

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
Industrial Food & Snack Bars, Inc. :
Jack Gould, Irving Sherman and Philip Mack :
Individually and as Officers :

AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or a Revision :
of a Determination or a Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the Period: :
6/1/72 - 5/31/75. :

State of New York
County of Albany

Jay Vredenburg, 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 5th day of March, 1982, he served the within notice of Decision by certified mail upon Industrial Food & Snack Bars, Inc. and Jack Gould, Irving Sherman and Philip Mack, Individually and as Officers, the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

Industrial Food & Snack Bars, Inc.
Jack Gould, Irving Sherman and Philip Mack
Individually and as Officers
44-14 Astoria Blvd.
Long Island City, NY 11103

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 petitioner herein and that the address set forth on said wrapper is the last known address of the petitioner.

Sworn to before me this
5th day of March, 1982.

Annie P. Haglund

J. Vredenburg

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition' :
of :
Industrial Food & Snack Bars, Inc. :
Jack Gould, Irving Sherman and Philip Mack :
Individually and as Officers :

AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or a Revision :
of a Determination or a Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 6/1/72 - 5/31/75 :
:

State of New York
County of Albany

Jay Vredenburg, 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 5th day of March, 1982, he served the within notice of Decision by certified mail upon Clement Segal the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

Clement Segal
Segal, Liling & Erlitz
250 8th Ave.
New York, NY 10011

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
5th day of March, 1982.

James P. Haglund

J. Vredenburg

STATE OF NEW YORK
STATE TAX COMMISSION
ALBANY, NEW YORK 12227

March 5, 1982

Industrial Food & Snack Bars, Inc.
Jack Gould, Irving Sherman and Philip Mack
Individually and as Officers
44-14 Astoria Blvd.
Long Island City, NY 11103

Gentlemen:

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

You have now exhausted your right of review at the administrative level. Pursuant to section(s) 1138 & 1243 of the Tax Law, any proceeding in court to review an adverse decision by the State Tax Commission can only be instituted under Article 78 of the Civil Practice Laws and Rules, and must be commenced in the Supreme Court of the State of New York, Albany County, within 4 months from the date of this notice.

Inquiries concerning the computation of tax due or refund allowed in accordance with this decision may be addressed to:

NYS Dept. Taxation and Finance
Law Bureau - Litigation Unit
Albany, New York 12227
Phone # (518) 457-2070

Very truly yours,

STATE TAX COMMISSION

cc: Petitioner's Representative
Clement Segal
Segal, Liling & Erlitz
250 8th Ave.
New York, NY 10011
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
of	:	
INDUSTRIAL FOOD & SNACK BARS, INC.,	:	DECISION
JACK GOULD, IRVING SHERMAN AND PHILIP MACK	:	
Individually and as Officers	:	
for Revision of a Determination or for Refund	:	
of Sales and Use Taxes under Articles 28 and	:	
29 of the Tax Law for the Period June 1, 1972	:	
through May 31, 1975.	:	

Petitioners, Industrial Food & Snack Bars, Inc., Jack Gould, Irving Sherman and Philip Mack, individually and as officers, 36-14 Steinway Street, Long Island City, New York 11101, filed a petition for revision of a determination or for refund of sales and use taxes under Articles 28 and 29 of the Tax Law for the period June 1, 1972 through May 31, 1975 (File No. 16843).

A formal hearing was held before Julius E. Braun, Hearing Officer, at the offices of the State Tax Commission, Two World Trade Center, New York, New York on January 19, 1981 and concluded on May 5, 1981. Petitioners appeared by Segal, Liling & Erlitz, Esqs. (Clement Segal, Esq., of counsel). The Audit Division appeared by Ralph J. Vecchio, Esq. (Angelo A. Scopellito, Esq., of counsel).

ISSUE

Whether the Audit Division properly determined additional sales and use taxes due from Industrial Food & Snack Bars, Inc. for the period June 1, 1972 through May 31, 1975.

FINDINGS OF FACT

1. On July 14, 1976, the Audit Division issued a Notice of Determination and Demand for Payment of Sales and Use Taxes Due against petitioners for the

period June 1, 1972 through May 31, 1975 for taxes due of \$17,891.85, plus penalty and interest of \$7,832.53, for a total of \$25,724.38.

2. Petitioners executed consents extending the period of limitation for assessment of sales and use taxes for the period June 1, 1972 through May 31, 1975 to September 19, 1976.

3. On March 17, 1981 "based upon the Burger King ruling", the Audit Division, adjusted the original assessment against the parent corporation, Freshway Food Systems, Corp., and let stand the original assessment of Industrial Food & Snack Bars, Inc. which was agreed to by petitioners.

4. Petitioners cooperated with the Audit Division. They acted upon the advice of their accountants and attorneys.

CONCLUSIONS OF LAW

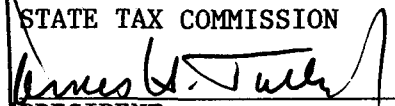
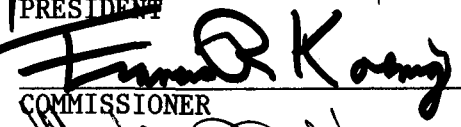

A. That in view of petitioners' agreement as to the assessment of \$17,891.85, the issue is moot.

B. That the penalty is abated and interest shall be computed at the minimum statutory rate.

C. That the petition of Industrial Food & Snack Bars, Inc., Jack Gould, Irving Sherman and Philip Mack, individually and as officers, is granted to the extent indicated in Conclusion of Law "B"; that the Audit Division is hereby directed to modify the Notice of Determination and Demand for Payment of Sales and Use Taxes Due issued July 14, 1976 and that, except as so granted, the petition is in all other respects denied.

DATED: Albany, New York

MAR 05 1982

STATE TAX COMMISSION

PRESIDENT

COMMISSIONER

COMMISSIONER