BEFORE THE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

In the Matter of the Appeal of:	)	
	)	
S. OLIVIA,	)	
	)	OTA NO. 240415980
Appellant.	)	
	)	

CERTIFIED COPY

TRANSCRIPT OF PROCEEDINGS

Cerritos, California

Tuesday, June 16, 2026

Reported by:

SHELBY K. MAASKE
Hearing Reporter

Job No.:
63124 OTA(B)

BEFORE THE OFFICE OF TAX APPEALS

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In the Matter of the Appeal of: S. OLIVIA, Appellant.	OTA NO. 240415980

TRANSCRIPT OF PROCEEDINGS, taken at 12900 Park Plaza Drive, Suite 300, Cerritos, California, commencing at 1:27 p.m. and concluding at 3:41 p.m. on Tuesday, June 16, 2026, reported by Shelby K. Maaske, Hearing Reporter.

APPEARANCES:

Panel Lead:	HO KIM WILSON
Panel Members:	ALJ STEVEN KIM ALJ KEITH T. LONG
For the Appellant:	SIVAN OLIVIA WALTER WEISS, ESQ. KOUROSH RAHMANIAN
For the Respondent:	STATE OF CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
	VANESSA BEDFORD CARY HUXSOLL JASON PARKER

I N D E X

E X H I B I T S

(Appellant's Exhibits 1 through 4 were marked for identification on page 9)

(Appellant's Exhibits 5 through 7 were marked for identification on page 11)

(Appellant's Exhibit 5 and 6 were received in evidence on page 15)

(Appellant's Exhibits 2 and 3 were received in evidence on page 16)

(Department's Exhibits A-E were received into evidence on Page 17)

PRESENTATION

Cerritos, California; Tuesday, June 16, 2026

1:27 p.m.

HEARING OFFICER WILSON: We are going on the record. This is the appeal of Olivia, OTA Case No. 240415980. The date is June 16, 2026, and the time is 1:27 p.m. This hearing is being held in Cerritos, California. I am Hearing Officer Kim Wilson, and my co-panelists are Administrative Law Judges Keith Long and Steven Kim. I will be the lead for the purpose of conducting this hearing; however, we are equal participants in deliberating and determining the outcome of this appeal.

Okay. We will go ahead and introduce the parties for the record beginning with Appellant.

MR. WEISS: Walter Weiss, attorney for Sivan Olivia. And on my right is my witness there, Mr. Capello -- Guillermo Capello, who will testify today.

HEARING OFFICER WILSON: Thank you.

For the Department?

MS. BEDFORD: Vanessa Bedford, Attorney III.

MR. HUXALL: Cary Huxall, from the Department's legal edition.

MR. SAMARAWICKREMA: Nalan Samarawickrema, Hearing Representative for CDTFA.

HEARING OFFICER WILSON: Thank you.

As stated in the Minutes and Orders, the issues to be decided in this appeal are whether the Notice of Dual Determination was timely issued, whether Appellant is the responsible person for the unpaid sales tax liability for Roadrunner Auto Group, Inc., and whether the penalty should be abated.

Next, we will move on to the exhibits. Appellant submitting an exhibit index identifying Exhibits A through E. The proposed exhibit index listed Exhibit A as a Minutes of Special Meeting of Shareholders for Roadrunner Auto Group.

Mr. Weiss, I did not find that in your submission, but I did see it in CDTFA's submission.

MR. WEISS: I believe I have copies.

HEARING OFFICER WILSON: Is it okay to refer to --

MR. WEISS: Yes. Actually, I did say in my submission I did not object to what they're submitting, so I want to use it as well for myself. That's all.

HEARING OFFICER WILSON: That's fine. The next exhibit was -- you have proposed Exhibit B, which is a Secretary of State Statement of Information filed on April 11, 2018. I didn't see that in the record either.

MR. WEISS: Well, actually, there's -- let me find -- sorry about that. I thought I submitted that, you know, in the -- let me see if I have it here. Give me one second. Here is a copy of it. Let me see if I have extra copies for you guys. I'll show it to them. It's the Statement of Information. There's another one filed October 31st, so I might have got confused. If you could run a couple copies.

HEARING OFFICER WILSON: Is it the same document?

MR. WEISS: No. There's three of them. One of them is dated October -- April 11, 2018, and another one October 31st -- I think that's their exhibit -- 2018, and then there's another one I submitted in April 2019. But, you know, if you need -- I'm happy to get copies. It lists Sivan Olivia as CEO, Rico as secretary and Rico as CFO. My apologies. I should have got -- I might have got it confused with another one.

HEARING OFFICER WILSON: Okay. I did, in the Minutes and Orders, ask for you to provide the documentation and to relabel your exhibits numerically.

MR. WEISS: Yeah, you did, and I haven't done a very good job of that, so I can do that right now. I mean, I have, basically, that, minutes and one other document, the declarations would be it. Let me mark them. So I will mark the special minutes -- A, B, C, D? Like that, as I introduce it?

HEARING OFFICER WILSON: Well, you will need to label them numerically.

MR. WEISS: Okay. So I will call this one -- I introduced -- I submitted two declarations today. One could not testify, Jorge Gurrola. I put a declaration in lieu of his testimony. And I got a declaration, which late -- I admit it's late, but it will be used for impeachment because it's one of the witnesses they used. Let me find it here.

MR. PARKER: We were provided both copies of both the declarations.

MR. WEISS: You have them?

HEARING OFFICER WILSON: Yes, we do have those.

MR. WEISS: I gave it to them in the front.

HEARING OFFICER WILSON: Yes. I think we will take a few minutes recess while you gather your documents.

MR. WEISS: I appreciate that, yes. I'm short staffed here.

HEARING OFFICER WILSON: So we'll go off the record and come back in five minutes. And just a reminder to turn off your microphones while you're on recess.

(There was a pause in the proceedings.)

HEARING OFFICER WILSON: Back on the record.

Mr. Weiss, did you get your exhibits sorted?

MR. WEISS: Yes. I will have six exhibits. Well, you know, shall I go through and identify them for you?

HEARING OFFICER WILSON: Yes.

MR. WEISS: All right. Exhibit No. 1 is Special Meeting of Shareholder Roadrunner Auto Group, Inc. that would be dated -- that's effective April 1, 2017. It's unsigned.

(Exhibit 1 was marked for identification.)

HEARING OFFICER WILSON: Okay.

MR. WEISS: Exhibit 2 is a Statement of Information for Roadrunner Auto Group, Inc., filed on 4/11/2018, with the Secretary of State which lists the officers.

(Exhibit 2 was marked for identification.)

MR. WEISS: Exhibit No. 3 is another Statement of Information, filed 5/1/2019, which has different officers and directors.

(Exhibit 3 was marked for identification.)

HEARING OFFICER WILSON: Mr. Weiss, is your microphone on?

MR. WEISS: Okay. I can yell. But 5 -- we have got that. Okay. And then Exhibit 4 is Declaration of Guillermo Capello.

(Exhibit 4 was marked for identification.)

MR. WEISS: I submitted it, and, you know, the Department can certainly look at it. He's going to testify live, but I wasn't sure. But I submitted it a while ago, so it's there. And Mr. Capello is here.

HEARING OFFICER WILSON: I don't see that.

MR. WEISS: I submitted that. Well, he's here. Let me -- he's live, so maybe -- I don't know if you need it.

HEARING OFFICER WILSON: Okay.

MR. WEISS: So but in fairness to them, I did submit it in prior pre-trial hearings, and they have a right to ask him --

HEARING OFFICER WILSON: Ms. Bedford, do you have that?

MR. PARKER: I don't believe I've seen this.

MR. WEISS: I did submit it. We have had a couple of these continued, so I said previously submitted. But if you want a copy, that's fine.

HEARING OFFICER WILSON: I don't have that either. I don't think it was actually submitted.

MR. WEISS: All right.

HEARING OFFICER WILSON: But since he's here --

MR. WEISS: He's here.

HEARING OFFICER WILSON: We will have his testimony.

MR. WEISS: His testimony should supercede a declaration.

HEARING OFFICER WILSON: Please continue.

MR. WEISS: So if that was No. 4, we don't need it, or assume we do. Exhibit No. 5 is the Declaration of Frank Campagna, who is unable to testify because of health reasons.

(Exhibit 5 was marked for identification.)

HEARING OFFICER WILSON: We have that.

MR. WEISS: No. 6 would be the Declaration of Ela Perlman, which was just submitted today. I got it last night. I know it's late, but it could be used for impeachment purposes.

(Exhibit 6 was marked for identification.)

HEARING OFFICER WILSON: Okay. And the last one?

MR. WEISS: I think that's it.

HEARING OFFICER WILSON: The other document I was handed was Declaration of Jorge Gurrola.

MR. WEISS: That's the last one. Here it is. That would be the last declaration. Hold on. Yes, that would be my last one.

(Exhibit 7 was marked for identification.)

HEARING OFFICER WILSON: Okay.

MR. WEISS: He's not available to testify; he had to work.

HEARING OFFICER WILSON: Okay. Can we see the Statement of Information that --
MR. WEISS: Which one?
HEARING OFFICER WILSON: That you are providing today.
MR. WEISS: The one --
HEARING OFFICER WILSON: The 4/11.
MR. WEISS: Okay. Hold on. This one is October 31st. Hold on. Let me find that. I'm sorry. Well, you know, I just -- it is here. I might have given it to them. Did I give you the --
HEARING OFFICER WILSON: I think you gave it, I believe, to Ms. Brown to get copies.
MS. BROWN: No.
MR. WEISS: I think I gave it to her for copies. That one is -- I'll get it when she copies it.
HEARING OFFICER WILSON: She's indicating that you didn't.
MR. WEISS: I handed her something. I think so.
HEARING OFFICER WILSON: I think you were intending to ask, then you didn't.
MR. WEISS: Well, this is -- this is it. I'll show it to you. That's it right here.
HEARING OFFICER WILSON: I can't see that far.
MR. WEISS: May I approach you?

HEARING OFFICER WILSON: Sure.

MR. WEISS: That's it.

HEARING OFFICER WILSON: Thank you.

MR. WEISS: Do I get it back?

HEARING OFFICER WILSON: Yes. Let's go ahead and ask the Department if they have any objections to the late exhibits.

MR. PARKER: We object to the exhibits based on the fact they were not provided within the 15-day deadline. I believe that's Exhibits 2, 4, 6 and 7.

HEARING OFFICER WILSON: Okay. Mr. Weiss, again, can you explain why these were late admissions?

MR. WEISS: Well, the declarations, I just got -- I just received. I mean, I thought that one of my witnesses was going to testify so I got a declaration late. And Perlman was late. And the other one is my -- let's go back here.

2 is -- I thought I provided the one for April 11th, but if not, you know, I can -- that would be my mistake, you know, my office's error. I don't think she should be penalized. And I think it's public record. There's no surprise there.

HEARING OFFICER WILSON: I don't recall Ms. Perlman being on your list of witnesses.

MR. WEISS: She wasn't. She's their witness.

She was quoted in their papers.

HEARING OFFICER WILSON: And then she wasn't able to provide this before the deadline?

MR. WEISS: Unfortunately, the first time, I guess, we tried to reach her -- we reached her yesterday. It's been a little bit tough. And she provided it to me last night, so I submitted a declaration. And I think in fairness, impeachment can be used at any time in any courtroom. Maybe you have different rules. I would not have used Ms. Perlman if they were not named in their position papers.

HEARING OFFICER WILSON: Okay. I don't think we are going to allow that.

MR. WEISS: Why not?

HEARING OFFICER WILSON: For timeliness, and then I don't know that the Department is going to address her directly.

MR. WEISS: Well, if they remove her name from any of their position papers, that's fine; but if they refer to her, I certainly believe I have a right to bring that in.

HEARING OFFICER WILSON: Okay. Well, this appeal has been lasting a few years, so you were given a few deadlines to provide the information.

MR. WEISS: Well, I'm going to object to that.

Listen, if we stipulate we are not going to use her, then I will, you know, have no problem.

HEARING OFFICER WILSON: Okay. We'll go ahead and allow Mr. Gurrola's declaration since he was indicated as a witness, and then we will just give it the appropriate weight.

MR. WEISS: I also object -- I have objections to any of their people that are not here as well. Hearsay. I objected to it in my papers. Lack of foundation and hearsay.

HEARING OFFICER WILSON: Okay. So let's see. We are going to go with Exhibit 1, which is the minutes from the shareholders meeting. We'll go with Exhibit -- I forgot what exhibit number it is for the declaration of Frank Campagna. What was that exhibit number that you had?

MR. WEISS: I had it as 5.

HEARING OFFICER WILSON: Okay. Exhibit 5 will be admitted.

(Exhibit 5 was received in evidence.)

HEARING OFFICER WILSON: Declaration of Jorge Gurrola. That was Exhibit No. --

MR. WEISS: 6.

(Exhibit 6 was received in evidence.)

HEARING OFFICER WILSON: We also have the

Secretary of Statement of information for May 1st, 2019. That will be Exhibit 2, I believe.

MR. WEISS: It's another -- I have it April 11th -- May 1st, 2019, is that what you said?

HEARING OFFICER WILSON: Yes.

MR. WEISS: Here. Yes. That's Exhibit 3.

HEARING OFFICER WILSON: And we will take the Secretary of State, April 11th, because it's a public document. So those exhibits will be admitted into evidence.

(Exhibits 2 and 3 were received in evidence.)

HEARING OFFICER WILSON: CDTFA proposed Exhibits A through E. Ms. Bedford, is that correct?

MS. BEDFORD: Correct.

HEARING OFFICER WILSON: And Appellant, did you have any objections to the admissibility?

MR. WEISS: I object to Ms. Solorzano's -- I object to that because she's not here. It's hearsay. It lacks foundation. And we have tried to contact Ms. Solorzano, but she's unavailable. We understand she moved out of state, which makes it a problem jurisdiction.

HEARING OFFICER WILSON: Okay. Generally, rules relating to evidence and witnesses contained in the Evidence Code and Code of Civil Procedure do not apply to appeals -- to OTA, and all relevant evidence is admissible. OTA regulations do not permit objections from the admissibility of relevant evidence based on timeliness and for items that are unduly burdensome. However, OTA does use the California Rules of Evidence as a guidance when weighing evidence.

MR. WEISS: So you will give it the weight you deem it to be -- you will weigh it -- you will admit it but you will give it the weight that you deem it to be?

HEARING OFFICER WILSON: Yes.

MR. WEISS: So my objection would still stand because those are the rules of evidence.

HEARING OFFICER WILSON: All right. So we will admit CDTFA's Exhibits A through E.

(Exhibits A through E were received in evidence.)

HEARING OFFICER WILSON: Next, we will go over witnesses.

MR. WEISS: Okay. Let me call --

HEARING OFFICER WILSON: We are not ready yet.

MR. WEISS: Sorry.

HEARING OFFICER WILSON: I'll just go over them. You indicated four witnesses, but I see you only have two today. That is -- can you pronounce your name again?

MS. OLIVIA: My name?

HEARING OFFICER WILSON: Yes.

THE WITNESS: Sivan Wizman Olivia.

HEARING OFFICER WILSON: Thank you. And your other witness was?

MR. WEISS: Mr. Capello, Guillermo Capello.

HEARING OFFICER WILSON: Since you are having less witnesses, would you like to revise your time estimate?

MR. WEISS: I think so. I mean, I would probably cut it in -- I think I probably asked for too much time to be honest, with but four witnesses, you never know. I think I used, like, three hours -- close to three hours. I think two hours. I would think -- I mean, it depends upon -- my case isn't going to be that long, but it depends upon cross and, you know --

HEARING OFFICER WILSON: Okay. Let's just focus on your presentation.

MR. WEISS: Probably two hours.

HEARING OFFICER WILSON: Okay. And we are already 30 minutes in. So we will go ahead with opening presentations for both parties and then closing presentation. During the opening presentation, your witnesses can testify in the narrative or you can ask questions. Following your presentation, the Department will have a chance to ask questions and the Panel will ask questions, and then we will move on to the Department's presentation.

MR. WEISS: One quick question. Is the witness -- when I question the witness, is he sitting here?

HEARING OFFICER WILSON: Yes.

MR. WEISS: Okay. Got it. Thank you.

HEARING OFFICER WILSON: All right. Okay. So Ms. Wizman Olivia, please raise your right hand.

SIVAN WIZMAN OLIVIA,

called as a witness, and having been first duly sworn, was examined and testified as follows:

THE WITNESS: Yes.

HEARING OFFICER WILSON: And Mr. Capello, please raise your right hand.

GUILLERMO CAPELLO,

called as a witness, and having been first duly sworn, was examined and testified as follows:

THE WITNESS: Yes I do.

HEARING OFFICER WILSON: Thank you.

All right. Mr. Weiss, please proceed when you are ready.

MR. WEISS: All right. I will call Mr. Capello first. Well, do we do our opening argument first?

HEARING OFFICER WILSON: However you would like to proceed.

MR. WEISS: Let me go with my opening argument. I did submit a brief, and much of what I'm going to say is in the brief.

HEARING OFFICER WILSON: We have read your brief, if you want to just hit highlights --

MR. WEISS: I think that's what I'd like to do.

HEARING OFFICER WILSON: -- for efficiency of time.

OPENING STATEMENT

MR. WEISS: The Department's position is -- CDTFA's position is that Ms. Olivia is liable under Revenue and Taxation Code 6829 and Regulation Code 1702. That is not the case. Number one, she did not have authority to pay creditors, to pay bills, to determine when they would be paid. She did not have the authority despite being named as a titular officer on filing that she did not sign and she was unaware of.

Okay. Number two, she may have signed one or two checks possibly, and it was done at the direction of someone else. She never was in the office. She's a full-time housewife with four kids and also has a niece that she's taking care of. She has five kids. She may have been in the office on weekends.

Mr. Capello, who was there every day, will testify to that. Plus, the declarations that were submitted by Mr. Gurrola also support that. There was no willfulness. There was no money collected ever in her control and not used to pay sales tax.

You don't have responsibility and you don't have any willfulness, so 6829 fails in that regard. There's no willfulness. She never collected any money. She didn't handle the finances. She had no involvement. She was a passive investor who invested $120,000.00 at the direction of her boyfriend, and also at the direction of Uri Kohen.

Mr. Kohen put the money in his pocket and basically took the money, disappeared, and essentially, she was stuck trying to, you know, preserve her investment. She got involved late of June 2019, tried to negotiate with CDTFA, essentially, to try to save her investment. There wasn't any money there.

And to make matters even worse -- I submitted an exhibit where a couple of gentlemen -- if I can pronounce their names right -- came involved -- you know, I submitted a Statement of Information. Essentially, a couple of gentlemen got in there and -- let me get you their names.

Mr. Karan Geozalian, they filed a statement of information on May 1, 2019. Apparently, they took over the business from Mr. Kohen. Mr. Kohen invited them in there. They filed this Statement of Information. Ms. Olivia is not listed anywhere, and they basically -- essentially, took a bunch of vehicles, pocketed it, and that's one of the reasons why there's not a lot of funds there to pay.

So clearly, 6829 and Regulation 1702, I don't believe apply. The main piece of evidence the Department has is a questionnaire signed by Paola Solorzano. Well, Ms. Solorzano is not here. She didn't return phone calls. I believe she signed that thing and tried to deflect her responsibility on to Ms. Olivia.

The signatures on the checks were signed by Ms. Solorzano, not by Ms. Wizman -- Olivia. Sorry. And so I think that there's a bias in there. And obviously, she, you know, is no where to be found. So I think her questionnaire is biased. Because she basically worked for Mr. Uri Kohen that ran the business.

Mr. Kohen had the dealer's license. And in order to run this business, it was a used car auto dealing, you have to have a dealer's license. The dealer's license was in Mr. Kohen's name. He took the money from Ms. Olivia, kept the dealer's license, and these other people got involved.

Ms. Solorzano answered directly to Mr. Kohen. And, you know, that -- so a lot of people ran away and they stuck this lady with the responsibility of the payroll taxes.

We have told you who our witnesses are going to be. And I believe, based upon the evidence we are going to provide today, and the declarations, I don't believe that Ms. Olivia should be held personally liable for these debts under 6829.

HEARING OFFICER WILSON: Okay.

MR. WEISS: Mr. Capello, are you ready to -- I'm going to call my first witness, Mr. Guillermo Capello.

DIRECT EXAMINATION

BY MR. WEISS:

Q Mr. Capello, what is your full name?

A Guillermo Jorge Capello.

Q And what is your occupation?

A General manager at that time.

Q At that time -- can you tell me what you mean by at that time?

A Since 2016 to 2019, in the beginning of '19.

Q You worked for Roadrunner Auto Group as the sales manager between year 2016 and 2019?

A Yes.

Q When did you leave the business? When did you terminate your employment?

A Beginning of '19, I guess. I can't remember exactly.

Q Besides being the sales manager, were you -- did you have any other duties?

A Well, all the duties day by day. I have to control the floor, the sales people, down payment and closing profit -- pretty much everything.

Q And to give the Panel a little background, please describe the business of Roadrunner Auto Group. What type of business was it?

A It's a used car lot. You know, there were a lot of issues, credit, banks, and also customers. So I am involved in customer service, fix, service, mechanics, banks, closing and property. This is day by day, you have to sell a lot of cars to cover the expenses.

We have to cover, right, expenses. The dealership has big, big expenses -- large expenses. Right. So sometimes you break even, sometimes you make, right, but no ways it's a guarantee you have success in the business.

Q Okay. And who was in charge of the company's finances during the time period you were employed with Roadrunner?

A All the business, I had to turn into the business office. Any of the dealerships does -- down payment, cash, checks, whatever I collect on the weekends, I had to drop off in the safety box in the business office. And there was Paola Solorzano, right, so I did it straight with her. She paid me, she paid them, she paid salespeople's bonuses, commissions, and she does everything.

Q And who did Paola Solorzano answer to?

A Uri.

Q Uri who?

A Uri Kohen.

Q And who was Uri Kohen?

A To me, he was the owner.

Q And who else was involved in running the dealership?

A We have financing and salespeople and another person, Beth Macareo, and some of the people, they come and they go, right, this is just their staff.

HEARING OFFICER WILSON: I'm sorry. Could you spell that last person's name? I didn't catch it.

MR. CAPELLO: B-E-T-H M-A-C-A-R-E-O.

HEARING OFFICER WILSON: Thank you.

BY MR. WEISS:

Q And who is Beth Macareo?

A A salesperson.

Q Salesperson. And how many salespeople were there?

A   Well, I have two.

Q   Two. Okay.

A   And then other people that come and go; they work for a short time and they quit.

Q   Okay. Who signed your payroll check?

A   Paola.

Q   And who -- if you know -- if you know, who prepared the payroll?

A   It is -- I think she was involved in all that. I was not involved in any paperwork or payroll or banks or nothing.

Q   Do you know who filed the sales tax returns?

A   No.

Q   Okay. You are familiar with Ms. Olivia?

A   Yes.

Q   And was -- what were your hours of -- what were your working hours?

A   9 in the morning to close, some days 10, 11 -- 3 in the morning, you never know.

Q   How many days a week did you work?

A   I work six days week.

Q   Was Ms. Olivia -- did you ever see Ms. Olivia on the business premises?

A   Yes.

Q How often?
A Maybe -- I don't know. One or two times every two months. She was with the kids, bring the car, that's all.
Q Was she there every day?
A No.
Q Did she -- from what you understand -- your understanding is what I'm interested in. Did she have any authority over what people to pay?
A No.
Q What creditors to pay?
A No.
Q Was she involved in auto sales?
A No, not at all.
Q And in your opinion was she experienced -- did she have any experience in the automotive industry at all?
A No.
Q So what was your understanding of her relationship with the business?
A I don't know. Not much. I think she was an investor, but I don't know for sure.
Q And who did you answer to?
A To Uri -- Uri Kohen.
Q Anybody else you answered to?
A No.

Q Okay. What about Ms. Solorzano?
A She was the business manager -- business office. She was to carry all the paperwork in the office, so the paying, wholesale, auction, inventory, right. She was doing a very good job.
Q Okay. Who was Asher Perez?
A Asher Perez, he was their help to buy the cars, and also he has an office back there, but it's not much.
Q What do you mean he has an office back there? What do you mean by that?
A He has a construction business.
Q And who was Mr. Frank Campagna?
A It's consulting.
Q Was he involved in the running of the business?
A No.
Q And do you know Ela Perlman is?
A I think she was a bookkeeper or something.
Q Okay.
A I never had any contact.
Q Okay. Explain to the OTA Panel how does the dealership work? Do you have to have -- do you have to be licensed?
A Of course. You have to have a wholesale license and a dealer's license because if not, you can't run the business. Wholesale license to buy the cars at the

auction, and then dealer's license to operate the business day by day.

Q And from your knowledge, doesn't the -- okay. So somebody who does not have a dealer's license cannot run the business; is that correct?

A That is correct.

Q Okay. Who had the auction license?

A Uri.

Q Can you explain -- there's an auction license?

A And a dealer's license.

Q First, who had the auction license?

A Uri Kohen.

Q And who had the dealer's license?

A Uri Kohen.

Q Were you aware of any license in the name of Ms. Olivia?

A No.

Q And how many years have you been in the automotive industry?

A 25 to 27 years.

Q And who did you work for prior to Roadrunner?

A Nissan, Lexus, Infinity, BMW, and used car lots.

Q Did you work for any other used car lots besides Roadrunner?

A Yes.

Q And same issues on those used car lots?
A Same issues -- changed, but the amount of cars you have on the lot.
Q When did you see -- when was Ms. Olivia in the business? What time, if you can remember?
A I can't tell you that because maybe she show on Sunday with the kids, right, and that's it.
Q Was she ever there alone?
A No. With the kids.
Q To clarify, the only time you saw her in the business premises, which was, I believe, on Sherman Way?
A Yes.
Q Sherman Way in Van Nuys?
A Yes.
Q The only time you ever saw her on the business premises, the used car lot, is when she was there with her children?
A Yes.
Q Did she have an office there?
A No.
MR. WEISS: I have no further questions for this witness.
HEARING OFFICER WILSON: Okay. You can proceed with your next witness.
MR. WEISS: Okay. They don't have -- they don't

have the right to ask him questions?

HEARING OFFICER WILSON: Once you're finished with your presentation.

MR. WEISS: Okay. That's how we do it.

HEARING OFFICER WILSON: Yes.

MR. WEISS: All right. Let me call my next witness, Ms. Olivia. Give me one second. All right.

DIRECT EXAMINATION

BY MR. WEISS:

Q Please state your name.

A Sivan Wizman Olivia.

Q Okay. And where were you born?

A Israel.

Q Okay. And what is your education?

A I finished high school in Israel and then I went to the Army and then I came here to United States.

Q And how many years have you been in the United States?

A How many years? 18 years.

Q Okay. And what is your first language?

A Hebrew.

Q What is your best -- how well do you understand English?

A Sorry. My English is not that good, but I can understand, I just need to sometimes, like, repeat some words if I need any help with that.

Q Yes.

MR. WEISS: So I'm going to -- her English, she's -- you know, we might have to go slow with her to make sure she understands the questions.

BY MR. WEISS:

Q Please, if you do not understand a question from myself and the Department, please do not answer it. Have it repeated to make sure you understand the question. Because the question, if you don't understand it, it isn't good for anybody, so do the best you can.

A Okay.

Q What is your work experience?

A Not much. I'm more busy with my kids.

Q And currently, what is your occupation?

A Currently?

Q Yeah.

A I'm just helping -- I'm just working part time just helping to do whatever I can do in the office.

Q What office?

A Construction.

Q And would you say you're a -- most of your time is spent being a mother?

A Yes.

Q How many children do you have?
A Four.
Q And what are the age groups of your children?
A They're very close. I have 9, 11, 10, and 14.
Q Okay. And during this time period of October 2018 to June 2019, did you have four kids?
A Yes. At that time I was very busy with my kids.
(Court reporter clarification.)
MR. WEISS: The time period I believe is the first quarter of '18 and I believe the first two quarters of '19.
BY MR. WEISS:
Q And during the time period of October 1, 2018, to June 1, 2019, what was your occupation?
A I wasn't -- not -- like, I didn't do anything there. I wasn't there.
Q And what do you mean by there?
A At the dealer. I wasn't there at that time.
Q And how often did you go to the dealership?
A Once in a month -- maybe even not that.
Q Okay. And how did you become involved with Roadrunner Auto Group Inc?
A At that time Uri Kohen and my boyfriend, they told me to do a good investment and they can put my money there and make some income. And I trusted them and they

said it would be a good opportunity for me, and they just misled me and I didn't know even what I was going to be going into.

Q And how much money did you invest?

A 120.

Q $120.00 or what?

A No, $120,000.00.

Q Do you mean $120,000.00?

A Yes.

Q Okay.

MR. WEISS: And can I show the witness an exhibit -- Exhibit 1?

HEARING OFFICER WILSON: Yes.

MR. WEISS: Okay.

BY MR. WEISS:

Q Why don't you take a moment to read Exhibit 1 and I'll ask you a couple questions about it.

A Okay.

Q Okay. Is that -- was April 3rd, 2017, the first time you -- is that when you invested your money?

A Yes.

Q Okay. And --

HEARING OFFICER WILSON: Can I just stop you for a minute. Exhibit 1, just so everybody is on the same page, is the shareholder meeting minutes?

MR. WEISS: Minutes of Special Meeting of Shareholder Roadrunner Auto Group Inc.
BY MR. WEISS:
Q Did you -- have you ever seen this document prior to this -- prior to the -- this case? Have you seen this before?
A I don't remember.
Q Okay. And who prepared this, if you know?
A Maybe Frank. I don't know.
Q Well --
A I really don't know. Uri probably.
Q Okay. And --
A Uri because, yeah, that's the time that he put me on the sharing that they can just make sure that my money is there.
Q Okay. And what did Uri tell you about the business?
A Not much. That there's -- he has -- he knows the business because he has experience for so many years, and that can make money of it.
Q Okay. And did you invest any further money in this business?
A What do you mean? Sorry. Can you repeat?
Q What do -- I mean, did you -- okay. You testified you invested $120,000.00.

A Yes.
Q Did you invest any other additional sums of money besides the $120,000.00?
A No.
Q Okay. And did you ultimately become 100 percent owner of the company?
A Yes.
Q Okay. Did you pay -- did Uri ask you for money for the other 20 percent?
A No.
Q And what -- when you became 100 percent owner, did you have a conversation with Uri Kohen?
A Not much. He just -- back then, he just, like -- I was trying to see what's going on and he didn't answer my questions. He disappeared, and that's it.
Q Okay. Do you have any background in the automotive industry?
A No. Nothing.
Q So you invested money just on the word of Uri Kohen?
A Yes.
Q And on the words of your boyfriend?
A Yes. I trusted them and that they knew -- know what they're doing, but I guess they didn't.
Q Did they tell you why they needed the money?

A Just to run the business, that's what I understand, like to --
Q Okay. And after you invested in the business, what was your involvement in the business?
A After what?
Q Okay. Let me try to make it easier. After you invested the money, according to this, on April 2017, after you invested the money, were you involved at all in running the business?
A No. Nothing.
Q Okay. And how often did you go see the business and check on your investment?
A Maybe, like, every month. Sometimes, like, that maybe twice a month just to come see.
Q Did you meet with anybody when you came to the business?
A No.
Q Did you speak to anybody about the business?
A Here and there, just was talking to Paola and Uri and salespeople and everyone that was working there.
Q Do you know --
A I didn't know nothing about what's going on inside.
Q And who handled the auto sales of the business, sales of autos? Who handles the sales?

A The sales, the gentleman here.
Q Okay. And who, to your knowledge, handled the payroll?
A Paola.
Q And who paid the bills?
A Paola.
Q And who made the determination when the bills would be paid?
A Paola Solorzano.
Q And she determined also how much the bills were to be paid?
A No, nothing. I didn't know anything about it.
Q No, that's not my question. Did Paola Solorzano determine how much each creditor should be paid?
A No.
Q She didn't?
A If she told me?
Q No, no. My question is -- well, let me say it another way. Did you ever make any decisions on what creditors to be paid?
A No.
Q Did you sign the checks?
A No.
Q You never signed any checks?
A Maybe one or two -- something that she told me

that needed to be signed, but nothing -- no, I didn't sign.

Q And prior to -- did I show you -- I'm not sure. I believe checks were exhibits. I'm not sure if they are or not. But did you -- weren't there checks -- did you review any Roadrunner Auto Group checks?

A Review?

Q Did I show you -- prior to this hearing today, did I show you Roadrunner Auto checks?

A No.

Q Okay. So you never reviewed any bank statements?

A No.

Q Okay. And do you know where the bank statements were even mailed to?

A Mailed to?

Q Where were they mailing the bank statements?

A To the business maybe.

Q Okay. And let me show you Exhibit -- I believe, 3. Let me show you Exhibit No. 2. Okay.

MR. WEISS: Placing it in front of the witness.

BY MR. WEISS:

Q I believe it's a Statement of Information. Okay. Have you seen this before? Better yet, when was the first time you saw this?

A When you showed me.

Q Take a minute and read it. Are you familiar with this document?
A No.
Q Do you know who filed this document?
A No.
Q Well, it lists --
A Uri.
Q Okay. Did Uri show you this document before he filed it?
A No.
Q Did you sign this document?
A Not that I remember.
Q Well --
A 3/11/2018.
Q Okay. On the bottom -- okay. Your name is listed here. You didn't fill that out?
A No.
Q And let's go to Exhibit No. 3, which is entitled Secretary of State Statement of Information. Take a minute and read that document. Do you know who Karan is?
A I saw from -- what I understand, this was, like, a few Armenian guys that came to the business and took it over, and that's when I was trying to understand from Uri what was going on. And they just took the business and they were just selling the cars. And so I guess they took

me out of it and everyone else. And he told me he just taking over.

Q Well, did Uri bring these people in?

A Yes, he did.

Q Did you know any of these people?

A No.

Q Were you concerned about your investment?

A Of course.

Q And what did these people do -- Mr. -- hold on one second. Mr. Geozalian -- Mr. Karan Geozalian.

A They sold the cars there and they took the money.

Q They sold the cars on the car lot?

A Yes.

Q And did they pay the money to the business?

A No.

Q They -- so you are saying to me, you're testifying that they actually stole the money?

A That's what I understand, yes.

Q What happened to them?

A I have no idea.

Q Okay. Did you -- okay. Do you remember signing any papers, any minutes for the company making you an officer of the company? Do you understand minutes, corporate minutes?

A What is that?

Q Did you sign a paper such as Exhibit 1, minutes they call it. Did you sign any papers saying I'm now the president of the company?
A That I'm not?
Q That you are.
A That I am the president.
Q Were you aware signing any papers making you an officer of the company?
A No. I just know that when I put my money, he told me that I have something -- the business shows that I invested the money there.
Q Okay. Did you have meetings with Mr. Kohen?
A No.
Q Did you meet -- did you have any meetings with other people in the business so they can explain to you how the business was doing?
A No.
Q Okay. Are you familiar with the term seller's permit?
A No.
Q Did Mr. Kohen explain to you the business that the auto dealership had to have a seller's permit?
A No.
Q Okay. Who is Paola Solorzano?
A She was running the office, everything there.

She was working there.

Q Did you communicate with her very often?

A No, not really.

Q Who did Ms. Solorzano answer to?

A Uri Kohen.

Q Okay. Anybody else?

A No.

Q Did Ms. Solorzano ever share any information with you about the business?

A No.

Q Okay. Do you know who Ela Perlman was?

A Yes. Bookkeeping. Outside bookkeeping.

Q Okay. Did she communicate with you much?

A No. Just when she just recommended me to do what to do, and she was trying to help me to talk to them to see what was --

Q Why did you talk to them in June -- one of the -- the contentions of the Department was you negotiated -- tried to negotiate an agreement with the CDTFA in or around June of 2019 -- so hold on. Don't answer. Let me finish the question.

The question is why were you involved in negotiating with them if you had no prior involvement in the business?

A Because from my understanding, Ela told me that there is, like, some things, like, that they still need to owe money and it's my name on it and I need to call and try to fix the -- to negotiate with them to see how we can fix it.

Q   Okay. My question is were you concerned about your investment at that point?

A   Yes.

Q   And where was Mr. Kohen?

A   I don't know. He was, like -- he just said, okay, that's it, I'm done. He's not answering my calls. And I didn't know what to do, and they left me like this.

Q   Where was Ms. Solorzano?

A   She left too. She was not there.

Q   So around June of 2019, was the business even operating at that time?

A   No. You mean working?

Q   Were they selling --

A   No.

Q   So when -- to the best of your knowledge, when was the business shut down?

A   That time.

Q   What do you mean by that time?

A   Beginning of 2019.

Q   Beginning of 2019?

A   Like May -- June, something like that.

Q Okay. Did you ever sign any employee's payroll checks?

A No. Never.

Q Okay. Did you ever file any -- did you direct anybody to file any sales tax returns?

A No.

Q Did you ever receive any distributions from the company from the $120,000.00 -- a return on the $120,000.00 you invested?

A Return?

Q Do you understand my question?

A No.

Q Let me rephrase it. You invested $120,000.00; correct?

A Yes.

Q Did you ever receive any money back or any profit or return of the $120,000.00 you invested?

A No.

Q Did you have a salary with the company?

A Yes.

Q What was your salary?

A I don't know. It was not much.

Q And who paid you the salary?

A Paola.

Q And who determined what the salary should be?

A Uri.

Q Okay.

MR. WEISS: Let me just check. No further questions for this witness.

HEARING OFFICER WILSON: Does that conclude your presentation as well?

MR. WEISS: Yes, with the exception of, obviously, to reply. Yes. Appellant's direct presentation is completed, yes.

HEARING OFFICER WILSON: Okay. Thank you. We will go ahead and take a 5-minute break and come back at 2:42. We are off the record.

(There was a pause in the proceedings.)

HEARING OFFICER WILSON: Back on the record. Okay. We will go over to the Department and see if they have any questions for the witnesses.

MS. BEDFORD: No, we don't have any questions.

HEARING OFFICER WILSON: Okay. Thank you. And we will have Panel questions now.

Judge Kim, do you have any questions?

ADMINISTRATIVE LAW JUDGE KIM: Yes, I had some questions.

Is it Ms. Olivia or Ms. Wizman?

MS. WIZMAN: I changed my name now to Wizman, so -- but I used to be Olivia, yes.

ADMINISTRATIVE LAW JUDGE KIM: Okay. What do you like to be called?
MS. WIZMAN: Whatever you want, it's fine.
ADMINISTRATIVE LAW JUDGE KIM: Okay. Ms. Wizman, so you testified that after you became -- after Uri transferred the remaining 20 percent of the shares, that he disappeared? Is that what you said?
MS. WIZMAN: What did you say?
ADMINISTRATIVE LAW JUDGE KIM: You said after Uri transferred the remaining 20 percent of his shares, you got 100 percent of the shares, that he disappeared? I just want to understand.
MS. WIZMAN: At that time everything was, like -- they starting like -- I was trying to see what's going on. How do I get my money back? And then I was trying to reach with -- to try to see how to solve it and he was, like, not really answering my calls and talking to me.
ADMINISTRATIVE LAW JUDGE KIM: Okay. What other steps did you take in trying to run the business at that point?
MS. WIZMAN: Nothing.
ADMINISTRATIVE LAW JUDGE KIM: So who was in charge of the company once Uri transferred his shares over to you?
MS. WIZMAN: When he transferred it to me, he

still was there, and then he just closed.

ADMINISTRATIVE LAW JUDGE KIM: Okay. So earlier you -- I don't know if it was Mr. Weiss who said it or someone said that around June of 2019, you tried to make it right, later on you signed this payment plan with CDTFA? When did you realize that there was tax liability -- unpaid tax liability?

MS. WIZMAN: Are you asking me?

ADMINISTRATIVE LAW JUDGE KIM: Yeah.

MS. WIZMAN: What did you say?

ADMINISTRATIVE LAW JUDGE KIM: When did you realize that the business had an unpaid tax liability?

MS. WIZMAN: That's when Ela told me there is a few liabilities that need to be paid for the business, and she was trying to help me to call them and see how we can fix it.

ADMINISTRATIVE LAW JUDGE KIM: Like around when was that?

MS. WIZMAN: When was that? By that time, after the business was closed.

ADMINISTRATIVE LAW JUDGE KIM: When was the business closed?

MS. WIZMAN: I'm not sure exactly. Like, it was 2019 -- like middle of 2019.

ADMINISTRATIVE LAW JUDGE KIM: Around that time?

MS. WIZMAN: Yes.
ADMINISTRATIVE LAW JUDGE KIM: So why did the business continue to make sales after then through 2021, I believe? Mr. Weiss, you can answer too. Anyone can answer. Mr. Capello?
MR. WEISS: Well, I think the -- I don't think they were making sales. I think there was an issue of something -- you know, they said they couldn't sell the cars, there was a problem of getting the title and the title was delayed, and that's my understanding. Maybe Mr. Capello can -- I don't know the industry, but it sounds like there was some problem getting the title.
MR. CAPELLO: When you buy the car at auction, right, you're flooring the car. You don't pay cash for the car. They ship the car to your dealership and day by day the interest they charge for the time the car you have on the lot and the car will be sold, right, and if three months -- you have to sell the car before three months. So the time the car is paid off is when they send you the pink slip, the title, before you no have it. Did that answer your question?
MR. WEISS: Maybe I can help. I don't know the car business. But I believe the business had heavy flooring costs, like a line of credit to buy the car s, and he couldn't deliver title until he dealt with the line

of credit, so there was a delay in giving title to the people who bought the car. They couldn't get the DMV clearance. So a lot of that after June 2019, I think it was the time it closed down, after that time period, I believe they were taking care of obligations they had to make -- I don't know exactly when the sales were made, but it was really cleaning up a mess that was previously there is my understanding.

MR. CAPELLO: Yes. Because they showed the sales and in one day and then, you know, the dealer, and the title comes two months later.

MR. WEISS: Couldn't get a title right away, that's what the delay was. That's what was explained to me. That's my understanding.

ADMINISTRATIVE LAW JUDGE KIM: Okay. So the business was continuing to operate?

MR. WEISS: I don't think there was any new car sales. I think they were basically trying to complete what they already did. I don't think anything was new. I don't know how much -- it's true, there were sales tax returns reported after that, but very minor amounts.

But in essence, I think even in one of the e-mails -- there's an e-mail in one of the Department's exhibits, I believe, where somebody called the business and the guy who answered the phone said Mr. Campagna --

somebody answered the phone and said they're no longer there.

ADMINISTRATIVE LAW JUDGE KIM: Okay.

MR. CAPELLO: Can I say something?

ADMINISTRATIVE LAW JUDGE KIM: Yes.

MR. CAPELLO: I think the confusion is they have a few in-house deals. Those in-house deals, right, they no pay the taxes up front, they finance it 100 percent. But I think this is business that is shown later on to try to collect all the payments for those in-house deals or take the car back or repo the car, right? This is the part of the business that's complicated. I wasn't there before all this mess.

ADMINISTRATIVE LAW JUDGE KIM: So when would you submit a report of sale to the DMV when -- at the time you made the sale?

MR. CAPELLO: No. They take more time. If you sell the car at night, you cannot report it.

ADMINISTRATIVE LAW JUDGE KIM: So you would report it when -- when would you report the sale?

MR. CAPELLO: Maybe month or a year.

ADMINISTRATIVE LAW JUDGE KIM: Months or a year after they make the sale because you have to collect down payment, you have to collect some time to put it up front.

MR. WEISS: Is the word delivery -- the delivery you could buy the car but they don't deliver it sometimes until a time period later.

For example, if you want to buy to Tesla, you have to place your order and you get the car four months later.

MR. CAPELLO: You have to send all the paperwork to the DMV to transfer ownership. That takes time.

ADMINISTRATIVE LAW JUDGE KIM: So referring to the minutes of special meetings, there's two different ones; right? For the second one dated October 31, 2018.

MR. WEISS: Yes, I know which one you are referring to.

ADMINISTRATIVE LAW JUDGE KIM: Where it says 100 percent equity interest held by Sivan Olivia.

MR. WEISS: Yes.

ADMINISTRATIVE LAW JUDGE KIM: At that time, Ms. Wizman, was it your understanding that you were the 100 percent owner of the business?

MS. WIZMAN: If I understand that?

ADMINISTRATIVE LAW JUDGE KIM: To your understanding did you?

MS. WIZMAN: Yes. I thought it was just keeping my investment there, but I didn't know what it means about it.

ADMINISTRATIVE LAW JUDGE KIM: But you're saying that the other people --

MS. WIZMAN: The other people came.

ADMINISTRATIVE LAW JUDGE KIM: They were acting on behalf of the corporation even though it was yours?

MS. WIZMAN: They just took me out. I don't know how.

ADMINISTRATIVE LAW JUDGE KIM: Did you take any kind of steps to run the business at all --

MS. WIZMAN: No.

ADMINISTRATIVE LAW JUDGE KIM: -- to try to figure out what was going on?

MS. WIZMAN: I was trying, but...

ADMINISTRATIVE LAW JUDGE KIM: Okay. Thank you.

MR. WEISS: One point, Mr. Kim -- Judge Kim, one point of clarification. There is a text that I was referring to, 7/10/2019, and it says a field call was made to the business location, 21024 Sherman Way, Canoga Park, and all of the signs of Roadrunner were gone -- and I believe this is a Department's exhibit -- and there were a few signs that stated AutoNation.

So there wasn't any cars on the lot as of that time, that's maybe a month later. And the person they spoke to was a salesperson with AutoNation, and they spoke with an Emilio Ernesto. So they were gone at that point. So I believe this was submitted. I got the text. I don't know who -- it's not -- I don't know whose text that is. It's not identified by a name of the person, but that's in their paperwork.

ADMINISTRATIVE LAW JUDGE KIM: Okay. Thank you. I don't have any more questions at this time.

HEARING OFFICER WILSON: Judge Long, do you have questions for the witness?

ADMINISTRATIVE LAW JUDGE LONG: This is Judge Long. Yes, I have some questions.

So first, Ms. Wizman, I'm just trying to understand the time line. So April 2017, you paid $120,000.00 for 80 percent of the business; correct?

MS. WIZMAN: Yes.

ADMINISTRATIVE LAW JUDGE LONG: And that was at the urging of Uri and your boyfriend at the time?

MS. WIZMAN: Yes.

ADMINISTRATIVE LAW JUDGE LONG: And what was your relationship with Uri in April 2017 before you invested?

MS. WIZMAN: My relationship with him? Friends, like, just know him.

ADMINISTRATIVE LAW JUDGE LONG: Okay. Friends. And then what was your boyfriend's relationship to the business?

MS. WIZMAN: Him to the business?

ADMINISTRATIVE LAW JUDGE LONG: Yes.

MS. WIZMAN: He was helping Uri.

ADMINISTRATIVE LAW JUDGE LONG: He was helping Uri. Was he at any time an owner of the business?

MS. WIZMAN: No.

ADMINISTRATIVE LAW JUDGE LONG: Was he an employee of the business then?

MS. WIZMAN: No.

ADMINISTRATIVE LAW JUDGE LONG: Was he a corporate officer?

MS. WIZMAN: What is corporal?

ADMINISTRATIVE LAW JUDGE KIM: CEO, chief financial officer, secretary, president?

MS. WIZMAN: No.

ADMINISTRATIVE LAW JUDGE LONG: All right. And then so you give him the money, and then in October 2018, the remaining portion of the business becomes yours, you become 100 percent owner?

MS. WIZMAN: October?

ADMINISTRATIVE LAW JUDGE LONG: 2018.

MS. WIZMAN: Yes.

ADMINISTRATIVE LAW JUDGE LONG: And at some point in there Uri disappeared; right?

MS. WIZMAN: No. He was still there.

ADMINISTRATIVE LAW JUDGE LONG: Okay. He's still there. Okay. Then he filed the Statement of Information stating you were the CEO?

MS. WIZMAN: Yes.

ADMINISTRATIVE LAW JUDGE LONG: Okay. And then on April 24, 2019, according to the May 2, 2019 Statement of Information, Mr. Geozalian becomes the CEO of the business according to that Statement of Information; is that --

MS. WIZMAN: Yes, yes.

ADMINISTRATIVE LAW JUDGE LONG: Okay. But you still owned the business at that time? No one paid you that $120,000.00 back?

MS. WIZMAN: They just took the business over, yes.

ADMINISTRATIVE LAW JUDGE LONG: And then you got involved with CDTFA in June of 2019?

MS. WIZMAN: Got involved with them?

ADMINISTRATIVE LAW JUDGE LONG: Meaning you started working with CDTFA at least to discuss the liability?

MS. WIZMAN: Yes, because Ela told me that they are, like, looking to see how we can help too -- there was collecting the money that they need to pay and she recommend me to talk to them to try to see how we can solve it.

ADMINISTRATIVE LAW JUDGE LONG: And when did you find out that Roadrunner was not paying its tax?

MS. WIZMAN: Just then when I was looking.

ADMINISTRATIVE LAW JUDGE LONG: Then? Can you tell me a month?

MS. WIZMAN: I don't know exactly the month.

ADMINISTRATIVE LAW JUDGE LONG: Can you --

MS. WIZMAN: Just when the time that we -- I was --

ADMINISTRATIVE LAW JUDGE LONG: May or June?

MS. WIZMAN: The time I was trying to talk to them, that's the time.

ADMINISTRATIVE LAW JUDGE LONG: Okay.

MS. WIZMAN: That's when I just understand something is going on.

ADMINISTRATIVE LAW JUDGE LONG: And then in August, the installment agreement gets signed. Did you sign that?

MS. WIZMAN: The what?

ADMINISTRATIVE LAW JUDGE LONG: The installment agreement. That's the -- to make installment payments to the CDTFA for the outstanding balance.

MS. WIZMAN: August you said?

ADMINISTRATIVE LAW JUDGE LONG: Yeah. That's the date on it. I just want to verify, did you sign it?

MS. WIZMAN: Not that I remember.

ADMINISTRATIVE LAW JUDGE LONG: Not that you remember. Okay.

MS. WIZMAN: Maybe she -- I remember that Ela was recommend me to talk to them.

ADMINISTRATIVE LAW JUDGE LONG: Can you talk into the microphone?

MS. WIZMAN: I'm sorry. Ela was trying to see how we can solve it with them to make payment plan and the business can be, like -- but, yes, that's --

ADMINISTRATIVE LAW JUDGE LONG: So then are you saying that she used your signature?

MS. WIZMAN: I'm not sure. Maybe she told me to sign. I really don't remember.

ADMINISTRATIVE LAW JUDGE LONG: Okay. And then I understand you didn't sign -- your position is you didn't sign any checks; is that right?

MS. WIZMAN: Yes. Like I told you, maybe few times that Paola told me you need to sign about something, but no.

ADMINISTRATIVE LAW JUDGE LONG: Gotcha. But --

MS. WIZMAN: I wasn't there. So most of the checks for sure it's not.

ADMINISTRATIVE LAW JUDGE LONG: Were you listed then as a -- you must have been listed on the bank account then as an authorized signer?

MS. WIZMAN: Yes, but I never signed them. I was never there.

ADMINISTRATIVE LAW JUDGE LONG: And then you mentioned earlier that you had been compensated -- were you compensated -- sorry -- you were paid -- you made wages and it wasn't very much. Were you paid the entire time?

MS. WIZMAN: Can you repeat it?

ADMINISTRATIVE LAW JUDGE LONG: Did Roadrunner pay you from the time you became an owner --

ADMINISTRATIVE LAW JUDGE LONG: They paid me a salary -- like, salary, just something small, but nothing more than that.

ADMINISTRATIVE LAW JUDGE LONG: Okay. Thank you.

I do have a question for Mr. Capello -- a few questions. Mr. Capello, what was your position at Roadrunner again?

MR. CAPELLO: General manager.

ADMINISTRATIVE LAW JUDGE LONG: Okay. And then you signed the dissolution of the corporation --

MR. CAPELLO: Yes.

ADMINISTRATIVE LAW JUDGE LONG: -- in 2020?

MR. CAPELLO: Yes.

ADMINISTRATIVE LAW JUDGE LONG: And then I'm looking at it right now. It states that the undersigned is the sole director or a majority of the directors now in office. Were you a director at the time that you signed that?

MR. CAPELLO: I was the sale manager.

ADMINISTRATIVE LAW JUDGE LONG: Okay. How did you come to sign this dissolution then?

MR. CAPELLO: Because at that time, you know, they asked for help and I said, okay, I can help you this way.

ADMINISTRATIVE LAW JUDGE LONG: Who asked for help?

MR. CAPELLO: Uri, and, you know, that's all. And I said, okay, I don't mind, but I didn't know at that time I got involved with that situation, so later on, we review and I get out of there.

ADMINISTRATIVE LAW JUDGE LONG: Okay. All right. Thank you. I have no further questions at this time.

HEARING OFFICER WILSON: I'm going to hold my questions until the Department makes their presentation. So we will go ahead and turn it over to the Department.

Ms. Bedford, you asked for 20 minutes; is that still accurate?

MS. BEDFORD: Yes.

HEARING OFFICER WILSON: Please proceed when you're ready.

OPENING STATEMENT

MS. BEDFORD: There are three issues in this appeal. The first is whether the Notice of Dual Determination was timely issued. Revenue and Taxation Code Section 6829, Subdivision F, provides a notice of deficiency determination must be served within three years of the last date of the calendar month following the quarterly period of when the Department attains actual knowledge of the business's termination.

While it is the Department's position that Roadrunner Auto Group Inc, Roadrunner, continued to make sales until the first quarter of 2021, those sales are not at issue in this appeal, and there's no dispute that Roadrunner's business terminated prior to the issuance of the Dual Determination to Appellant.

Appellant contends that the Notice of Dual Determination was not timely. Even if the sales of the Department's July 10, 2019, field visit are disregarded, the evidence shows that the earliest point at which the Department obtained actual knowledge that Roadrunner ceased its business operations was on the July 10, 2019 field visit. Exhibit A at Exhibit 1.

Under Section 6829, Subdivision F, the Department had until October 31, 2022, to mail the Notice of Deficiency. Appellant's opening brief states that the date upon which Roadrunner ceased business operations was July 10, 2019, and the reply brief states that date to be June 19, 2019. Appellant's opening brief, page 3; Appellant's reply brief, page 2, line 4.

Neither brief includes evidence outside Appellant's statement to support that contention that Roadrunner ceased doing business in June. To the contrary, the evidence demonstrates Department did not obtain actual knowledge of the closure until July 10, 2019, therefore, the Notice of Dual Determination that was issued of September 30, 2022, Exhibit D, is timely under Section 6829.

The second issue is whether Appellant is liable as the responsible person for the unpaid tax, interest, and penalties of Roadrunner for the period of October 1, 2018, through June 30, 2019. Appellant is liable as the responsible person pursuant to Section 6829 for the unpaid liabilities of Roadrunner for the liability period.

As you are aware, four elements must be met to impose personal liability under Section 6829. One, the corporation's business must be terminated, dissolved or abandoned. Two, the corporation must have collected sale tax reimbursement on its retail sales of tangible personal property, or TPP, and failed to pay it to the Department.

Three, the person must have been responsible for the filing of returns for the payment of Sales and Use Tax, or under a duty to act for the corporation in complying with the Sales and Use Tax Law. And four, the person's failure to pay the taxes due from the corporation must have been willful.

As to the first element, whether the corporation business was terminated, there's not dispute the Roadrunner ceased business operations prior to the issuance of the Notice of Dual Determination.

As to the second element, personal liability can be imposed only to the extent that the corporation collected sales tax reimbursement on its sales of TPP in this state, but failed to remit to the tax department when due. Section 6829(c), Regulation 1702.5(a).

The evidence demonstrates that Roadrunner collected sales tax reimbursement of its sales of TPP. First, Roadrunner's Sales and Use Tax Return for the period of 3Q18 to 2Q19, include the line 9 deduction for the sales tax reimbursement included in its sales. Exhibit A at Exhibit 4.

This was further confirmed by the Business Operations Questionnaire provided to the Department and Ms. Solorzano, which indicated that Roadrunner collected sales tax reimbursement from its customers. Exhibit A at Exhibit 5.

As to the third element, whether Appellant was a responsible person. The evidence shows that Appellant was a corporate officer and owner of Roadrunner who had control, supervision of, and a responsibility for the filing of returns or the payment of tax and had a duty to act for the corporation in complying with the Sales and Use Tax Law during the liability period. Appellant was named Roadrunner CEO, CFO, secretary and director on its Statement of Information dated October 31, 2018. Exhibit A at Exhibit 3, page 1.

Appellant signed in her capacity, as all officers, an Automotive Repair Dealer Registration Application with the California Department of Consumer Affairs dated December 19, 2018. Exhibit A at Exhibit 10. Appellant became the sole shareholder of Roadrunner as of October 31, 2018. Exhibit A at Exhibit 12. Appellant's reply brief, page 3, line 17.

Ms. Perlman, Roadrunner's authorized representative, informed the Department that Appellant was an officer the corporation on April 18, 2019. Exhibit A at Exhibit 11. Appellant's signed Authorization for Electronic Transmission of Data Form dated August 30, 2019, authorizing the transmission of Roadrunner's confidential information via e-mail. Exhibit A at Exhibit 7.

Appellant signed a payment plan agreement dated August 30, 2019, obligating Roadrunner to make biweekly payments to the Department in satisfaction of its unpaid tax liabilities for the liability period. Exhibit A at Exhibit 8.

Appellant signed corporate checks in payment of Roadrunner's business obligations. Exhibit A at Exhibit 9. The Business Operations Questionnaire provided to the Department, Ms. Solorzano identified Appellant as a person who had responsibility for Roadrunner's Sales and Use Tax compliance during the period that Ms. Solorzano worked for Roadrunner. Exhibit A at Exhibit 5.

Furthermore, Appellant is the responsible person for Roadrunner because she was an officer -- CEO, CFO, and secretary -- of Roadrunner and demonstrated that she had control of and responsibility for Roadrunner's Sales and Use Tax matter during the liability period.

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

Here, Roadrunner's taxes at issue became due on the dates its returns were due, meaning on or before the last day of the month following each quarterly period. Those dates were January 31, 2019, for 4Q18; April 30, 2019, for 1Q19; and July 31, 2019, for 2Q19. The evidence demonstrates that Appellant was aware of Roadrunner's self-assessed liabilities for the period of 4Q18 to 2Q19 as they incurred. Appellant was named as Roadrunner's only corporate officer on its Statement of Information dated October 31, 2018. Exhibit A at Exhibit 3, page 1.

Appellant confirmed this position when she signed the Automotive Repair Dealer Registration Application dated December 19, 2018, in her capacity as all officers. Exhibit A at Exhibit 10.

Additionally, Appellant became the 100 percent owner and shareholder as of October 31, 2018, as reflected in Roadrunner's corporate minutes. Exhibit A at Exhibit 12, page 3.

Further, the evidence shows that Appellant was personally involved in Roadrunner's Sales and Use Tax matters. Appellant signed the Authorization for Electronic Transmission of Data Form dated October 30, 2019, authorizing transmission of Roadrunner's confidential information via e-mail. Exhibit A at Exhibit 7.

Appellant signed a payment plan agreement dated August 30, 2019, obligating Roadrunner to make biweekly payments to Department in satisfaction of its unpaid tax liabilities for a liability period. Exhibit A at Exhibit 8.

Appellant also signed corporate checks and payment with Roadrunner's business obligations. Exhibit A at Exhibit 9. Appellant knew that Roadrunner was not meeting its Sales and Use Tax obligations and that the taxes were not being paid for the liability period.

As for Appellant's authority to pay taxes or cause them to be paid, beginning October 31, 2018, Appellant was the sole corporate officer and shareholder of Roadrunner and as the CEO and CFO of Roadrunner, Appellant had the authority to direct the financial affairs of the corporation, including the authority to pay taxes.

Further, Appellant signed a payment plan agreement dated October 31, 2019, obligating Roadrunner to make biweekly payments of $3,000.00 to the Department in satisfaction of unpaid tax liabilities for the liability period. Exhibit A at Exhibit 8.

Additionally, Appellant was identified by Ms. Solorzano as the person authorized to sign business checks. Exhibit A at Exhibit 5. Therefore, Appellant had the authority to pay Roadrunner's taxes or cause them to be paid. As to the ability to pay the taxes, the evidence also shows that Roadrunner had funds available to pay the taxes but used those funds to pay other creditors instead.

The evidence shows that Roadrunner collected sales tax reimbursement during the liability period, therefore, Roadrunner had a sales tax reimbursement it collected from its customers available to pay its taxes but failed to do so. Exhibit A at Exhibit 4.

Roadrunner's 1099(k) data shows that it received payments of about 574,000.00 from Wells Fargo Merchant Services, LLC during 2018 and 2019. And about $329,000.00 from WordPlay LLC during 2018. Exhibit A at Exhibit 17.

Additionally, Roadrunner has positive account balances at First Bank January 2019 to April 2019; July 2019; October 2019; and April 2020. Banc of California, April 2018 and March 2019 to July 2019. And Wells Fargo Bank, April 2018, to January 2019. Exhibit A at Exhibit 15 and 16.

Wages were paid to employees of about $472,000.00 during the period 1Q18 to 4Q18. Exhibit A at Exhibit 14. Additionally, Roadrunner made payments to its landlord totaling about $159,000.00 during the liability period. Exhibit A at Exhibit 13.

Thus, the evidence demonstrates that there were available funds to pay Roadrunner's tax liabilities with amounts collected from customers as tax reimbursement were used to pay other creditors. In sum, Roadrunner collected tax reimbursement throughout the liability period, Appellant was responsible person, and Appellant's failure to pay Roadrunner's Sales and Use Tax obligations was willful, meaning Appellant had the actual knowledge taxes were not being paid and had the authority and the ability to pay the taxes but failed to so.

Based on all the evidence provided, the Department has met its burden in each of the elements from imposing personal liability. The third issue is whether the late payment and the late filing fees should be abated.

The Department imposed penalties of late payment of Roadrunner's 4Q18 and 2Q19 Sales and Use Tax returns pursuant to Section 6591 Subdivision A. The Department imposed two late prepayment penalties for 2Q19 pursuant to Section 6476. The Department also imposed a penalty against Roadrunner for the late filing of its 1Q19 sales and use tax return pursuant to Section 6591 Subdivision B.

These penalties are included in the Notice of Determination issued to Appellant as part of Roadrunner's unpaid liabilities in accordance with Section 6829. See Exhibit D.

There is no statutory or regulatory authority for relieving the above penalties in Section 6829 determination. But Section 6592, Subdivision A, provides that the prescribed penalties may be relieved if Roadrunner's failure to timely pay a return was due to reasonable cause and circumstances beyond its control and occurring notwithstanding the exercise of ordinary care and in the absence of willful neglect.

A person seeking relief of these penalties must submit a statement signed under penalty of perjury setting forth the facts on which the basis for relief. Section 6592, Subdivision B.

Thus, if Appellant were to establish reasonable cause for Roadrunner's failure to file or to timely pay its liabilities, the penalties incurred are Roadrunner would be relieved, and Appellant's derivative liability for the penalties would also be eliminated.

Initially, we note that Department does not have a record of Appellant providing the requisite statement signed under penalty of perjury setting forth the facts on which the claim for relief is based as required by Section 6592 Subdivision B.

Furthermore, Appellant has not argued and the evidence has not established reasonable cause and circumstances as to why the corporation failed to pay timely for 4Q18 is 2Q19 and timely file for 1Q19.

As a result, there is no basis for which to abate the penalties. Accordingly, relief of the penalties is not warranted. In conclusion, the Department has met its burden to impose liability on Appellant pursuant to Section 6829. The Notice of Determination issued to Appellant was timely and there is not basis for relief of penalties, therefore, we ask that this appeal be denied.

HEARING OFFICER WILSON: Thank you. Let's have questions from the Panel. Judge Kim?

ADMINISTRATIVE LAW JUDGE KIM: I don't have any questions at this time.

HEARING OFFICER WILSON: Thank you.

And Judge Long?

ADMINISTRATIVE LAW JUDGE LONG: Thank you. Just a few questions. What is CDTFA's position with respect to earliest that Ms. Wizman would have known that the liability was unpaid.

MR. PARKER: Well, in April of -- I believe the exhibit provided today would reveal that Ms. Wizman was 80 percent shareholder the CEO prior to this liability period, I believe, April of 2018, when Ms. Wizman became -- took on that position. I believe it also said she was codirector with Mr. Kohen at the time prior to the liability period.

ADMINISTRATIVE LAW JUDGE LONG: So CDTFA's position is based, essentially, just on she was an owner?

MR. PARKER: She was an owner and she was an officer. The questionnaire sent to the employee indicated that she was charged with the responsibility for reporting the Sales and Use Tax matters. The questionnaire was sent to Ms. Solorzano for that.

ADMINISTRATIVE LAW JUDGE LONG: And then I noticed in the decision that the decision discusses that there are three variations of Ms. Wizman's signature. How does OTA come to the determination which one is the correct signature?

MR. PARKER: We are not signature experts, however, we note when it comes to the checks, there was, again, corroboration from Ms. Solorzano in her questionnaire that Appellant signed checks. There is -- and then some of the evidence Appellant has presented saying that Ms. Solorzano was the signatory of the checks.

And we know that the declaration of Mr. Gurrola that was provided today provides an incorrect name even if they were to say that technically someone was signing the checks, they have been arguing that Ms. Solorzano was signing the checks, and this declaration says Salazar.

So there is discrepancy in -- like, it's unclear that Mr. Gurrola had the requisite knowledge to provide this because he didn't even provide the correct name for what Appellant's -- who Appellant's indicated had signed the checks.

I don't believe -- I believe Appellant acknowledged that she may have signed herself made an admission to signing the installment plan agreement. But we are not handwriting experts. We rely on the other evidence indicated that Appellant had check-signing authority and signed check additionally.

ADMINISTRATIVE LAW JUDGE LONG: And then with respect to the knowledge evidence referred to in the dual memorandum, is there any direct evidence other than the payment of -- the installment payment agreement that Ms. Wizman had knowledge? Is there any conversations, anything stored in your notes?

MR. PARKER: There are not additional notes besides what's provided. Although, the notes -- Ms. Wizman did testify that the discussion with Ms. Perlman that led to the agreement being entered, we would note that the note in the record did include a discussion with Ms. Perlman in, I believe April of 2019, also involves staff informing Ms. Perlman that there are outstanding liabilities for a prior quarter, and so while she's testified that it could have been May or June, that may be April of 2019.

ADMINISTRATIVE LAW JUDGE LONG: Right. I have the note -- the work outgoing call notes here from April 18, 2019, and it does indicate that Ms. Wizman is the new corporate officer. And also, you know -- and has some additional notes. Can you show me in there where it actually states that Ms. Wizman is aware of this?

MR. PARKER: There's no direct conversation. I was just noting for the fact that that was discussed there. Ms. Wizman -- there was a reference to Ms. Wizman. Ms. Perlman was informed that, and I think that that's possible evidence to tie Ms. Wizman. It is not a direct conversation with Ms. Wizman, but we know that Ms. Perlman spoke with Ms. Wizman about the outstanding liabilities and that's -- the discussion with Ms. Perlman about outstanding liabilities set that point.

ADMINISTRATIVE LAW JUDGE LONG: Okay. Thank you. I have no further questions.

HEARING OFFICER WILSON: I did have a question in regards to the DMV information, which is Exhibit 19 of the dual memo. That is from -- directly from the DMV that CDTFA obtained; correct?

MR. SAMARAWICKREMA: Yes.

HEARING OFFICER WILSON: Okay. And how does the DMV know that it's Roadrunner Auto Group?

MR. SAMARAWICKREMA: The DMV keeps track of the dealer license number, and also -- yeah, the dealer license number and the dealer license number is written in the Roadrunner Auto Group.

HEARING OFFICER WILSON: Thank you. So for the DMV information, would that only include that dealer license number?

MR. SAMARAWICKREMA: The sales permit number and also the buyer's information and lending information also.

HEARING OFFICER WILSON: Thank you. So the Exhibit 19 shows sales through past the close out date of July of 2019; correct?

MR. SAMARAWICKREMA: Yes.

MR. PARKER: Just for the record, the closeout date is March 31, 2021, I believe -- the effective closeout date. We were just noting that the Appellant had contended that the Notice of Dual Determination was not timely. Even if OTA, as a panel, were to not accept that Roadrunner continued to make these sales, which is not the Department's position, that the earliest possible time that the Department could have known about the closure would have been the July 2019 visit.

That's not the Department's position, it's just noting the dates provided in the Appellant's initial brief as the closeout date, the Department's Notice of Dual Determination still would have been timely with that closeout date, and the records reflect a visit in July of 2019, for clearing up the dual determination that we got in timely in either scenario.

HEARING OFFICER WILSON: Thank you. So the DMV information shows continued sales; correct?

MR. SAMARAWICKREMA: Yes, and the taxpayer never reported the sales --

HEARING OFFICER WILSON: Let me get to my.

MR. SAMARAWICKREMA: -- from 2019, October.

HEARING OFFICER WILSON: Okay. So were any of the transactions from the car sales noted in the bank statements? Or let me rephrase and say, do the bank statements show continued car sales?

MR. SAMARAWICKREMA: According to the dual memo, Exhibit 15, it lists Bank of America bank statement, the total credits is $959,000,00, so it's included.

HEARING OFFICER WILSON: Thank you. That was my questions for the Department. We will go ahead and go to Mr. Weiss for closing statement. You have 10 minutes.

MR. WEISS: Okay. Couple things. I think the Department has ignored that it was relying on documents which my client has denied -- her signature has not been filed with her name on there. She was unaware of them, I believe she testified.

There is the document filed in the same time period, May 1, 2019, filed by Mr. Geozalian, which basically takes her off. So arguably, they have ignored that. If you will go strictly on filed documents, that takes her off and I don't know if you got involved earlier in the year, that's an issue to be consistent must be determined. With respect to Ms. Perlman, I raise it again, they mentioned Ms. Perlman, the affidavit which I think should be used solely for impeachment --

HEARING OFFICER WILSON: I think your microphone is not on.

MR. WEISS: Sorry. With respect to Ms. Perlman, I think it's an -- if they bring it up, any courtroom anywhere, you are entitled to impeachment -- well, her declaration impeaches it, clearly. This lady was not involved, is not responsible.

The evidence does -- if she's -- the documents they're using, she's disputing whether it's her signature. She clearly doesn't have the knowledge. There's not willfulness. Apparently, if she got involved in July 2019 or August 2019, that's after the sales were done. I mean, the sales were done. The liability was owed.

If you are trying to clean up a mess, why should she be liable for a mess she didn't create? It goes against common sense. And she put $120,000.00 in there. She lost money. The State lost money. She is a victim like anyone else and she's trying to protect her investment.

I think she listened to Ms. Perlman, I guess, and the people who created the mess are no where to be found, and basically, this lady was duped. And really, that's my position with respect to the repair license, I'm not sure -- I don't know if she signed that or not -- if that's her signature, but my clients, I believe, testified said she didn't sign things.

And Ms. Solorzano signs things. And the fact that Ms. Solorzano's name is spelled incorrectly, I think it's pretty obviously, Paola or Salazar, I think we are referring to same people. So we have a live witness -- two witnesses, two declarations. There is a lot of evidence refuting what they're saying.

And, you know, we have documents not signed, incomplete, and we really don't know her involvement other than she invested money and she tried to clean up a mess that somebody else created. I don't know any law that says you are responsible for cleaning up a mess you didn't create. And 6829 doesn't say that.

She was not involved in creating the liability. She did not know about the liability. And she came on on later, possibly, you know, to try to -- to try to do the right thing to deal with it and maybe she would get back her money. She, basically, was unaware of the finances, and that is really my position.

I've got a lot of evidence and I think a lot of their evidence is incomplete and unanswered. And you know, these documents, you know -- if she disputes her signature or there's no signature, I don't believe it should have much weight.

HEARING OFFICER WILSON: Is that your conclusion?

MR. WEISS: Well, I conclude No. 1. Let me raise something. You know, the penalty is very tiny compared to the liability. She's not going to be able to pay that either. But, you know, I guess with their permission -- I wasn't really worried about the penalty, but I can submit a declaration afterward to try to abate the penalty.

I'd like that opportunity. Question. Is any of this -- is any of this -- is there a post -- can we listen to the transcripts and basically submit after reading the transcripts, any comments or belief or something? Is that your policy? I think I did one prior case and they allowed a belief, so I raise that issue just in case.

HEARING OFFICER WILSON: If we do decide to hold the record for you to submit a penalty abatement request, it would only be for that.

MR. WEISS: Okay. I will raise that right now. Because that's -- you know, the liability is so large and the penalty is so small. My position is she's not liable. So if she's not liable, there would be no penalty. I do reserve the right to raise that. That's pretty much my position. No further questions to add.

HEARING OFFICER WILSON: Okay. Thank you. We will go with final questions. I'll start off. Ms. Wizman, for the salary you received, you said it was not very much and that it was throughout your time as CEO or officer of the business; correct?

MS. WIZMAN: Yes.

HEARING OFFICER WILSON: Also, when you respond please talk louder.

Do you -- would you consider those payments a return of your investment or did you actually work at the business to earn the salary?

MS. WIZMAN: No, I didn't work.

HEARING OFFICER WILSON: So would you consider payments a return of your investments?

MS. WIZMAN: Yes, I guess. Maybe one show me that I can have some back, but it's not really was it was planning to have -- yeah.

HEARING OFFICER WILSON: Okay. And so if you -- I guess the period is nine months or so, just under a year maybe, how much do you think you would have received back?

MS. WIZMAN: What do you mean? Sorry. Can you repeat it? I didn't understand. How much what?

HEARING OFFICER WILSON: So if you were receiving a paycheck every two weeks or so, is that when you would receive the pay, or how much total do you think you received from the business?

MS. WIZMAN: You mean if I was supposed to get my money back?

HEARING OFFICER WILSON: Right. You said you received checks back?

MS. WIZMAN: Yes, but it was not much. I need to live and I need money, you know, and so it was not much. Like, I lost my money.

HEARING OFFICER WILSON: Okay. During the time that Mr. Karan came in, you said they took over the business -- Mr. Geozalian?

MS. WIZMAN: Yes.

HEARING OFFICER WILSON: So that Statement of Information is dated May 1st, 2019.

MS. WIZMAN: Yes, it was there, like, before that.

HEARING OFFICER WILSON: So if Mr. Geozalian was the new corporate officer, why did you participate with the Department for a payment plan when you were not responsible according to --

MS. WIZMAN: Because I didn't understand. That's what she told me, there is, like, things that need to take care of because they was looking for me. I don't know why. I was -- that's what they told me. I really didn't understand that. If I knew that, I would not --

HEARING OFFICER WILSON: Okay. Mr. Campagna, what was his role during all of this?

MS. WIZMAN: What? What did you ask?

HEARING OFFICER WILSON: What was his role in the business, Mr. Campagna?

MS. WIZMAN: What is -- he's kind of like more like a paralegal, like, helping us.

HEARING OFFICER WILSON: A paralegal?

MS. WIZMAN: Yeah.

HEARING OFFICER WILSON: So I'm not sure if you are aware, but the Department had a field visit in July of 2019 and they spoke with Mr. Campagna. Do you know -- Mr. Capello, do you know when you took over?

MR. CAPELLO: 2016.

HEARING OFFICER WILSON: You took over as the corporate officer?

MR. CAPELLO: No, no. I started working for the company in 2018 like a closer.

HEARING OFFICER WILSON: Okay. So Mr. Campagna indicated that you were listed as a corporate officer for a short time. Do you recall the length of your terms?

MR. CAPELLO: Say that again.
HEARING OFFICER WILSON: As a corporate officer do you recall the length of your term, when you started being the corporate officer?
MR. CAPELLO: Was maybe one month, maybe.
HEARING OFFICER WILSON: Four months?
MR. CAPELLO: One month, maybe one and a half months, that's all.
HEARING OFFICER WILSON: Okay. Okay.
MR. CAPELLO: I have the letter that released my obligation.
HEARING OFFICER WILSON: Okay. Do you know why Mr. Campagna would say that you disappeared from the business?
MR. CAPELLO: Me?
HEARING OFFICER WILSON: According to this field note it says --
MR. WEISS: Are you talking about the July 12, 2019 tax or the field note?
HEARING OFFICER WILSON: Yes. The July 10, 2019 conversation with Mr. Campagna.
MR. WEISS: Okay.
MR. CAPELLO: I quit. I don't disappear; I quit -- it's different.
HEARING OFFICER WILSON: Okay. I think that's it

for me.

Judge Kim, final questions?

ADMINISTRATIVE LAW JUDGE KIM: No, thank you.

HEARING OFFICER WILSON: Okay. And Judge Long, do you have any final questions?

ADMINISTRATIVE LAW JUDGE LONG: I do, I want to follow up on the -- you just mentioned that you quit, Mr. Capello. And this note, July 12, 2019, when did you come back? Because you signed the dissolution in 2020. So what happened between July 12, 2019, when you just said you quit and the date that you signed the dissolution in February of 2020?

MR. CAPELLO: Well, that's all I did. I never back to work.

ADMINISTRATIVE LAW JUDGE LONG: Can you turn the microphone on?

MR. CAPELLO: I never went back to work.

ADMINISTRATIVE LAW JUDGE LONG: Respectfully, why did you sign the dissolution?

MR. CAPELLO: Why? Because it's not part of my business. It was no part of the business.

ADMINISTRATIVE LAW JUDGE LONG: But you weren't working there?

MR. CAPELLO: No.

ADMINISTRATIVE LAW JUDGE LONG: So how did you come to reconcile with the business that you would help them out by filing this paperwork.

MR. CAPELLO: I quit in 2019, June or close to it. After that, I have a call, right, for the attorney --

ADMINISTRATIVE LAW JUDGE LONG: When was that?

MR. CAPELLO: Maybe -- like you saying, maybe in, like -- I can't remember the exactly the month, but I had to sign the resonation for the corporation or whatever they did.

ADMINISTRATIVE LAW JUDGE LONG: The dissolution?

MR. CAPELLO: Yes. But I wasn't working there by the time I did the --

ADMINISTRATIVE LAW JUDGE LONG: Why did they tell you you had to be the one to sign the dissolution then?

MR. CAPELLO: They say that I not part of the business, that's all. I never been a part of the business like a COO or like that.

HEARING OFFICER WILSON: All right. All right. Thank you. I don't have any further.

MR. CAPELLO: Sorry. I have the letter, right. I have nothing to do anymore.

ADMINISTRATIVE LAW JUDGE LONG: Thank you.

HEARING OFFICER WILSON: Thank you. That concludes our hearing for today. I will go ahead and give you our final remarks. Thank you, everyone for participating. We appreciate your testimony and being here. The Panel will meet to deliberate and decide your case. We will issue written opinion after we receive the penalty abatement. So we will hold the record open for 30 days. Is that sufficient?

MR. WEISS: Yes.

HEARING OFFICER WILSON: It's online. It's 735.

MR. WEISS: Okay. That will save me time, thank you.

HEARING OFFICER WILSON: So once you provide that and your explanation for the abatement request, the Department will have 30 days to provide a response, after which we close the briefing and the record. So once that's done, we will issue a decision, a written opinion, within 100 days. So we are off the record and this concludes the hearings for today.

(The hearing was concluded at 3:41 p.m.)

HEARING REPORTER'S CERTIFICATE

I, Shelby K. Maaske, 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 6th day of July, 2026.

Shelby Maaske,
Hearing Reporter

Y