23,25
technical 20:4
technological
22:24 24:13 28:13
technology
19:23 28:14,16
Telesoft 22:24
telling 11:16
ten 20:23 30:1,5
tend 45:2
tens 43:25

term 9:8
terms 37:1 38:11
testified 10:17
27:6 35:20 36:4,7
40:22 41:17 47:8
testify 6:22
testifying 10:11
testimony 4:14
7:15 8:22 10:8
30:9,21 34:10
36:23 42:6 43:9
textbook 39:22
therefrom 40:17
thereunder 39:11
thing 19:24 25:4
48:4
things 12:1 17:1
21:15 24:14 26:10
thinking 19:23
49:13
thought 22:4
28:19 42:4 47:8,9
throw 35:12 50:11
time 5:9 6:22 7:20
8:21,23 9:4 10:10
12:11 14:16
15:15,20 16:11,25
19:13,14,21
20:12,13,17,19,23
21:1,2,16,19,25
22:7 25:9,12 26:4
28:14,18 30:3,11,
20,24 31:3,14,22
34:22 35:4,16
42:25 43:3,13
44:7,8 46:20,21
48:20 49:13 50:7
51:14,15,21 52:6
times 35:12
today 8:18,21
9:14 10:23 15:18
26:4 47:8 51:12
53:20
Today's 5:8,12

top 24:25 38:1,15
trade 26:13,17,20
27:1 33:4,8,11,12,
23 35:2 40:11
trades 34:13
transaction 9:5
35:15,16 38:20,22
39:4
TRANSCRIPT
2:15
transparent
22:22
Treasury 34:20
treated 12:21
treatment 33:16,
17 42:13 48:25
true 16:23 28:21
29:21
truth 8:1,2
Tuesday 2:18 5:2,
8
tune 51:10
turn 10:8,22 26:3
30:11,17 32:11
33:1 40:16 44:11
46:1 52:6
turning 6:8
typically 49:11

U

U.S. 23:2 48:16
49:22
ultimately 21:23
understand 31:7
50:13
unique 8:10 9:18,
25 47:2,11 48:21
49:16 50:14,15
United 26:24
33:22 34:17 35:7

units 11:19 13:4

University 11:3

unrelated 41:14,
25

upside 48:13

upwards 46:22

user 12:22

utilized 51:7

V

V-A-R-D-E-L-L
36:22

V-A-R-N-E-R
39:24

valley 11:13 24:5,
6 47:5

valuation 31:16
50:6

Vardell 36:22

Varner 39:24,25

VC 19:15

VCS 47:6

Vegas 48:11

venture 11:5
19:15 40:14 47:4

View 13:4,10
14:14

Villanova 11:3

W

W-H-I-P-P-L-E
33:25

wanted 23:14,17
27:25 28:4 51:13

warming 19:24

ways 27:12

Wells 15:19

Western 13:11

14:13,15

Westerns 14:12

whim 9:23

Whipple 33:25

wild 46:14 50:19

wildly 40:24 41:6
46:8,10,11

win 49:7

win-win 25:4
51:16

WITNESSES
4:15

wondering 44:17

words 33:13

work 11:4,9 12:18
15:6 48:2 50:20

working 12:1
22:10

worth 14:7

worthlessness
26:16

wow 49:14

write-up 16:14,15

written 5:18 53:23

Y

year 8:19 13:2
26:20 31:12 33:18
39:20

years 8:13 16:8
21:11 26:19 42:15
46:18,19

yell 41:5

York 17:17