



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
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MICHAEL C. GENEST
Member

November 1, 2006 through December 15, 2006 Franchise Tax Board Litigation Roster

All currently active cases and those recently closed are listed on the roster. Activity or changes with respect to a case appear in bold-face type. Any new cases will appear in bold-face type.

A list of new cases that have been added to the roster for the month is also provided, as well as a list of cases that have been closed and will be dropped from the next report. This roster covers changes for November and part of December 2006 to accommodate year-end staffing issues.

The Franchise Tax Board posts the Litigation Roster on its Internet site. The Litigation Roster can be found at: <http://www.ftb.ca.gov/law/litrstr/index.html>.

The Litigation Rosters for the last four years may be found on the Internet site.

FRANCHISE AND INCOME TAX
Closed Cases – November 2006

Case Name

Court Number

Crisa Corporation

Los Angeles Superior Court No. BC345087

Ordlock, Bayard M. & Lois

Los Angeles Superior Court No. BC278386

FRANCHISE AND INCOME TAX
New Cases – November 2006

Case Name

Court Number

None

FRANCHISE AND INCOME TAX
Closed Cases – December 1, 2006 through December 15, 2006

Case Name

Court Number

Union Bank of California

San Francisco Superior Court No. CGC05441957

Microsoft Corporation

San Francisco Superior Court No. 400444

FRANCHISE AND INCOME TAX
New Cases – December 1, 2006 through December 15, 2006

Case Name

Court Number

Blackie, Gerald

San Francisco Superior Court No. BC362241

Hargis, Bob and Ruth

San Diego Superior Court No. GIC 876431

**FRANCHISE AND INCOME TAX
MONTHLY REFUND LITIGATION ROSTER**

November 1, 2006 through December 15, 2006

BLACKIE, GERALD v. Franchise Tax Board
Los Angeles Superior Court Docket No. BC362241
Taxpayer's Counsel
Paul William Raymond
Attorney at Law

Filed – 11/21/06
FTB's Counsel

Issues: 1. Whether Plaintiff was a resident of California for the year 1994.
2. Whether Plaintiff would be subject to any penalties if the tax is sustained.

Year: 1994 Amount \$538,997.00

Status: Summons and Complaint for Determination of Residency to Avoid Liability for California Personal Income Tax was filed on November 21, 2006, and served on the Franchise Tax Board on December 4, 2006.

CITY NATIONAL CORPORATION v. Franchise Tax Board

Los Angeles Superior Court Docket No. BC334772
Court of Appeal, 2nd Appellate District No. B189240
Taxpayer's Counsel
Kenneth R. Chiate, Mary S. Thomas
Quinn, Emanuel, Urquhart, Oliver & Hedges, LLP

Filed – 06/10/05
FTB's Counsel
Donald R. Currier
Joseph M. O'Heron

Sherrill Johnson
Offices of the General Counsel
City National Bank

Issues: 1. Whether Plaintiff improperly engaged in tax shelter transaction involving Regulated Investment Trusts (REITs) and Regulated Investment Companies (RICs) during the subject years.
2. Whether certain subsidiaries were exempt from California taxation as IRC 501(c)(15) entities.
3. Whether Plaintiff has satisfied the requirement of exhausting all administrative remedies in order to maintain a lawsuit.

Years: 1999 through 2003 Amount \$84,676,129.00

Status: Court of Appeal scheduled Oral Argument to January 11, 2007.

CITY NATIONAL CORPORATION & Subs. v. Franchise Tax Board

Sacramento Superior Court Docket No. 06AS02275

Taxpayer's Counsel

Kenneth R. Chiate

Quinn, Emanuel, Urquhart Oliver & Hedges, LLP

Sherrill Johnson

Offices of the General Counsel

City National Bank

Filed – 06/06/06

FTB's Counsel

Michael J. Cornez

Issue: Whether Plaintiffs improperly engaged in tax shelter transaction involving Real Estate Investment Trusts (REITs).

Year: 2004 Amount \$23,900,000.00

Status: Plaintiff's Cross-Motion to Bifurcate or Sever denied on October 4, 2006. Defendant's Motion to Stay the case denied on October 4, 2006.

COLGATE-PALMOLIVE, CO. & SUBSIDIARIES v. Franchise Tax Board

Sacramento Superior Court Docket No. 03AS00707

Taxpayer's Counsel

Eric J. Coffill, Carley A. Roberts

Morrison & Foerster, LLP

Filed - 02/07/03

FTB's Counsel

Steven J. Green

Issues: 1. Whether the sales factor was properly calculated by excluding proceeds from short-term financial instruments and value added taxes assessed by foreign countries.
2. Whether the property factor needs to be adjusted to value property at its appreciated value to fairly reflect its activities in California.

Years: 1974 through 1982, 1984 through 1987, 1989 through 1991 Amount \$2,912,696.00

Status: Order to Stay Proceeding signed by Judge Virga on November 29, 2004, until a decision is reached in the *General Motors v. FTB* case.

DELUCCHI, MARIO & KATHLEEN, et al. v. Franchise Tax Board

Sacramento Superior Court Docket No. 06AS02661

Taxpayer's Counsel

Harry Gordon Oliver II

Attorney at Law

Filed -

FTB's Counsel

Michael J. Cornez

Issues: 1. Whether Plaintiffs properly computed income on an installment sale.
2. Whether Plaintiffs may be deemed to have elected out of the installment method.
3. Whether Plaintiffs' gain on the sale of a stock qualified for exemption as Small Business Stock in 1995.

Year: 1995 Amount \$988,900.00

Status: Discovery proceeding.

DILTS, WALTER B. JR. AND PHYLLIS A. KAPPELER v. Franchise Tax Board

San Francisco Superior Court Docket No. CGC04436496

Filed - 11/19/04

Taxpayer's Counsel

FTB's Counsel

R. Todd Luoma

Anne Michelle Burr

Law Office of Richard Todd Luoma

Issue: Whether Plaintiffs ceased to be California residents as of December 16, 1994.

Years: 1994 and 1995

Amount \$973,101.00

Status: Notice sent by the Court, Order to Show Cause continued to January 8, 2008.

GARCIA, W. ROCKE AND GLENDA L. v. Franchise Tax Board

San Francisco Superior Court Docket No. CGC06456659

Filed – 10/02/06

Taxpayer's Counsel

FTB's Counsel

William J. McLean

Kristian Whitten

A Professional Law Corporation

- Issue:
1. Whether Plaintiffs timely acquired replacement real property in compliance with the Internal Revenue Code section 1033.
 2. Whether a decision by the State Board of Equalization precludes the assessment of penalties pursuant to section 19777.5.
 3. Whether the penalty assessed by Section 19777.5 satisfies due process requirements.

Year: 1992

Amount \$616,065.66

Status: **Defendant's Answer to Complaint filed on November 13, 2006.**

GENERAL ELECTRIC COMPANY AND SUBSIDIARIES v. Franchise Tax Board

San Francisco Superior Court Docket No. CGC06-449157

Filed – 02/03/06

Court of Appeal, 1st Appellate Dist. Court No. A115530

Taxpayer's Counsel

FTB's Counsel

Amy L. Silvertein

David Lew

Silverstein & Pomerantz, LLP

Jeffrey M. Vesely

Pillsbury, Winthrop, Shaw, Pittman, LLP

- Issues:
1. Whether the penalty imposed by section 19777.5(a) on amounts due and payable on March 31, 2005, for years beginning before January 31, 2003, violates the due process clause of the United States Constitution.
 2. What is the meaning of "due and payable" for purposes of section 19777.5(a) of the Revenue and Taxation Code?

Years: (None)

Amount \$0.00

Status: **Plaintiffs/Appellants' Opening Brief and Joint Appendix filed on November 22, 2006.**

GENERAL MILLS, INC. & SUBSIDIARIES v. Franchise Tax Board

San Francisco Superior Court Docket No. CGC05-439929

Taxpayer's Counsel

Thomas H. Steele

Andres Vallejo, Jeffrey S. Terraciano

Morrison & Foerster LLP

Filed – 03/29/05

FTB's Counsel

Marguerite Stricklin

- Issues:
1. Whether the Plaintiffs' payroll factor was properly computed by excluding foreign employee stock options.
 2. Whether the Plaintiffs' sales factor was properly calculated by excluding receipts from commodities transactions and short-term financial instruments.
 3. Whether federal RAR adjustments were properly taken into account.

Years: 1992 through 1997

Amount \$3,550,367.00

Status: Trial scheduled for February 20, 2007. Case Management Conference held on October 25, 2006.

GENERAL MOTORS CORPORATION, et al. v. Franchise Tax Board

Los Angeles Superior Court Docket No. BC269404

Court of Appeal, 2nd Appellate District No. B165665

California Supreme Court No. S127086

Taxpayer's Counsel

Charles R. Ajalat

Law Office of Ajalat, Polley & Ayoob

Filed - 03/06/02

FTB's Counsel

Stephen Lew

Donald Currier

Joseph O'Heron

- Issues:
1. Whether gross receipts from the disposition of marketable securities were properly excluded from the sales factor.
 2. Whether interest income was properly characterized as business income.
 3. Whether dividends received with respect to stock representing less than a 50% voting interest were properly classified as business income.
 4. Whether the limitation on deductions prescribed by sections 24402 and 24410 resulted in unconstitutional discriminatory taxation.
 5. Whether various receipts from intangible assets were properly excluded from the sales factor.
 6. Whether research tax credits were properly limited to the entity incurring the expense.
 7. Whether a deduction was properly denied with respect to foreign country taxes withheld on dividends.
 8. Whether the taxpayer is entitled to an increased deduction with respect to depreciation on assets held by foreign country subsidiaries.
 9. Whether the taxes determined to be owing by the Franchise Tax Board were properly computed and assessed.

Years: 1986 through 1988

Amount \$10,692,755.00

Status: **Plaintiffs/Appellants' Supplemental Brief After Remand from Supreme Court, filed on November 16, 2006. Defendant/Respondent's Response to Plaintiffs/Appellants' Supplemental Brief After Remand from Supreme Court, filed on December 1, 2006. Plaintiffs/Appellants' Reply to Defendant/Respondent's Supplemental Brief filed on December 4, 2006.**

GOLDEN WEST HEALTH PLAN, INC. v. Franchise Tax Board

Los Angeles Superior Court Docket No. BC353849

Taxpayer's Counsel

Alan R. Maler

Greenberg Traurig, LLP

Filed – 06/15/06

FTB's Counsel

Marla Markman

Issue: Whether Plaintiff made a valid S Corporation election for California purposes.

Years: 04/01/03 through 06/01/03

Amount \$669,045.00

Status: **Case Management Conference held on November 20, 2006 and continued to January 8, 2007; Court makes order, Case Management Conference ((Supplemental 2) OSC Re: Sanctions for the Plaintiffs Failure to Appeal on November 20, 2006.)**

GONZALES, THOMAS J. II v. Franchise Tax Board

San Francisco Superior Court Docket No. CGC06454297

Taxpayer's Counsel

Martin A. Schainbaum, Esq.

Martin A. Schainbaum, PLC

Filed – 07/18/06

FTB's Counsel

Paul D. Gifford

Joyce E. Hee

Issues: 1. Whether the loss claimed with respect to a Son of Boss transaction was allowable.
2. Whether a taxpayer self-reporting under VCI is eligible for interest suspension pursuant to section 19116.
3. Whether the taxpayer is entitled to deduct legal expenses paid in connection with an investment.

Years: 2000 and 2001

Amount \$12,374,510.00

Status: Discovery proceeding. **Plaintiff's Case Management Statement filed on November 30, 2006. Case Management Conference scheduled for December 15, 2006, is off calendar. Mandatory Settlement Conference set for May 23, 2007, Trial set for June 11, 2007.**

HAMEETMAN, FRED AND JOYCE v. Franchise Tax Board

Los Angeles Superior Court Docket No. BC 305968

Court of Appeal, 2nd Appellate District No. B187278

Taxpayer's Counsel

Eric L. Troff, Esq.

Gibbs, Giden, Locher & Turner, LLP

Filed - 11/12/03

FTB's Counsel

Donald Currier

Issue: Whether Plaintiffs were entitled to a business bad debt deduction.

Years: 1990 and 1993

Amount \$65,738.00

Status: Unpublished Opinion in favor of Franchise Tax Board filed on December 11, 2006.

HARGIS, BOB & RUTH v. Franchise Tax Board
San Diego Superior Court Docket No. GIC 876431
Taxpayer's Counsel
Kevin M. Bagley, Robert M. Shaughnessy
Duckor, Stradling, Metzger & Wynne
A Law Corporation

Filed – 12/05/06
FTB's Counsel
W. Dean Freeman

Issues: 1. Whether Plaintiffs were residents of California during the years at issue.
2. Whether a penalty for a dishonored check was properly assessed.
3. Whether the penalty provided for in section 19777.5 was properly assessed.

Years: 1999 and 2000 Amount \$915,873.40

Status: Plaintiffs' Summons and Complaint filed on December 5, 2006, and served by mail on the Franchise Tax Board on December 13, 2006.

HILTON, ERIC & BITTEN v. Franchise Tax Board
Los Angeles Superior Court Docket No. BC354308
Taxpayer's Counsel
Richard K. Semeta
A Professional Law Corporation

Filed – 06/21/06
FTB's Counsel
Anthony Sgherzi

Issue: Whether a portion of the gain realized on the exercise of stock options by a non-resident was California source income.

Year 1997 Amount \$27,346.98

Status: Discovery proceeding.

HYATT, GILBERT P. v. Franchise Tax Board
Clark County Nevada District Court No. A382999
Nevada Supreme Court No. 47141
Taxpayer's Counsel
Thomas L. Steffen & Mark A. Hutchison
Hutchison & Steffen, H. Bartow Farr III

Filed - 01/06/98
FTB's Counsel
James W. Bradshaw
McDonald, Carano,
Wilson LLP
Las Vegas, Nevada

Issues: 1. Whether Plaintiff was a resident of California from September 26, 1991 through April 2, 1992.
2. Whether the Franchise Tax Board committed various torts with respect to plaintiff and is subject to a claim for damages.
3. Whether the Nevada courts have or should exercise jurisdiction over the Franchise Tax Board.

Years: 1991 and 1992 Amount \$7,545,492.00 Tax
\$5,659,119.00 Penalty

Status: Nevada Supreme Court

The case is pending before the Nevada Supreme Court on a writ action by Gilbert P. Hyatt.

THE LIMITED STORES, INC. AND AFFILIATES v. Franchise Tax Board

Alameda Superior Court Docket No. 837723-0

Filed - 04/09/01

Court of Appeal, 1st Appellate District Court No. A102915

California Supreme Court No. S136922

Taxpayer's Counsel

FTB's Counsel

Carley Roberts

Joyce Hee

Morrison & Foerster, LLP

Hollis L. Hyans

Morrison & Foerster, LLP

New York, NY

Issues: 1. Whether gross receipts from the sale of short-term financial instruments should be included in the sales factor.
2. Whether gain realized on the sale of a partial interest in a limited partnership formed from three subsidiaries constitutes business income.

Years: 1993 and 1994

Amount \$2,185,718.00

Status: **Supreme Court Order filed on November 17, 2006, case returned to Court of Appeal with directions to vacate its decision and to reconsider the cause of action in light of Microsoft. Supplemental Briefs (10 pages) due on or before January 5, 2007.**

LUCAS, LADONNA v. Franchise Tax Board

Los Angeles Superior Court Docket No. BS102039

Filed – 03/08/06

Taxpayer's Counsel

FTB's Counsel

LaDonna Lucas, In Pro Per

Felix Leatherwood

Issues: 1. Whether the Superior Court has jurisdiction to consider the action filed by the Plaintiff.
2. Whether Appellant qualifies as a head of household for the year 2002 and 2003.

Years: 2002 and 2003

Amount Unknown

Status: **Respondent's Notice of Ruling filed on November 1, 2006. Respondent's (Proposed) Order of Dismissal of Petition for Writ of Administrative Mandamus sent by mail on November 6, 2006. Judgment filed by Respondent on November 28, 2006.**

MARKEN, DONALD W. & CLAUDINE H. v. Franchise Tax Board

San Francisco Superior Court Docket No. 302520

Filed - 04/05/99

Court of Appeal, 1st Appellate Dist. No. A091644

California Supreme Court No. S 104529

Court of Appeal, 1st Appellate Dis. No. A109715

Court of Appeal, 1st Appellate District No. A110668 (Attorneys' Fees)

Taxpayer's Counsel

William E. Taggart, Jr.

Taggart & Hawkins

FTB's Counsel

Marguerite Stricklin

Issue: Whether Plaintiffs were residents of California in 1993.

Year: 1993

Amount \$244,012.00

Status: Plaintiffs/Appellants' Request for Oral Argument filed under A109715 on July 13, 2006.

MONTGOMERY WARD LLC v. Franchise Tax Board v. Franchise Tax Board

San Diego Superior Court Docket No. GIC802767

Filed - 12/30/02

Taxpayer's Counsel

Antolin, Pilar M. Sansone, Amy Silverstein

Silverstein & Pomerantz, LLP

FTB's Counsel

Domini Pham

Issues: 1. Whether proceeds from the sale, maturity or other disposition of short-term financial instruments were properly excluded from the sales factor.
2. Whether section 24402 Rev. & Tax. Code is constitutional.

Years: 1989 through 1994

Amount \$2,694,192.00

Status: **On December 15, 2006, Status Conference was rescheduled to January 5, 2007.**

NEW GAMING SYSTEMS, INC. & AKA INDUSTRIES, INC. v. Franchise Tax Board

Sacramento Superior Court Docket No. 03AS05705

Filed - 10/10/03

Taxpayer's Counsel

Spencer T. Malysiak

Spencer T. Malysiak Law Corp.

FTB's Counsel

Michael Cornez

Issues: 1. Whether New Gaming Systems, Inc., timely filed its suit for refund for the income year ended March 31, 1996.
2. Whether a declaratory relief action can be brought to prevent the collection of tax.
3. Whether a suit for refund can be maintained for a year in which the amount of tax has not been paid in full.
4. Whether Plaintiffs are liable for California taxes on income generated from leases for operating Indian casinos.

Years: 1996 and 1997

Amount \$111,587.87

Status: Trial Setting Conference has been continued to March 19, 2007.

NEWS AMERICA INCORPORATED (FOX, INC.) v. Franchise Tax Board

Los Angeles Superior Court Docket No. BC350576

Taxpayer's Counsel

Neil R. O'Hanlon

Hogan & Hartson, LLP

Filed – 04/12/06

FTB's Counsel

Anthony F. Sgherzi

Brian D. Wesley

- Issues:
1. Whether the Franchise Tax Board properly classified gain realized on the sale of an interest in a partnership as nonbusiness income.
 2. If the gain on the sale of the interest in a partnership was nonbusiness income, whether it should be allocated to New York.
 3. Whether the assignment to California of the gain realized on the sale of the partnership fairly reflects the activities of the taxpayer in this state.

Year: 1989

Amount \$1,726,405.00

Status: **Notice of Mediation Hearing Date filed by Mediator on November 1, 2006.**

NORTHWEST ENERGETIC SERVICES, LLC v. Franchise Tax Board

San Francisco Superior Court Docket No. CGC05-437721

Court of Appeal 1st Appellate Court Dist. No. A114805

Court of Appeal, 1st Appellate Court Dist. No. A115841 (Attorneys' Fees)

Taxpayer's Counsel

Amy L. Silverstein, Edwin Antolin

Silverstein & Pomerantz

Filed – 01/15/05

FTB's Counsel

Marguerite Stricklin

Issue: Whether Revenue and Taxation Code section 17942, which imposes a tax upon the "total income from all sources reportable to this state" of LLC registered with the Secretary of State, violates the Due Process Clause and Commerce Clauses.

Years: 12/31/97 through 12/31/01

Amount \$25,067.00 Tax
\$ 3,764.29 Penalty

Status: **Defendant/Appellant's Notice of Appeal re: Attorneys' Fees filed on November 16, 2006, (Case No. A115841). Joint Stipulation Requesting Extension of Time to file Opening Briefs filed on December 8, 2006. Defendant/Appellant's Stipulated Motion to Consolidate A114805, A114841 and A115950 for Purposes of Briefing, Oral Argument, and Decision filed on December 8, 2006. Defendant/Appellant's Application to Consolidate is granted on December 13, 2006.**

PARÉ, DAVID F. v. Franchise Tax Board

San Diego Superior Court Docket No. IC872806

Taxpayer's Counsel

David F. Paré, In Pro Per

Filed – 09/21/06

FTB's Counsel

Leslie Branman Smith

Issues: 1. Whether the child of an individual who lives with the plaintiff qualifies the individual for head-of-household filing status.

2. Whether the plaintiff has satisfied the requirements for bringing a suit for refund.

Years: 2000 through 2003 Amount \$5,185.00

Status: Plaintiff's Second Summons and Complaint served by mail on the Franchise Tax Board on October 18, 2006.

PLAYMATES TOYS, INC. v. Franchise Tax Board

Los Angeles Superior Court Docket No. BC344785

Taxpayer's Counsel

Craig J. Stein

Gelfand, Stein & Wasson, LLP

Filed – 12/19/05

FTB's Counsel

Joseph M. O'Heron

Issue: Whether Defendant Franchise Tax Board properly computed the numerator of the taxpayer's California sales factor by assigning sales made from Hong Kong to California.

Years: 1988 through 1990 Amount \$1,582,288.00

Status: **Post-Mediation Status Conference held on November 30, 2006; Final Status Conference scheduled for May 17, 2007; Motion to Continue Trial date to May 29, 2007, granted on November 30, 2006. Discovery proceeding.**

SHAFRAN, ALLEN J. & TOBY v. Franchise Tax Board

Los Angeles Superior Court Docket No. BC 316070

Court of Appeal, 2nd Appellate Dist. No.B186947

Taxpayer's Counsel

W. Patrick O'Keefe, Jr.

W. Patrick O'Keefe, Jr. Incorporated

Filed – 05/25/04

FTB's Counsel

Anthony F. Sgherzi

Issue: Whether the denial of a deduction for depreciation based upon a federal adjustment was proper.

Year: 1992 Amount \$45,415.00 Tax

Status: Remittitur issued on October 5, 2006.

SQUARE D COMPANY v. Franchise Tax Board

San Francisco Superior Court Docket No. CGC05442465

Taxpayer's Counsel

Allan L. Schare, Kimberly M. Reeder

McDermott Will & Emery LLP

Palo Alto, Ca.

Richard A. Hanson

McDermott Will & Emery LLP

Chicago, IL

Filed – 06/21/05

FTB's Counsel

Paul Gifford

- Issues: 1. Whether Palatine Hills Leasing, which invested in leverage lease transactions, was part of the unitary business conducted by Square D Company.
2. Whether the income of Palatine Hills Leasing constituted business income of the unitary business conducted by Square D Company.
3. How the proceeds from the short-term investment of funds should be reflected in the sales factor of the apportionment formula.

Years: 1985 through 1990 Amount \$5,635,087.40

Status: **Defendant's Stipulation and Request for Order Regarding Compromise of Plaintiff's First and Second Causes of Action filed on November 15, 2006. Trial held on December 5, 2006.**

SUNOCO, INC. v. Franchise Tax Board

Sacramento Superior Court Docket No. 06AS03797

Filed – 09/07/06

Taxpayer's Counsel

FTB's Counsel

Eric J. Coffill

Jeffrey A. Rich

Morrison & Foerster, LLP

- Issues: 1. Whether gain realized on sale of stock was properly characterized as business income.
2. Whether sales were properly assigned to the California numerator of the sales factor.

Years: 1986 through 1990 Amount \$1,451,460.00

Status: Defendant's Answer to Plaintiff's Complaint filed on October 6, 2006.

TOY'S "R" US, INC. & AFFILIATES v. Franchise Tax Board

Sacramento Superior Court Docket No. 01AS04316

Filed - 07/17/01

Court of Appeal, 4th Appellate Court No. C045386

California Supreme Court No. S143422

Taxpayer's Counsel

FTB's Counsel

Eric J. Coffill

Michael J. Cornez

Carley A. Roberts

Morrison & Foerster, LLP

Issue: Whether gross receipts from the sale of short-term financial investment were properly excluded from the documentation of the sales factor.

Years: 1991 through 1994 Amount \$5,342,122.00

Status: **Case is transferred to the Court of Appeal on November 15, 2006, with directions to vacate its decision and to reconsider the cause of action in light of Microsoft v. Franchise Tax Board (2006) 39 Cal.4th 750 and General Motors v. Franchise Tax Board (2006) 39 Cal.4th 773. (Cal. Rules of Court, rule 29.3(d).)**

VENTAS FINANCE I, LLC v. Franchise Tax Board

San Francisco Superior Court Docket No. 05-440001

Taxpayer's Counsel

Amy L. Silverstein, Edwin Antolin

Silverstein & Pomerantz, LLP

Filed – 04/01/05

FTB's Counsel

Marguerite Stricklin

Issue: Whether Revenue and Taxation Code section 17942, which imposes a tax based upon the "total income from all sources reportable to this state" of LLC registered with the Secretary of State, violates the Due Process Clause and Commerce Clause.

Years: 2001 through 2003

Amount \$29,580.00

Status: **Trial Court Judgment in favor of Plaintiff filed on December 11, 2006.**