Miscellaneous Tax Bur.
Stock Trans. Tax Deter. A-Z
Advanced Electronics Corp.

STATE OF NEW YORK

STATE TAX COMMISSION

IN THE MATTER OF THE APPLICATION OF

ADVANCED ELECTRONICS CORPORATION

TO SET ASIDE CERTAIN NEW YORK STATE STOCK TRANSFER TAXES ASSESSED PURSUANT TO ARTICLE 12 OF THE TAX LAW

[illegible]

The petitioner having filed an application to set aside certain New York State stock transfer taxes assessed pursuant to Article 12 of the Tax Law and a hearing having been held before Vincent P. Molineaux, Hearing Officer, at 10:30 a.m. on June [illegible], [illegible], and the record and exhibits having been duly examined and considered,

The State Tax Commission finds:

(1) That in the year [illegible] Advanced Electronics Corporation determined to make a public offering of its shares.

(2) That as a condition of making such offering it was determined that the two principal stockholders, Mr. Salvatore D'Esposito and Mr. Leo [illegible], who held their shares jointly with their respective wives, should appear as the individual owners of the shares and that [illegible] shares held by Leo and Shirley [illegible] were transferred to Leo [illegible] and [illegible] shares held by Salvatore and Eleanor D'Esposito were transferred to Salvatore D'Esposito.

(3) That notice of determination of tax No. [illegible] in the amount of [illegible] pursuant to Article 12, section [illegible] of the Tax Law, on which the amount of [illegible] was paid August 7, 1962, leaving a balance due of [illegible] was issued December [illegible], 1962, which unpaid amount was based upon the share transfer of

shares from Leo and Shirley Hechner to Leo Hechner and from Salvatore and Eleanor D'Esposito to Salvatore D'Esposito.

(4) That no denial is made that the shares were transferred as above indicated.

(5) That transfer of shares from husband and wife to the husband is a taxable transfer under section 270 of the Tax Law.

Upon the foregoing, the State Tax Commission hereby DETERMINES:

(A) The stock transfer tax assessed by determination of tax No. 133 is lawfully due and owing; and that

(B) The application to set aside the said tax is denied.

And it is so O R D E R E D.

Dated: Albany, New York this 27th day of April, 196[illegible].

STATE TAX COMMISSION

/s/ JOSEPH H. MURPHY
PRESIDENT

/s/ IRA J. PALESTIN
COMMISSIONER

/s/ JAMES R. MACDUFF
COMMISSIONER

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# BUREAU OF LAW

## MEMORANDUM

TO: Commissioners Murphy, Palestin and Macduff

FROM: Mr. Molineaux

SUBJECT: Advanced Electronics Corporation
Application to set aside New York State
stock transfer taxes assessed pursuant
to Article 12 of the Tax Law

A hearing with reference to the above matter was held before me on June 12, 1964. The appearances and the evidence produced were as shown in the stenographic minutes and exhibits submitted herewith.

The petitioner corporation determined to "go public" and offered its shares for general sale. As part of the arrangement, and apparently to make the investment more appealing in the prospectus the financial advisers of the corporation had the two principal stockholders transfer their shares from joint ownership with their wives to individual ownership.

At the hearing, the stockholders claimed that they did not understand the transaction, particularly that it would be taxable. The transfer was not denied.

For the reasons stated above, I recommend that the determination of the Tax Commission in this matter be substantially in the form submitted herewith.

Hearing Officer

VPM:EC
Enc.
March 12, 1965

Approved

Approved