

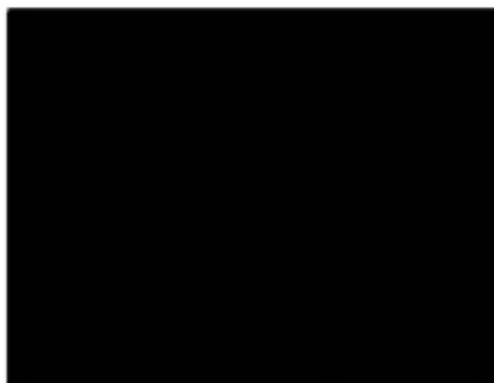


State Board of Equalization - Sales and Use Tax Department

 3/18/08
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REPORT OF FIELD AUDIT - REAUDIT

Account No:
 Firm Name:
 Owner:
 Owner Type:
 Business Address:
 Mailing Address:



Case Id:
 Lead Auditor:
 Supervisor:
 Board Office: San Jose Office
 Audit Report Date: **February 14, 2008**
 Business Code/SIC: 63
 Account Status: Closed-Out
 Tax Area Code: 330470260000

A Local Tax Allocation was completed

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

Examination Period: 4/01/01 to 3/31/05

	Tax	Interest to 4/30/08	Penalty	Total
Total Disclosed by Examination	8,498,249.85	3,671,667.22	1,184,602.38	13,354,519.45
Debit or Credit Adjustments				
Payment Interest Adjustment		-18,825.69		-18,825.69
Payments applied as of 3/18/08	-157,978.00			-157,978.00
Balance as of 4/30/08**	\$8,340,271.85	\$3,652,841.53	\$1,184,602.38	\$13,177,715.76

**If multiple billings have occurred, the audit liability may not equal the sum of the billings

10% negligence penalty is recommended. 10% amnesty penalty has been added for the period 04/01/01 through 12/31/02.

TAXABLE MEASURE DISCLOSED BY EXAMINATION OF TAXPAYER'S RECORDS

	SLCS (State)	ASUT (State)	Total District
1 DISALLOWED EXEMPT SALES CLAIMED FOR CALIFORNIA LOCATIONS	8,492,226	6,502,586	7,954,907
2 DISALLOWED EXEMPT SALES CLAIMED FOR OREGON LOCATIONS	99,758,659	85,922,230	105,473,382
3 WITHDRAWAL FROM INVENTORY PER STATISTICAL SAMPLE TEST	1,629,192	1,045,562	2,734,597
4 EX-TAX PURCHASES OF FIXED ASSETS PER TAXPAYER'S ASSET JOURNAL	409,233	332,103	778,004
	\$110,289,310	\$93,802,481	\$116,940,890



State Board of Equalization - Sales and Use Tax Department

REPORT OF FIELD AUDIT

Account No:
Firm Name:
Owner:
Owner Type:
Business Address:
Mailing Address:

Case Id:
Lead Auditor:
Supervisor:
Board Office:
Audit Report Date: **December 9, 2010**
Business Code/SIC: 63
Account Status: Closed-Out
Tax Area Code: 330470260000

A Local Tax Allocation was completed

Report Mailed to the following Additional Addresses

JESSE W. MCCLELLAN
8928 VOLUNTEER LN STE 200
SACRAMENTO, CA 95826-3238

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

Examination Period: 4/01/05 to 6/30/07

	Tax	Interest to 2/28/11	Penalty	Total
Total Disclosed by Examination	964,640.50	407,625.46		1,372,265.96
Debit or Credit Adjustments				
Payment Interest Adjustment		-6,454.20		-6,454.20
Payments applied as of 1/12/11	-221,286.00			-221,286.00
Balance as of 2/28/11**	\$743,354.50	\$401,171.26	\$0.00	\$1,144,525.76

**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 STTI	Total District
1 Disallowed Claimed Exempt RV sales @ \$10,000. and above actual basis all locations	10,341,841	12,678,997
2 Differences Between Recorded & Reported Taxable Sales	1,329,649	1,587,717
3 Unreported Questioned Unsupported Asset Purchases actual basis	84,465	122,177
4 Unreported Extax AP Supplies & Consumable Optional Warranty parts based on Prior Audit % of error	563,200	915,433
	\$12,319,155	\$15,304,324

STATE BOARD OF EQUALIZATION

www.boe.ca.gov



BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Orange County

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

CYNTHIA BRIDGES
Executive Director

April 30, 2014

Mr. Jesse W. McClellan, Esq.
McClellan Davis, LLC
8928 Volunteer Lane, Suite 200
Sacramento, CA 95826

Re:

Final Settlement Approval

Dear Mr. McClellan:

On **April 22, 2014**, the members of the Board of Equalization (Board) approved the Settlement Agreement your client signed on **October 22, 2013**. The Chief Counsel signed the document on behalf of the Board on **April 25, 2014**. Enclosed is a copy of the completed document for your records.

In accordance with the agreement, you have fully satisfied the terms and conditions of the Settlement Agreement. As you are aware, the Agreement is to settle for a total amount of **\$850,000.00**. [REDACTED] have been made towards these determinations. Therefore, we are in the process of preparing a refund/credit in the [REDACTED]. All payments or credits are subject to final verification. You should expect to receive the refund/credit in approximately six to eight weeks.

Thank you for participating in the Board's Settlement Program. Please do not hesitate to contact the Sales and Use Tax Department's Audit Determination and Refund Section at (916) 445-1315 for questions about your refund/credit or [REDACTED] regarding questions related to your settlement case.

Sincerely,

[REDACTED]
Assistant Chief Counsel
Settlement and Taxpayer Services Division

Enclosure: Signed Settlement Agreement

cc:

[REDACTED] District Office (EH)

RECEIVED

MAY - 1 2014

McClellan Davis LLC CKY-NoCal