

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

NEW YORK TATHAM-LAIRD & KUDNER, INC.

AFFIDAVIT OF MAILING

For a Redetermination of a Deficiency or
a Revision of a Determination or a Refund
of Stock Transfer
Taxes under Article(s) 12 of the
Tax Law for the ~~years~~ or Period(s)
May 20, 1969 through June 27, 1974

State of New York
County of Albany

Bruce Batchelor, being duly sworn, deposes and says that
he is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 7th day of June, 1977, he served the within
Decision by ~~(certified)~~ mail upon Richard E. Murphy, Esq.

(representative of) the petitioner in the within proceeding,
by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows: Richard E. Murphy, Esq.
McDermott, Will & Emery, Esqs.
111 West Monroe Street
Chicago, Illinois
and by depositing same enclosed in a postpaid properly addressed wrapper in a
(post office or official depository) under the exclusive care and custody of
the United States Postal Service within the State of New York.

That deponent further says that the said addressee is the (representative
of the) petitioner herein and that the address set forth on said wrapper is the
last known address of the (representative of the) petitioner.

Sworn to before me this

7th day of June, 1977.

Bruce Batchelor

Janet Mack

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

NEW YORK TATHAM-LAIRD & KUDNER, INC.

AFFIDAVIT OF MAILING

For a Redetermination of a Deficiency or :
a Revision of a Determination or a Refund :
of Stock Transfer :
Taxes under Article (8) 12 of the :
Tax Law for the Year(s) or Period(s) :
May 20, 1969 through June 27, 1974

State of New York
County of Albany

Bruce Batchelor, being duly sworn, deposes and says that

He is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 7th day of June, 1977, he served the within

Decision by (certified) mail upon New York Tatham-Laird

& Kudner, Inc. (representative of) the petitioner in the within proceeding,

by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows: New York Tatham-Laird & Kudner, Inc.
625 North Michigan Avenue
Chicago, Illinois 60611

and by depositing same enclosed in a postpaid properly addressed wrapper in a
(post office or official depository) under the exclusive care and custody of
the United States Postal Service within the State of New York.

That deponent further says that the said addressee is the (representative
of the) petitioner herein and that the address set forth on said wrapper is the
last known address of the (representative of the) petitioner.

Sworn to before me this

7th day of June, 1977

Bruce Batchelor

Janet Trach



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION

TAX APPEALS BUREAU
STATE CAMPUS
ALBANY, N.Y. 12227

ADDRESS YOUR REPLY TO

June 7, 1977

TELEPHONE: (518) 457-1723

✓ New York Tatham-Laird & Kudner, Inc.
625 North Michigan Avenue
Chicago, Illinois 60611

Gentlemen:

Please take notice of the **Decision**
of the State Tax Commission enclosed herewith.

Please take further notice that pursuant to
Section(s) **279(a)** of the Tax Law, any
proceeding in court to review an adverse deci-
sion must be commenced within **90 days**
from the date of this notice.

Inquiries concerning the computation of tax
due or refund allowed in accordance with this
decision or concerning any other matter relative
hereto may be addressed to the undersigned. They
will be referred to the proper party for reply.

Very truly yours,


Paul B. Coburn
Supervising Tax Hearing Officer

Enc.

cc: Petitioner's Representative:
Richard E. Murphy, Esq.
McDermott, Will & Emery, Esqs.
111 West Monroe Street
~~Taxing Bureau's Representative:~~
Chicago, Illinois

Taxing Bureau's Representative:

STATE TAX COMMISSION

In the Matter of the Petition :
of :
NEW YORK TATHAM-LAIRD & KUDNER, INC. : DECISION
for Redetermination of a Deficiency or :
for Refund of Stock Transfer Taxes under :
Article 12 of the Tax Law for the Periods :
May 20, 1969 through June 27, 1974. :
:

A formal hearing was held at the offices of the State Tax Commission, Two World Trade Center, New York, New York on September 17, 1976 before Solomon Sies, Hearing Officer. The petitioner appeared by McDermott, Will & Emery, Esqs. (Richard E. Murphy, Esq. of counsel), 111 West Monroe Street, Chicago, Illinois. The Miscellaneous Tax Bureau appeared by Peter Crotty, Esq. (James A. Scott, Esq. of counsel).

Whether the portfolio shares of stock of the petitioner, a New York corporation, which were transferred by an Illinois corporation to a Delaware corporation, constituted a taxable transfer subject to stock transfer tax.

FINDINGS OF FACT

1. On August 21, 1974, the Miscellaneous Tax Bureau issued a Notice of Determination of Tax Due against New York Tatham-Laird & Kudner, Inc. in the amount of \$9,423.63, plus a penalty of \$2,800.00, for a total of \$12,223.63. This was based upon a transfer on January 30, 1970 of 376,000 shares of common stock and 945 shares of preferred stock of New York Tatham-Laird & Kudner, Inc. from Tatham-Laird & Kudner, Inc. an Illinois corporation to TLK, Inc., a Delaware corporation, at the rate of \$.02 1/2 per share.

2. Prior to 1970, Tatham-Laird & Kudner, Inc. was an Illinois corporation, operating an advertising agency business in Chicago, Illinois. On or before January 1, 1970, Tatham-Laird & Kudner, Inc. owned one hundred percent of the outstanding shares of a subsidiary New York Tatham-Laird & Kudner, Inc., a New York corporation.

3. On January 30, 1970, TLK, Inc. was incorporated under the laws of the State of Delaware. The Illinois corporation organized the Delaware corporation by subscribing to and paying for one hundred shares of stock. By articles of agreement and merger, dated December 19, 1969, the Illinois corporation was merged into the Delaware corporation. The shareholders of the Illinois corporation became shareholders of the Delaware corporation. The officers and directors of the Illinois corporation became officers and directors of the Delaware corporation.

4. Pursuant to the agreement and plan of merger, the portfolio shares of stock of the Illinois corporation, namely the 376,000 shares of common stock and the 945 shares of preferred stock of New York Tatham-Laird & Kudner, Inc. were transferred to the Delaware corporation.

CONCLUSIONS OF LAW

A. That the Illinois corporation and the Delaware corporation were separate and distinct entities.

B. That the transfer of the shares of stock of the petitioner from the Illinois corporation to the Delaware corporation constituted a taxable transfer subject to stock transfer tax within the intent and purview of Article 12 of the Tax Law.

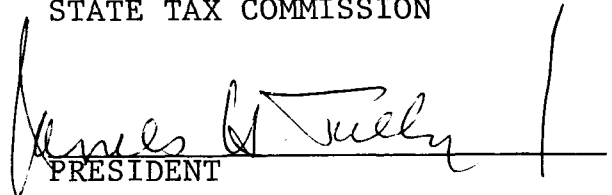
C. That the penalty imposed pursuant to section 277 of the Tax Law was proper.

D. That the determination of the Miscellaneous Tax Bureau is sustained and the petition be and the same is hereby denied.

DATED: Albany, New York

June 7, 1977

STATE TAX COMMISSION


PRESIDENT


COMMISSIONER


COMMISSIONER