

BEFORE THE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

IN THE MATTER OF THE APPEAL OF,	)	
	)	
X. LARIMER,	)	OTA NO. 220510322
	)	221111955
APPELLANT.	)	
	)	
_____	)	

TRANSCRIPT OF ELECTRONIC PROCEEDINGS

State of California

Thursday, October 9, 2025

Reported by:  
ERNALYN M. ALONZO  
HEARING REPORTER

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Transcript of Electronic Proceedings,  
taken in the State of California, commencing  
at 1:04 p.m. and concluding at 1:32 p.m. on  
Thursday, October 9, 2025, reported by  
Ernaly M. Alonzo, Hearing Reporter, in and  
for the State of California.

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APPEARANCES:

Panel Lead: HEARING OFFICER ELSOM

Panel Members: ALJ VERONICA I. LONG  
ALJ STEVEN KIM

For the Appellant: X. LARIMER

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

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I N D E X

E X H I B I T S

(Appellant's Exhibits 1-45 were received into evidence at page 7.)

(Department's Exhibits A-Y were received into evidence at page 8.)

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

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California; Thursday, October 9, 2025

1:04 p.m.

HEARING OFFICER ELSOM: We will go on the record now.

We're opening the record in the Appeal of Larimer, and this is Case Nos. 220510322 and 221111955 -- excuse me 955. This matter is being held virtually before the Office of Tax Appeals. Today's date is October 9th, and the time is approximately 1:04 p.m.

My name is Seth Elsom, and I'm the lead Hearing Officer for this appeal. With me today is Administrative Law Judge Veronica Long and Administrative Law Judge Steven Kim.

As a reminder, the Office of Tax Appeals is not a court. It is an independent appeals body that is staffed by tax experts and is independent of the State's tax agencies, which includes the Franchise Tax Board.

And with that, can the parties please introduce themselves for the record.

And we'll start with appellant, Mr. Larimer.

MR. LARIMER: My name is Xo Larimer.

HEARING OFFICER ELSOM: Thank you.

And, Franchise Tax Board, can you please introduce yourself.

1           MR. MURADYAN: Good afternoon. My name is David  
2 Muradyan.

3           HEARING OFFICER ELSOM: Okay. Thank you,  
4 Mr. Muradyan.

5           And we'll state the issues now. As confirmed at  
6 the prehearing conference and in my Minutes and Orders  
7 following the conference, there are five issues to be  
8 decided in this appeal for the 2018 and 2019 tax years.  
9 And those are: One, whether Appellant has established  
10 error in the Franchise Tax Board's proposed assessment;  
11 two, whether Appellant has established reasonable cause  
12 for abatement of the late-filing penalty; three, whether  
13 Appellant has established reasonable cause for the  
14 abatement of the demand penalty; four, whether Appellant  
15 has established a legal basis for abatement of the filing  
16 enforcement fee; and five, whether Appellant has  
17 established a legal basis for the abatement of interest.

18           And with that, let's go to the admission of  
19 exhibits as evidence, and we'll begin with Appellant. As  
20 noted in the prehearing conference Minutes and Orders, we  
21 renumbered the exhibits that you have submitted through  
22 the course of the appeals process, as Exhibits 1  
23 through 45, and provided an exhibit for those on  
24 September 17th in our Minutes and Orders. And it notified  
25 the parties to provide any objections by

1       October 1st, 2025.   FTB did not provide any written  
2       objections to the admissions of these items into evidence.  
3       And those items, Exhibits 1 through 45 are now admitted  
4       and entered into the evidentiary record.

5               (Appellant's Exhibits 1-45 were received  
6               into evidence by the Hearing Officer.)

7               HEARING OFFICER ELSOM:   Franchise Tax Board has  
8       submitted 25 exhibits for the 2018 and 2019 tax years,  
9       which were relabeled as Exhibits A through Y.   These  
10      exhibits were submitted by the Franchise Tax Board prior  
11      to the prehearing conference.   And as discussed above,  
12      Appellant was asked to review these exhibits and indicate  
13      in writing whether he had any objections to the admission  
14      of FTB's exhibits into the evidentiary record by  
15      October 1st, 2025.   And Appellant informed OTA that he  
16      objects to the admission of Exhibit B, because I believe  
17      you stated it was illegal.

18              Mr. Larimer, I just wanted to ask you, can you  
19      quickly -- I want to check in with you and ask if you can  
20      clarify by what you meant by the statement of why you  
21      object to the FTB's admission of this item as evidence?

22              MR. LARIMER:   I didn't submit that letter, and  
23      that information is also what we talked about with -- I  
24      just talked about with Rule 30430 dealing with information  
25      and privacy stated in an oral public record dealing with

1 transparency.

2 HEARING OFFICER ELSOM: Okay. So your concern is  
3 primarily with the privacy of this?

4 MR. LARIMER: Yes.

5 HEARING OFFICER ELSOM: Okay. I'm going to state  
6 here that our regulations provide that all relevant  
7 evidence is admissible. And because this was a response  
8 to the demand for the 2018 tax return, that evidence,  
9 we're going to allow that into the evidentiary record and  
10 will consider -- the weight that we provide to this will  
11 be considered, given your arguments and your testimony  
12 today. And with respect to your concerns about the  
13 confidentiality of that -- of this item, again, this will  
14 not be viewed or discussed unless you bring this up on the  
15 live stream today.

16 And with that, we're going to admit FTB's  
17 Exhibits A through Y into the evidentiary record.

18 (Department's Exhibits A-Y were received  
19 into evidence by the Hearing Officer.)

20 HEARING OFFICER ELSOM: And, Mr. Larimer, you  
21 entered -- excuse me -- you indicated at the prehearing  
22 conference that you plan to provide witness testimony. I  
23 will swear you in before you begin your presentation so  
24 that any factual statements you make during the  
25 presentation or in response to any questions may be



1       considered as evidence by the panel. And we'll do that in  
2       just a moment here.

3               And finally, before we get into the parties'  
4       presentations, I'd like to quickly go over the time  
5       estimates and order of the proceedings today. As noted in  
6       the Minutes and Orders, Appellant will present first and  
7       will have approximately 30 minutes for his presentation.  
8       Following Appellant's presentation, Franchise Tax Board  
9       will have the opportunity to ask Appellant questions  
10      regarding his testimony only. The panel will then be  
11      given an opportunity to ask any questions they may have  
12      for Appellant. Following that, Franchise Tax Board will  
13      have 20 minutes for its presentation, after which I will  
14      turn it over to the panel for any questions they may have  
15      of FTB. And then finally Appellant, Mr. Larimer -- excuse  
16      me -- you will have an additional 10 minutes for a  
17      rebuttal or closing statement. After Appellant's closing,  
18      I will do a final check with my panel to see if there are  
19      any remaining questions for either party. And with that,  
20      I believe we are ready to begin.

21              And does either party have any questions before I  
22      turn it over to Mr. Larimer for his presentation? Okay.

23              Mr. Larimer, please unmute your microphone. I'd  
24      like you to raise your right hand, please.

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X. LARIMER,

produced as a witness, and having been first duly sworn by the Administrative Law Judge, was examined, and testified as follows:

HEARING OFFICER ELSOM: Thank you, Mr. Larimer. You have 30 minutes, and you may begin your presentation whenever you're ready.

MR. LARIMER: Thank you.

PRESENTATION

MR. LARIMER: Good afternoon. Thank you for making an opportunity for me to be heard.

I believe the Franchise Tax Board has taken actions against me without legal justification or supporting evidence. I have submitted sworn statements each time the FTB has contacted me and verified my income falls below the filing threshold. I have been respectful, reasonable, and detailed with my communications and my observations. The State confirms my sworn statements in Exhibit G, which fails to acknowledge there is zero income. The use of mortgage interest is not income. The interest equation given in Exhibit H is inconsistent with the FTB's references used in Exhibit 13.

Submitting or endorsing false information under

1 oath is a serious matter. And I have provided  
2 documentation to verify that my statements are true. In  
3 reference to Exhibit B, there is a letter I'm incorrectly  
4 attributed to submitting. Three attorneys have  
5 participated in this case, each relying on same  
6 inaccuracy -- the same inaccurate information. This  
7 raises concern about whether due diligence was performed  
8 before filings were signed.

9 This case matters because it suggests that the  
10 State can disregard sworn testimony without evidence,  
11 which conflicts with both California law and  
12 constitutional principles. FTB's Exhibits I, L, M, and V  
13 summarize legal arguments that apply to tax avoidance  
14 cases. However, I am not attempting to avoid taxes and  
15 have said so consistently. I have provided historical tax  
16 filings and an interest data in Exhibit 11 that support my  
17 sworn statements. The FTB's determinations are arbitrary  
18 and not supported by factual data in Exhibit 12. Unlike  
19 Palmer or Pollard, I have no file -- I have not filed a  
20 frivolous appeal, denied federal tax authority, or made  
21 arguments based on constitutional exemptions.

22 My situation is straightforward. I did not earn  
23 enough income to require a filing, and I responded in full  
24 compliance with State instructions. I'm not involved in  
25 any business or activity cited in unrelated cases, such as

1     Petzoldt or Gold Emporium, which involved significant  
2     unreported income or third party evidence. There are no  
3     informants, ledgers, or financial discrepancies connected  
4     to me enough to enforce a cash expenditure method or the  
5     use of correctness. I have lived and worked in  
6     California, am single, and do not share income with any  
7     party. No evidence has been presented that contradicts my  
8     sworn statement.

9             In reference to Honeywell, the court found  
10    sufficient evidence to support the trial decision. This  
11    case differs in that there is no evidence supporting the  
12    FTB's position. I have responded to every -- to all FTB  
13    notices for tax year 2018 and 2019, fulfilling the  
14    requirements under R&TC 19133. There is no indication of  
15    willful neglect. The FTB, in fact, provided exhibits  
16    confirming my timely filing.

17            Finally, a Superior Court judge has ruled me  
18    uncollectible for the years in question in Exhibit 16.  
19    This case supports my position that I'm in compliance with  
20    the law. For this reasons -- well, these reasons, I  
21    respectfully request the OTA review the appeal in light of  
22    the evidence and legal standards presented.

23            Thank you for your time and your consideration.

24            HEARING OFFICER ELSOM: Thank you, Mr. Larimer.

25    I just wanted to let you know that you still have until

1       about 1:40, or does that cover your --

2               MR. LARIMER: That covers it. I wanted to  
3       make --

4               HEARING OFFICER ELSOM: Okay.

5               MR. LARIMER: I apologize. It's a brief. I  
6       meant to be brief. So --

7               HEARING OFFICER ELSOM: Okay.

8               MR. LARIMER: I got my point across.

9               HEARING OFFICER ELSOM: Thank you, Mr. Larimer.  
10       So now I'd like to first turn this over to the  
11       Franchise Tax Board to ask Mr. Larimer any questions of  
12       his testimony only.

13               Do you have any questions, Mr. Muradyan,  
14       regarding Mr. Larimer's testimony only?

15               MR. MURADYAN: No questions.

16               HEARING OFFICER ELSOM: Okay. Thank you.

17               And I'd like to now turn it over to the panel,  
18       beginning with Administrative Law Judge Long.

19               Do you have any questions for Appellant?

20               JUDGE LONG: I have no questions at this time.  
21       Thank you.

22               HEARING OFFICER ELSOM: Thank you.

23               And, Judge Kim, do you have any questions for  
24       Appellant?

25               JUDGE KIM: Not at this time. Thank you.

1 HEARING OFFICER ELSOM: Thank you.

2 Mr. Larimer, I don't have any questions for you  
3 at this point, and thank you for the testimony and the  
4 presentation.

5 And now we're going to turn it over to the  
6 Franchise Tax Board for its presentation.

7 And, Mr. Muradyan, you have 20 minutes, and you  
8 may begin whenever you're ready.

9 MR. MURADYAN: Thank you.

10

11 PRESENTATION

12 MR. MURADYAN: Good afternoon. My name is David  
13 Muradyan, and I represent Respondent Franchise Tax Board  
14 in this matter.

15 FTB initiated this filing enforcement action for  
16 the 2018 and 2019 tax years based on Form 1098 it received  
17 showing that mortgage interest was paid by Appellant. As  
18 a result, FTB issued demands for tax return for both tax  
19 years. And after correspondence from Appellant, FTB  
20 issued Notices of Proposed Assessments. For both tax  
21 years, FTB issued separate NPAs in which it assessed  
22 taxes, penalties, filing enforcement fees, plus applicable  
23 interest.

24 Appellant protested both tax years separately,  
25 stating that he did not make the income FTB had alleged he

1 made, and that he had received public assistance from the  
2 State. FTB requested that Appellant provide information  
3 to substantiate his claims. Because Appellant did not  
4 provide this information, FTB affirmed the NPAs and issued  
5 Notice of Actions for both tax years, which was followed  
6 by Appellant's appeal.

7 Before diving into the issues and analysis, it  
8 should be stated that the 2018 and 2019 tax years were  
9 consolidated by the OTA. I'll now go over the issues of  
10 the case for both tax years followed by the law analysis.  
11 For both tax years there's five issues: First, whether  
12 Appellant has demonstrated that FTB's proposed assessments  
13 for the 2018 and 2019 tax years were in error; second,  
14 whether Appellant has established reasonable cause to  
15 abate the delinquent filing penalty for both tax years;  
16 third, whether Appellant has established reasonable cause  
17 to abate the demand penalty for both tax years; fourth,  
18 whether the filing enforcement fee was properly imposed  
19 for both tax years; and finally, whether interest may be  
20 abated for both tax years.

21 As noted, both the 2018 and 2019 tax years have  
22 the same identical issues. As such, we will cover the  
23 same issue for both tax years at the same time. With  
24 respect to the first issue for both the 2018 and 2019 tax  
25 years, Appellant has not demonstrated that FTB's proposed

1 assessments were in error. FTB's proposed assessments for  
2 both tax years arose from information that FTB had  
3 received that Appellant had made mortgage interest  
4 payments of \$15,555 and \$13,664 for the 2018 and 2019 tax  
5 years respectively, which triggered a filing requirement.

6 Specifically, under Revenue & Taxation Code  
7 section 18501, every individual that has a gross income or  
8 adjusted gross income that exceeds the minimum income  
9 levels for a particular tax year must file a tax return.  
10 Under section 19087, if a taxpayer fails to file a tax  
11 return, FTB may estimate income based on available  
12 information and may propose to assess tax, interest, and  
13 penalties. Based on mortgage interest paid in the amount  
14 of \$15,555 for the 2018 tax year and \$13,664 for the 2019  
15 tax year, it appeared that Appellant received sufficient  
16 income to require the filing of tax returns for the  
17 subject years. And FTB estimated Appellant's income to be  
18 \$93,330 for the 2018 tax year and \$81,984 for the 2019 tax  
19 year, which is equal to six times the amount of mortgage  
20 interest paid for those respective years.

21 Because Appellant failed to file tax returns for  
22 both years, FTB properly made an assessment based on  
23 available information; namely the mortgage interest paid  
24 during the subject appeal year pursuant to the provisions  
25 of Section 19087. When FTB makes an assessment based on



1 an estimate of income, its initial burden is to show why  
2 its assessment is reasonable and rational. Here,  
3 Appellant's mortgage interest payment information is the  
4 basis for the reasonable inference that he must have had  
5 sufficient income to pay for cost of living expenses,  
6 including his mortgage.

7 In fact, FTB's study supports the use of mortgage  
8 interest payments to estimate income and to establish that  
9 its assessments are reasonably and rationally based. The  
10 six to one income to mortgage interest paid ratio to  
11 estimated income was not implemented by FTB's Filing  
12 Enforcement program arbitrarily or capriciously, but as  
13 stated in much greater detail in the opening brief, was  
14 based on a study and is actually very conservative.  
15 Accordingly, the study, coupled with Appellant's mortgage  
16 interest payments -- payment information, carry FTB's  
17 burden of showing the NPA for both tax years was  
18 reasonable and rational, and that it must be presumed  
19 correct.

20 As set forth in FTB's opening brief for both tax  
21 years, FTB has continuously requested that Appellant  
22 provide information, including supporting documentation,  
23 demonstrating how he could afford his mortgage and other  
24 living expenses. Unfortunately, to date, Appellant has  
25 only made unsupported assertions and has not provided any

1 of the documentation requested by FTB to establish how the  
2 mortgage interest payments were made. Therefore,  
3 Appellant has not met his burden to establish he did not  
4 earn taxable income in the 2018 and 2019 tax years  
5 sufficient to trigger a filing requirement.

6 With respect to the second issue, Appellant has  
7 not established reasonable cause to demonstrate that that  
8 abatement of the delinquent filing penalty for the 2018  
9 and 2019 tax years is appropriate. Specifically, under  
10 section 19131, if taxpayers do not file their return by  
11 the applicable due date, FTB shall impose a delinquent  
12 filing penalty equal to 5 percent of the total tax due per  
13 month for up to a maximum of 25 percent.

14 For both tax years, Appellant has not filed a tax  
15 return. Accordingly, FTB correctly imposed a delinquent  
16 filing penalty for both tax years. Appellant has not  
17 offered any arguments as to why the delinquent filing  
18 penalty for either year should be abated. As such, FTB's  
19 actions with respect to the delinquent filing penalty for  
20 both tax years should be sustained.

21 With respect to the third issue, Appellant has  
22 not demonstrated reasonable cause exist for the abatement  
23 of the demand penalty. Section 19133 provides that a  
24 demand penalty may be imposed when a taxpayer fails or  
25 refuses to file a return upon demand, unless it is shown

1     that failure is due to reasonable cause and not willful  
2     neglect. The demand penalty is computed at 25 percent of  
3     the amount of the taxpayer's total liability without  
4     regard to payments.

5             In addition, pursuant to California Code of  
6     Regulation section 19133, a demand penalty is proper if it  
7     is assessed following the taxpayer's failure to timely  
8     respond to a request or demand to file a tax return at any  
9     time for the four taxable year period preceding the  
10    taxable year for which the current demand was issued. For  
11    the 2018 tax year, FTB properly assessed the demand  
12    penalty on the NPA because Appellant failed to file his  
13    2018 tax return after FTB's demand. In addition, the  
14    conditions required by the regulations were also satisfied  
15    because FTB issued an NPA on September 27, 2019, following  
16    Appellant's failure to timely respond to a request for tax  
17    return for the 2017 tax return, which is one of the four  
18    taxable years preceding the 2018 tax year.

19            For the 2019 tax year, FTB properly imposed the  
20    demand penalty because Appellant did not file a return  
21    upon Notice of Demand; and FTB had previously issued an  
22    NPA for the 2018 tax year satisfying Regulation  
23    section 19133's requirement. For both the 2018 and 2019  
24    tax years, Appellant has not made any arguments as to why  
25    the demand penalty should be abated. As such, FTB's

1 actions with respect to the demand penalty for both tax  
2 years should be sustained.

3 With respect to the fourth issue, the filing  
4 enforcement fee was properly imposed for both tax years  
5 when Appellant failed to file his 2018 and 2019 returns in  
6 response to the demand letters, FTB imposed a filing  
7 enforcement cost recovery fee under section 19254. Once  
8 properly imposed, there's no provision which would excuse  
9 the FTB from imposing this fee on any -- for any  
10 circumstances, including reasonable cause. As such, FTB's  
11 actions with respect to the filing enforcement fee for  
12 both tax years should be sustained.

13 Finally, with respect to the last issue, interest  
14 was properly assessed for both tax years. Interest  
15 accrues because taxes are due and payable as of the  
16 original due date of the return. Section 19101 provides  
17 that if the tax is not paid by the original due date, or  
18 if FTB assesses additional tax and the assessment becomes  
19 due and payable, the law provides for charging interest on  
20 the resulting balance due compounded daily. FTB's  
21 imposition of interest is mandatory, and FTB is not  
22 allowed to abate interest except where authorized by law.

23 Section 19104 provides for abatement of interest  
24 under certain circumstances if the taxpayer meets all of  
25 the requirements to show such an abatement. Appellant

1       unfortunately, has not alleged or established any of the  
2       statutory grounds for interest abatement. Therefore,  
3       interest may not be abated in this matter for either tax  
4       year. In summary, for both the 2018 and 2019 tax years,  
5       Appellant has not demonstrated error in FTB's proposed  
6       assessment of additional tax, penalties, and interest, and  
7       FTB's actions should be sustained.

8               This concludes my presentation. And with that,  
9       I'd be happy to take any questions the panel may have.

10              HEARING OFFICER ELSOM: Okay. Thank you,  
11       Mr. Muradyan.

12              And like to turn it over to the panel now for  
13       questions, beginning with Judge Long.

14              Judge Long, do you have any questions for the  
15       Franchise Tax Board?

16              JUDGE LONG: This is Judge Long. I have no  
17       questions. Thank you.

18              HEARING OFFICER ELSOM: Thank you.

19              And, Judge Kim, do you have any questions for the  
20       Franchise Tax Board?

21              JUDGE KIM: No questions. Thank you.

22              HEARING OFFICER ELSOM: Okay. Thank you.

23              And, Mr. Larimer, before you begin your  
24       presentation, I wanted to briefly address your concern  
25       regarding the hearing transcript. As I stated earlier,

1 the hearing transcript will be posted on our website, and  
2 you can submit a request to review the transcript and  
3 correct and update any items that you believe are  
4 inaccurate. And the form will be posted on our website as  
5 well, and that's at <https://ota.ca.gov/resources/>. And so  
6 I can just pull up the transcript, review it, and submit a  
7 request to correct any inaccurate items.

8 And with respect to your concerns about the  
9 disclosure of private information, information that's  
10 personally identifiable is protected under the Public  
11 Records Act, including telephone numbers, social security  
12 numbers, federal identification number, driver's license,  
13 financial account numbers, full names of children, et  
14 cetera. So hopefully that addresses both of your  
15 concerns.

16 And I'm going to turn it over to you now. You  
17 have 10 minutes to provide your rebuttal or closing  
18 statement, and you can begin whenever you're ready.

19  
20 CLOSING STATEMENT

21 MR. LARIMER: This is Xo. The central issue in  
22 this appeal is whether the FTB may sustain a tax  
23 determination against a California resident when there is  
24 no evidence of income above the filing threshold. The  
25 taxpayer has proven -- provided sworn statements and

1 supporting documentation, and the FTB's own records  
2 confirm the taxpayer's compliance. I've shown it on time.  
3 I'm sorry.

4 This case also raises a broader question of  
5 reasonableness and whether it is lawful for the State to  
6 disregard evidence, rely on incorrect data, and pursue  
7 enforcement actions against the compliant low income  
8 resident. The appeal also concerns the reasonableness of  
9 the FTB's conduct. The absence of evidence, the use of  
10 irrelevant legal citations, and the repetition of  
11 incorrect data all raise serious questions about the  
12 State's handling of this case. The burden should not fall  
13 on the low income resident to repeatedly disprove  
14 unsupported determinations.

15 The FTB has demonstrated that I earn -- has not  
16 demonstrated that I earn taxable income for the years in  
17 question. I did not receive the FE study that was  
18 mentioned, unless it was the two-page one. I have met  
19 every obligation under the law, provided sworn statements  
20 and documentation, and cooperated fully. The agency's  
21 continued reliance on incorrect data and irrelevant legal  
22 authorities lack foundation in both fact and law.

23 I respectfully request the Office of Tax Appeals  
24 find in favor of Appellant recognizing the evidence, the  
25 law, and prior judicial findings support my position.

1 Thank you for your time and your consideration.

2 JUDGE LONG: Hearing Officer Elsom, you're  
3 currently muted.

4 HEARING OFFICER ELSOM: Sorry about that.

5 Thank you, Mr. Larimer. I wanted to thank you  
6 for your presentations and your testimony today. It's  
7 very helpful.

8 And at this point, again, we'll turn it over to  
9 the Judges for any questions.

10 Judge Long, did you have any questions for  
11 Mr. Larimer?

12 JUDGE LONG: I have no questions. Thank you.

13 HEARING OFFICER ELSOM: Okay. Thank you.

14 And, Judge Kim, do you have any questions for  
15 Mr. Larimer?

16 Judge Kim, we can't hear you, if you're --

17 JUDGE KIM: Sorry.

18 I guess I just have one question, Mr. Larimer.  
19 So FTB looked at your mortgage interest payments, and they  
20 determined you had taxable income based off of that. My  
21 question is how did you -- or where did you get the funds  
22 to make those mortgage payments?

23 MR. LARIMER: That's included in the exhibit.  
24 You'll also notice that in the 2015 and 2014, which is the  
25 data that they requested that they said they got this fee



1 from, from the four or five years that they got the  
2 mortgage, you'll look that these are the years that were  
3 approved by the Franchise Tax Board and included all the  
4 information. So when I showed in my exhibit, I actually  
5 showed that real example of what's happening. And so you  
6 can actually figure it out in exhibit.

7 JUDGE KIM: All right. Can you point which  
8 exhibit that you're talking about?

9 MR. LARIMER: I apologize. I think it's  
10 Exhibit 13 or 12. It's the one that's basis off the FE  
11 study, for the mortgage study, the six to one, which is  
12 arbitrary. Sorry. Let me -- let me --

13 HEARING OFFICER ELSOM: You've got plenty of  
14 time, Mr. Larimer, so take your time.

15 MR. LARIMER: Yes. Thank you.

16 I think it was Exhibit 13, Appellant worksheet  
17 analyzing income projections for 2013 through '16 -- which  
18 is what I was mentioning and talking about -- based off  
19 the FTB's 2019 mortgage interest study. I was pretty  
20 detailed about how we go about doing this a better way  
21 because I know that the AI is going to be doing this in  
22 the future. And I'd like to make sure that these things  
23 are fixed in the future.

24 There were also a lot of things that were kind of  
25 going on that is -- we're not going to be talking about

1       here -- dealing with FTB actions. And it kind of messes  
2       with the data. So that was another thing that I was  
3       worried about.

4               Does that answer your question? All of those  
5       things are there.

6               JUDGE KIM: I'm looking at Exhibit 13, and  
7       it's --

8               MR. LARIMER: Okay. I need to pull it up then.  
9       I apologize. I have a lot of things on the computer as  
10      you see.

11              JUDGE KIM: That's okay. I mean, I am looking at  
12      Exhibit 13, and it's showing that you disagree with the  
13      income projections. But it's not explaining how you got  
14      the funds to pay for your mortgage during the tax year at  
15      issue.

16              MR. LARIMER: Oh, apologize. I believe I said  
17      that the 2015 and 2016, the ones that were included in  
18      there, that information is also included with that so that  
19      it would be the same. I've been paying in the exact same  
20      way. It makes sense, right? Nothing has changed.

21              HEARING OFFICER ELSOM: Mr. Larimer, I believe  
22      what Judge Kim is referring to, possibly, is you had made  
23      statements that you received assistance from Alameda  
24      County and possibly from CalFresh and/or whatever  
25      information you have that shows that you were able to pay

1       that mortgage interest and meet your living expenses.

2               MR. LARIMER:   Yeah.

3               HEARING OFFICER ELSOM:   I believe he's referring  
4       to actual documents that show that, rather than the  
5       analysis that you had used in contradiction to FTB's  
6       model.

7               MR. LARIMER:   I would have to know what date and  
8       time those things were that they -- I made those  
9       statements and find out.   It could be the 2019.   It could  
10      be the 2018 as -- I -- honestly this is the first I'm  
11      heard of his presentation, and there's a lot of  
12      information in there that I was a little, oh, I hadn't  
13      heard.   I kind of heard about it, but it's different than  
14      the one they sent me.   So there's a little bit more  
15      detail, and I'm still processing it.

16              HEARING OFFICER ELSOM:   Okay.   I understand.

17              Judge Kim, did you have any follow-up questions  
18      for Mr. Larimer?

19              JUDGE KIM:   No.   Thank you.

20              HEARING OFFICER ELSOM:   Okay.   Okay.   Thank you,  
21      Mr. Larimer.

22              So I believe that we are -- have completed the  
23      hearing now, and we're ready to conclude.   So I wanted to  
24      thank both parties for their presentations today.   The  
25      panel of three here will meet and decide the case based

1       upon the arguments and the evidence in the record. We  
2       will issue our written decision no later than 100 days  
3       from today.

4               This case is submitted and the record is now  
5       closed. This concludes the hearing for the Appeal of  
6       Larimer.

7                       (Proceedings concluded at 1:32 p.m.)

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HEARING REPORTER'S CERTIFICATE

I, Ernalyne M. Alonzo, Hearing Reporter in and for  
the State of California, do hereby certify:

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

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

I have hereunto subscribed my name this 10th day  
of November, 2025.

\_\_\_\_\_  
ERNALYN M. ALONZO  
HEARING REPORTER