



## State Board of Equalization - Sales and Use Tax Department

### REPORT OF FIELD AUDIT

**Account No:** [REDACTED] 03  
**Firm Name:** [REDACTED]  
**Owner:** [REDACTED]  
**Owner Type:** Husband & Wife Co-ownership  
**Business Address:** [REDACTED]  
**Mailing Address:** [REDACTED]

**Case Id:** [REDACTED]  
**Lead Auditor:** DEBBIE V. MENDOZA  
**Supervisor:** IDUVINA "NINA" JACUINDE  
**Board Office:** Riverside Office  
**Audit Report Date:** December 14, 2016  
**Business Code/SIC:** NAICS : 722511  
**Account Status:** Active  
**Tax Area Code:** 330620260000

**Report Mailed to the following Additional Addresses:**  
 SEE ATTACHED CC LIST

#### LIABILITY (OR CREDIT) DISCLOSED BY EXAMINATION OF TAXPAYER'S RECORDS

**Examination Period:** 4/01/13 to 3/31/16

**Total Disclosed by Examination**

Tax	Interest to 1/31/17	Penalty	Total
563,623.25	72,637.17		636,260.42

**Balance as of 1/31/17\*\***

\$563,623.25	\$72,637.17	\$0.00	\$636,260.42
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\*\*If multiple billings have occurred, the audit liability may not equal the sum of the billings

#### TAXABLE MEASURE DISCLOSED BY EXAMINATION OF TAXPAYER'S RECORDS

	State, Local County and SITI	1/4% State Increase	Total District
1 UNDER-STATED TAXABLE SALES BASED ON MARK-UP OF COST OF PURCHASE	6,335,688	6,335,688	6,335,688
2 UNDER-STATED TAXABLE SALES BASED ON PERCENTAGE OF ERROR	707,416	707,416	707,416
3 TAXABLE ALCOHOL SELF CONSUMPTION	864	864	864
4 TAXABLE FOUNTAIN DRINKS SELF CONSUMPTION	1,322	1,322	1,322
	<u>\$7,045,290</u>	<u>\$7,045,290</u>	<u>\$7,045,290</u>

STATE OF CALIFORNIA

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

3737 Main Street, Suite 1000  
Riverside, California 92501-3398  
Telephone: (951) 680-6718  
Facsimile: (951) 680-6797  
www.cdfta.ca.gov



17-015

EDMUND G. BROWN JR.  
Governor

MARYBEL BATJER  
Secretary, Government Operations Agency

NICOLAS MADUROS  
Director

July 20, 2017

McCLELLAN DAVIS LLC  
508 GIBSON AVENUE SUITE 120  
ROSEVILLE CA 92678

In Reply Refer To:  
Account Number: [REDACTED] 03  
Audit Case Number: [REDACTED]

Dear Mitchell Stradford:

We are enclosing a copy of the *Report of Field Audit-Revised* for the account number referenced above. This report replaces the *Report of Field Audit* which was sent to you on January 09, 2017. The revisions resulted from either additional information or data that was made available to us, or from changes resulting from the processing of the audit by our headquarters office.

**The audit liability was reduced to zero.**

Although we have applied commonly accepted auditing procedures during the course of your audit, the auditor may not have examined all of your transactions. There may still be transactions that you are not reporting correctly. If you have any questions as to the application of taxes or fees to a particular transaction, please contact your auditor in writing and he/she will provide you with a written response.

We appreciate your cooperation during the audit of your records.

Sincerely,

Lisa Nickerson  
Principal Auditor

CC:

[REDACTED]

When you have been unable to resolve a matter through the normal appeals process or for information on your rights, you may contact the Taxpayers' Rights Advocate Office toll-free at 1-888-324-2798

RECEIVED

JUL 23 2017

McClellan Davis LLC

STATE BOARD OF EQUALIZATION

REPORT OF  
FIELD AUDIT  
(REVISED)

Sales and Use Taxes

SOURCE 1	ACCOUNT NUMBER [REDACTED] 03	CASE ID [REDACTED]	STATUS <input checked="" type="checkbox"/> Active <input type="checkbox"/> C O	0-01 1-01
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B.A. Same	DATE OF REPORT 6/23/2017	AREA CODE 33 062 026 0000	NAICS CODE 722511
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FIRM NAME [REDACTED]	EXTRA COPIES	STANDARD BILL NOTES
OWNER [REDACTED]	JURIS. AMOUNT	JURIS. AMOUNT
	STATE	
	LOCAL	
	COUNTY	
M.A. [REDACTED]		

LIABILITY (OR CREDIT) DISCLOSED BY AUDIT

PERIOD TO	TAX	INTEREST TO -	PENALTY	TOTAL
4/1/2013 TO 3/31/2016		12/31/2016	**	
<b>CREDITS/DEBITS:</b>	0.00			0.00
<b>PAYMENTS</b>				0.00
				0.00
				0.00
<b>BALANCE</b>				0.00

ANALYSIS OF MEASURE OF TAX BY CLASS OF TRANSACTION

*This Revised Audit Supersedes Audit Dated*

12/14/2016

COPY TO TAXPAYERS

TIN # 23187816  
Mitchell Stradford  
McClellan Davis, LLC  
508 Gibson Avenue Suite 120  
Roseville CA 95678

(SEE 414A ATTACHMENT)

N-A	VAR. BLURB	SCHED	Debbie Mendoza NAME OF AUDITOR	APPROVED BY	APPROVAL DATE	INTEREST CALC DATE	BATCH
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