

## STATE OF CALIFORNIA

**CERTIFIED COPY**

Wednesday, October 11, 2023

Job No. :  
44375 OTA(A)

BEFORE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

IN THE MATTER OF THE APPEAL OF: )  
K. CHRISTIAN, ) OTA CASE NOS. 18011923  
APPELLANT. ) 18011924

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TRANSCRIPT OF PROCEEDINGS, taken at  
12900 Park Plaza Drive, Suite 300, Cerritos,  
California, commencing at 9:34 a.m. and  
concluding at 11:34 a.m. on Wednesday,  
October 11, 2023, reported by Shelby K. Maaske,  
Hearing Reporter.

1 APPEARANCES:

2  
3 Panel Lead: Hon. Joshua Lambert

4  
5 Panel Members: Hon. Andrew Kwee  
6 Hon. Joshua Aldrich

7  
8 For the Appellant: K. Christian, Taxpayer

9  
10 For the Respondent: Amanda Jacobs  
11 CDTFA Attorney  
12 Chad Bacchus  
13 CDTFA Attorney  
14 Jason Parker  
15 Hearing Representative  
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I N D E X

E X H I B I T S

(Appellant's Exhibits were received at pages 7)

(CDTFA's Exhibits were received at page 7)

1 Cerritos, California; Wednesday, October 11, 2023

2 9:34 a.m.

3  
4  
5 ADMINISTRATIVE LAW JUDGE LAMBERT: We are now on  
6 the record in the Office of Tax Appeals oral hearing in  
7 the appeal of Keith Mark Christian, Case Nos. 18011923 and  
8 18011924. The date is October 11, 2023, and the time is  
9 9:34 a.m. My name is Josh Lambert, and I'm the lead  
10 administrative law judge for this hearing, and my  
11 co-panelists today are Judge Kwee and Judge Aldrich.

12 CDTFA, can you please introduce yourselves for  
13 the record.

14 MS. JACOBS: Amanda Jacobs, attorney with the  
15 CDTFA Legal Department.

16 MR. BUCCHUS: Chad Bucchus, attorney for the  
17 CDTFA Legal Department.

18 MR. PARKER: Jason Parker, chief of Headquarters  
19 Operations Bureau with the Department.

20 ADMINISTRATIVE LAW JUDGE LAMBERT: Thank you.

21 And for Appellant, can you please introduce  
22 yourself for the record.

23 MR. CHRISTIAN: Good morning, Keith Mark  
24 Christian.

25 ADMINISTRATIVE LAW JUDGE LAMBERT: Thank you.

1 And thanks, everyone, for attending.

2 The issues in the appeal are, first -- also  
3 Mr. Christian, your microphone, if you bring it closer to  
4 yourself and press the button to make it go green.

5 MR. CHRISTIAN: My name is Keith Mark Christian.

6 ADMINISTRATIVE LAW JUDGE LAMBERT: And then when  
7 you are done, you can turn it off. Thanks.

8 The first issue is whether Appellant is  
9 personally liable under R&TC Section 6829 for the unpaid  
10 tax liabilities of EcoCrete Building Systems, Inc., for  
11 the liability period of April 1, 2002 through  
12 September 30, 2002, and the elements in dispute are  
13 whether EcoCrete collected sales tax reimbursement on its  
14 sales of tangible personal property and whether Appellant  
15 willfully failed to pay the liability or caused it to be  
16 paid.

17 The second issue is whether CDTFA properly  
18 conditioned relief of the amnesty interest penalty on  
19 payment of the taxes within 30 days after CDTFA notifies  
20 Appellant of the final action in this appeal or entering  
21 into an installment payment plan 30 days after CDTFA  
22 notifies Appellant of the final action in this appeal.

23 CDTFA provides Exhibits A through H, and  
24 Appellant provides Exhibits 1 through 14. There were no  
25 objections, and that evidence is now in the record.

1 (Appellant's exhibits were received in evidence.)

2 (CDTFA's exhibits were received in evidence.)

3 ADMINISTRATIVE LAW JUDGE LAMBERT: So  
4 Mr. Christian, this will be your opportunity to explain  
5 your position, and you can have one hour and 10 minutes  
6 and a 10-minute closing. You are going to be a witness,  
7 so I can swear you in right now. Can you please raise  
8 your right hand?

9 (The witness was sworn.)

10 MR. CHRISTIAN: I do.

11 ADMINISTRATIVE LAW JUDGE LAMBERT: Thank you.  
12 You may proceed.

13 MR. CHRISTIAN: Thank you.

14  
15 OPENING PRESENTATION

16 MR. CHRISTIAN: Good morning. My name is Keith  
17 Christian --

18 ADMINISTRATIVE LAW JUDGE LAMBERT: Also,  
19 Mr. Christian, make sure you turn on your microphone.

20 MR. CHRISTIAN: Thank you. Good morning. My  
21 name is Keith Christian. Obviously, I'm not an attorney.

22 ADMINISTRATIVE LAW JUDGE LAMBERT: Also, sorry to  
23 interrupt you. Maybe if you can move closer?

24 MR. CHRISTIAN: Is that better?

25 ADMINISTRATIVE LAW JUDGE LAMBERT: That's better.

1           MR. CHRISTIAN: Good morning. My name is Keith  
2 Christian. I'm 64 years old, and I live in San Diego,  
3 California -- native. I have never lived elsewhere, and I  
4 have never done business outside the state of California.

5           Just two quick minutes about myself -- and I know  
6 I'm on the clock and I have 70 minutes to present my case.  
7 This is my 49th year at owning businesses in the state of  
8 California. So far, I've started five startups from  
9 scratch, the first one starting when I was 15 years old in  
10 10th grade. I have had approximately 8,000 employees  
11 under my employ over the last 49 years.

12           With that being said, I'm not an attorney, and  
13 I'm sorry that I'm not being represented by an attorney.  
14 I know it's never the best for any group in here to not  
15 have someone represented by an attorney and,  
16 unfortunately, my attorney for 16 years, Laura Buckley,  
17 and I -- my current business had some issues through  
18 COVID, that we are still working through, trying to get  
19 our pipeline back, and I had to make a financial decision  
20 about six months ago that I was no longer able to fund  
21 Laurie to represent me. So I'm here on my own.

22           I will do the best I can with all of the book s  
23 that I have from my former attorney. I apologize if I  
24 don't know all of the legal nuances of what's happening  
25 today, but I will do my best under oath to explain



1 factually and truthfully my position in this matter. And  
2 I've waited 22 years for this. I was not afforded a  
3 hearing when Mr. Savona was given a hearing. I was not  
4 noticed that he was given a hearing until about three  
5 years later when I received a redacted copy of his  
6 hearing.

7 I have not received an answer in 22 years why I  
8 was not -- why I did not receive a chance to have a  
9 hearing. But with that being said, I'm going to go  
10 forward with the files and do the best I can and try to  
11 explain my position.

12 There's a couple different names that EcoBuilding  
13 Systems goes by. Can I just call it "Eco"?

14 ADMINISTRATIVE LAW JUDGE LAMBERT: Yeah, that  
15 sounds good.

16 MR. CHRISTIAN: Okay. EcoCrete was a trademark  
17 of EcoBuilding Systems, but if we just call it Eco, that  
18 might be easier for all of us -- easier and shorter.

19 I was one of four individual founders of Eco in  
20 approximately 1996. My background is residential real  
21 estate, and, in 1996, we started the business in  
22 Bakersfield, California manufacturing modular homes. The  
23 business didn't go well. We were competing against  
24 stick-built residential builders.

25 We couldn't compete in California, so my board of

1 directors, made up of four venture capitalists and myself  
2 and another individual, made the decision to pivot to the  
3 manufacturing of school classrooms and buildings for  
4 California school districts and some private schools,  
5 along with cities in California and counties in  
6 California.

7           So we relocated the factory to Chula Vista,  
8 California, just south of San Diego. We entered into a  
9 20-year lease with the Port of San Diego and began the  
10 hiring process of staff and individuals that were familiar  
11 and had experience with manufacturing schools, classrooms,  
12 buildings, which I had no experience in. My background  
13 was residential real estate and manufacturing of modular  
14 homes.

15           With that hire, the board of directors decided on  
16 hiring Ronald Savona who the board brought on as chief  
17 executive officer, replacing me as chief executive  
18 officer. I relinquished that role to Ron. Ron reported  
19 to the board of directors -- which I was a member of and  
20 also still chairman. I was president of the company until  
21 Ron and I left the company jointly, as a team, actually,  
22 the same day we negotiated -- Ron and I negotiated a  
23 contract to jointly leave the company together to a  
24 company called ModTech, M-O-D-T-E-C-H, of -- which Ron  
25 eventually took over as president of ModTech.

1           Ron took the lead in hiring senior management  
2 that had experience in school business, manufacturing  
3 school classrooms, ancillary buildings, complete campuses,  
4 and I focused on the marketing side. And I also had  
5 the -- I believe I had the -- I'm sorry. I had the human  
6 resources reporting to me as well as finance.

7           And I have a -- I made a copy of everything in  
8 the book. Should I provide a copy to you while I go  
9 through my documents?

10           ADMINISTRATIVE LAW JUDGE LAMBERT: Is that a  
11 document you submitted before?

12           MR. CHRISTIAN: Yes. There's nothing that you  
13 don't already have, and I understand there's nothing new  
14 that you are not going to present that I don't have.

15           ADMINISTRATIVE LAW JUDGE LAMBERT: What exhibit  
16 is it?

17           MR. CHRISTIAN: It's the EcoCrete, Inc.,  
18 organizational chart.

19           ADMINISTRATIVE LAW JUDGE LAMBERT: Okay. I think  
20 we have it. I think it's Exhibit 5. So I think we have  
21 it.

22           MR. CHRISTIAN: It's Exhibit 5, page 1 of 1;  
23 correct.

24           ADMINISTRATIVE LAW JUDGE LAMBERT: Okay. We will  
25 look at it on our computers.

1           MR. CHRISTIAN: Thank you. What I wanted to  
2 point out on that -- because there's some disparity on  
3 some readings that I read on your binder -- is that when  
4 Ron was hired as chief executive officer, he reported to  
5 the board of directors and I no longer did. I reported to  
6 Ron as president of the company. Yes, I was on the board  
7 of directors, but operationally, I reported to Ron Savona.  
8 I wanted to point that out on the organizational chart.

9           The next document I wanted to go over was, my  
10 former attorney presented a prehearing conference  
11 statement that I wanted to go through, and I have some  
12 documents to show regarding that -- the material facts of  
13 personal liability under Section 6829. My understanding  
14 is that -- speaking of my personal liability under 6829,  
15 may be imposed unless the Department shows that the  
16 individual willfully failed to pay or cause to be paid  
17 taxes due by the corporation.

18           And then further, it says "personal liability,"  
19 under Section 6829, "may not be imposed unless the  
20 Department shows that the corporation included tax  
21 reimbursement in the selling price of the tangible  
22 personal property." I did not willfully fail to pay the  
23 sales taxes owed by Eco. I had no knowledge of any debt  
24 of sales tax owed by Eco under the piggyback contract.

25           Now, the piggyback contract that I'm speaking of

1 is a contract that was assumed by Eco from Cypress  
2 Modular, Incorporated. Cypress Modular was a reseller --  
3 I should say wholesaler of modular schools, classrooms,  
4 buildings, to the likes of General Electric, Berkshire  
5 Hathaway, Blackstone, and public school districts.

6 They had a piggyback contract. They no longer  
7 wanted to be in the business, and they approached Eco and  
8 felt that our product would do well in the market, and Eco  
9 assumed Cypress Modular's piggyback contract. Their  
10 piggyback contract was with Chula Vista Elementary School  
11 District.

12 The piggyback contract allowed for any public  
13 entity in the state of California to purchase modular  
14 buildings from EcoBuilding Systems once the assumption was  
15 approved, which it was. I'd like to -- I'm sorry. One  
16 second. I'd like to point out something that I thought  
17 was important from day one that I have never had a chance  
18 to show that -- and you have a copy of this under your  
19 purchase order.

20 It's marked Exhibit A. I don't know if it's your  
21 exhibit, but it's a purchase order from the Anaheim City  
22 Elementary School District to Cypress Modular. This was a  
23 purchase order from the Chula Vista Elementary School  
24 District piggyback contract prior to Eco receiving the  
25 assumption.

1           And the reason I bring this up is that it's  
2 clear when Cypress approached us and we were approved by  
3 the Chula Vista Elementary School District to take over  
4 their piggyback contract, there is no sales tax on this  
5 purchase order. Cypress Modular made it clear that the  
6 piggyback contract has no sales tax in it. The school  
7 districts are exempt.

8           And throughout my testimony -- and you have seen  
9 these purchase orders and invoices that there's not one  
10 purchase order from any entity that purchased product off  
11 the piggyback, nor is there any invoice that shows state  
12 sales tax. So this purchase order, prior to Eco receiving  
13 the piggyback contract from Cypress, has no sales tax  
14 being owed or charged or collected by Cypress Modular, nor  
15 is it being asked of by the Anaheim City Elementary School  
16 District.

17           I would say about six or seven years ago, I  
18 approached Anaheim City and asked them, and their comment  
19 was they are exempt from state sales tax and federal  
20 excise tax. So while I'm on the subject of purchase  
21 orders, I'm going to jump to the purchase order section.  
22 I have a couple other purchase orders that you have copies  
23 of and I have marked them -- am I going too fast?

24           ADMINISTRATIVE LAW JUDGE LAMBERT: I think it's  
25 okay for now.

1           MR. CHRISTIAN: Thanks. I'm no attorney. These  
2 are examples of purchase orders that Eco has received due  
3 to the piggyback contract. And this first one or the  
4 second one is from the Colton Unified School District and  
5 I marked it No. 5A, and it's a purchase order for  
6 \$742,616.00, and sales tax 0.00, total, \$742,616.00. And  
7 if you see where it says, "Important instructions to the  
8 vendor" on the left-hand side. It says, quote, "Sales tax  
9 must be shown separately."

10           So, again, there was no disclosure to Eco, to  
11 myself, that any sales tax should be charged or would be  
12 added to this purchase order. There's no way that we --  
13 there's nobody at Eco including Ron Savona, including Pat  
14 Foster, including Marcus Harold, Jack Starland, Gary Ganz.  
15 There was nobody at Eco that had any knowledge that sales  
16 tax was to be collected, was owed, nor was any sales tax  
17 ever collected.

18           And I think that throughout my documents, you  
19 will see on a lot of the purchase orders that you already  
20 have, it's clear that it says sales tax must be shown  
21 separately. It was not. The next purchase order is Eco's  
22 purchase order from the Anaheim City Elementary School  
23 District.

24           Once they assumed the piggyback from Cypress, we  
25 received the purchase order \$7,158,893.50, tax 0.0 0, and

1 the total and approved by the board, May 8, 2011. A  
2 couple more things, the City of Daly City, we did work  
3 with cities within California that needed buildings for  
4 parks, recreational facilities, gymnasiums, and things  
5 like that.

6 And the City of Daly City, this is a document  
7 that is a purchase order for \$533,154.00, sales tax is  
8 blank, and it says, quote, "The City is exempt from  
9 federal excise tax." Quote, "Only if you are a  
10 non-California vendor with a State of California sales tax  
11 permit, add your California sales tax and show your permit  
12 number on the invoice."

13 We were not a non-California vendor, and they did  
14 not add sales tax into the purchase order, nor anywhere in  
15 the purchase order did we bury sales tax. And I'll get  
16 into it in a minute. But I'm sure you have reviewed the  
17 piggyback contract. You will see that the piggyback  
18 contract is a menu. You go to a restaurant -- it has a  
19 large menu of items -- ice tea, Coca Cola, quesadilla,  
20 burrito -- and it has the amount. That is exactly what  
21 the piggyback contract is.

22 So when we enter into a purchase order with a  
23 school district, that's how the purchase order reads. And  
24 it's down to every pencil that it takes for Eco to  
25 manufacture and deliver that building. Nowhere in the



1 piggyback contract on any order received ever mentions  
2 state sales tax. There's no disclosure anywhere about  
3 state sales tax.

4 One thing I found also interesting is a purchase  
5 order for the Downey Unified School District, as an  
6 example, to Eco. A small transaction, \$31,576.00, for one  
7 building, and sales tax amount 0.00. But what I found  
8 interesting on the second page of it, it says,  
9 "Conditions: Vendor must read and apply to this purchase  
10 order."

11 The third page of this purchase order says,  
12 quote, "Under terms and conditions, sales tax, where  
13 applicable, shall be shown separately on the purchase  
14 order," and it was not. There's no disclosure from any  
15 school district or any customer under the piggyback  
16 contract that ever disclosed that we were to collect or  
17 add state sales tax to any purchase order from any school  
18 district.

19 And I can tell you that we only manufactured  
20 buildings under this piggyback contract. There was no  
21 other physical or legal way for Eco to manufacture or  
22 receive a purchase order from any State entity unless it  
23 was under the Chula Vista Elementary School District  
24 piggyback contract.

25 Eco did not receive reimbursement of sales tax

1 from any customer on the piggyback contract. I don't feel  
2 I could be held personally responsible or personally  
3 liable under California Revenue Tax Code 6828. Eco did  
4 not collect sales tax. The governing contract, Chula  
5 Vista Elementary School District's piggyback, does not  
6 include the words "sales tax," nor was sales tax ever  
7 discussed with any customer.

8 We assumed the contract in 2001 from Cypress  
9 Modular, and we continued to manage and receive purchase  
10 orders, as did Cypress Modular, when they decided to allow  
11 us to assume the piggyback contract.

12 I also -- you also have a copy of the piggyback  
13 assignment approval, and also the renewal of the piggyback  
14 contract from the Chula Vista Elementary School District.  
15 I believe it's agenda item 4K. There's no sales tax in  
16 the contract on that renewal.

17 Regarding the piggyback contract, I had never  
18 heard of piggyback contract before we moved the factory  
19 and went into the classroom business and Ron built his  
20 team. I was not involved in the negotiations of the  
21 piggyback contract. There wasn't much to negotiate  
22 because it was assumed from Cypress, but I was not  
23 involved in the negotiations.

24 There was no discussion whether sales tax was  
25 included with the signor or with the customers. There's

1 no line item in the piggyback contract that says sales tax  
2 should be added, nor did Eco ever receive any purchase  
3 order from any customer adding sales tax.

4 I recall the first five or six years of this  
5 case, I was dealing with a State of California employee  
6 that -- I don't recall her name. She accused me of  
7 collecting sales tax and not remitting it to the State,  
8 which was entirely not correct. We never received a dime  
9 of sales tax from any entity. There was no way to receive  
10 it. We received the money exactly what the purchase order  
11 states.

12 And after, maybe, the first 10 years of this  
13 case, this issue, I went through a number of State  
14 employees and they changed their tune and said, "Okay. We  
15 understand that you didn't receive monies and you didn't  
16 withhold the money from the State, but you should have  
17 collected it." Personally, I had no way of knowing if it  
18 should have been collected. I have no way of knowing if  
19 it still should be collected. I have no idea. I did not  
20 do anything willfully wrong in not collecting state sales  
21 tax.

22 One thing I think that is interesting is there's  
23 a document called City of Daly City Correspondence, and  
24 there's not an exhibit marked. I know it's in your book  
25 though. It starts with a March 19, 2002 letter to Alex

1 Acinas, architect with the City of Daly City. It was  
2 written by Gary Ganz who was a project manager for Eco.  
3 And what's interesting is this is an example of how  
4 specific these piggyback contracts are.

5 If you look and go down, you will see -- just  
6 down to, like I mentioned, every pencil -- whatever it  
7 took, every pound of sand, every pound of EcoCrete  
8 material that would be used to provide these buildings.  
9 And if you get down to the end of Gary's letter, it says  
10 the total building cost is \$541,765.00. Nowhere in this  
11 document was there ever mention of sales tax.

12 And then if you go to the next page, he  
13 actually -- there's actually the exhibit of the piggyback  
14 contract for the Westmore Community Center. This is  
15 the -- these are the line items in the piggyback contract  
16 that make up this contract. Everything is in there. You  
17 have everything in there that we would need to  
18 manufacture, deliver, and set this building.

19 And at the end of it, it has the same amount,  
20 \$541,765.16. No sales tax was in the contract, and this  
21 matched the purchase order. The City of Daly City, their  
22 position was, they're exempt and they did not have any  
23 sales tax on their purchase order. So again, there is  
24 nobody at Eco, including myself, that was aware that sales  
25 tax is required. And you can see, as we have started to

1 bill the invoice to the City of Daly City, as we did the  
2 process, the sales tax is 0, total invoice is paid without  
3 any sales tax being added.

4 My next items are -- I have about 100 invoices.  
5 We had over 1,000. You have copies of these. The reason  
6 I brought these, because you will see that, there is --  
7 there's 30 or 40 different customers on these invoices  
8 that are part of these purchase orders, and there's not  
9 one invoice that EcoCrete ever produced that had sales tax  
10 on the invoice.

11 We never asked for sales tax. To my knowledge,  
12 we were never aware that sales tax should have been  
13 collected. I don't even know if it should be collected as  
14 of today. I don't know that answer. But it wasn't  
15 collected, and I certainly didn't withhold it -- I didn't  
16 willfully withhold anything that I knew should be  
17 collected.

18 I also -- and you have copies of payments. I  
19 brought payments from the school districts that match up  
20 to purchase orders. There was a comment from a State  
21 employee years ago that said, "Well, the districts must  
22 have marked up and paid the sales tax above the purchase  
23 order," and that's not correct. Who would do that?  
24 Nobody would do that, including a State entity.

25 I went back and we matched up the payments with

1 the purchase orders and there was no public school  
2 district, city entity, county entity, that added money to  
3 our payment to pay the state sales tax. And I know that  
4 the State's position may be, well, the sales tax is buried  
5 in your contract, it's buried in your line items, it's  
6 buried in your purchase order, and it's buried in the  
7 piggyback. It's not.

8           There's no sales tax that was ever disclosed by  
9 Chula Vista Elementary School District, and they were our  
10 largest customers. We manufactured 17 schools for them.  
11 There was no state sales tax. They never invoiced -- they  
12 never submitted a purchase order that ever had state sales  
13 tax listed separately. It was never in the discussion.

14           Debbie Allen, the director of purchasing, said  
15 they were exempt and Eco assumed the piggyback contract  
16 from Cypress, and we continued on, and there was no state  
17 sales tax. I brought with me the declaration of Pat  
18 Foster. Pat was in the accounting department who reported  
19 to Eric Blackhall. Eric was our controller. He's also a  
20 certified public accountant who handled our accounting  
21 department.

22           And the reason I brought this is Pat's  
23 recollection -- I don't -- I believe there's two --  
24 there's two declarations, one is June 15th of 2004, and I  
25 don't know if this was done in conjunction with Ron

1 Savona's hearing or not. But Pat states, quote, "My vague  
2 recollection is that there was potentially some sales tax  
3 that was collected from one" -- "one of the school  
4 district." That's not correct. You don't collect state  
5 sales tax from one district and not 78 others.

6 We provided product to 79 school districts in the  
7 state of California. And when she said potentially some  
8 sales tax was collected from one, she's inaccurate. And  
9 the other thing she quotes, "I do not recall exactly how  
10 much was collected from this school district, but I do  
11 remember it as a strange amount, like, 3 percent."

12 I know nothing about that. I'm not aware of any  
13 sales tax being collected by a -- from a school district.  
14 I don't have all of the invoices, and I don't have all of  
15 the purchase orders, but of all of them that I have and of  
16 the folks that I discussed this with, they're not aware of  
17 any sales tax being collected.

18 Her second letter that you have a copy of, dated  
19 June 15, 2004, to Ron Luke of the State Board of  
20 Equalization, it appears to be a letter demand for  
21 information. And I'm just going to read what I think is  
22 pertinent. Quote, "Keith Christian and Ron Savona were  
23 the responsible persons for approving and signing checks  
24 on behalf of the company." That's absolutely incorrect.

25 Ron and I were both on all checking accounts as

1 was Pat Foster. There were three signers on all checking  
2 accounts and Pat Foster, in the accounting department, who  
3 had -- she had a limit of, I think, \$25,00.00 per check,  
4 which required a second signature, either Ron or myself.

5 Ron and I did not have any -- Ron and I could  
6 each sign checks without the other's approval. We only  
7 needed one check. Pat further says, "The corporation may  
8 have collected sales tax from some of the their  
9 customers," and then she says, quote, "Most of their  
10 customers were California school districts and were  
11 exempt," and that's correct. And she reported to Eric  
12 Blackhall.

13 "To the best of my knowledge, the officers of the  
14 corporation were Keith Christian as president, Ron Savona,  
15 chief executive officer, who I reported to." The last  
16 document from Pat Foster is just a check written to the  
17 Division of State Architects signed by her. And I just  
18 wanted to make a note that there's some documents from the  
19 State or some testimony from Ron Savona's three witnesses  
20 that I was the only signer and I was the only person  
21 responsible for the financials. That's incorrect.

22 There were three signers. She was one signer  
23 without me in a separate building. In fact, all the  
24 checkbooks were kept in Pat Foster's desk, and she signed  
25 checks without me and without Ron. So I was not the only



1 signer on checks. There were a lot of checks signed by  
2 Ron Savona without my knowledge, and there were checks  
3 signed by me without Ron's knowledge, and Pat signed  
4 checks as well.

5           There's a declaration of Jack Starland. If you  
6 look on the organizational chart, Jack reports to Ron  
7 Savona. He was director of engineering, and he played a  
8 large role in designing the buildings under the piggyback  
9 contract and had a lot of knowledge with the piggyback  
10 contract.

11           And he wrote, quote, "The other three employees  
12 besides himself involved in such negotiations and pricing  
13 were Ron Savona, Gary Ganz, and Marcus Harold" -- and he's  
14 referring to the piggyback contract -- "to the best of my  
15 knowledge and understanding, sales tax was not included  
16 within the sales price of the modular buildings nor was  
17 sales tax ever mentioned or discussed with school district  
18 customers."

19           He's correct. Quote, "In other words," he says,  
20 "it's my belief and understanding is the sales price did  
21 not include sales tax." I just bring this up because  
22 whether it's me or Ron or Marcus or anybody -- I know I'm  
23 being looked at because I was on the checking accounts and  
24 I was an officer and director, I get that, but nobody at  
25 Eco had any knowledge that tax was supposed to be

1 collected, should have been collected.

2 We had no knowledge of it because the piggyback  
3 contract doesn't state that. In fact, if you look at the  
4 piggyback contract of Chula Vista Elementary School  
5 District being our largest customer, they never included  
6 sales tax, they never asked for it. They said that they  
7 were exempt from state sales tax and federal excise tax.

8 My next exhibit is actually the budget, which you  
9 have. Eric Blackhall as our controller, and as a CPA,  
10 produced all of our documents, pro formas, financial  
11 statements, projections. And this document really gets  
12 down to the weeds -- really into the weeds of all  
13 documents needed to run the business -- assets,  
14 liabilities, cash flow.

15 There's not one document that Eric Blackhall ever  
16 produced except, I believe -- I want to say a State Board  
17 of Equalization sales tax return, that had anything to do  
18 with state sales tax. He produced a lot of documents that  
19 talked about liability for 941 tax, 940 tax, state income  
20 tax, state unemployment tax, worker's compensation  
21 insurance, liability insurance, but nowhere in any of  
22 Mr. Blackhall's work as our controller and certified  
23 public accountant did he ever disclose to myself or any  
24 board member that Eco had a liability for state sales tax.

25 I personally believe he didn't know we did, if we

1 do. Because nobody understood that the State is claiming  
2 sales tax should have been collected.

3 The next document is a balance sheet and profit  
4 and loss statements. All of these statements were  
5 produced by Eric Blackhall as our controller and as a CPA,  
6 under GAP accounting -- general accepted accounting  
7 principles. We have copies of this that he gets in the  
8 weeds again. We have P&Ls, revenues, the balance sheets  
9 has assets, it has liabilities, it has projections  
10 throughout the years he was with the company.

11 And Mr. Blackhall attended every board meeting  
12 that -- when he was with the company. And I have the  
13 minutes we need to go through next. Not one time in any  
14 meeting of the board or directors did Eric Blackhall ever  
15 discuss a liability for state sales tax.

16 He discussed a lot of liabilities, especially  
17 when we were contemplating having to file bankruptcy  
18 because our preferred shareholders, who were four venture  
19 capital firms headed by Bank of America, Robertson  
20 Stevens, was threatening to call their loan due, and we  
21 were trying to figure out what to do and how to get out of  
22 personal liability for 941, 940 FICA, FUTA, SUTA tax --  
23 anything that would be looked at, the officers and  
24 directors and people holding -- signers for bank accounts,  
25 and we did that.

1 But there's no disclosure -- there's not one  
2 document that has ever been produced by Eric Blackhall to  
3 the board of directors or the managing officers that  
4 stated there is a sales tax liability.

5 Next document is our board meetings. I attended  
6 every board meeting. I did not miss one meeting, before  
7 Ron Savona joined us and after. And if you go through the  
8 agendas, Marcus Harold, he was the secretary and he was  
9 the one who kept the notes of all of the board meetings  
10 and sent the minutes of the meeting to all the directors  
11 and the people who attended the meetings.

12 And as I go through the meeting agenda and the  
13 meeting notes and what was discussed -- especially as we  
14 get closer to the discussion of maybe having to do a  
15 Chapter 11 filing because of the preferred shareholders  
16 putting the squeeze on us and wanting to take over the  
17 assets of the corporation, we really got into the weeds of  
18 it.

19 And there's, again, no mention of anything --  
20 I'll read something to you that Marcus Harold wrote,  
21 quote, "EcoSystem's agenda and meeting minutes of board of  
22 directors meeting November 1st, 2001, and February 20,  
23 2002, there was no mention of the state sales tax owed in  
24 either meeting. Eric Blackhall and Ron Savona attended  
25 both meetings, with Eric Blackhall presenting the

1 financial statements of the company to the board of  
2 directors. These meetings were held during and cover the  
3 same period in which Eric Blackhall prepared and signed  
4 the state sales tax return."

5 "All board members attended both meetings along  
6 with Eric Blackhall, controller of the corporation and  
7 Marcus Harold, director of administration for the  
8 corporation who took the minutes."

9 Again, I've gone -- in the last 20 years, I have  
10 gone through this countless times with Laura Buckley for  
11 16 years, my attorney and myself, and we can't find one  
12 item that talks about state sales tax owed on the  
13 piggyback contract.

14 Next document is the accountant's compilation  
15 report that Eric Blackhall presented to the board of  
16 directors on October 31, 2002, under GAP accounting, a  
17 more formal document, but it does get into the weeds and  
18 it does lay out all liabilities, all assets, statement of  
19 cash flow. And, again, there's nothing -- there's nothing  
20 in this that discussed -- there's a lot -- we discussed a  
21 lot of items, a lot of serious items involving finances  
22 and then the company moving forward, and one of the things  
23 discussed was financial statements, quote, "Review and  
24 discuss financial statements. Specific questions  
25 addressed by Eric, Keith, and Ron."

1 State sales tax never came up, and was never  
2 disclosed to myself as individual or to any board meeting.  
3 My next document is a November 15, 2018 letter to the  
4 Office of Tax Appeals. I don't have an exhibit. I'm  
5 sorry. It's from my former attorney, Laura Buckley. And  
6 I'm just going to go down to the second page of it. And I  
7 know you have read it, but I want to express something  
8 that I think is important.

9 And I'm just going to quote her. "Finally, to  
10 the best of our knowledge, the issue of collection of  
11 sales tax reimbursement by Eco was never addressed in Ron  
12 Savona's appeal. We reviewed all documents provided us by  
13 the CDTFA, but many documents were redacted and we cannot  
14 be sure we received complete copies of all documents in  
15 Mr. Savona's appeal. Nonetheless, after a thorough review  
16 of what we did receive, it does not appear this issue was  
17 ever even raised by either Mr. Savona or the CDTFA.  
18 Mr. Savona's arguments appear to have centered solely upon  
19 Keith Christian being the sole responsible party, even  
20 though Mr. Savona was the CEO and answered directly to the  
21 board."

22 The reason I bring this up is after I received  
23 this document, I talked to an employee at the State, she  
24 said, quote, "We only need one. You are jointly and  
25 separately responsible. We don't need Savona, we have

1     you.   We only need one."

2                 So Savona has a hearing.   I was never given  
3     notice that I had an opportunity for a hearing.   I  
4     consider this my hearing.   My only hearing I have ever  
5     had.   I don't know the exact date of Savona's hearing.  
6     I'm guessing it was about 20 years ago.   And I'm going  
7     to -- this isn't -- well, I might as well say how I feel.

8                 Mr. Savona provided three witnesses, and from  
9     what we can tell, talking to one of the witnesses years  
10    ago after the case, his entire hearing was based on these  
11    three witnesses that put together form letters that -- I'm  
12    assuming they attended the meeting.

13                But what I want to point out -- and I'm not  
14    throwing Ron under the bus because I, certainly -- to this  
15    day, I don't think Ron, just like me, knew that these --  
16    this piggyback contract might be written incorrectly,  
17    sales tax was owed, however, Ron was let off 100 percent  
18    as the CEO of the company, having check-signing authority  
19    ability just like me.   He wrote checks without my  
20    knowledge.   I wrote checks without his knowledge.

21                He could have written a check to pay for sales  
22    tax if he thought it was owed, he didn't.   However, he  
23    produced three witnesses that 100 percent said it's all  
24    Keith Christian's fault and responsibility for the  
25    financial decisions of Eco.

1           These three witnesses all lied. Completely --  
2 they completely perjured themselves for Ron. Because two  
3 of them were relatives of Ron, and I will start with  
4 Robert Corona -- Bob Corona was Ron Savona's cousin. Ron  
5 purchased Bob's company on behalf of Eco, and you can see  
6 on your organizational chart that Bob Corona reported to  
7 Ron Savona.

8           And I met Corona one time, and it's just comical  
9 that he says Keith Christian, as president of the company,  
10 took care of all company financial decisions. Not true.  
11 Corona didn't report to me. Savona wrote checks to him,  
12 wrote checks to his company. The company that Corona  
13 owned that we purchased had an office in Anaheim. I've  
14 never been to the Anaheim office.

15           I met Corona one time in my life. All company  
16 checks were signed and sent by Keith Christian.  
17 Completely false. Completely not true. Quote, "There was  
18 more than one occasion when I asked Mr. Savona to try and  
19 get certain people paid, and he would tell me each time  
20 that he had no control of the company funds and he would  
21 ask me to contract Keith Christian directly." Quote, "It  
22 is clear that Ron Savona had no control over financial  
23 matters."

24           You can see in the organizational chart, he was a  
25 CEO. He reported to the board of directors. He had as



1 much control over the finances as I did, and he knew where  
2 the checkbooks were held. Ron didn't need my signature to  
3 write a check.

4 How much time do I have left?

5 ADMINISTRATIVE JUDGE LAMBERT: You have  
6 20 minutes.

7 MR. CHRISTIAN: Thank you.

8 His second witness, Exhibit 16, is Lisa Parsons.  
9 Lisa Parsons is Rob Corona's daughter, so Savona's niece.  
10 I have never met Lisa Parsons. She worked out of the  
11 Anaheim office for her father, for Robert Corona. And  
12 when she says, "All financial questions were directed to  
13 him only," meaning Keith Christian. That's not true.

14 Although she said, "I reported directly to the  
15 Bob Corona at the field construction office and dealt with  
16 Pat Foster, Eric Blackhall, and Keith Christian as the  
17 corporate office." I can tell you under oath that Lisa  
18 Parsons did not deal with me. Lisa Parsons was in the  
19 Anaheim office and reported to Bob Corona, and Bob Corona  
20 reported to Ron Savona.

21 Ron Savona ran the field office in Anaheim. And  
22 Lisa Parsons is correct, she did deal with Pat Foster and  
23 Blackhall to get bills paid, not me. She says, quote,  
24 "All company checks were signed and send by Keith  
25 Christian." Completely false. She worked with Pat Foster

1 to get bills paid. I showed you a bill paid by Pat  
2 Foster. Pat Foster signed checks for Lisa Parsons'  
3 payroll, for Bob Corona's onsite work.

4 I was not the only person who signed company  
5 checks. There were three of us on the signing card, and  
6 that's completely false when she said all company checks  
7 were signed and sent by Keith Christian.

8 The third witness was an employee named Gina  
9 Florentino, who reported to me in sales. She said, quote,  
10 "It was my direct observation that Keith Christian took  
11 care of underlying" -- all in caps -- "all financial  
12 decisions at Eco. Keith Christian signed all expense and  
13 payroll checks. He also approved and issued all vendor  
14 requested for payments. When he was out of the office or  
15 on scheduled trips, he would pre-sign checks and leave  
16 them with accounting."

17 All of these statements are completely false and  
18 misleading. I did not take care of all financial  
19 decisions. Once Ron became CEO and all four venture  
20 capitalists on the board said, "Keith, we like you. We  
21 know that you started this from scratch. We know you have  
22 \$3 million in your own money in the company, and we don't  
23 want you to leave, but your role is going to be changed."  
24 I accepted that. But Ron reported to the board and Ron  
25 had the final say on all financial matters.

1           Gina Florentino says, quote, "Ron Savona and I  
2       were located in same office space, and I never observed  
3       Ron Savona sign or authorize payments to any creditors."  
4       And she declared this under penalty of perjury. And Gina  
5       Florentina was Ron Savona's mistress at the company, and  
6       his girlfriend. Ron Savona was married at the time, and  
7       his wife was living in Los Angeles.

8           So these three witnesses that Ron presented, they  
9       all lied under oath. And Savona was let off because of  
10      their lies. There's a document called Sales and Use Tax  
11      Department Summary Analysis Administrative Protest, and  
12      there's a couple of things that my former attorney and I  
13      don't agree with on this, and I want to point it out. I  
14      don't have an exhibit number. It's from your file, not  
15      mine.

16           I just want to point out on page 3 that started  
17      with my former attorney and I wanted to pick up on it.  
18      "The corporation had funds available for the payment of  
19      the sales tax liability and the taxpayer had knowledge of  
20      the tax liability" -- that's not true. I have no  
21      knowledge of any tax liability for state sales tax.

22           I clearly had knowledge of 941, DE3, 940, other  
23      tax liabilities which I took care of. "Failure to pay the  
24      taxes while continuing to pay other creditors was  
25      considered evidence of willfulness to not pay the tax

1 liability." Again, that's not true. I had no knowledge.  
2 I had zero knowledge of that.

3 It says under the staff's position, I wanted to  
4 point out the investigation conducted by the Department  
5 shows that, "The taxpayer was the president/CFO/chairman  
6 of the board." I was never CFO. We never had a CFO. I  
7 don't have a background in accounting. My weakness is  
8 accounting. I brought in a controller. We always had a  
9 controller, Eric Blackhall was the controller. I was  
10 never a CFO. I'm not an accountant.

11 I wanted to point that out that I was not an  
12 accountant. It says, "Additionally, witnesses indicated  
13 that the taxpayer kept very close control over all  
14 financial decisions." He's referring to these three  
15 witnesses and who all perjured themselves. It is clear  
16 that Ron had just as much control of the finances, if not  
17 more, than I did because once the board hired him as CEO,  
18 they started working with him more than working with me,  
19 and I worked through Ron at that point in time.

20 It says, "The taxpayer provided invoices to show  
21 that sales tax was not a separately stated item and not  
22 added or collected," and that's correct. And it says,  
23 "Sales tax was included as part of the lump sum contract  
24 and the corporation was the retailer of those modular  
25 building," that's not true. There was no sales tax in the

1 contract.

2           There was no lump sum contract. There's no lump  
3 sum payment of sales tax. If sales tax was included in  
4 the purchase order, it would be listed under the purchase  
5 order as the purchase order states it has to be listed  
6 separately and it never was.

7           And it says, lastly, "The corporation CPA  
8 indicated that the company collected sales tax from its  
9 customers." We may have collected some sales tax from  
10 non-piggyback customers, non-government entities, we did  
11 some work for private institutions, maybe we might have  
12 built some homes and collected sales tax, but not under  
13 the piggyback contract. There was no sales tax collected  
14 from any school district under the piggyback contract.

15           Before the company filed bankruptcy, we, as a  
16 board, paid all taxes that's we thought were owed. We had  
17 no knowledge that there was any state sales tax owed and  
18 due. We did not collect any sales tax. If it was  
19 collected, it would have been paid. The company never  
20 collected any sales tax from any customer, therefore, I  
21 can't be held willful.

22           I do not feel that I am responsible personally.  
23 I don't feel I did anything wrong. I did the best I could  
24 under the information that I received from the piggyback  
25 contract assumed by Cypress Modular, and we continued to

1 follow the piggyback contract the way it was, and clearly  
2 school districts issued purchase orders and was clear that  
3 there was no sales tax included in the purchase order,  
4 included in any of the breakdown -- everything the  
5 purchase order included. And that's all I have.

6 ADMINISTRATIVE JUDGE LAMBERT: Thank you,  
7 Mr. Christian.

8 Ms. Jacobs, do you have any questions for the  
9 witness?

10 MS. JACOBS: No questions. Thank you.

11 ADMINISTRATIVE LAW JUDGE LAMBERT: Okay. Thanks.

12 I'm going to turn to the Panel to see if they  
13 have any questions.

14 Judge Kwee, any questions?

15 ADMINISTRATIVE LAW JUDGE KWEE: I did have a  
16 couple of questions for Mr. Christian. First, my  
17 understanding is your position -- your position primarily  
18 is that -- your understanding of the business is  
19 understood that the contracts fulfilled pursuant to the  
20 piggyback contract which was assumed, your understanding  
21 was those were nontaxable and that you didn't collect tax  
22 and, therefore, the liability -- one of the required  
23 elements of 6829 liability is not met, is that a correct  
24 understanding of your position -- a correct summary of  
25 your position?

1 MR. CHRISTIAN: Yes.

2 ADMINISTRATIVE LAW JUDGE KWEE: Okay. And I  
3 would like to turn to the sales and use tax returns. I  
4 believe there's two of them that were attached to a copy  
5 of an exhibit to CDTFA's decision, that was the one that  
6 was appealed to OTA. Do you dispute that that was your  
7 signature in those two returns, the third quarter of 2002  
8 and the fourth quarter of 2002 sales and use tax returns,  
9 is there a question about that?

10 MR. CHRISTIAN: What document is that?

11 ADMINISTRATIVE LAW JUDGE KWEE: That is the sales  
12 and use tax returns for third quarter of 2002 and the  
13 fourth quarter of 2002 for EcoCrete, Inc. -- also, the  
14 second quarter of 2002.

15 MR. CHRISTIAN: I'm trying to find that document.

16 ADMINISTRATIVE LAW JUDGE KWEE: Okay. That was  
17 an exhibit to CDTFA's decision, and it looks like it's  
18 signed by the president and the signature appears to be  
19 similar to the signatures that we have for you. That's  
20 why I was wondering if there was any dispute that this was  
21 your signature or there was a contention that someone else  
22 signed the return.

23 There was just a signature and a sales and use  
24 tax return. It's CDTFA Exhibit A, I believe -- page 30 of  
25 Exhibit A for CDTFA's decision.

1           MR. PARKER: Judge Kwee, we have a printed copy  
2 if we can slide over to him and he can look at it.

3           ADMINISTRATIVE LAW JUDGE KWEE: That's fine.  
4 That would be much appreciated.

5           MR. CHRISTIAN: Thank you. This is my signature.

6           ADMINISTRATIVE LAW JUDGE KWEE: Okay. The reason  
7 I ask is because my understanding is that the liability  
8 that is being asserted is not in connection with any  
9 disallowed transactions by CDTFA, but what's being  
10 asserted is because they are these non-remittance returns  
11 and then the liability that was reported on the returns,  
12 from my understanding, is what is at issue here, and on  
13 these returns, there are listed a taxable amount of  
14 transactions subject to state tax. I'm wondering, from my  
15 understanding, the company reported these transactions at  
16 issue taxable, so I'm just wondering what the taxable  
17 transactions represent then.

18          MR. CHRISTIAN: You're asking what the taxable  
19 transactions represent?

20          ADMINISTRATIVE LAW JUDGE KWEE: Right. So  
21 EcoCrete reported transactions subject to tax and  
22 non-remittance return -- that is a return without  
23 submitting any payment -- and my understanding is that  
24 what is being asserted, or at least part of the liability  
25 to be asserted was the failure to pay the tax with the



1 sales and use tax returns on the transactions that were  
2 self-assessed, so I'm wondering if you're disputing, then,  
3 that tax liability was that represents that was collected  
4 from customers.

5 MR. CHRISTIAN: I don't know that answer. I'm  
6 not disputing it. This was generated by Eric Blackhall  
7 and clearly, they're both my signatures. I signed a lot  
8 of documents for the company. The question maybe you  
9 could help me with -- this is on line 21 where it says  
10 "net tax \$22,413.00," are you saying that this is tax owed  
11 for non-piggyback contracts?

12 ADMINISTRATIVE LAW JUDGE KWEE: That was my  
13 question, because my understanding is CDTFA is asserting  
14 the responsible person liability for the amounts that were  
15 reported here but not paid to CDTFA. So then -- and my  
16 understanding from your position is that you thought the  
17 transactions were nontaxable, but then you did report  
18 taxable transactions and that seems to be a portion of  
19 liability that's being asserted to, so I was wondering if  
20 you are disputing that those were accurately reported and  
21 the company collected tax on that or if you are just  
22 disputing something separate from what is on the returns  
23 that was self-assessed.

24 MR. CHRISTIAN: I know for a fact that the  
25 company did not collect any tax from any customer on the

1 piggyback contract.

2 ADMINISTRATIVE LAW JUDGE KWEE: How about this.  
3 What portion of the business did you do that was not  
4 piggyback transactions?

5 MR. CHRISTIAN: It depends on the time -- the tax  
6 year.

7 ADMINISTRATIVE LAW JUDGE KWEE: Okay.

8 MR. CHRISTIAN: Again, we transitioned from  
9 housing to school business, and I don't know -- I don't  
10 know what these numbers represent, so I don't know why  
11 Eric has net tax \$224,013.00, and on the back page  
12 factory-built schools nontaxable transaction  
13 \$5,893,593.00. I don't know what those numbers represent.  
14 Are you saying that the \$224,013.00 has not been paid to  
15 the State?

16 ADMINISTRATIVE LAW JUDGE KWEE: If you look at  
17 the returns there is the word "NR" and that's  
18 non-remittance, and then on CDTFA's decision it says that  
19 the liabilities being asserted are the ones in connection  
20 with filing a return but not paying tax. So that's why I  
21 was just wondering if you could clarify what the  
22 non-remittance amount represents, because my understanding  
23 is at least the portion of liability isn't something  
24 that -- it's something that EcoCrete assessed on taxable  
25 transactions that were reported by EcoCrete to CDTFA. I

1 just wanted to clarify, if you are disputing something  
2 different? Are you disputing the entire liability or only  
3 the portion that would have been in connection with the  
4 piggyback transactions and separate from the  
5 non-remittance returns?

6 But if you don't know -- I realize this has been  
7 a long time, and if you don't recall, that's fine too. I  
8 was just trying to understand to what extent you are  
9 disputing the liability.

10 MR. CHRISTIAN: It's been a long time. I don't  
11 remember signing this, but it is certainly my signature.  
12 I signed a lot of documents. What I'm here to dispute --  
13 my understanding was that I was being looked at because we  
14 did not collect state sales tax from the piggyback  
15 customers. If this \$224,013.00 is non-piggyback revenue  
16 and the \$187,386.00 is non-piggyback revenue, I don't know  
17 where that revenue comes from. I don't know how to get  
18 ahold of Blackhall after 20 years.

19 I think I mentioned earlier we did do some work  
20 for some non-piggyback customers, and I don't know --  
21 there were some private schools that were allowed to use  
22 the piggyback contract that, perhaps, could be what we are  
23 talking about here. I don't know the answer.

24 ADMINISTRATIVE LAW JUDGE KWEE: Okay. Thank you.  
25 I just have one further question then and that was about

1 the piggyback contract. My understanding is the full text  
2 of that contract -- that's not in our record and that's  
3 not available by either party, I guess you or CDTFA. Is  
4 that a correct understanding that you no longer have a  
5 copy of the full text of the piggyback contract available?

6 MR. CHRISTIAN: I don't, no. I never have.

7 ADMINISTRATIVE LAW JUDGE KWEE: Great. Thank  
8 you.

9 I will turn it back to the lead judge. I don't  
10 have any further questions.

11 ADMINISTRATIVE LAW JUDGE LAMBERT: Thank you,  
12 Judge Kwee.

13 Judge Aldrich, did you have any questions?

14 ADMINISTRATIVE LAW JUDGE ALDRICH: I have a  
15 couple of questions. With respect to 2002, do you recall  
16 if there were any sales to private entities during that  
17 time?

18 MR. CHRISTIAN: I don't.

19 ADMINISTRATIVE LAW JUDGE ALDRICH: Okay. And if  
20 a private sale were negotiated, who on the org chart would  
21 have been responsible for making that negotiation?

22 MR. CHRISTIAN: Signing off on it or -- Gary Ganz  
23 and Marcus Harold.

24 ADMINISTRATIVE LAW JUDGE ALDRICH: And that's for  
25 signing off of making the actual --

1 MR. CHRISTIAN: Signing off would be Ron Savona.

2 ADMINISTRATIVE LAW JUDGE ALDRICH: Okay.

3 MR. CHRISTIAN: Gary Ganz and Marcus Harold put  
4 together, as you can see -- you can look at Daly City as  
5 an example. Gary Ganz and Marcus Harold, they managed the  
6 piggyback contract, they managed the process of signing  
7 the customer, and then Ron would sign off on the actual --  
8 or signing off on the financial numbers that make up the  
9 piggyback contract. He had the experience.

10 ADMINISTRATIVE LAW JUDGE ALDRICH: Okay. So  
11 during 2002, the order org chart that you referenced  
12 earlier, is that an accurate org chart during that time?

13 MR. CHRISTIAN: Just one second. I'm sorry. I  
14 got out of order here. Of course, it's always the last  
15 piece of paper.

16 No, it's not completely accurate. I note that  
17 Exhibit 5 has a date of 02/06/04, which is two years after  
18 I left the company. So I'm not sure who put this together  
19 or where this came from. It's not exactly accurate.

20 ADMINISTRATIVE LAW JUDGE ALDRICH: And in what  
21 ways is it not accurate other than the date after you  
22 left?

23 MR. CHRISTIAN: So the first thing that's not  
24 accurate is Marcus Harold reported to Ron Savona, not me.  
25 Marcus was director of admin services, contract admin and

1 estimating. I have no background in that. And he  
2 worked -- Marcus and Gary Ganz worked hand and hand and  
3 both reported to the Ron. Linda Brown reported to Ron  
4 Savona. She was just admin services manager. And Eric  
5 Blackhall had a dotted line. Eric reported to both of us  
6 as controller.

7 ADMINISTRATIVE LAW JUDGE ALDRICH: Going back to  
8 sales to private entities, so a non-piggyback contract  
9 sales, do you recall during 2002 what percentage, if any  
10 of them, were private?

11 MR. CHRISTIAN: If they were private sales, it  
12 would have been less than 5 percent. The only thing that  
13 comes to my mind is we provided some buildings to  
14 University of Southern California, USC. I don't know what  
15 year that was. I can't recall if it was a private sale or  
16 if they used the piggyback or not.

17 ADMINISTRATIVE LAW JUDGE ALDRICH: Okay. Thank  
18 you. I'll refer back to Judge Lambert.

19 ADMINISTRATIVE LAW JUDGE LAMBERT: Thank you. I  
20 believe Judge Kwee has another question.

21 ADMINISTRATIVE LAW JUDGE KWEE: I actually have a  
22 question for CDTFA. I just wanted to confirm the scope of  
23 what is being asserted. My understanding is that  
24 liability being asserted is just the second and third  
25 quarter of 2002 non-remittance returns and that the rest

1 of the liability has been deleted; is that a correct  
2 understanding?

3 MS. JACOBS: That is correct.

4 ADMINISTRATIVE LAW JUDGE KWEE: So there are no  
5 board-assessed liabilities, there are only the two  
6 self-assessed liabilities at issue?

7 MS. JACOBS: That's correct.

8 ADMINISTRATIVE LAW JUDGE KWEE: Okay. Thank you.  
9 I'll turn it back to Judge Lambert.

10 ADMINISTRATIVE LAW JUDGE LAMBERT: Okay. Thank  
11 you.

12 I just had one question for Mr. Christian. Just  
13 to clarify, you were saying you believed or assumed that  
14 the sales were exempt, and if that's true, were you told  
15 anything specific or definitive or you didn't know  
16 anything? What was the basis for assuming that or  
17 thinking that?

18 MR. CHRISTIAN: I didn't -- I didn't think about  
19 that issue until I was approached by the State after I  
20 left the company. It never crossed my mind when I was at  
21 the company that there was an outstanding liability. You  
22 know, the invoice between the purchase orders and the  
23 invoices, it never came up. And not just myself, but the  
24 board of directors. I also believe Ron Savona and Pat  
25 Foster, anybody, you know if there was a liability, we

1 would have invoiced for it.

2 It would have been on the purchase order. The  
3 purchase order from the district states it has to be  
4 listed separately, and that would have been our first  
5 clue. It never was. So to answer your question, it never  
6 crossed my mind when I was at the company that there was a  
7 liability owing.

8 ADMINISTRATIVE LAW JUDGE LAMBERT: Okay. Thanks.

9 So we can move on now to CDTFA's presentation.  
10 And thank you, Mr. Christian, for answering the questions  
11 and your testimony.

12 Ms. Jacobs, if you are ready to proceed for  
13 30 minutes.

14 MS. JACOBS: Could we actually take a break?

15 ADMINISTRATIVE LAW JUDGE LAMBERT: Yes. Sure.  
16 Is a 10-minute break okay?

17 MS. JACOBS: Yes.

18 ADMINISTRATIVE LAW JUDGE LAMBERT: Let's go off  
19 the record and come back in 10 minutes.

20 (There was a pause in the proceedings.)

21 ADMINISTRATIVE LAW JUDGE LAMBERT: Back on the  
22 record. Ms. Jacobs, are you ready to go on with your  
23 presentation?

24 MS. JACOBS: I am, thank you.

25 ADMINISTRATIVE LAW JUDGE LAMBERT: Okay. Please



1 proceed for 30 minutes. Thanks.

2 OPENING PRESENTATION

3 MS. JACOBS: Good morning. The primary issue in  
4 this appeal is whether Appellant can be held liable as the  
5 responsible person for the unpaid tax interest and  
6 penalties of EcoBuilding System, Incorporated, or Eco, for  
7 the period of April 1, 2002 through September 30, 2002.

8 The Department maintains its position that the  
9 Appellant is liable as a responsible person pursuant to  
10 Revenue and Taxation Code Section 6829 for the unpaid  
11 liabilities of Eco for the liability period.

12 As you are aware, four elements must be met to  
13 impose personal liability under Section 6829. One, the  
14 corporation must be terminated. Two, the corporation must  
15 have collected sales tax reimbursement on its retail sales  
16 of tangible personal property, TPP. Three, the person  
17 must have been responsible for payment of sales and use  
18 tax. And, four, the person's failure to pay must have  
19 been willful.

20 Pursuant to the September 26, 2023, prehearing  
21 conference minutes and order, there's no dispute as to the  
22 first and third elements. Both parties agree that Eco  
23 closed as of November 15, 2002, and Appellant was  
24 responsible for the payment of sales and use tax. As to  
25 the second element, personal liability can be imposed only

1 to the extent that the corporation collected sales tax  
2 reimbursement on its sales of TPP in the state, but failed  
3 to remit the tax to the Department when due.

4 Section 6829(c) and Regulation 1702.5(a).

5 The evidence supports that Eco collected sales  
6 tax reimbursement on its sales of TPP. At the appeals  
7 conference, the Appellant stated that all of Eco's sales  
8 of building were based on contracts assigned to it by  
9 Cypress, and he also stated that here. Exhibit A, page 7,  
10 lines 9 through 10, and the contract is pages 31 through  
11 32.

12 While we only have two pages of the contract, the  
13 cover page and a bid form, the bid form states that the  
14 bid amount is to include all applicable taxes and costs,  
15 meaning that when agencies submitted purchase orders to  
16 Eco for modular building, they were agreeing to pay lump  
17 sum amounts with tax included. During the appeals  
18 process, Appellant was asked to provide an entire copy of  
19 the contract but it has never been provided.

20 Because the contracts between Eco and its  
21 customers were lump sum, there was no need for sales tax  
22 reimbursement to be broken out on purchase orders or  
23 invoices. This is consistent with the responsive facts  
24 the Department received on June 21, 2004 from Eco's former  
25 CPA and controller, Eric Blackhall, in which he states

1 that the company collected sales tax reimbursement from  
2 its customers. Exhibit D, page 12.

3 According to Appellant, Mr. Blackhall was the  
4 person who prepared the returns on which Eco reported  
5 substantial taxable sales after taking contract  
6 responsibilities from Cypress.

7 Furthermore, the Department audited Eco for the  
8 period of October 1, 1997 through December 31, 2000, and  
9 in the resulting report of field audit, the Department  
10 described Appellant's business as being a manufacturer of  
11 factory-built school buildings and stated that Eco added  
12 sales tax to the selling price of taxable sales. Exhibit  
13 D, page 17. Finally, during the liability period, Eco was  
14 reporting taxable sales and making sporadic payments.  
15 Exhibit A, pages 12 through 30.

16 It seems unlikely Eco would not have collected  
17 sales tax reimbursement from its customer if it knew it  
18 was making and reporting taxable sales. Appellant  
19 introduced purchase orders, Exhibit 4, into evidence. On  
20 the back of the purchase order forms, are boilerplate  
21 terms and conditions that state, quote, "Sales tax were  
22 applicable shall be shown separately," end quote. The  
23 invoices do not include a sales tax provision.

24 Appellant argues that the absence of sales tax on  
25 the front page of the purchase orders or invoices is

1 evidence that sales tax reimbursement was not collected on  
2 Eco's sales. While sales tax amounts on purchase orders  
3 and invoices would constitute evidence that sales tax  
4 reimbursement was collected, the absence of sales tax  
5 amounts is not necessarily evidence to the contrary.

6 A reasonable explanation may be that these  
7 purchase orders were not for sales of school buildings.  
8 For example, the purchase order for Downey Unified SD was  
9 to, quote, "Cover the cost of architectural and  
10 engineering services," end quote. Exhibit 4, pages 5 and  
11 9.

12 Similar statements of nontaxable services appear  
13 on many of the purchase orders and invoices. Another  
14 reasonable conclusion for the absence may be that the  
15 actual contracts were lump sum with tax included as noted  
16 in Exhibit A, pages 31 and 3, and these were simply  
17 progress billings. Some of the purchase orders also refer  
18 to an agreement dated May 12, 2001, which Appellant has  
19 not provided. Exhibit 4 and their opening brief pages 64,  
20 68, 73, 76 and 77.

21 Appellant has also conceded today and in his  
22 October 11, 2002 prehearing conference statement, that the  
23 purchase orders submitted are not all of the purchase  
24 orders created by Eco and do not cover every transaction  
25 in the liability period, meaning while the few they

1 selected may not delineate sales tax, there may have been  
2 some that did.

3           Regardless, the direct evidence demonstrates that  
4 Eco collected sales tax reimbursement on its sales of TPP  
5 which were predominantly lump sum contracts with tax  
6 included for the sale of factory-build school buildings.  
7 Exhibit A, pages 31 through 32.

8           As to fourth element of personal liability, the  
9 evidence shows the Appellant's failure to pay Eco's tax  
10 liability was willful. Failure to pay is willful if the  
11 person had knowledge that the taxes were not being paid  
12 and had the authority and ability to pay the taxes but  
13 failed to do so. Failure to pay may be willful even  
14 without bad purpose or motivation, Regulation  
15 1702.5(b)(2).

16           Here, Eco's taxes at issue became due on the  
17 dates its returns were due, meaning on or before the last  
18 day of the month following each quarterly period. Those  
19 dates were July 31, 2002, for the second quarter 2002, and  
20 October 31, 2002, for the third quarter 2002. On or after  
21 these due dates, Appellant had actual knowledge that the  
22 taxes were due but not being paid because Appellant signed  
23 both returns for the periods at issue and did not  
24 authorize or sign checks to pay the amounts due. Exhibit  
25 D, pages 9 and 10.

1           This is direct evidence that he knew Eco's taxes  
2           were not being paid. Appellant also knew about Eco's  
3           history of tax issues, beginning at the very least from  
4           the results of the June 12, 2001 audit report. Exhibit G.  
5           Furthermore, the fourth quarter 2001 return was filed  
6           without remittance of almost \$340,000.00 in tax that was  
7           due.

8           By April 2002, Appellant had promised weekly  
9           \$10,000.00 payments against this liability, but failed to  
10          follow through. Exhibit H, page 12. Appellant knew that  
11          Eco was not meeting its sales and use tax obligations and  
12          that the taxes for second quarter 2002 and third quarter  
13          2002 went unpaid. As for Appellant's authority to pay  
14          taxes or cause them to be paid, Appellant had the  
15          authority to direct the financial affairs of the  
16          corporation, including the authority to pay taxes.

17          Appellant was a founder of Eco, and at various  
18          times he was the CEO and CFO, and he was always the  
19          president and a signor on Eco's accounts. Nothing  
20          indicates that his authority was limited in any way.  
21          Appellant has conceded that he was responsible for the  
22          payment of Eco's sales and use tax.

23          During the liability period and after the taxes  
24          at issue were due, Appellant was in regular communication  
25          with the Department over payment of Eco's liabilities.

1 See Exhibit H.

2 On December 10, 2002, Appellant submitted a  
3 declaration as part of Eco's bankruptcy filing stating  
4 that he was the president and chairman of the board and  
5 described his duties as oversight of day-to-day  
6 operations, development of business plans, financial  
7 restricting activities, and management of assets and  
8 operations.

9 Appellant also stated under penalty of perjury  
10 that he had general knowledge of Eco's books and records  
11 and was familiar with its financial and operational  
12 affairs. Exhibit F, pages 43 through 49.

13 On July 30, 2002, he signed the second quarter  
14 2002 return listing his position as president. Exhibit D,  
15 page 10. On October 31, 2002, he signed the third quarter  
16 2002 return. Exhibit D, page 9. And Appellant also  
17 signed various documents on behalf of Eco as president.  
18 Exhibit D, pages 43, 48, Exhibit F, pages 20, 24, and 29.

19 As Eco's primary actor for operations and  
20 finances, Appellant had the authority to pay the taxes or  
21 cause them to be paid. Finally, as to the ability to pay  
22 the taxes, the evidence shows that Eco had funds available  
23 to pay the taxes when they became due.

24 During its last quarters of operations, fourth  
25 quarter 2001 through third quarter 2002, Eco reported

1 total and taxable sales of approximately \$30.5 million and  
2 \$9.5 million respectively. The records show that Eco made  
3 payment totaling \$4 million to vendors and other creditors  
4 between August 14, 2002, and November 14, 2002. Exhibit D  
5 beginning page 56. Approximately \$87,500.00 to its  
6 landlord on May 2, 2003. Exhibit D, page 24. And  
7 payments of around \$640,000.00 after September 3rd, 2002,  
8 much of which consisted of checks made out to cash.  
9 Exhibit D, pages 56 through 116.

10 Thus, the evidence shows that there were  
11 available funds to pay Eco's tax liabilities, but the  
12 funds were paid to other creditors instead. Also at issue  
13 is whether the Department properly conditioned relief of  
14 the amnesty interest penalty pursuant to Revenue and  
15 Taxation Code Section 6592(a) upon either payment of the  
16 taxes or entering into an installment payment plan within  
17 30 days after the Department notified Appellant of the  
18 final action of this appeal.

19 In briefing, Appellant argued for what they  
20 considered a more reasonable condition for relief. The  
21 liability period, April 1, 2002 through September 30,  
22 2002, is within the period for which amnesty was allowed,  
23 and amnesty penalties were added to Eco's liability for  
24 second quarter 2002 and third quarter 2002.

25 Section 6592(a) provides that the Department may



1   relieve Eco of the amnesty penalties if it established a  
2   reasonable cause for its failure to complete the amnesty  
3   process in a timely manner. The Department determined  
4   there was reasonable cause for Eco's failure to timely  
5   complete the amnesty process because Eco did not exist  
6   when amnesty was available; however, because the amnesty  
7   program was intended to encourage the prompt payment of  
8   taxes and interest, the Department conditioned relief on  
9   Appellant either paying the taxes and interest arising out  
10   of the amnesty-eligible periods in full or entering into a  
11   qualified payment plan within 30 days for the final action  
12   on this appeal.

13           In sum, Eco collected tax reimbursement  
14   throughout the liability period, and Appellant's failure  
15   to pay Eco's sales and use tax obligations was willful,  
16   meaning Appellant had actual knowledge that the taxes were  
17   not being paid, had the authority and ability to pay the  
18   taxes and failed to do so. Based on all of the evidence  
19   provided, the Department has met its burden of proving all  
20   elements for imposing personal liability to Appellant.  
21   For these reasons, we request that the appeal be denied.  
22   Thank you.

23           ADMINISTRATIVE LAW JUDGE LAMBERT: Thank you,  
24   Ms. Jacobs.

25           I'm going to turn to the Panel to see if they

1 have any questions. Judge Kwee, any questions?

2 ADMINISTRATIVE LAW JUDGE KWEE: I don't have any  
3 questions. Thank you.

4 ADMINISTRATIVE LAW JUDGE LAMBERT: Judge Aldrich,  
5 did you have any questions?

6 ADMINISTRATIVE LAW JUDGE ALDRICH: No questions.  
7 Thank you.

8 ADMINISTRATIVE LAW JUDGE LAMBERT: This is Judge  
9 Lambert. I was wondering, Ms. Jacobs, with regard to the  
10 days after the amnesty penalty issue under Revenue and  
11 Taxation Code 7073, it looks like 60 days if a taxpayer  
12 does certain things. Is it reasonable to 60 days instead  
13 of 30 days?

14 MS. JACOBS: So Section 7073(a)(3) does allow for  
15 relief of penalty within 60 days, but this is a late  
16 protest, so the Department's reasoning is that even with  
17 reasonable cause for failing to previously pay timely, the  
18 taxpayer can't be better off than those who follow the law  
19 and timely pay it.

20 ADMINISTRATIVE LAW JUDGE LAMBERT: Okay. Thanks.

21 Now we can move on, Mr. Christian, to your  
22 closing remarks, if you are ready? We agreed to 10  
23 minutes for that. So if you are ready to proceed, you can  
24 now go ahead.

25 MR. CHRISTIAN: Thank you. I don't feel the

1 State has met its burden at all. I think it's the CDTFA's  
2 burden of proof to prove that I should be held personally  
3 liable. Do they have any proof that we collected any  
4 sales tax from any customers besides the one throwaway  
5 sentence in the piggyback contract?

6 I signed two documents that Eric Blackhall put on  
7 my desk. But do we -- is there any proof that that tax  
8 was received from our customers? Could Eric Blackhall had  
9 been wrong? Could that tax return had been wrong? Were  
10 you able to show definitively that we collected any tax  
11 from any customer? I don't feel they met their burden of  
12 proof. And I can tell you that I had no knowledge that  
13 taxes were owed.

14 The State makes mention that I did, and I did  
15 not. If I knew that the taxes were owed, they would have  
16 been paid. I'd like to maybe have five minutes to look  
17 back -- the State mentioned sales of \$30.5 million and  
18 \$9.5 in revenue. I'd like to look at that for a second.  
19 I just want to go back. I had no knowledge that tax was  
20 due.

21 The State mentioned I was a CFO. I was not the  
22 CFO. I never was the CFO. I'm not an accountant. I  
23 graduated from high school and that's it. Accounting is  
24 not my background. I hired CPAs, controllers, to handle  
25 tax. And whether they handled the tax returns correctly

1 is a question I have. But I don't know today if the State  
2 can really say that definitively that any tax was  
3 collected from any of our customers.

4 I also would like to know why Ron Savona was not  
5 found liable as my boss. The CEO of the company who  
6 reported to the board of directors, why was he let off and  
7 why am I being looked at personally for 100 percent of tax  
8 that I didn't even know was owed?

9 You mention installment payment plan. I have  
10 been paying \$1,500.00 a month for forever. I don't even  
11 know how long I've paid it for. It's been forever. I  
12 don't know if it's been five years, 10 years, 15 years.  
13 They might know what it is. I've lost track of how much  
14 money I have been paying in good faith once a month.

15 And I'd like to ask a question if I may that --  
16 let's assume that we did not collect any sales tax from  
17 the customers and the sales tax returns were correct and  
18 that the company actually did not -- we collected the tax,  
19 can I be held personally liable?

20 ADMINISTRATIVE LAW JUDGE LAMBERT: Mr. Christian,  
21 are you asking the Panel something?

22 MR. CHRISTIAN: I can't ask the Panel questions;  
23 is that correct?

24 ADMINISTRATIVE LAW JUDGE LAMBERT: Well, what was  
25 the question?

1           MR. CHRISTIAN: My question is, can I be held  
2 personally liable if the tax was collected? Let's assume  
3 that we did not collect any sales tax from the customers,  
4 that that form that Blackhall produced and I signed that  
5 sales tax was correct, but the company actually did not  
6 collect the tax from the customer and did pay the State,  
7 would I be held liable for that?

8           ADMINISTRATIVE LAW JUDGE LAMBERT: CDTFA, did you  
9 have any response for that?

10          MS. JACOBS: One of the requirements for personal  
11 liability is that the corporation had to have collected  
12 sales tax reimbursement and not remitted it.

13          ADMINISTRATIVE LAW JUDGE LAMBERT: Thanks,  
14 Ms. Jacobs.

15          Mr. Christian, you can continue. You have around  
16 five minutes.

17          MR. CHRISTIAN: I understand the four elements  
18 and the element in that I want to focus on is the person  
19 being willful. I don't feel I was willful in, quote,  
20 "failure to pay." The State is saying that I was willful  
21 in failure to pay what was owed. I didn't know it was  
22 owed. Nobody at the company knew it was owed. I don't  
23 even know if Blackhall's document is correct that I  
24 signed.

25               I would be real curious to know if we collected

1 any sales tax from any customers, but I don't -- I'm  
2 steadfast that I would have paid the tax if due, if I was  
3 aware of it, and the State mentions that the piggyback  
4 included sales tax as a lump sum. That is completely  
5 inaccurate. If the piggyback included tax, it would have  
6 been on the purchase orders, and it would have been  
7 reflected on the invoices from the state agencies. That's  
8 all I have.

9 ADMINISTRATIVE LAW JUDGE LAMBERT: Okay. Thank  
10 you, Mr. Christian.

11 So I'll turn to the Panel one more time to see if  
12 they have questions. Judge Kwee, did you have any  
13 questions?

14 ADMINISTRATIVE LAW JUDGE KWEE: I don't have any  
15 further questions before conclude. Thank you.

16 ADMINISTRATIVE LAW JUDGE LAMBERT: Judge Aldrich,  
17 did you have any questions?

18 ADMINISTRATIVE LAW JUDGE ALDRICH: No further  
19 questions. Thank you.

20 ADMINISTRATIVE LAW JUDGE LAMBERT: I have no  
21 questions. I want to thank both parties for coming today,  
22 and if there's nothing further, I will conclude the  
23 hearing. We are going to issue a written opinion within  
24 100 days. Thank you. The record is now closed.

25 (The hearing was adjourned at 11:34 a.m.)

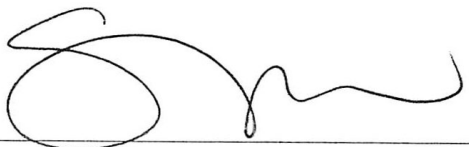
1 HEARING REPORTER'S CERTIFICATE

2  
3 I, Shelby K. Maaske, Hearing Reporter in and for  
4 the State of California, do hereby certify:

5 That the foregoing transcript of proceedings was  
6 taken before me at the time and place set forth, that the  
7 testimony and proceedings were reported stenographically  
8 by me and later transcribed by computer-aided  
9 transcription under my direction and supervision, that the  
10 foregoing is a true record of the testimony and  
11 proceedings taken at that time.

12 I further certify that I am in no way interested  
13 in the outcome of said action.

14 I have hereunto subscribed my name this 4th day  
15 of November, 2023.

16  
17  
18  
19 

20 Shelby Maaske,  
21 Hearing Reporter  
22  
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<b>\$1,500.00</b> 60:10	<b>10</b> 7:5 19:12 48:19 50:10 53:25 55:2, 15 58:22 60:12	<b>2002</b> 6:11,12 19:25 28:23 29:16 39:7,8,12,13,14 44:15 45:11 46:9, 25 49:7,23 52:22 53:19,20 54:8,12, 13 55:2,13,14,15, 16,25 56:4,7,21, 22,24	<b>4</b> 51:19 52:10,19
<b>\$10,000.00</b> 54:9	<b>10-minute</b> 7:6 48:16	<b>2003</b> 56:6	<b>40</b> 21:7
<b>\$187,386.00</b> 43:16	<b>100</b> 21:4 31:17,23 60:7 62:24	<b>2004</b> 22:24 23:19 50:24	<b>43</b> 55:12,18
<b>\$22,413.00</b> 41:10	<b>10th</b> 8:10	<b>2011</b> 16:1	<b>48</b> 55:18
<b>\$224,013.00</b> 42:11,14 43:15	<b>11</b> 2:19 5:1,8 28:15 52:22	<b>2018</b> 30:3	<b>49</b> 8:11 55:12
<b>\$25,00.00</b> 24:3	<b>116</b> 56:9	<b>2023</b> 2:19 5:1,8 49:20	<b>49th</b> 8:7
<b>\$3</b> 34:22	<b>11:34</b> 2:18 62:25	<b>21</b> 41:9 50:24	<b>4K</b> 18:15
<b>\$30.5</b> 56:1 59:17	<b>12</b> 51:2,15 52:18 54:4,10	<b>22</b> 9:2,7	<hr/>
<b>\$31,576.00</b> 17:6	<b>12900</b> 2:16	<b>24</b> 55:18 56:6	<b>5</b>
<b>\$340,000.00</b> 54:6	<b>14</b> 6:24 56:4	<b>26</b> 49:20	<b>5</b> 11:20,22 45:17 46:12 52:10
<b>\$4</b> 56:3	<b>15</b> 8:9 23:19 30:3 49:23 60:12	<b>29</b> 55:18	<b>56</b> 56:5,9
<b>\$5,893,593.00</b> 42:13	<b>15th</b> 22:24	<hr/>	<b>5A</b> 15:5
<b>\$533,154.00</b> 16:7	<b>16</b> 8:16 29:11 33:8	<b>3</b>	<hr/>
<b>\$541,765.00</b> 20:10	<b>17</b> 22:10 51:13	<b>3</b> 23:11 35:16 52:16	<b>6</b>
<b>\$541,765.16</b> 20:20	<b>1702.5(a)</b> 50:4	<b>30</b> 6:12,19,21 21:7 39:24 48:13 49:1, 7 51:15 55:13 56:17,21 57:11 58:13	<b>60</b> 58:11,12,15
<b>\$640,000.00</b> 56:7	<b>1702.5(b)(2)</b> 53:15	<b>31</b> 29:16 50:10 51:8 52:16 53:7, 19,20 55:15	<b>64</b> 8:2 52:19
<b>\$7,158,893.50</b> 15:25	<b>18011923</b> 2:6 5:7	<b>32</b> 50:11 53:7	<b>6592(a)</b> 56:15,25
<b>\$742,616.00</b> 15:6	<b>18011924</b> 2:6 5:8	<b>3rd</b> 56:7	<b>68</b> 52:20
<b>\$87,500.00</b> 56:5	<b>19</b> 19:25		<b>6828</b> 18:3
<b>\$9.5</b> 56:2 59:18	<b>1996</b> 9:20,21		<b>6829</b> 6:9 12:13,14, 19 38:23 49:10,13
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<b>1</b>			<b>73</b> 52:20
<b>1</b> 6:11,24 11:22			<b>76</b> 52:20
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			<b>78</b> 23:5



**79** 23:6

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**8**

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**8** 16:1**8,000** 8:10

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