

OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Appeal of:	)	OTA Case No. 240716600
S. FULZELE AND	)	
V. SATARKAR	)	
	)	
	)	

OPINION ON PETITION FOR REHEARING

Representing the Parties:

For Appellants: William H. Gorrod, Attorney

For Respondent: Lawrence Xiao, Attorney

T. LEUNG, Administrative Law Judge: On April 15, 2026, the Office of Tax Appeals (OTA) issued an Opinion sustaining the action of the Franchise Tax Board (respondent) proposing additional tax of \$541,517, plus interest, for the 2020 taxable year. In the Opinion, the panel held that Appellants did not show error in respondent's proposed assessment.

On May 15, 2026, appellants filed a petition for rehearing (petition) with OTA under Revenue and Taxation Code (R&TC) section 19048 on the basis that the Opinion was contrary to law. Upon consideration of appellants' petition, this panel concludes that the grounds set forth in this petition do not constitute a basis for granting a new hearing.

OTA will grant a rehearing if the Opinion is contrary to law and materially affects the substantial rights of the party seeking a rehearing. (Cal. Code Regs., tit. 18, § 30604(a)(5).) As provided in *Appeal of Wilson Development, Inc.* (94-SBE-007) 1994 WL 580654, it is appropriate for OTA to look to Code of Civil Procedure section 657 and applicable caselaw as relevant guidance in determining whether a ground has been met to grant a new hearing.

The question of whether a decision is contrary to law is not one that involves a weighing of the evidence, but instead requires a finding that the decision is "unsupported by any substantial evidence." (*Sanchez-Corea v. Bank of America* (1985) 38 Cal.3d 892, 906 (*Sanchez-Corea*).)

To find that the Opinion is against (or contrary to) law, this panel must determine whether the Opinion is "unsupported by any substantial evidence." (*Appeal of Graham and Smith*, 2018-OTA-154P, citing *Sanchez-Corea, supra*.) This requires a review of the Opinion to

indulge “in all legitimate and reasonable inferences” to uphold the opinion. (*Sanchez-Corea, supra*, 38 Cal.3d at p. 907.) The relevant question is not over the quality or nature of the reasoning behind the Opinion, but whether the Opinion can or cannot be valid according to the law. (*Appeal of NASSCO Holdings, Inc.* (2010-SBE-001) 2010 WL 5626976.) The Opinion is reviewed in the light most favorable to the prevailing party (here, respondent). (See *Appeals of Swat-Fame, Inc., et al.*, 2020-OTA-045P.)

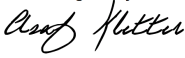
In their petition, appellants argue that their backend payments are not subject to installment sale treatment and, even if they were, those payments acquired a Texas business situs. Essentially, appellants reprise contentions that were already addressed in the Opinion and, therefore, do not satisfy the requirements for the granting of a new hearing under the contrary to law standard. The fact that appellants are dissatisfied with the outcome of their appeal is not grounds for a rehearing. (See *Appeal of Le Beau*, 2018-OTA-61P; *Appeal of Graham and Smith, supra*.)

Accordingly, appellants’ petition is denied.

DocuSigned by:

0C90542BE88D4E7...
Tommy Leung
Administrative Law Judge

We concur:

DocuSigned by:

D17AFEDDCAAB045B...
Asaf Kletter
Administrative Law Judge

Signed by:

C04CD432E3254FD...
Seth Elsom
Hearing Officer

Date Issued: 8/11/2026