

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

STRAUS, BLOSSER & McDOWELL

AFFIDAVIT OF MAILING
OF NOTICE OF DECISION
BY (CERTIFIED) MAIL

For a Redetermination of a Deficiency or
a Refund of Unincorporated Business
Taxes under Article(s) 23 of the
Tax Law for the (Year(s) 1960, 1961 & :
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 1973 , she served the within
Notice of Decision (or Determination) by (certified) mail upon Straus, Blosser &
McDowell (representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: Straus, Blosser & McDowell
305 North Michigan Avenue
Chicago, Illinois 60601

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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

STRAUS, BLOSSER & McDOWELL

AFFIDAVIT OF MAILING
OF NOTICE OF DECISION
BY (CERTIFIED) MAIL

For a Redetermination of a Deficiency or
a Refund of Unincorporated Business:
Taxes under Article(s) 23 of the
Tax Law for the (Year(s) 1960, 1961 & :
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 1973 , she served the within
Notice of Decision (or Determination) by (certified) mail upon William F. O'Connor,
Esq.

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: William F. O'Connor, Esq.
c/o Kramer, Marx, Greenlee &
Backus, Esqs.
29 Broadway
New York, New York 10006
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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973.

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petitions of
FREDERICK W. STRAUS-ARTHUR S. GROSSMAN; (BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN-NATHAN M. SILBERMAN-H. JOHN ELLIS, JR.-
C. EDWIN MERCIER-MINTON M. CLUTE-MACKENZIE C.
BAIRD-ROBERT F. LEE-NAT E. GEISMAR (each being a partner in STRAUS, BLOSSER & McDOWELL);

**AFFIDAVIT OF MAILING
OF NOTICE OF DECISION
BY (CERTIFIED) MAIL**

For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 &:
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 19 73, she served the within
Notice of Decision (or Determination) by (certified) mail upon Frederick W. Straus
(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: Frederick W. Straus
c/o Bernard Weisberg, Esq.
Gottlieb & Schwartz - 111 W. Jackson Blvd.
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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973.

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petitions of
FREDERICK W. STRAUS-ARTHUR S. GROSSMAN-(BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN-NATHAN M. SILBERMAN-H. JOHN ELLIS, JR.-
C. EDWIN MERCIER-MINTON M. CLUTE-MACKENZIE C. **AFFIDAVIT OF MAILING**
BAIRD-ROBERT F. LEE-NAT E. GEISMAR (each being a **OF NOTICE OF DECISION**
partner in STRAUS, BLOSSER & McDOWELL) : **BY (CERTIFIED) MAIL**

For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 & :
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 1973 , she served the within
Notice of Decision (or Determination) by (certified) mail upon Arthur S. Grossman

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid

wrapper addressed as follows: Arthur S. Grossman
c/o Homer L. Grossman, Executor
305 North Michigan Avenue
Chicago, Illinois 60601

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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petitions of
FREDERICK W. STRAUS-ARTHUR S. GROSSMAN-(BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN-NATHAN M. SILBERMAN-H. JOHN ELLIS, JR.-
C. EDWIN MERCIER-MINTON M. CLUTE-MACKENZIE C. **AFFIDAVIT OF MAILING**
BAIRD-ROBERT F. LEE-NAT E. GEISMAR-(each being a **OF NOTICE OF DECISION**
partner in STRAUS, BLOSSER & McDOWELL) : **BY (CERTIFIED) MAIL**
For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 & :
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 1973, she served the within
Notice of Decision (or Determination) by (certified) mail upon Homer L. Grossman
(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: Homer L. Grossman
c/o Straus, Blosser & McDowell
305 North Michigan Avenue
Chicago, Illinois 60601
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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973.

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petitions of

FREDERICK W. STRAUS-ARTHUR S. GROSSMAN (BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN-NATHAN M. SILBERMAN-H. JOHN ELLIS, JR.-
C. EDWIN MERCIER-MINTON M. CLUTE-MACKENZIE C. BAIRD-ROBERT F. LEE-NAT E. GEISMAR (each being a partner in STRAUS, BLOSSER & McDOWELL):

**AFFIDAVIT OF MAILING
OF NOTICE OF DECISION
BY (CERTIFIED) MAIL**

For a Redetermination of a Deficiency or
a Refund of Personal Income
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 &:
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that she is an employee of the Department of Taxation and Finance, over 18 years of age, and that on the 11th day of July , 1973, she served the within Notice of Decision (or Determination) by (certified) mail upon Nathan M. Silberman (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Nathan M. Silberman
c/o Straus, Blosser & McDowell
305 North Michigan Avenue
Chicago, Illinois 60601
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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative of) 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

11th day of July , 1973.

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petitions of
FREDERICK W. STRAUS-ARTHUR S. GROSSMAN: (BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN-NATHAN M. SILBERMAN-H. JOHN ELLIS, JR.-
C. EDWIN MERCIER-MINTON M. CLUTE-MACKENZIE C. **AFFIDAVIT OF MAILING**
BAIRD-ROBERT F. LEE-NAT E. GEISMAR- (each being a **OF NOTICE OF DECISION**
partner in STRAUS, BLOSSER & McDOWELL): **BY (CERTIFIED) MAIL**

For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 &:
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 19 73, she served the within
Notice of Decision (or Determination) by (certified) mail upon H. John Ellis, Jr.

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid

wrapper addressed as follows: H. John Ellis, Jr.
c/o Straus, Blosser & McDowell
305 North Michigan Avenue
Chicago, Illinois 60601

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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973.

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petitions of
FREDERICK W. STRAUS-ARTHUR S. GROSSMAN- (BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN-NATHAN M. SILBERMAN-H. JOHN ELLIS, JR-
C. EDWIN MERCIER-MINTON M. CLUTE-MACKENZIE C. **AFFIDAVIT OF MAILING**
BAIRD-ROBERT F. LEE-NAT E. GEISMAR- (each being a **OF NOTICE OF DECISION**
partner in STRAUS, BLOSSER & McDOWELL): **BY (CERTIFIED) MAIL**

For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 &:
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 19 73, she served the within
Notice of Decision (or Determination) by (certified) mail upon C. Edwin Mercier

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: C. Edwin Mercier
1255 Buckingham
Grosse Point, Michigan

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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973.

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition s of
FREDERICK W. STRAUS-ARTHUR S. GROSSMAN-(BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN-NATHAN M. SILBERMAN-H. JOHN ELLIS, JR.-
C. EDWIN MERCIER-MINTON M. CLUTE-MACKENZIE C. **AFFIDAVIT OF MAILING**
BAIRD-ROBERT F. LEE-NAT E. GEISMAR-(each being a **OF NOTICE OF DECISION**
partner in STRAUS, BLOSSER & McDOWELL) : **BY (CERTIFIED) MAIL**
For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 & :
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 1973, she served the within
Notice of Decision (or Determination) by (certified) mail upon Minton M. Clute

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: Minton M. Clute
33 Whitcomb
Grosse Point, Michigan

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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973.

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition s of
FREDERICK W. STRAUS-ARTHUR S. GROSSMAN-(BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN-NATHAN M. SILBERMAN-H. JOHN ELLIS, JR.-
C. EDWIN MERCIER-MINTON M. CLUTE-MACKENZIE C. **AFFIDAVIT OF MAILING**
BAIRD-ROBERT F. LEE-NAT E. GEISMAR-(each being a **OF NOTICE OF DECISION**
partner in STRAUS, BLOSSER & McDOWELL) : **BY (CERTIFIED) MAIL**
For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 & :
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 19 73, she served the within
Notice of Decision (or Determination) by (certified) mail upon Mackenzie C. Baird
(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: Mackenzie C. Baird
Oak Hill Road
Clarkston, Michigan
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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973.

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petitions of

FREDERICK W. STRAUS-ARTHUR S. GROSSMAN-(BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN-NATHAN M. SILBERMAN-H. JOHN ELLIS, JR.-
C. EDWIN MERCIER-MINTON M. CLUTE-MACKENZIE C. BAIRD-ROBERT F. LEE-NAT E. GEISMAR-(each being a partner in STRAUS, BLOSSER & McDOWELL) :

**AFFIDAVIT OF MAILING
OF NOTICE OF DECISION
BY (CERTIFIED) MAIL**

For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 & :
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 1973 , she served the within
Notice of Decision (or Determination) by (certified) mail upon Robert F. Lee

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid

wrapper addressed as follows: Robert F. Lee
111 East Wisconsin Avenue
Milwaukee, Wisconsin

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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petitions of
FREDERICK W. STRAUS ARTHUR S. GROSSMAN (BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN NATHAN M. SILBERMAN H. JOHN ELLIS, JR.
C. EDWIN MERCIER MINTON M. CLUTE MACKENZIE C. **AFFIDAVIT OF MAILING**
BAIRD ROBERT F. LEE NAT E. GEISMAR (each being a **OF NOTICE OF DECISION**
partner in STRAUS, BLOSSER & McDOWELL) : **BY (CERTIFIED) MAIL**
For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 & :
1962

State of New York
County of Albany

Martha Funaro, being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July, 1973, she served the within
Notice of Decision (or Determination) by (certified) mail upon Nat E. Geismar

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: Nat E. Geismar
First National Bank Building
Rock Island, 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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July, 1973.

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition_s of
FREDERICK W. STRAUS-ARTHUR S. GROSSMAN-(BY HOMER L. GROSSMAN, As Trustee)
HOMER L. GROSSMAN-NATHAN M. SILBERMAN-H. JOHN ELLIS, JR.-
C. EDWIN MERCIER-MINTON M. CLUTE-MACKENZIE C. **AFFIDAVIT OF MAILING**
BAIRD-ROBERT F. LEE-NAT E. GEISMAR-(each being a **OF NOTICE OF DECISION**
partner in STRAUS, BLOSSER & McDOWELL) : **BY (CERTIFIED) MAIL**
For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960, 1961 & :
1962

State of New York
County of Albany

Martha Funaro , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 11th day of July , 1973 , she served the within
Notice of Decision (or Determination) by (certified) mail upon William F. O'Connor,
Esq.

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid

wrapper addressed as follows: William F. O'Connor, Esq.
c/o Kramer, Marx, Greenlee &
Backus, Esqs.

29 Broadway
New York, New York, 10006
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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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

11th day of July , 1973

Lynn Wilson

Martha Funaro



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

BUILDING 9, ROOM 214A
STATE CAMPUS

ALBANY, N. Y. 12227

AREA CODE 518

457-2655, 6, 7

STATE TAX COMMISSION

NORMAN F. GALLMAN, PRESIDENT

A. BRUCE MANLEY

MILTON KOERNER

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK

SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

Dated: Albany, New York

July 11, 1973

Straus, Blosser & McDowell
305 North Michigan Avenue
Chicago, Illinois 60601

Gentlemen:

CONSOLIDATED

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

Please take further notice that pursuant to **section 722 of**
the Tax Law any proceeding in court to review an adverse decision
must be commenced within **4 Months** after
the date of this notice.

Any inquiries concerning the computation of tax due or refund allowed
in accordance with this decision or concerning any other matter relat-
ing hereto may be addressed to the undersigned. These will be referred
to the proper party for reply.

Very truly yours,

Nigel G. Wright

HEARING OFFICER

cc Petitioner's Representative
Law Bureau



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION

NORMAN F. GALLMAN, PRESIDENT
A. BRUCE MANLEY
MILTON KOERNER

BUILDING 9, ROOM 214A
STATE CAMPUS

ALBANY, N. Y. 12227

AREA CODE 518
457-2655, 6, 7

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK
SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

Dated: Albany, New York

July 11, 1973

Frederick W. Straus
c/o Bernard Weisberg, Esq.
Gottlieb & Schwartz
111 W. Jackson Blvd.
Chicago, Illinois

Dear Mr. Straus:

**CONSOLIDATED
DECISION**

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

Please take further notice that pursuant to **section 690 of**
the Tax Law any proceeding in court to review an adverse decision
must be commenced within **4 Months** after
the date of this notice.

Any inquiries concerning the computation of tax due or refund allowed
in accordance with this decision or concerning any other matter relat-
ing hereto may be addressed to the undersigned. These will be referred
to the proper party for reply.

Very truly yours,

Nigel G. Wright

HEARING OFFICER

cc Petitioner's Representative
Law Bureau



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

BUILDING 9, ROOM 214A

STATE CAMPUS

ALBANY, N. Y. 12226

AREA CODE 518

457-2655, 6, 7

STATE TAX COMMISSION

NORMAN F. GALLMAN, ACTING PRESIDENT

A. BRUCE MANLEY

MILTON KOERNER

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK
SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. Arthur S. Grossman
c/o Homer L. Grossman, Executor
305 North Michigan Avenue
Chicago, Illinois 60601

Dear Mr. Grossman: **CONSOLIDATED**
Please take notice of the **DECISION**
of the State Tax Commission enclosed herewith.

Please take further notice that pursuant to
Section(s) **690** of the Tax Law, any
proceeding in court to review an adverse deci-
sion must be commenced within **4 months**
from the date of this notice.

Any 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.
These will be referred to the proper party for
reply.

Very truly yours,

Nigel G. Wright
HEARING OFFICER

Enc.

cc: Petitioner's Representative
Law Bureau



STATE OF NEW YORK

DEPARTMENT OF TAXATION AND FINANCE

BUILDING 9, ROOM 214A

STATE CAMPUS

ALBANY, N. Y. 12226

AREA CODE 518

457-2655, 6, 7

STATE TAX COMMISSION

NORMAN F. GALLMAN, ~~XXXX~~ PRESIDENT

A. BRUCE MANLEY

MILTON KOERNER

STATE TAX COMMISSION

HEARING UNIT

EDWARD ROOK

SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. Homer L. Grossman
c/o Straus, Blosser & McDowell
305 North Michigan Avenue
Chicago, Illinois 60601

Dear Mr. Grossman:

**CONSOLIDATED
DECISION**

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

Please take further notice that pursuant to
Section(s) **690** of the Tax Law, any
proceeding in court to review an adverse deci-
sion must be commenced within **4 months**
from the date of this notice.

Any 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.
These will be referred to the proper party for
reply.

Very truly yours,

Nigel G. Wright

HEARING OFFICER

Enc.

cc: Petitioner's Representative
Law Bureau



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

BUILDING 9, ROOM 214A

STATE CAMPUS

ALBANY, N. Y. 12226

AREA CODE 518

457-2655, 6, 7

STATE TAX COMMISSION

NORMAN F. GALLMAN, ~~XXXX~~ PRESIDENT

A. BRUCE MANLEY

MILTON KOERNER

STATE TAX COMMISSION

HEARING UNIT

EDWARD ROOK

SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. Nathan M. Silberman
c/o Straus, Blosser & McDowell
305 North Michigan Avenue
Chicago, Illinois 60601

Dear Mr. Silberman: **CONSOLIDATED**
Please take notice of the **DECISION**
of the State Tax Commission enclosed herewith.

Please take further notice that pursuant to
Section(s) **690** of the Tax Law, any
proceeding in court to review an adverse deci-
sion must be commenced within **4 months**
from the date of this notice.

Any 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.
These will be referred to the proper party for
reply.

Very truly yours,

Nigel G. Wright
HEARING OFFICER

Enc.

cc: Petitioner's Representative
Law Bureau



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

BUILDING 9, ROOM 214A

STATE CAMPUS

ALBANY, N. Y. 12226

AREA CODE 518

457-2655, 6, 7

STATE TAX COMMISSION

NORMAN F. GALLMAN, ~~XXXX~~ PRESIDENT

A. BRUCE MANLEY

MILTON KOERNER

STATE TAX COMMISSION

HEARING UNIT

EDWARD ROOK

SECRETARY TO

COMMISSION

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. H. John Ellis, Jr.
c/o Straus, Blosser & McDowell
305 North Michigan Avenue
Chicago, Illinois 60601

Dear Mr. Ellis:

CONSOLIDATED

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HEARING OFFICER

Enc.

cc: Petitioner's Representative
Law Bureau



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DEPARTMENT OF TAXATION AND FINANCE

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SECRETARY TO
COMMISSION

STATE TAX COMMISSION

NORMAN F. GALLMAN, ~~XXXX~~ PRESIDENT

A. BRUCE MANLEY

MILTON KOERNER

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. C. Edwin Mercier
1255 Buckingham
Grosse Point, Michigan

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DEPARTMENT OF TAXATION AND FINANCE

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A. BRUCE MANLEY

MILTON KOERNER

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK

SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. Minton M. Clute
33 Whitcomb
Grosse Point, Michigan

Dear Mr. Clute: **CONSOLIDATED**
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HEARING OFFICER

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Law Bureau



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DEPARTMENT OF TAXATION AND FINANCE
BUILDING 9, ROOM 214A
STATE CAMPUS
ALBANY, N. Y. 12226

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STATE TAX COMMISSION

NORMAN F. GALLMAN, ~~XXV~~ PRESIDENT
A. BRUCE MANLEY
MILTON KOERNER

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK
SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. Mackenzie C. Baird
Oak Hill Road
Clarkston, Michigan

Dear Mr. Baird:

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HEARING OFFICER

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cc: Petitioner's Representative
Law Bureau



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DEPARTMENT OF TAXATION AND FINANCE

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A. BRUCE MANLEY

MILTON KOERNER

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK
SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. Robert F. Lee
111 East Wisconsin Avenue
Milwaukee, Wisconsin

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SECRETARY TO
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STATE TAX COMMISSION

NORMAN F. GALLMAN, ~~XXXX~~ PRESIDENT

A. BRUCE MANLEY

MILTON KOERNER

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. Wat E. Geismar
First National Bank Building
Rock Island, Illinois

Dear Mr. Geismar:

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

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Nigel G. Wright
HEARING OFFICER

Enc.

cc: Petitioner's Representative
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
of	:	
STRAUS, BLOSSER & McDOWELL	:	
for a Redetermination of a Deficiency or	:	CONSOLIDATED
for Refund of Unincorporated Business	:	DECISION
Taxes under Article 23 of the Tax Law	:	
for the Years 1960, 1961 and 1962.	:	

In the Matter of the Petitions	:
of	:
FREDERICK W. STRAUS	:
ARTHUR S. GROSSMAN	:
(BY HOMER L. GROSSMAN, AS TRUSTEE)	:
HOMER L. GROSSMAN	:
NATHAN M. SILBERMAN	:
H. JOHN ELLIS, JR.	:
C. EDWIN MERCIER	:
MINTON M. CLUTE	:
MACKENZIE C. BAIRD	:
ROBERT F. LEE	:
NAT E. GEISMAR	:
(each being a partner in STRAUS,	:
BLOSSER & McDOWELL)	:
for a Redetermination of Deficiencies or	:
for Refunds of Personal Income Taxes under	:
Article 22 of the Tax Law for the Years	:
1960, 1961 and 1962.	:

Straus, Blosser & McDowell filed a petition under sections 722 and 689 of the Tax Law for the redetermination of a deficiency issued under date of October 11, 1965, for unincorporated business taxes under Article 23 of the Tax Law for the years 1960, 1961 and 1962.

Frederick W. Straus, Arthur S. Grossman by Homer L. Grossman, his trustee, Homer L. Grossman, Nathan M. Silberman, H. John Ellis, Jr., C. Edwin Mercier, Minton M. Clute, Mackenzie C. Baird, Robert F. Lee and Nat E. Geismar, (each being a partner in the firm of Straus, Blosser & McDowell), each filed a petition under section 689 of the Tax Law for the redetermination of a deficiency issued against each under date of October 11, 1965, for personal income taxes under Article 22 of the Tax Law for the years 1960, 1961 and 1962.

A hearing was duly held on October 21, 1970, at the offices of the State Tax Commission, 80 Centre Street, New York City, before Nigel G. Wright, Hearing Officer. William F. O'Connor, Esq., of Kramer, Marx, Greenlee & Backus appeared (as is further explained in the findings of fact) on behalf of petitioners. Edward H. Best, Esq., appearing by Francis X. Boylan, Esq., represented the Income Tax Bureau. The record of said hearing has been duly examined and considered.

ISSUE

The primary issue in this case is whether a brokerage firm's income allocable to New York should be computed on a direct accounting basis or by a formula method under section 707 of the Tax Law. A secondary issue is the allowance of certain expenses under the direct method of accounting. Each individual partner concedes that the issues involved in his personal income tax liability are entirely derivative from the liability of the firm.

FINDINGS OF FACT

1. Straus, Blosser & McDowell was a securities broker with its main office in Chicago, Illinois. It opened an office in New York in 1951 primarily for trading in over-the-counter securities. The New York office was managed by an employee of the firm. This office was continued until at least 1963.

2. The firm did not at any time file an unincorporated business tax return in New York.

3. The individual petitioners were partners in Straus, Blosser & McDowell. They are all nonresidents of New York. They did not at any time file New York personal income tax returns.

4. The deficiencies in issue were computed on the assumption, conceded by taxpayer to be true, that the manager of the New York office was compensated at the rate of 50% of the profits of the New York office as computed by the firm. Certain deductions not shown in the firm's computation were offered to taxpayers if the amounts involved could be determined from the firm's Federal tax return. Taxpayers have failed to produce such return or to offer any alternative evidence. No evidence has been produced to show that the formula method of accounting would be superior in this case. Even under the formula method the firm's computations show that some tax would be due for the year 1961 though not so much as under the direct method of accounting.

5(a). The amounts of the deficiencies in issue and the taxable years to which they pertain are as follows:

	<u>Tax</u>	<u>Interest to October 11, 1965</u>	<u>Penalty</u>	<u>Total</u>
Straus, Blosser & McDowell - 1960, 1961 and 1962	\$10,643.27	\$2,660.82	\$2,253.70	\$15,557.79
Frederick W. Straus 1960, 1961 & 1962	\$6,793.45	\$1,449.61	\$1,698.36	\$9,941.42
Arthur S. Grossman 1960, 1961 & 1962	\$1,209.67	\$281.48	\$302.41	\$1,793.56
Homer L. Grossman 1961	\$231.92	\$48.53	\$57.98	\$338.43
Nathan M. Silberman 1961	\$138.94	\$29.08	\$34.73	\$202.75
H. John Ellis, Jr. 1961	\$98.02	\$20.51	\$24.50	\$143.03
C. Edwin Mercier 1961	\$1,084.48	\$226.95	\$271.12	\$1,582.55
Minton M. Clute 1961	\$260.16	\$54.44	\$65.04	\$379.64
Mackenzie C. Baird 1961	\$151.93	\$31.79	\$37.98	\$221.70
Robert F. Lee 1961	\$232.64	\$46.88	\$58.16	\$339.48
Nat E. Geismar 1961	\$68.14	\$14.26	\$17.04	\$99.44

5(b). The penalty is imposed under section 685(a) of the Tax Law for failure to file returns and are computed at 25% of the basic deficiency. Interest is computed at the rate of 6% per annum (12% per annum for 1951 through 1959).

6. A preliminary notice of hearing was sent on February 5, 1970, and further notices were sent for hearing dates on May 7, 1970, and on October 21, 1970. These notices were sent to the

firm at its last known address; 305 North Michigan Avenue, Chicago, Illinois, and to another address also on file; 39 South LaSalle Street, Chicago, Illinois. Notices were also sent to Frederick W. Straus, Arthur S. Grossman, Homer L. Grossman, Nathan M. Silberman, and H. John Ellis, Jr. at the same addresses in care of the firm, the only address on file for any of them. All of said notices were returned by the post office as undeliverable. Notices were sent to C. Edwin Mercier, Minton M. Clute and Mackenzie C. Baird each at 666 Penobscot Building, Detroit 26, Michigan, the last known address for each. Said notices were apparently delivered. Notices were also sent to Robert F. Lee at 111 East Wisconsin Avenue, Milwaukee, Wisconsin, and Nat E. Geismar at First National Bank Building, Rock Island, Illinois. Said notices were apparently delivered.

7. An appearance was made at the hearing by William F. O'Connor, Esq., of Kramer, Marx, Greenlee & Backus. Mr. O'Connor had filed the petition for the firm and powers of attorney for Frederick W. Straus, Homer L. Grossman, H. John Ellis, Jr., Minton M. Clute, Mackenzie C. Baird and C. Edwin Mercier and had represented them in prior proceedings. At the hearing, however, Mr. O'Connor stated that his representation had ceased with respect to everyone except Mackenzie C. Baird, for whom he was appearing.

CONCLUSIONS OF LAW

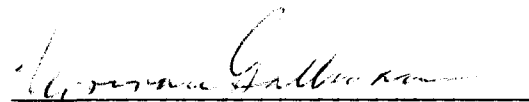
As to the firm the burden of proof has not been met that

the deficiencies are incorrect. As to the individual partners, there is no issue of law or fact remaining. Furthermore, the individual partners with the exception of Mr. Baird are in default in this proceeding.

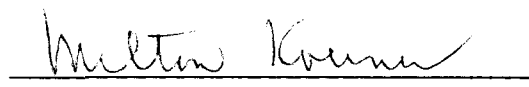
The deficiencies including the penalties are found to be correct and are due together with further interest computed under section 684 of the Tax Law.

DATED: Albany, New York
July 11, 1973

STATE TAX COMMISSION


COMMISSIONER


COMMISSIONER


COMMISSIONER

STATE OF NEW YORK

Department of Taxation and Finance

STATE CAMPUS

ALBANY, N. Y. 12227

Mr. Robert F. Lee

111 East Wisconsin Avenue

Milwaukee, Wisconsin

RECEIVED

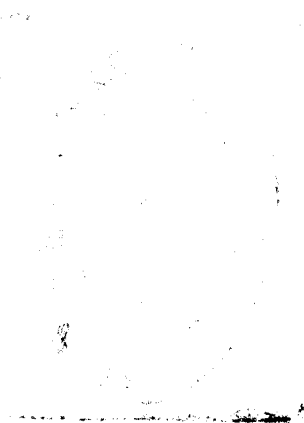
NEW YORK STATE
INCOME TAX BUREAU

AUG - 6 1973

REVIEW UNIT
ALBANY OFFICE

addressee

Handwritten signature/initials





STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

BUILDING 9, ROOM 214A

STATE CAMPUS
ALBANY, N. Y. 12226

AREA CODE 518

457-2655, 6, 7

STATE TAX COMMISSION

NORMAN F. GALLMAN, ~~XXIX~~ PRESIDENT

A. BRUCE MANLEY

MILTON KOERNER

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK
SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. Robert F. Lee
111 East Wisconsin Avenue
Milwaukee, Wisconsin

Dear Mr. Lee:

CONSOLIDATED

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

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Section(s) 690 of the Tax Law, any
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HEARING OFFICER

Enc.

cc: Petitioner's Representative
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
of	:	
STRAUS, BLOSSER & McDOWELL	:	
for a Redetermination of a Deficiency or	:	CONSOLIDATED
for Refund of Unincorporated Business	:	DECISION
Taxes under Article 23 of the Tax Law	:	
for the Years 1960, 1961 and 1962.	:	

In the Matter of the Petitions	:
of	:
FREDERICK W. STRAUS	:
ARTHUR S. GROSSMAN	:
(BY HOMER L. GROSSMAN, AS TRUSTEE)	:
HOMER L. GROSSMAN	:
NATHAN M. SILBERMAN	:
H. JOHN ELLIS, JR.	:
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MACKENZIE C. BAIRD	:
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(each being a partner in STRAUS,	:
BLOSSER & McDOWELL)	:
for a Redetermination of Deficiencies or	:
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STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
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CONCLUSIONS OF LAW

As to the firm the burden of proof has not been met that

the deficiencies are incorrect. As to the individual partners, there is no issue of law or fact remaining. Furthermore, the individual partners with the exception of Mr. Baird are in default in this proceeding.

The deficiencies including the penalties are found to be correct and are due together with further interest computed under section 684 of the Tax Law.

DATED: Albany, New York
July 11, 1973

STATE TAX COMMISSION

Thomas Galligan
COMMISSIONER

Benjamin M. Kelly
COMMISSIONER

Milton Korman
COMMISSIONER

STATE OF NEW YORK

Department of Taxation and Finance

STATE CAMPUS

ALBANY, N. Y. 12227

7-24

NOTHING
11/14/1
300

Mr. C. Edwin Mercier

1255 Buckingham

Grosse Point, Michigan



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
BUILDING 9, ROOM 214A
STATE CAMPUS
ALBANY, N. Y. 12226

STATE TAX COMMISSION

NORMAN F. GALLMAN, ~~STATE~~ PRESIDENT
A. BRUCE MANLEY
MILTON KOERNER

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK
SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

DATED: Albany, New York
July 11, 1973

Mr. C. Edwin Mercier
1255 Buckingham
Grosse Point, Michigan

Dear Mr. Mercier: CONSOLIDATED
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Nigel G. Wright
HEARING OFFICER

Enc.

cc: Petitioner's Representative
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
of	:	
STRAUS, BLOSSER & McDOWELL	:	
for a Redetermination of a Deficiency or	:	CONSOLIDATED
for Refund of Unincorporated Business	:	DECISION
Taxes under Article 23 of the Tax Law	:	
for the Years 1960, 1961 and 1962.	:	

In the Matter of the Petitions	:
of	:
FREDERICK W. STRAUS	:
ARTHUR S. GROSSMAN	:
(BY HOMER L. GROSSMAN, AS TRUSTEE)	:
HOMER L. GROSSMAN	:
NATHAN M. SILBERMAN	:
H. JOHN ELLIS, JR.	:
C. EDWIN MERCIER	:
MINTON M. CLUTE	:
MACKENZIE C. BAIRD	:
ROBERT F. LEE	:
NAT E. GEISMAR	:
(each being a partner in STRAUS,	:
BLOSSER & McDOWELL)	:
for a Redetermination of Deficiencies or	:
for Refunds of Personal Income Taxes under	:
Article 22 of the Tax Law for the Years	:
1960, 1961 and 1962.	:

Straus, Blosser & McDowell filed a petition under sections 722 and 689 of the Tax Law for the redetermination of a deficiency issued under date of October 11, 1965, for unincorporated business taxes under Article 23 of the Tax Law for the years 1960, 1961 and 1962.