

BEFORE THE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

IN THE MATTER OF THE APPEAL OF,)
)
R. CHEREWICK,) OTA NO. 240616402
)
)
APPELLANT.)
)
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)

TRANSCRIPT OF PROCEEDINGS

Cerritos, California

Tuesday, October 14, 2025

Reported by:
ERNALYN M. ALONZO
HEARING REPORTER

1 BEFORE THE OFFICE OF TAX APPEALS

2 STATE OF CALIFORNIA

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14 Transcript of Proceedings, taken
15 at 12900 Park Plaza Drive, Suite 300, Cerritos,
16 California, 90703, commencing at 9:34 a.m. and
17 concluding at 10:58 a.m. on Tuesday,
18 October 14, 2025, reported by Ernalyn M. Alonzo,
19 Hearing Reporter, in and for the State of
20 California.

1 APPEARANCES:

2

3 Panel Lead: ALJ TERESA A. STANLEY

4

5 Panel Members: ALJ KIM WILSON
ALJ SHERIENE ANNE RIDENOUR

6 For the Appellant: JASON GOLDSTEIN

7 For the Respondent: STATE OF CALIFORNIA
8 DEPARTMENT OF TAX AND
9 FEE ADMINISTRATION

10 MARI GUZMAN
JARRETT NOBLE
JASON PARKER

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I N D E X

E X H I B I T S

(Appellant's Exhibits 1-2 were received into evidence at page 6.)

(Department's Exhibits A-E were received into evidence at page 7.)

PRESENTATION

CLOSING STATEMENT

By Mr. Goldstein 63

1 Cerritos, California; Tuesday, October 14, 2025

2 9:34 a.m.

3

4 JUDGE STANLEY: Let's go ahead and go on the
5 record.

6 We're going on the record in the Appeal of
7 Cherewick, Office of Tax Appeals Case No. 240616402. The
8 date is October 14th, 2025. Time is 9:34 a.m., and the
9 hearing is being in Cerritos, California.

10 I'm Judge Teresa Stanley. I will be the lead for
11 the purpose of conducting this hearing. My co-panelists,
12 Hearing Officer Kim Wilson and Judge Sheriene Ridenour,
13 and I are all equal participants in deliberating and
14 determining the outcome of the appeal. I'm go going to
15 ask the parties to identify themselves and who they
16 represent, starting with Appellant, please.

17 MR. GOLDSTEIN: Good morning. Jason Goldstein of
18 Buchalter on behalf of Randolph Cherewick. Randolph
19 Cherewick is present to my left.

20 MR. CHEREWICK: Good morning. My name is Randolph
21 Cherewick.

22 JUDGE STANLEY: Okay. And CDTFA, please.

23 MS. GUZMAN: Good morning. Mari Guzman, on
24 behalf of the Department.

25 MR. NOBLE: Jarrett Noble, also on behalf of the

1 Department.

2 MR. PARKER: And Jason Parker with the
3 Department.

4 JUDGE STANLEY: Okay. Thank you.

5 Just as a reminder, the Office of Tax Appeals is
6 not a court. We're an independent appeals body that is
7 staffed by its own subject matter experts. We are
8 independent of any tax agency, including CDTFA.

9 The issue to be decided in this appeal is whether
10 Appellant is personally liable for the unpaid sales tax
11 liabilities of Global Entry Doors 32, LLC, for the period
12 January 1st, 2019, through July 3rd, 2019.

13 Mr. Goldstein, do you agree that that's the issue
14 today?

15 MR. GOLDSTEIN: Agreed.

16 JUDGE STANLEY: Okay. And, Ms. Guzman, do you
17 agree?

18 MS. GUZMAN: Yes, I do.

19 JUDGE STANLEY: Okay. Appellant submitted
20 Exhibits 1 and 2. CDTFA did not object to the
21 admissibility of the exhibits, and they are admitted into
22 evidence.

23 (Appellant's Exhibits 1-2 were received into
24 evidence by the Administrative Law Judge.)

25 JUDGE STANLEY: CDTFA submitted Exhibits A

1 through F -- no -- E. Appellant did not object to the
2 admissibility of those exhibits, and they are also
3 admitted into evidence.

4 (Department's Exhibits A-E were received into
5 evidence by the Administrative Law Judge.)

6 JUDGE STANLEY: Before we begin Appellant's
7 presentation, Mr. Goldstein, you indicated Mr. Cherewick
8 would be testifying today?

9 MR. GOLDSTEIN: Yes, Judge.

10 JUDGE STANLEY: Okay. So, Mr. Cherewick, can I
11 ask you to raise your right hand, please.

12

13 R. CHEREWICK,

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

17

18 JUDGE STANLEY: Thank you.

19 Okay. Mr. Goldstein, you requested 60 minutes
20 for Appellant's presentation, including the witness
21 testimony, and you can proceed when you're ready.

22 MR. GOLDSTEIN: Thank you, Judge.

23

24 PRESENTATION

25 MR. GOLDSTEIN: As this panel has noted, this is

1 to determine whether or not Mr. Cherewick is personally
2 liable. We believe after you consider the evidence that's
3 been submitted in documentary form and through
4 Mr. Cherewick's testimony, you will find that he was
5 not -- the evidence will show that he was not a
6 responsible person under the statute, nor did he do
7 anything willfully to avoid the payment of taxes.

8

9 DIRECT EXAMINATION

10 BY MR. GOLDSTEIN:

11 Q Mr. Cherewick, what are the names of the persons
12 who are involved in forming Global Entry Doors 32?

13 A Myself, Michael Jenkins, and a gentleman named
14 Richard Deng who was not at the original formation;
15 however, was added by Jenkins later on.

16 Q Did you ever meet Mr. Deng?

17 A No, I did not.

18 Q Ever see Mr. Deng?

19 A I don't -- don't recall seeing Mr. Deng. I don't
20 know what he looks like.

21 Q When Global Entry Doors 32 was formed, was there
22 an agreement reached between you and Michael Jenkins
23 regarding how the LLC would be run?

24 A Yes.

25 Q What was that agreement?

1 A Since I didn't have any background and I wanted
2 to just be a silent investor in this project, I put money
3 up in return for Michael to supervise and manage Global
4 Entry Doors to sell retail doors online through his -- his
5 idea of having online sales. That was the newest and best
6 thing in California.

7 Q What agreement did you reach regarding who would
8 handle the day-to-day operations of Global Entry Doors,
9 including the payment of taxes and filing of tax returns?

10 A Well, I jus -- I just put up the money to supply
11 the company with capital. And I lived in San Diego, and
12 the office was in Orange County. So Mike Jenkins handled
13 the supervision. He was a CEO. He opened the accounts,
14 and I assisted him when he asked me for some assistance.

15 Q Based on your agreement with Mr. Jenkins, did you
16 have control of filing tax returns and paying taxes for
17 Global Entry Doors?

18 A No. Michael Jenkins handled all the preparation
19 of the tax returns. His brother was a CPA in Michigan, I
20 believe, and he handled the tax returns for Global Entry
21 Doors.

22 Q Based on your agreement with Mr. Jenkins, did you
23 supervise the filing of tax returns or paying taxes for
24 Global Entry Doors?

25 A I did not supervise nor pay the taxes for Global

1 Entry Door personally.

2 Q Based on your agreement with Mr. Jenkins, were
3 you charged with filing tax returns or paying tax returns
4 for Global Entry Doors?

5 A No, I did not. I assisted him when he provided
6 me information at a the later date, at the end of the
7 company winding down in late 2018, I believe. And I
8 assisted him in filing these -- these sales tax forms that
9 he provided the information for.

10 Q Did you intentionally cause Global Entry Doors to
11 not pay its taxes?

12 A No, I did not.

13 Q Did you consciously cause Global Entry Doors to
14 not pay its taxes?

15 A No, I did not.

16 Q Did you personally engage in a voluntary course
17 of action which resulted in Global Entry Doors not paying
18 its taxes?

19 A No. To the contrary, I actually tried to be
20 proactive and making sure that Jenkins was providing me
21 the information, or providing information that would pay
22 for all the sales taxes that were due.

23 Q Did you have any personal information regarding
24 the actual sales of Global Entry Doors?

25 A No. No. The information that eventually

1 provided to me to file, I was in San Diego, and he was in
2 Orange County. And he would either tell me or email me
3 what the information was, what the quarterly amounts that
4 were due, and what was taxable, and what amounts to put in
5 for those filings. He was trying to wind the business
6 down. There were a lot of warranty problems with some of
7 the doors that he sold. So he asked me to assist him,
8 which I did.

9 Q Did you have any personal knowledge of what
10 actually was spent on doors as far as purchases and sales,
11 other than what he told you?

12 A No.

13 Q And by "he", I'm referring to Mr. Jenkins
14 which --

15 A Correct. Yeah. No. He -- he had all the
16 records. He had all the sales orders. He employed the
17 people. He paid for their employment and the -- and the
18 insurance, et cetera, for the company.

19 Q Based on your agreement with Mr. Jenkins, did you
20 have to obtain permission from him in order to cut a check
21 from the Global Entry Doors bank account?

22 A The way it was setup, is I -- he asked me if I
23 could pay a bill. I would -- he would say this is
24 approved. You can go ahead and pay this. So, yes, I
25 would need Jenkins. I did not just randomly pay whatever

1 bills I thought were due. He ran the company 100 percent.

2 Q If I can have you turn to what has been marked as
3 Exhibit 2.2 in the hearing binder.

4 A Okay.

5 Q And do you see at the top it's an email from Mike
6 Jenkins to an Eric Byun, dated July 12, 2021?

7 A Yes, I see that.

8 Q Okay. And there is a -- it looks like an
9 asterisk or a bullet point. And the question is, "When
10 was Global Entry Doors, LLC, officially closed?"

11 And the answer was from Mr. Jenkins, "Global
12 Entry Doors 32 GED stopped taking door orders on
13 December 31st, 2018."

14 Do you see that?

15 A Yes, I do.

16 Q What was your understanding of when Global Entry
17 Doors stopped doing business?

18 A At the end of 2018, Mike -- Mike had talked about
19 running his own company, that the Global Entry Doors
20 operation that he had envisioned was not successful, that
21 he wanted to transition to his own company. I think it
22 was called Renaissance Doors, that he was going to retain
23 the premises, purchase the equipment, the forklifts, the
24 existing door inventory from me, which he agreed to do so.
25 I never was -- never --never paid for that, but I agreed

1 to wind -- wind it down and for him to stop doing business
2 at the end of 2018. That was our agreement.

3 Q If I can direct your attention to the, I guess to
4 the last bullet point, do you see where there's the
5 question written, "Who are the people that had access to
6 the bank account for Global Entry Doors 32, LLC?"

7 Do you see that?

8 A Yes, I do.

9 Q And it says, "Mike Jenkins, Randolph Cherewick,
10 and Richard Deng."

11 Do you see that?

12 A Yes, I do.

13 Q Before reviewing this binder and seeing this
14 email, did you have idea that Richard Deng had access to
15 the Global Entry Doors bank accounts?

16 A I did not. I did not agree to allow Richard Deng
17 to be added to GED's Doors since I'd not met him, and I
18 did not know what his -- his official duties were at the
19 company.

20 Q So based on your review, this was a decision made
21 by Mr. Jenkins while controlling Global Entry Doors?

22 A It was his -- his decision on his own.

23 Q If I could have you turn to what's been admitted
24 into evidence as Exhibit 2.3 in the binder.

25 A Yes.

1 Q Have you seen proposals that Global Entry Doors
2 had generated while you were affiliated with the company?

3 A I would stop in maybe once every three or four
4 months see Mike and kind of visit the premises and see the
5 door just to -- one time I told -- brought my children up
6 to see what the -- what this door company was all about.
7 So from time to time he'd show me some of the sales
8 orders. So this looks familiar, yes.

9 Q Do you see about a third of the -- quarter of the
10 way down from the top it says, "Designer Mike Jenkins?"

11 A Yes.

12 Q And then below that is an email address for
13 mike@globalentrydoors.com?

14 A Yeah. That's Mike's email address.

15 Q Okay. Why is your name and email address not on
16 this proposal?

17 A Because I didn't handle the day-to-day operations
18 or the sales of any of the products for the composition or
19 these orders of the doors from China or any other
20 manufacturer. Mike Jenkins handled everything. He
21 supervised and took care of the business.

22 Q That was page 1 of 2. And if you turn to page 2
23 of 2, you also see it's Mike Jenkins name on there, not
24 yours?

25 A Correct.

1 Q If I could have you turn to what's been admitted
2 into evidence as Exhibit 2.4?

3 A Okay.

4 Q Do you recognize this Exhibit 2.4 as being a
5 computer printout relative to some information you had
6 typed into a website for taxes?

7 A Yes. It's for the California Department of Tax
8 and Fee Administration. It's an online form that I filled
9 in.

10 Q At whose direction did you type in this
11 information?

12 A Mike Jenkins said he was busy, and he asked me to
13 assist, if I could, wherever I could. The things like,
14 electronically I could do while I was in San Diego living
15 there with my family, that I could assist him, that I
16 would. I wanted to make -- ensure that the taxes and that
17 the company was wound down properly. I had some bad
18 business dealings previously with a different company
19 where taxes were promised to have been paid, and they were
20 not. And I had to intercede and try to help assist
21 that -- those companies pay those taxes.

22 Q And with your assistance that was to assist
23 Mr. Jenkins with his responsibility overseeing the taxes,
24 preparation, filing, paying, et cetera?

25 A Exactly.

1 Q Okay. If you look at the very bottom of page 1
2 of 3, do you see where it says LLC principals? And it
3 appears below that that there is a one?

4 A Okay. Yes.

5 Q If I can have you turn to page 2 of 3, at the
6 very top, which it appears to be a part of the same box as
7 the early page. It says, "Member Randolph Cherewick."

8 Do you see that?

9 A Yes.

10 Q Is that an accurate statement that you were the
11 only member of Global Entry Doors?

12 A No, that's not correct.

13 Q Okay. To your understanding, why is your name
14 the only one listed as being a principal of Global Entry
15 Door on this particular form?

16 A I don't recall, but if I -- if I supplied this
17 information, I believe that that was a path to getting
18 this -- this form online done as efficient as I could.
19 Whether or not I had an input to be able to put more than
20 one principal, I'm -- I don't recall.

21 Q If you go down about -- a little over half the
22 way there is a heading called "Business Address." Do you
23 see that?

24 A Yes.

25 Q And there is a telephone number beginning with

1 714. Do you see that?

2 A Yes.

3 Q And whose phone number is that?

4 A That is Mike Jen -- Michael Jenkins' phone
5 number.

6 Q And for -- below that there's a heading business
7 mailing address, and it says, "Attention to Mike Jenkins."

8 A Correct. Yes.

9 Q And was that input because Mr. Jenkins was the
10 one with control of the day-to-day operations of Global
11 Entry Doors?

12 A Yes. That's why the business mailing address is
13 attention to him.

14 Q If I can have you turn to page 3 of 3 of
15 Exhibit 2.4, there is a heading towards the top, contact
16 person, books and records, and it has your name below
17 that. Do you see that?

18 A Yes.

19 Q Do you recall why your name was input there?

20 A Because I was filling this form in to be able to
21 assist Mike to getting the sales taxes paid.

22 Q On the next row below, do you see where it says
23 contact person, business activities, and name, Mike
24 Jenkins?

25 A Yes.

1 Q And why was Mike Jenkins listed as the contact
2 person for business activities?

3 A Because Mike handled the business from order to
4 manufacturer to sales and preparation of the income for
5 tax purposes, for the filings for federal and state taxes.

6 Q If I can have you turn to what's been admitted
7 into evidence as Exhibit 2.5?

8 A Okay.

9 Q Yes. See at the first page Mr. Cherewick?

10 A Yes.

11 Q In the, I'd say call it the top right-hand
12 corner, there's a line where it says customer information
13 Global Entry Doors, LLC. Do you see that?

14 A Yes, I do.

15 Q Then it says prepare information. Are you a paid
16 preparer? No. And then your name is identified there?

17 A Yes.

18 Q Why is your name listed as a preparer?

19 A I probably input this information into this --
20 into this form electronically. And there's -- since I'm
21 the one preparing this -- these numbers, putting these
22 numbers into the system, my name shows there, not Mike's.

23 Q Could you please describe for the panel the
24 process of how you obtained the numbers that you punched
25 in to the website?

1 A So Mike would send me an email, or verbally tell
2 me over the phone, this is our gross sales numbers. This
3 is what -- this is what we're -- the sales tax amount
4 that's due on some of those sales, 'cause some of them
5 were exempt from sales tax in California, and this is --
6 this is what's left. Get that done for me, and find out
7 what the sales tax amount that's due. Because it's a
8 rather complicated process with the online tax -- sales
9 tax formula.

10 Q Would it be fair to say that at Mr. Jenkins'
11 direction, he provided you with numbers, and you input
12 those numbers directly into the machine?

13 A That's what I -- that's what I just said that he
14 would provide me the gross sales with amounts were
15 taxable, and I input them into the system. Sometimes I'd
16 have to call the sales tax for additional advice since it
17 was rather complicated to figure out how to put the
18 numbers in properly.

19 Q If I could have you turn to page 3 of 8, still in
20 Exhibit 2.5?

21 A Okay. I'm there.

22 Q There is a line with about a quarter of the way
23 down. It says your information. And then below that, it
24 says Randolph Cherewick, president of manager?

25 A Yes.

1 Q Do you know why it says "president of manager?"

2 A I'm president of Lakewood Construction. And as
3 the manager of Lakewood Construction, I put my name that
4 way.

5 Q If I could have you turn to what's been admitted
6 into evidence as Exhibit 2.6?

7 A Okay.

8 Q Get my glasses because it's a little small.
9 Before we jump into this, was there a time that you
10 requested Mr. Jenkins to remove you and Lakewood
11 Construction as having any relation or ownership interest
12 in Global Entry Doors?

13 A Yes. In the summer of 2018, I think it was, I --
14 I -- he told me that he wanted to wind down the company
15 and that it was no longer going to be a profitable
16 operation, that he wanted to go on his own. He wanted to
17 buy out my interest, and that he wanted to retain
18 premises. So about mid-2018 he said I'm going to file,
19 since he'd done all the original filings for Global Entry
20 Doors. I believe he used Zoom info, or something like
21 that to file, and that he would remove me and provide
22 proof of that removal.

23 Q And when you're saying filings and removal, are
24 you referring to the -- what's reflected on the California
25 Secretary of State website?

1 A Yes, that that would be filed by this third-party
2 Zoom that he would direct to have that done.

3 Q And, at or about that time, did you later
4 discover that Mr. Jenkins had caused you to file a
5 document that falsely reflected that the information in
6 the original statement information had not changed?

7 A Yes. I was surprised to see that.

8 Q And we'll go through it later, but you did not
9 authorize Mr. Jenkins to use your signature on a document
10 to be filed with the Secretary of State, which reflected
11 that nothing had changed in the ownership of Global Entry
12 Doors as of July 2018?

13 A No. That's contrary to what he and I agreed to.
14 And, in fact, he never did prove good on his -- on his
15 promise to -- to pay my 50 percent of, at the time what we
16 agreed to would be for the materials, the doors that were
17 left, the inventory that was remaining at Global Entry
18 Doors.

19 Q Fair to say he stiffed you on the amounts he owed
20 you and then lied to the Secretary of State?

21 A That's correct.

22 Q On Exhibit 2.6, page 1 of 3, about a quarter of
23 the way down, there's an entry dated February 21, '25. It
24 looks like it's 1, 2, 3, 4, 5, 6 columns down from the
25 top.

1 A Okay. Yes.

2 Q It says, "Michael did confirm that Richard Deng
3 provided him the information." It states, "Richard Deng
4 works full time under him and handles the accounting for
5 his current business. Michael stating Randolph Cherewick
6 was the person in charge of filing the sales tax returns
7 for the company." It states Randolph was the majority
8 stock owner, and he was the minority stock owner.

9 Is the statement that you were in charge of
10 filing the state tax returns true or false?

11 A False.

12 Q Going down, I believe it's a March 18th, '21,
13 entry. It's column 1, 2, 3, 4, 5, 6, 7, 8, 9.

14 A I see it.

15 Q Okay. There's an entry. I says in pertinent
16 part, "Randolph stated he left the LLC about two-and-a-half
17 years ago."

18 Do you see that?

19 A Yes.

20 Q Is that a true or false statement?

21 A The timeline, March 21, that's approximately
22 correct. Yes.

23 Q And then going down a little further in that same
24 entry, it states, "Randolph was an investor of the
25 business. And after Michael was incurring debts for

1 different things, that is when he decided to part ways.
2 Randolph stated Michael and him had equal access to the
3 bank."

4 Do you see that?

5 A I do.

6 Q Are those statements true or false?

7 A I was an investor of the business. That's true.
8 And Michael told me that he was incurring debts for GED,
9 and he's starting his own company, and I -- and so
10 that's -- that's true as well. And that's when I asked
11 him, "I'd like to at least, if you're going to continue on
12 with GED I don't want to be a part of it."

13 And he said, "I'm not going to. I'm going to
14 start my own company on my own and keep the same premises,
15 keep the same equipment, keep same employees."

16 Q If I can have you turn to page 2 of 3 of
17 Exhibit 2.6, it's the third column down. There's a
18 statement in here which reads, "Mike stating Randolph was
19 in charge of doing payroll, filing, and paying state
20 taxes."

21 Do you see that?

22 A Yes.

23 Q Is that statement true or false?

24 A That's absolutely false. Had nothing to do with
25 payroll. I didn't even what people on there -- he asked

1 me one time to do the 1099s. He sent me their
2 information. I -- I provided the 1099s after he directed
3 me to provide them because he was too busy, or he couldn't
4 find somebody to do it.

5 Q If you can go down to 1, 2, 3, 4, 5, 6, 7, 8, 9
6 columns down as the 29-September '21?

7 A Okay. I see it.

8 Q Okay. And there's part of the entry, I asked who
9 had the authority to make decisions on paying sales taxes,
10 and Randolph stated, quote, "100 percent Mike Jenkins," end
11 quote. Is that statement true or false?

12 A Yes. That's what I told Eric, Mr. Byun, who made
13 this entry.

14 Q If I could have you turn to page 3 of 3 of
15 Exhibit 2.6, in the last row on the bottom a 18-March 2022
16 entry towards the -- another about a quarter of the way in
17 that entry it reads, "He states he had no experience in
18 the door sale business. He had no input on the operation
19 but only assisted as a passive investor."

20 Is that statement true or false?

21 A That's true.

22 JUDGE STANLEY: Can I just ask a clarifying
23 question. You mentioned Eric, and then I think you said a
24 last name, but I didn't catch that. So I'm pretty sure
25 our stenographer didn't either.

1 MR. CHEREWICK: In the entry it says E. Byun. I
2 believe that's how you pronounce his name, Eric Byun, B --
3 on the enter.

4 MR. GOLDSTEIN: I believe it's spelled --

5 MR. CHEREWICK: B-u-y-n.

6 MR. GOLDSTEIN: I'm sorry. B-y-u-n?

7 MR. CHEREWICK: Yes.

8 MR. GOLDSTEIN: Eric, B-y-u-n.

9 JUDGE STANLEY: Okay. Thank you.

10 BY MR. GOLDSTEIN:

11 Q And then a little further in that section it
12 reads, "In 2019, he could not file any of the sales tax
13 returns because Mike Jenkins had all of the records and
14 would not provide him, paren (Mr. Cherewick) end paren,
15 the records from the file, the tax returns."

16 Is that statement true or false?

17 A That's true. After we wound down the business,
18 he did ask me to assist, which I did. And then later on I
19 found out that -- that he had not paid all the sales
20 taxes, and that he was -- he was attempting to say that I
21 was -- I was -- I was always to pay them. I was required
22 to pay them.

23 Q As of this time, was it your understanding that
24 Mike Jenkins had failed to comply with his agreement with
25 you at the formation of Global Entry Doors to handle the

1 day-to-day operations of the business, including filing
2 and paying sales tax?

3 A Yes.

4 Q If I could have you turn to Exhibit 2.7?

5 A Okay.

6 Q Do you recognize this lease document?

7 A Yes, I do.

8 Q And this was a lease -- was this a lease for
9 Global Entry Doors?

10 A It was. It was for the warehouse, the building
11 that Mike used.

12 Q If I could direct you to page 16 of 23, please?

13 A Okay. I'm there.

14 Q On the right-hand side under the heading
15 "Lessee," do you see where it says Michael Jenkins,
16 president, and there's a DocuSign?

17 A Yes.

18 Q And below that is a DocuSign for Randolph
19 Cherewick, and it says "President of managing member of
20 Lakewood Construction?"

21 A Yes.

22 Q Please explain why you signed this lease in
23 addition with Mr. Jenkins?

24 A So the landlord required anybody that was a part
25 owner of Global Entry Doors sign, regardless of their

1 activities in the company.

2 Q If I could have you -- direct you to staying on
3 Exhibit 2.7 and go to page 21 of 23, do you recognize this
4 guarantee of lease? Do you see at the top where it says
5 "Guarantee of Lease?"

6 A Yes, I do. I see the front. I'm at -- I'm at 21
7 and 23.

8 Q Yes.

9 A Okay.

10 Q And did the landlord require a guarantor with
11 respect to the lease to Global Entry Doors?

12 A They did. I believe they required one of us to
13 sign a guarantee.

14 Q If I could have you turn to page 22 of 23, do you
15 see where under guarantors Michael Jenkins signed, but you
16 did not?

17 A Yes, I do.

18 Q Why did only Michael Jenkins guarantee this lease
19 and not you yourself?

20 A I believe the landlord was actually next door.
21 Their offices were next door. And my understanding is
22 that whatever deal you strike -- you struck with them is
23 that they're -- required his guarantee and not mine.

24 Q As a passive investor, were you ever going to
25 guarantee a lease for Global Entry Doors?

1 A I had no intention of doing that. It would
2 have -- it would have caused us to go back and renegotiate
3 what our original agreement was about.

4 Q If I could have you turn to Exhibit 2.8 and
5 commence with page 2 of 4?

6 A All right. Yes.

7 Q You're on the correct page, Mr. Cherewick?

8 A Okay. Two of three. Okay.

9 Q Yeah. There's a couple of different things, but
10 I'll direct your attention to one of these bottom ones?

11 A Okay. Thank you.

12 Q So do you see pages the 2 of 4, 3 of 4, and 4 of
13 4 are partner share of income, deductions, credits, et
14 cetera, the first being to Michael Jenkins. The second to
15 Randolf -- it references Randolph Cherewick, and the third
16 references is Lakewood Construction?

17 A Yes, I do.

18 Q Who prepared these?

19 A I believe Michael Jenkins and his brother, who
20 was a CPA in Michigan.

21 Q Is Lakewood Construction an entity of yours?

22 A It is.

23 Q On these documents we just looked at indicates a
24 49 percent ownership interest in Mr. Jenkins, the 49
25 percent ownership interest in you, and a 2 percent

1 interest in Lakewood Construction. Do you see that?

2 A I do.

3 Q Why did Lakewood Construction have a 2 percent
4 interest in your passive investor business with
5 Mr. Jenkins?

6 A When -- when Michael Jenkins and I agreed to form
7 this company, I told him I had some bad passive investment
8 in a previous company. And he said to avoid that, let's
9 give you a majority to be able to leave the company when
10 you want to and not be stuck with another situation that
11 would have been similar to the previous problems that I
12 had in another company that I was an investor in.

13 Q So was your understanding and agreement with
14 Mr. Jenkins that if you had a combined 51 percent, 49
15 individual, 1 in the Lakewood Construction, you can then
16 vote yourself out, so to speak, and end the relationship?

17 A Exactly. That I have some -- had some -- the
18 power to say we need to close this now.

19 Q And to your understanding, that was done sometime
20 in 2018. But Mr. Jenkins' statements to you were false
21 and that he did not follow through and left your name on
22 documents?

23 A Correct. When we agreed to close the business,
24 he would get everything wrapped up before the end of 2018.

1 Q If I could have you turn to what's been admitted
2 into evidence as Exhibit 2.9, page 1 of 2.

3 A Okay.

4 Q Do you recognize this as the original statement
5 of information for Global Entry Doors?

6 A I believe so, yes.

7 Q Okay. And if you go down to row number 9 and 10,
8 does this correctly identify, at that time, that you and
9 Mr. Jenkins were the members of Global Entry Doors?

10 A Yes, it does.

11 Q If I can have you please turn to page 2 of 2.

12 A Okay.

13 Q Earlier, do you recall testifying that you had,
14 in mid-2018, instructed Mr. Jenkins to remove you as part
15 of the company for Global Entry Doors?

16 A Yes, that's correct.

17 Q This page 2 of 2, which has a filing date of
18 July 18th, 2018, contains a -- I won't call it a
19 signature -- but a typed name of you as president of
20 managing member of Lakewood Construction. Do you see
21 that?

22 A Yes.

23 Q Was this filed without your knowledge or consent?

24 A Correct.

25 Q Was the filing of this document contrary to your

1 instructions to Mr. Jenkins?

2 A It's contrary to what our agreement was and what
3 Michael should have done, which was to remove me, not
4 include me.

5 Q If I can direct your attention to Exhibit 2.10 --
6 2.10?

7 A Okay.

8 Q About a quarter of the way down, it reflects an
9 email from you to Mr. Jenkins dated January 27th, 2019.
10 Do you see that?

11 A I do.

12 Q Why were you communicating with Mr. Jenkins
13 regarding Global Entry Doors in early 2019?

14 A Mike said that even though he was winding --
15 closing the business off out by the end of 2018, that we
16 still have some warranty. We still had some door orders
17 that had to fulfilled and some -- also, some payments had
18 to be made, one of which you can see in this email. There
19 were sales taxes still due that Mike had identified that
20 we needed to remit. And I wanted to make sure that all
21 these suppliers and other people that were owed money or
22 companies, that they -- they were paid in full, even after
23 the date of dissolution of the company.

24 Q Well, it's Mr. Jenkins' responsibility to do
25 these things, why were you assisting at this time?

1 A I did not want to have a repeat of -- of a couple
2 of people coming after me for Mr. Jenkins' negligence
3 or -- or lack of just shutting down the company and -- and
4 declaring some type of bankruptcy or something.

5 Q Have you ever heard the expression anyone can sue
6 anyone at any time?

7 A Yes.

8 Q Was that a concern that you had with Mr. Jenkins
9 not having removed you from the company and not paying the
10 bills on time as he was required to do?

11 A Yes, that's correct.

12 Q And you just wanted to avoid that type of
13 situation yourself?

14 A Absolutely. Yes.

15 Q If I can have you turn to Exhibit 2.11. Is this
16 another example of you trying to assist to make sure that
17 you don't get stuck with something that Michael Jenkins
18 caused?

19 A Yeah. And this is in June of 2019, well after he
20 said we're going to be wrapping this up. He said that
21 warranty repairs had to be done, that he couldn't avoid
22 those, and that this would continue on for some time.

23 Q Just briefly, what was the warranty repair issue
24 that you're referring to?

25 A He told me that some of the doors he had

1 purchased turned out defective, and he had a list of 1 or
2 200 doors that had to be replaced, and that the supplier
3 in China was replacing the doors with no expense and that
4 he would get those doors replaced under warranty.

5 Q If I can have you turn to Exhibit 2.12, is this
6 another example of your assisting Mr. Jenkins with his
7 obligations for Global Entry Doors?

8 A Yes. I'm -- I'm ensuring that the sales tax
9 payment is going to be paid to the State of California.

10 Q If I can have you turn to Exhibit 21 -- 2.13?

11 A Okay.

12 Q Actually, you're not in this one, so we skip
13 that. If I can have you turn to Exhibit 2.14?

14 A Okay.

15 Q Exhibit 2.14 is a compilation of checks. You
16 looked at these before today's hearing?

17 A I have. I reviewed them this morning.

18 Q Okay. The page 1 of 5, is that your signature on
19 that check?

20 A Yes, it is.

21 Q And this check is dated December 31st, 2018?

22 A That's correct.

23 Q Okay. Why is your signature on this check?

24 A Mike had asked me to take care of some of the
25 bill payments that he authorized, and that I could do that

1 since I was a signer on the account. So I did this
2 remotely at my home in San Diego.

3 Q What did Mr. Jenkins inform you about his
4 schedule of dealing with Global Entry Doors' business that
5 resulted him asking you to assist in with these tasks
6 we're going over today?

7 A It was taking longer than he expected, that the
8 warranty repairs were far and excessive than what he
9 estimated in mid-June 2018, that he was going to continue
10 to wind down the business as he quickly as could and
11 make -- and ensure that the rent was paid in this is
12 example.

13 Q If I can have you turn to page 2 of 5.

14 A Yes.

15 Q Is that your signature on this check?

16 A It is.

17 Q And did you execute this check for similar
18 reasons that you just discussed?

19 A Yes. Same.

20 Q If I can have you turn to page 3 of 5, is that
21 your signature on this check?

22 A It's not.

23 Q If I can have you turn to page 3 of 5, is that
24 that signature on this check?

25 A It is not.

1 Q If I can have you turn to page 4 of 5, is that
2 your signature on this check?

3 A It is not.

4 Q If I can have you turn to page 5 of 5, is that
5 your signature on this check?

6 A It is not.

7 Q If I can have you turn to Exhibit 2.15.

8 A Okay.

9 Q Do you see at the top there's a date
10 June 30th, 2019, and then below that references Global
11 Entry Doors 32?

12 A Yes.

13 Q And then towards the bottom highlighted in
14 yellow, it says owner name, Mike Jenkins?

15 A Yes. I see that.

16 Q As of that date, was it your understanding that
17 Michael Jenkins was the sole owner of Global Entry Doors?

18 A Yes.

19 Q And if I can have you turn to page 2 of 2, there
20 states at the top, filing period December 31st, 2019, and
21 references Global Entry Doors. Do you see that?

22 A Yes.

23 Q At the bottom highlighted in yellow, it says
24 owner name Mike Jenkins. Do you see it?

25 A Yes, I do.

1 Q Was it your understanding as of this date that
2 Mike Jenkins was the sole owner of Global Entry Doors?

3 A Yes.

4 Q If I could have you turn to Exhibit 2.16?

5 A Okay.

6 Q Do you see at the top where it says filing
7 period, December 31st, 2019?

8 A I do.

9 Q And then a little further down it says payee name
10 Global Entry Doors. Do you see that?

11 A I do.

12 Q And then it says payer name, first date of
13 Reporting Services LLC. Do you see that?

14 A I do.

15 Q Do you know what first date of Reporting Services
16 is?

17 A I do not. I've never seen that name before.

18 Q If I could have you turn to Exhibit 2.19?

19 A Okay.

20 MR. GOLDSTEIN: And I'm cognizant. I think my 60
21 minutes is about 15 minutes from being done, so I will
22 complete timely. I appreciate all your patience.

23 BY MR. GOLDSTEIN:

24 Q Do you recognize Exhibit 2.19 as being a
25 responsible person questionnaire that you filled out?

1 A Yes. I filled this out.

2 Q And in box -- in paragraph 1 was the question,
3 was sales tax reimbursement sales tax collected from
4 customer? Answer, I don't know. Do you see that?

5 A Yes, I do.

6 Q That was a true answer then and now?

7 A Yes.

8 Q Then you checked the box other, which is please
9 explain, and you wrote, Mr. Jenkins handled all of the
10 sales orders and sales tax collection. Do you see that?

11 A That's true. Yes, I do.

12 Q Okay. Question 2, did the business use tangible
13 personal property and fail to pay the use tax? Answer, I
14 don't know. Do you see that?

15 A Yes.

16 Q Is that a true answer then and now?

17 A Yes, it is.

18 Q Question 3, are there any known business assets
19 available to satisfy any tax debts, such as bank accounts,
20 vehicles, et cetera? Answer, I don't know. Is that a
21 true statement then and now?

22 A Yes.

23 Q Question 4, how are you associated with the
24 business? Answer, member. Was that a true statement then
25 and now?

1 A Yes.

2 Q Then it states, "Please provide your job title,
3 the dates of your employment or association, and a brief
4 statement of your duties and responsibilities. And you
5 wrote, "I assisted Mr. Jenkins with vendors' accounts," --
6 actually, can you read that yourself?

7 A Yes. Vendors' accounts and sales tax
8 remittances.

9 Q Okay. And were those all done at the direction
10 of Mr. Jenkins?

11 A Yes, 'cause I wouldn't have had any of the
12 records for that.

13 Q Question 5, were you paid for your services?
14 Check box, no. Is that a true statement then and now?

15 A That's true.

16 Q Question 6, if known, provide the name, title,
17 address, and telephone numbers of any person who had any
18 responsibility for the business sales and use tax
19 compliance during the time you were working for or
20 associated with the business, and you identified Mike
21 Jenkins. Do you see that?

22 A I do.

23 Q Was that true then and now?

24 A Yes.

25 Q And you did not put your own name there because

1 you weren't responsible for that; correct?

2 A Correct.

3 Q Question 8, if known, provide the names, title,
4 addresses, and telephone number of any person that
5 prepares or possesses tax returns, sales records,
6 invoices, journals, or other financial records of the
7 business, and you input Mike Jenkins. Do you see that?

8 A I do.

9 Q Is that a true statement then and now?

10 A It is. It was.

11 Q Does Mr. Jenkins possess or, at the time, the
12 pertinent time frame 2019, were those records solely in
13 the possession of Mr. Jenkins?

14 A Yeah. They were at the Orange County offices of
15 Global Entry Doors.

16 Q If I can have you turn to Exhibit 2.20?

17 A Okay.

18 Q Is this another email relative to your efforts to
19 assist Mr. Jenkins with his responsibilities to pay taxes
20 and get the business debts done so you can leave
21 untarnished?

22 A Yes. Correct, sir, in March of 2019.

23 Q If I can have you turn to Exhibit 2.21, is this
24 email of the same type?

25 A Yes. Correct.

1 Q If I can have you turn to Exhibit 2.22 -- 2.22?

2 A Okay. I'm there.

3 Q Is this another email relative to your assisting
4 Mr. Jenkins with his responsibilities with the company at
5 his request?

6 A Yes. I'm ensuring that he's paying the rent on
7 time.

8 Q If I can have you turn to Exhibit 2.23?

9 A Okay.

10 Q Is this another similar email?

11 A Yes. It's for payments to vendors and suppliers
12 that need to be reimbursed.

13 Q If I can have you turn to Exhibit 2.24?

14 A Okay. Yes.

15 Q Is this another similar email?

16 A It is.

17 Q If I can have you turn to Exhibit 2.25, about a
18 quarter of the way down there's a September 4th, 2019,
19 email that's highlighted. And it states -- the
20 highlighted portion states, "Please ensure you fund GED 32
21 Chase Bank account so I don't have an issue with the
22 courts."

23 What did you mean when you wrote that sentence?

24 A I wanted to ensure that Mike Jenkins had
25 fulfilled his duty to complete paying the vendors and the

1 suppliers and any taxes that were due. And I didn't want
2 to have any problem with -- a reminder of what it was -- I
3 mean, my previous business venture where I was a passive
4 investor and taxes were not paid.

5 Q And below that it states, "Also, is your brother
6 completing the GED 32 tax return?"

7 Do you see that?

8 A Yes.

9 Q Is that statement consistent with your
10 understanding that it was Mr. Jenkins who was responsible
11 for paying and filing taxes?

12 A That's correct. His brother filed taxes each
13 year.

14 Q If you can turn to Exhibit 2.26, is this another
15 similar email where you're trying to get this closed out
16 and have Mike -- Mr. Jenkins satisfy his obligations?

17 A This is an email from -- from Mike to me telling
18 me how he's handling, taking care of winding down of -- of
19 Global Entry Doors.

20 Q If you can go to Exhibit 2.27, and then I only
21 have one more exhibit and then that will conclude my
22 portion, subject to the other time allowed. Is
23 Exhibit 2.27 a similar email?

24 A It is.

25 Q And in particular, you wrote in the bottom email,

1 "When can we make the sales tax payment that is way past
2 due to the State of California?"

3 A That's correct. I was concerned that -- that
4 Mike wasn't making timely payments, and that he was
5 winding down the business and using resources for his own
6 company in the same premises.

7 Q Okay. If I can have you turn to Exhibit C?

8 A Okay.

9 Q Mr. Cherewick, Exhibit C is a document that you
10 personally filled out and submitted with respect to this
11 matter?

12 A Okay. I recognize, yes.

13 Q Right. And you disclosed to the California
14 Department of Tax and Fee Administration that from the
15 very beginning it was Michael Jenkins that was the
16 responsible party?

17 A Correct.

18 MR. GOLDSTEIN: Okay. I have no further
19 questions at this time.

20 JUDGE STANLEY: Okay. Thank you. You do have a
21 little bit of time left because we don't count the time I
22 was talking in your total minutes. So if you have a
23 concluding statement to make, you can go ahead and do
24 that.

25 MR. GOLDSTEIN: If I can reserve in case the --

1 JUDGE STANLEY: Sure. Sure. I was going to give
2 you time after their presentation.

3 MR. GOLDSTEIN: Okay. I'll -- I'll.

4 JUDGE STANLEY: Let me just --

5 MR. GOLDSTEIN: Sure. I could give a short
6 concluding remark, then if I still get one more. This
7 will be brief, and I appreciate it, Judge Stanley.

8 JUDGE STANLEY: Okay.

9 MR. GOLDSTEIN: Mr. Cherewick was a passive
10 investor. He was not involved in the personal selling of
11 doors, collection of money, or sales tax. What he did was
12 he, unfortunately, was involved with someone who was not
13 doing the right thing, did not take him out of the company
14 as requested. And then when Mr. Cherewick discovered
15 later on this hadn't been done and there were these
16 issues, did the right thing to try and help Mr. Jenkins to
17 comply with his obligations.

18 I proffer that this means, based on the statute,
19 he is not the responsible person. He definitely did not
20 willfully comply -- fail to comply, though he did not have
21 the personal obligation to. But he had the, you know,
22 good citizenship to want to make sure these things were
23 done, put in all this time for free to try and avoid a
24 situation like this. And we will request that this panel
25 find that he is not a responsible party, and we encourage

1 you to go find Mr. Jenkins who is.

2 And thank you.

3 JUDGE STANLEY: Thank you.

4 Ms. Guzman, do you have any questions for
5 Mr. Cherewick?

6 MS. GUZMAN: We do not have any questions. Thank
7 you.

8 JUDGE STANLEY: Okay. Hearing Officer Wilson, do
9 you have any questions?

10 HEARING OFFICER WILSON: I do. Mr. Cherewick,
11 you said on Exhibit No. 2.9 the Secretary of State form --

12 MR. CHEREWICK: Okay. Let me get to it. Okay.
13 Yes. I'm there.

14 HEARING OFFICER WILSON: On this form, you said
15 that you didn't authorize Mr. Jenkins to fill this out for
16 you with your name; is that correct?

17 MR. GOLDSTEIN: On page 2 of 2?

18 MR. CHEREWICK: 2 of 2.

19 HEARING OFFICER WILSON: Yes.

20 MR. CHEREWICK: Yes, 2 of 2, that's correct.

21 HEARING OFFICER WILSON: Okay. And then on
22 Exhibit 2.10 --

23 MR. CHEREWICK: Okay. I'm there.

24 HEARING OFFICER WILSON: That one, it's dated
25 January of '19.

1 MR. CHEREWICK: Yes.

2 HEARING OFFICER WILSON: And in the email you say
3 that things are picking up with the GED sales. Were you
4 under the impression that there were continuing sales?

5 MR. CHEREWICK: Mike had told me that he was
6 continuing to fix some of the warranty repairs, and that
7 in doing so, he was getting them to change and maybe
8 upgrade or do other things that would provide additional
9 income. And he has some existing inventory from GED that
10 he had purchased from me but not reimburse me for that he
11 was going to utilize to try to boost revenues to be able
12 to pay these debts, which I identified to him in this
13 email.

14 HEARING OFFICER WILSON: Okay. So these -- you
15 were aware that he was continuing sales with GED then?

16 MR. CHEREWICK: He -- he told me past the '18
17 that current inventory would take -- there was a time lag
18 from getting the doors ordered, getting the doors to be
19 warranted and repaired and finished up. So that's why I
20 went through, I think, until mid-2019, actually; or even
21 past the summer of 2019, 6 months later.

22 HEARING OFFICER WILSON: Are you aware of how the
23 sales were reported on the returns?

24 MR. CHEREWICK: No, I was not. This gentleman
25 Richard Deng, who I'd never met or heard, it was my

1 understanding was that he's handling the -- the office --
2 the bookkeeping at the office, so under Mike's direction.

3 HEARING OFFICER WILSON: On the sales tax returns
4 you did file, are --

5 MR. CHEREWICK: On every -- on all -- all the
6 data. All the data was being provided by Deng and by
7 Jenkins to me.

8 HEARING OFFICER WILSON: So you were not aware of
9 how the numbers --

10 MR. CHEREWICK: No.

11 HEARING OFFICER WILSON: -- were --

12 MR. GOLDSTEIN: Let her finish.

13 MR. CHEREWICK: Sorry.

14 HEARING OFFICER WILSON: -- placed on the return?

15 MR. CHEREWICK: No, I did not.

16 HEARING OFFICER WILSON: Okay. That was my
17 question. Thank you.

18 JUDGE STANLEY: Judge Ridenour, do you have any
19 questions for Mr. Cherewick?

20 JUDGE RIDENOUR: Yes, I do. Thank you.

21 Mr. Cherewick, I want to talk about a Lakewood
22 Construction a bit. During the liability period, you are
23 were the president; correct?

24 MR. CHEREWICK: Yes.

25 JUDGE RIDENOUR: And was Mr. Jenkins any part of

1 Lakewood Construction?

2 MR. CHEREWICK: No.

3 JUDGE RIDENOUR: Okay. And that you indicate
4 Lakewood Construction was quote, end quote, "The managing
5 partner of the GED, LLC; is that is correct?

6 MR. CHEREWICK: Not the managing partner in the
7 sense that Mike ran the company.

8 JUDGE RIDENOUR: No. I'm asking about you. You
9 signed a --

10 MR. CHEREWICK: Oh, yes. Yes.

11 JUDGE RIDENOUR: I believe --

12 MR. CHEREWICK: Of Lakewood Constructions.

13 JUDGE RIDENOUR: Correct. But you, managing
14 partner slash Lakewood Construction on that Exhibit 2.7, I
15 believe.

16 MR. CHEREWICK: Yes.

17 JUDGE RIDENOUR: So I'm trying to understand.

18 MR. CHEREWICK: I'm the president and manager of
19 Lakewood Construction.

20 JUDGE RIDENOUR: Okay. And so then -- but you
21 signed it president of managing member of Lakewood
22 Construction of 2.7, page 16. Therefore, giving the
23 impression that you consider Lakewood Construction
24 managing partner.

25 MR. CHEREWICK: Exhibit 2.7?

1 JUDGE RIDENOUR: 2.7, page 16.

2 MR. CHEREWICK: Page 16. This is the lease.

3 JUDGE RIDENOUR: Correct.

4 MR. CHEREWICK: This is the lease of -- okay.

5 MR. GOLDSTEIN: Of the signature block.

6 MR. CHEREWICK: Okay. Yes.

7 JUDGE RIDENOUR: So president of managing member
8 comma Lakewood Construction. So are you saying that
9 Lakewood Construction was a managing member, and you were
10 president of that managing member.

11 MR. CHEREWICK: Yes.

12 JUDGE RIDENOUR: Okay. So managing member of
13 GED?

14 MR. CHEREWICK: I believe that I was managing
15 member of the Lakewood Construction, that they requested
16 my -- my specific information just for the lease.

17 JUDGE RIDENOUR: Okay. All right. Then I will
18 move on. You had 49 percent personal and 2 percent via
19 Lakewood Construction; correct?

20 MR. CHEREWICK: Yes.

21 JUDGE RIDENOUR: And you stated earlier that
22 Mr. Jenkins was not part of Lakewood Construction;
23 correct?

24 MR. CHEREWICK: Correct.

25 JUDGE RIDENOUR: So in a way you were the

1 majority holder of GED?

2 MR. CHEREWICK: Yes.

3 JUDGE RIDENOUR: Okay. And you testified earlier
4 that do that so you could, quote, end quote, "leave when
5 you want to," is that correct?

6 MR. CHEREWICK: In part, yes.

7 JUDGE RIDENOUR: Okay. That is what you
8 testified to; correct?

9 MR. CHEREWICK: Yes. Yes.

10 JUDGE RIDENOUR: So then you also said, I
11 believe, or you confirmed after your attorney asked, if
12 you could vote yourself out and have the power to close
13 out; therefore, you had the majority to allow you that,
14 based on past experiences with previous businesses; is
15 that correct?

16 MR. CHEREWICK: Yes.

17 JUDGE RIDENOUR: Okay. So then you say that, but
18 then you go on in the very passive of Mr. Jenkins did not
19 file. He did not do X, Y, Z. He filed Secretary of State
20 docs without your knowledge, to which then I'm having
21 little bit of concern and understanding. If you were the
22 majority holder, what activities did you actively do to
23 remove yourself from this? And also, Secretary of State
24 document are available in the public. So again, what did
25 you actively do to remove yourself as the majority holder?

1 You did not need permission. You made sure you were the
2 majority so you could leave when you wanted to. So please
3 explain to me what you actively did to ensure that you
4 were no longer affiliated with GED.

5 MR. CHEREWICK: So at the time when Mike and I
6 agreed to wind the business down, we were amicable.
7 There's some information in -- in these documents where it
8 shows that he and I were still sharing hockey tickets, for
9 example, and that our families were still amicable, and
10 that I trusted him to wind down the business. I'd been in
11 business with him for a couple of years. I'd received
12 most of my investment back from Mr. Jenkins, if not all of
13 it. And that I was make -- ensuring that he was just
14 going to wind down the business properly, so I trusted him
15 to complete the documents.

16 I did not believe that he would do me any wrong,
17 and I had nothing to believe that he wouldn't just
18 dissolve it. He had originally filed with Zoom info or
19 whatever that company is to set up the LLC. And he said
20 I'm going to do the same and to wind it down since I have
21 the access online to do so -- or the people -- he had
22 authorization to do so. So instead of interceding myself,
23 I trusted Mr. Jenkins to do so.

24 JUDGE RIDENOUR: Okay. So that was your choice?

25 MR. CHEREWICK: Yes.

1 JUDGE RIDENOUR: Okay. That's all my questions
2 for the moment. Thank you.

3 JUDGE STANLEY: Okay. And I just have a couple
4 of follow-up questions. I didn't see anywhere in the
5 emails between you of any agreement to close the business.
6 Do you have any communications that you could show us that
7 express that you were waiting for him to close -- to tie
8 things up and close the business?

9 MR. CHEREWICK: He and I verbally -- since we
10 were still friends, and I -- we verbally agreed for
11 \$60,000, that he would buy the remaining inventory, the
12 forklift, et cetera. I don't know if we ever wrote that
13 down in a document and both signed it. I don't believe
14 so. I know we talked about it, and I don't recall an
15 email, per se, going back and forth about this. But I
16 went and visited him personally to be able to see what was
17 left, what was inventory, and -- and agreed to wind the
18 business down and come to a number that would buy me out,
19 and that he would wind down the company properly.

20 JUDGE STANLEY: Okay. And we don't have a copy
21 of the LLC agreement in our documentation. Who would be
22 listed in that agreement as the managing member or members
23 of the LLC?

24 MR. CHEREWICK: I believe it was originally set
25 up by Mike Jenkins with both of our names, myself and him.

1 JUDGE STANLEY: Okay. And on Exhibit 2.10 --

2 MR. CHEREWICK: Yes.

3 JUDGE STANLEY: -- how were you coming to know
4 about the debts if you weren't involved with the business
5 at that point? How did you know exactly what was owed for
6 water and to CDTFA? That whole list of debts that you
7 gave to him, how did you come to know about those?

8 MR. CHEREWICK: So on a regular basis Mike would
9 inform me as to what our -- what our balance sheet was,
10 meaning our debts, our revenues, what was owed to certain
11 vendors, and if I could assist in doing so. Some of
12 these, for example, I would pay directly out of my own
13 accounts or my GED account. I had my own credit card for
14 GED that I set up at the outset, and I would ask for
15 reimbursement. So this is a documentation of
16 reimbursement from the GED for payments that I made
17 directly on -- on Mike's behalf to keep the company
18 running.

19 JUDGE STANLEY: So if you say you were using your
20 credit card to pay them, did you pay the \$17,000 due to
21 CDTFA?

22 MR. CHEREWICK: Yes.

23 JUDGE STANLEY: Okay. So, at that point, you did
24 use the company credit card to pay for that, and you were
25 just asking for reimbursement?

1 MR. CHEREWICK: Reimbursement. That's correct.

2 JUDGE STANLEY: Okay. With that clarification, I
3 don't have any further questions.

4 So, Ms. Guzman, you requested 20 minutes for your
5 presentation, and you can proceed when ready.

6 MS. GUZMAN: Thank you.

7

8 PRESENTATION

9 MS. GUZMAN: Good morning.

10 At issue in this case is whether Appellant
11 Randolph Cherewick is personally liable for the unpaid
12 sales tax liabilities of Global Entry Doors 32, LLC, which
13 we will refer to as GED from here on out, for the period
14 January 1, 2019, through July 31st, 2019, the liability
15 period, pursuant to Revenue & Taxation Code section 6829,
16 which we will refer to as section 6829 from here on out.
17 GED, a small closely held limited liability company, with
18 only two active members during the liability period,
19 operated as a retailer of prefabricated and custom entry
20 doors from its business location in Santa Ana, California.

21 GED's unpaid sales tax liabilities stem from
22 Department-assessed tax liabilities for the first quarter
23 and second quarter of 2019, and a self-assessed tax
24 liability for the period July 1st, 2019, through
25 July 31st, 2019. On June 30th, 2022, the Department

1 issued a Notice of Dual Determination to Appellant,
2 Exhibit B, for GED's unpaid sales and use tax liabilities,
3 plus interest and penalties, pursuant to section 6829.

4 Section 6829 and Regulation 1702.5 provide that a
5 person is personally liable for the tax, penalties, and
6 interest owed to a business entity if the following four
7 elements are met: One, the business of the entity has
8 been terminated, dissolved, or abandoned; two, sales tax
9 reimbursement was collected on its sales of tangible
10 personal property, and it failed to remit the tax to the
11 Department; three, the person had control or supervision
12 of, or was charged with the responsibility for the filing
13 of returns or the payment of tax, or was under a duty to
14 act for the corporation to comply with the sales and use
15 tax law; and lastly, the person willfully failed to pay
16 taxes due, or willfully failed to cause such taxes to be
17 paid.

18 The Department is required to prove these four
19 elements of section 6829 by a preponderance of the
20 evidence. With respect to the first element, termination,
21 Appellant has conceded that the business closed and ceased
22 operations. In an email dated July 12th, 2021,
23 Mr. Jenkins emailed the Department to clarify that GED
24 ceased its operations at the end of July 2019; Exhibit A,
25 page 18. Therefore, the Department closed GED's seller's

1 permit with an effective date of July 31st, 2019. Thus,
2 the first element is satisfied.

3 With respect to the second element, collection of
4 sales tax reimbursement, the evidence shows from the
5 Department's examination of GED's sales invoices,
6 Exhibit A, pages 19 and 20, that it was GED's normal
7 business practice to collect sales tax reimbursement on
8 its sales of tangible personal property. Based on this
9 evidence, the second element is also satisfied.

10 With respect to the third element, responsible
11 person, Appellant was a member of GED during the liability
12 period. According to GED's income tax return for 2017,
13 Exhibit A, pages 58 to 60, Appellant owned 49 percent of
14 the membership interest in GED. Furthermore, as seen in
15 Exhibit A, pages 21 to 23, Appellant was identified as a
16 member of GED on its seller's permit application filed by
17 Appellant on March 9th, 2019. Appellant was also named as
18 GED's manager and member on GED's statement of information
19 filed by Appellant with the California Secretary of State
20 on March 11th, 2016, and on July 18th, 2018; Exhibit A
21 pages 61 and 62.

22 As also seen in a responsible person
23 questionnaire, dated March 24th, 2021, Exhibit A, page 82,
24 Appellant identified himself as a member of GED.
25 Additionally, Appellant was the president of GED's

1 managing member Lakewood Construction, Inc. And in that
2 capacity, Appellant signed GED's lease agreement for its
3 business premises; Exhibit A, pages 35 to 57. The
4 evidence also shows that Appellant demonstrated that he
5 had control of or responsibility for GED's sales and use
6 tax matters during the liability period. For example, in
7 an email dated March 19th, 2019, Exhibit A, page 20,
8 Appellant instructs Mr. Jenkins to insert \$5,000 for the
9 amended sales tax return that is due ASAP.

10 In another email to Mr. Jenkins, dated
11 June 11th, 2019, Exhibit A, page 64, which was prompted by
12 an account notification sent to GED by the Department,
13 Appellant instructs Mr. Jenkins to prepare the tax amount
14 due for the last quarter and send it to me by email ASAP.
15 In an email on June 12th, 2019, also Exhibit A, page 64,
16 Mr. Jenkins responds with, "Are you talking about first
17 quarter? If so, you have it because I sent it to you in
18 April. Did you not file it?"

19 Then on July 8th, 2019, as seen in Exhibit A,
20 page 65, Appellant emailed Mr. Jenkins asking, "When can
21 we make the sales tax payment that is way past due to the
22 State of California?" These emails, all sent during the
23 liability period, clearly show that Appellant was
24 personally involved in GED's sales and use tax matters.
25 Lastly, Appellant filed GED's sales and use tax returns

1 for the quarters immediately preceding the liability,
2 including second quarter through fourth quarter of 2018,
3 Exhibit A, pages 24 through 31.

4 And there is no evidence to suggest that
5 Appellant subsequently relinquished a role or any
6 authority with respect to GED's sales and use tax matters.
7 Taken together, the foregoing evidence clearly shows that
8 Appellant was a person responsible for GED's sales and use
9 tax matters throughout the liability period at issue.
10 Therefore, the third element is also satisfied.

11 The final element we will discuss is willfulness.
12 Willfully fails to pay or to cause to be paid means that
13 the failure was a result of an intentional, conscious, and
14 voluntary course of action. This failure may be willful,
15 even if it was not done with a bad purpose or motive. In
16 order to show willfulness, the Department must establish
17 all the following: First, on or about the taxes became
18 due, the responsible person had actual knowledge that the
19 taxes were due but not being paid; next, the responsible
20 person had the authority to pay the taxes or to cause them
21 to be paid, one, on the date taxes became due, and two,
22 when the responsible person had actual knowledge; and
23 lastly, when the responsible person had actual knowledge
24 the responsible person had the ability to pay the taxes
25 but chose not to do so. In this case, the evidence shows

1 Appellant willfully failed to pay or direct payment of the
2 taxes at issue.

3 As previously mentioned, Appellant filed GED's
4 sales and use tax returns for the second quarter through
5 the fourth quarter of 2018. By virtue of these filings,
6 Appellant knew that GED had an ongoing responsibility to
7 file its quarterly returns and failed to do so for the
8 periods at issue. Furthermore, Appellant had direct
9 communications with its other member, Mr. Jenkins, during
10 the periods at issue. For example and as previously noted
11 by email dated March 18th, 2019, Exhibit A, page 83,
12 Appellant instructed Mr. Jenkins to insert \$5,000 for the
13 amended sales tax return that is due ASAP.

14 Appellant also continued to be involved in GED's
15 sales and use tax matters during the second quarter of
16 2019 by continuing to communicate with Mr. Jenkins
17 regarding GED's sales and use tax matters. For example,
18 Appellant emailed Mr. Jenkins on June 11th, 2019,
19 Exhibit A, page 64, wherein he referenced GED's sales tax
20 liabilities and stated, "This is unavoidable. Prepare the
21 tax amount due for the last quarter and send it to me
22 ASAP." Appellant, again, further communicated with
23 Mr. Jenkins by email, dated July 8th, 2019, Exhibit A,
24 page 65, wherein Appellant asked when the sales tax
25 payments could be paid to California.

With the respect to the second requirement of willfulness authority, as already discussed, Appellant filed GED's sale and use tax returns in the quarters immediately preceding the liability period, second quarter through fourth quarter of 2018, Exhibit A, at pages 24 to 31. Furthermore, Appellant signed company checks, Exhibit A, pages 67 to 69, in payment of GED's rent during the liability period. Appellant also stated that he would pay GED's expenses as evidenced by email communications between February 17th, 2019, and March 19th, 2019, Exhibit A, pages 92 through 93. Additionally, Appellant was the president of GED's managing member Lakewood Construction, Inc., see Exhibit A, pages 35 to 57. And it is reasonable to conclude that GED's managing member had authority over GED's financial matters.

23 Furthermore, Mr. Jenkins indicated in an email to
24 the Department dated July 12th, 2021, Exhibit A, page 18,
25 that Appellant had access to GED's bank account. To

1 substantiate this as seen in Exhibit A, page 32, an
2 account note entered in the Department's records dated
3 April 6th, 2021, Appellant informed the Department that he
4 would contact Chase Bank to obtain GED's bank statements
5 for the Department to review, showing that Appellant had
6 the authority to obtain GED's banking information. Taken
7 together, all of this evidence shows that Appellant had
8 authority to pay GED's tax liabilities or to cause them to
9 be paid when the taxes became due and payable. Therefore,
10 the second requirement of willfulness has been met.

11 With respect to the third element of willfulness,
12 ability to pay, GED had sufficient funds available during
13 the liability period as evidenced by GED's Form 1099-K
14 showing that GED received payments from First Data Report
15 Services, Exhibit A, page 74, and the amount of \$208,000
16 during first quarter 2019, \$122,000 during second quarter
17 2019, and \$6,600 during July of 2019. Furthermore,
18 according to GED's bank statements, Exhibit A, page 75
19 to 79, deposits were made into GED's account totaling
20 approximately \$235,000 during the liability period.
21 Additionally, as already discussed, GED collected sales
22 tax reimbursement but failed to remit it to the
23 Department.

24 Furthermore, GED paid wages to its employees
25 totally approximately \$95,000 during the liability period;

1 Exhibit A, pages 72 to 73. And as already discussed,
2 Appellant wrote checks, Exhibit A, page 67 and 68 in
3 payment of GED's rent during the liability period. GED's
4 payment of employee wages and other expenses represented a
5 choice by GED to use its available funds to pay these
6 obligations instead of its outstanding tax liabilities.
7 Thus, the evidence shows that on the dates Appellant had
8 their requisite knowledge and authority, GED had funds
9 available, such that Appellant had the ability to pay the
10 taxes at issue but chose not to do so. Therefore, the
11 final requirement of willfulness has been met.

12 While Appellant asserts that Mr. Jenkins managed
13 and directed all business operations for GED, and that he
14 was only a passive investor in the business, the internal
15 correspondence between Appellant and Mr. Jenkins shows
16 that Appellant was involved in important aspects of the
17 business. For instance, in a March 9th, 2019, email to
18 Mr. Jenkins, Exhibit A, page 84, Appellant stated that he
19 got up early to get the GED accounting done for 1099
20 completion. Also on March 9th, 2019, as seen in
21 Exhibit A, page 85, Appellant emailed Mr. Jenkins to
22 request credit card statement copies to complete the
23 accounting. Then on March 11th, 2019, Appellant emailed
24 Mr. Jenkins to ask if GED's rent had been paid on time;
25 Exhibit A, page 86.

1 On March 18th, 2019, in another email to
2 Mr. Jenkins, Exhibit A, page 87, Appellant listed GED's
3 expenses and requested that Mr. Jenkins include the
4 expenses in his cash flow. And while Appellant attempts
5 to characterize his involvement in GED's sales and use tax
6 matters as merely assisting Mr. Jenkins, in addition to
7 all of the evidence already discussed relating to GED's
8 sales and use tax matters showing that Appellant was a
9 responsible person for GED, there is no evidence to
10 suggest that Appellant operated under the direction of
11 Mr. Jenkins or required his approval for such matters.
12 Furthermore, responsible person liability is not limited
13 to an individual who is the most responsible person, but
14 rather is properly imposed on any responsible person who
15 otherwise meets the requirements of section 6829.

16 Lastly, Appellant contends that he did not
17 participate in the daily operations of the business.
18 However, section 6829 does not require that Appellant be
19 physically at the business operating on a daily basis to
20 be a responsible person. Based on the law and evidence
21 provided, Appellant is personally liable for GED's unpaid
22 sale tax liability. Therefore, we ask you deny
23 Appellant's appeal.

24 Thank you.

25 JUDGE STANLEY: Thank you.

1 Hearing Officer Wilson, do you have any questions
2 for the Department?

3 HEARING OFFICER WILSON: I do not. Thank you.

4 JUDGE STANLEY: And, Judge Ridenour, do you have
5 any questions for the Department?

6 JUDGE RIDENOUR: Not at this time. Thank you.

7 JUDGE STANLEY: Okay. Nor do I, so I'm going to
8 turn it back to you, Mr. Goldstein, for a final statement.

9 MR. GOLDSTEIN: Yes, I can close it out before
10 noon in the five minutes.

11

12 CLOSING STATEMENT

13 MR. GOLDSTEIN: The undisputed, unrebutted
14 evidence of Mr. Cherewick today was not challenged by any
15 questions. Mr. Cherewick thoroughly explained the import
16 of each of the documents that was just referenced. There
17 was a statement, there was no evidence that Mr. Cherewick
18 had to obtain direction from Mr. Jenkins. That statement
19 is absolutely false. We've heard an hour's worth of
20 testimony from Mr. Cherewick on how that works. The
21 Department didn't bring Mr. Jenkins in here today. All we
22 have are some hearsay calls with the Department, which
23 Mr. Cherewick has testified are absolutely false.

24 And there's been a misunderstanding of
25 Mr. Cherewick's testimony. Lakewood Construction was not

1 the managing manager of Global Entry Doors. Mr. Cherewick
2 is the manager of Lakewood Construction, who was a member
3 of Global Entry Doors. But in any event, just being a
4 member does not ipso facto render someone a responsible
5 party. The reference to the July 18th Secretary of State
6 filing was already been scuttled by Mr. Cherewick. That
7 was a fraudulent document entered without his knowledge or
8 consent. It doesn't mean anything. And the point was,
9 when after Mr. Jenkins lied to Mr. Cherewick,
10 Mr. Cherewick relied, trusted, and was his friend, did not
11 remove him from the company.

12 Mr. Cherewick saw what the company was under the
13 direction and tried to help him do the right thing. That
14 doesn't create a responsible party. That was someone
15 trying to assist Mr. Jenkins with doing the right thing.
16 Mr. Cherewick should be congratulated for doing that, not,
17 you know, imposed on personal liability that is rightfully
18 imposed upon Mr. Jenkins. And going to the Code of
19 Regulations 1702.5, a responsible person who is -- one, we
20 dispute Mr. Cherewick was a responsible person for all of
21 the points stated, and every email has been explained.
22 The signature on the lease, not the guarantee, et cetera,
23 has been thoroughly explained.

24 But it says a responsible person who is required
25 to obtain approval from another person prior to paying the

1 tax at issue and was unable to act on his or her own in
2 making the decision to pay the taxes does not have the
3 authority to pay the taxes or cause them to be paid, which
4 is one of the items of willfulness. Mr. Cherewick did not
5 do anything willfully in conscious disregard or any of
6 that. Mr. Jenkins ran the company, the day-to-day
7 operations. When Mr. Jenkins did not come through with
8 Mr. Cherewick and he saw the train wreck that Mr. Jenkins
9 had done, Mr. Cherewick came in to try to do the right
10 thing. You get bad business partners, you try and fix the
11 problems so you don't have to come to the court, sort of a
12 panel like this. I'm the only one who likes being here
13 because it's my job. Mr. Cherewick doesn't want to be
14 here.

15 But the point is they have not established
16 through evidence these factors as to Mr. Cherewick. The
17 evidence today was not questioned. There was not a single
18 question asked of Mr. Cherewick. Mr. Jenkins is not here.
19 Everything was explained, and we appreciate you taking
20 that into consideration. And we respectfully request that
21 you find that Mr. Cherewick was not a responsible party
22 and definitely did not willfully do anything as under the
23 stat -- statute or the Code.

24 Appreciate all of your time, and made it under.

25 JUDGE STANLEY: Thank you.

1 Hearing Officer Wilson, do you have any final
2 questions?

3 HEARING OFFICER WILSON: No final questions.

4 Thank you.

5 JUDGE STANLEY: Judge Ridenour, do you have any
6 final questions?

7 JUDGE RIDENOUR: No final questions. Thank you.

8 JUDGE STANLEY: Okay. So we're going to --
9 today's hearing in the Appeal of Cherewick is concluded,
10 and we are going off the record.

11 Thank you everyone for coming and participating
12 today. The panel will meet and deliberate and decide this
13 appeal, and we will issue a written opinion within
14 100 days.

15 (Proceedings concluded at 10:58 a.m.)

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HEARING REPORTER'S CERTIFICATE

I, Ernalyyn M. Alonzo, Hearing Reporter in and for 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, 2025.

ERNALYN M. ALONZO
HEARING REPORTER