

STATE OF NEW YORK

DIVISION OF TAX APPEALS

In the Matter of the Petition	:	
of	:	
ONE STOP CONVENIENT, LLC	:	DETERMINATION
	:	DTA NO. 851830
for Review of a Denial, Suspension, Cancellation,	:	
Refusal or Revocation of a License, Permit or	:	
Registration under Article 20 of the Tax Law for the	:	
Year 2025.	:	

Petitioner, One Stop Convenient, LLC, filed a petition for review of a denial, suspension, cancellation, refusal or revocation of a license, permit or registration under article 20 of the Tax Law for the year 2025.

An expedited hearing was held before Donna M. Gardiner, Supervising Administrative Law Judge, in Albany, New York, on August 8, 2025, with all briefs to be submitted by October 10, 2025, which date began the period for the issuance of this determination. Petitioner appeared by the Law Office of Matthew J. Swedick, Esq. (Matthew J. Swedick, Esq., of counsel). The Division of Taxation appeared by Amanda Hiller, Esq. (Eric Gee, Esq., of counsel).

ISSUE

Whether petitioner has established that the Division of Taxation's refusal to issue a cigarettes and tobacco products certificate of registration was improper and should be cancelled.

FINDINGS OF FACT

The Division of Taxation (Division) submitted 45 proposed findings of fact pursuant to State Administrative Procedure Act § 307 (1) and 20 NYCRR 3000.15 (d) (6). The Division's proposed findings of fact 1 through 3, 5, 6, 8 through 10, 12 through 15, 17 through 21, 23, 25

through 27, 32 through 34, 36 through 40 and 42 through 45 are supported by the record and have been substantially incorporated herein. Proposed findings of fact 4, 7, 11, 16, 22 and 41 were accepted in part and rejected in part based upon the record, proposed finding of fact 24 was rejected as not being supported by the record and proposed findings of fact 28 through 31 and 35 are rejected as irrelevant to the resolution of this matter.

1. On October 2, 2024, petitioner, One Stop Convenient, LLC, filed its articles of organization with the New York State Department of State.

2. On or about October 7, 2024, Ahmed Alseidi filed form DTF-17, application to register for a sales tax certificate of authority, on behalf of petitioner, that indicated petitioner would begin business in New York State for sales tax purposes on October 21, 2024.

3. On or about October 25, 2024, Mr. Alseidi, on behalf of petitioner, submitted an application for a cigarettes and tobacco products certificate of registration for petitioner for the year 2024. The application indicated that petitioner would operate at the business location of 29 Northern Drive in Troy, New York. Mr. Alseidi was listed as an affiliated person on the application with a 100% ownership interest in petitioner, effective October 21, 2024.

4. The application was approved and the Division issued to petitioner a retail dealer certificate of registration for cigarettes and tobacco products (certificate of registration) that was validated on October 28, 2024, for the year 2024, with an expiration date of December 31, 2024.

5. It is undisputed that the Division did not suspend petitioner's certificate of registration for the year 2024.

6. On or about December 11, 2024, Mr. Alseidi filed an application, on behalf of petitioner, for a certificate of registration for the year 2025.

7. On December 26, 2024, the Division sent a letter to petitioner that informed petitioner that the Division could not process its application for a certificate of registration. The letter explained that the Division's records indicated that petitioner's "place of business is on the same premises as a retail cigarette or tobacco products dealer whose registration was suspended or revoked."

8. The December 26, 2024, letter described in finding of fact 7 referenced a suspension request by the New York State Department of Health (DOH), dated October 22, 2024, to the Division requesting that it suspend a registration for a business named One Stop for a period of two years due to multiple violations for selling tobacco and/or vapor products to a person less than 21 years of age. One Stop operated at 29 Northern Drive in Troy, New York, prior to petitioner.

9. Based upon the above-referenced request by DOH to the Division, the Division sent correspondence, dated October 30, 2024, to Ahmed Alshoga and Abdulghani Alsaydi, the owners of One Stop, informing them that the certificate of registration for the business was suspended for a two-year period. The letter indicated that the suspension was effective as of November 5, 2024.

10. The suspension notification was sent to the previous owners after petitioner had been issued both a certificate of authority to collect sales tax and a certificate of registration to sell cigarettes and tobacco products. At no point was petitioner's certificate of authority suspended or revoked nor was petitioner's certificate of registration for 2024 either suspended or revoked.

11. The December 26, 2024, letter further informed petitioner that it "must provide documentation that demonstrates an *arm's length transaction* related to the business, its location, or both" and explained that:

“[a]n *arm’s length transaction* is a sale in good faith and for valuable consideration that reflects the fair market value in the open market between two informed and willing parties when neither is under any compulsion to participate in the transaction. A sale between relatives, related companies, or partners is **not** considered to be at arm’s length.”

The letter did not request any specific documents that were needed in order for the Division to assess whether the transaction was at arm’s length. In response, petitioner sent a copy of the asset purchase agreement to the Division.

12. The Division’s letter failed to reference or acknowledge that petitioner had been operating at 29 Northern Drive in Troy, New York, under a valid certificate of registration for the year 2024 issued to it by the Division. The Division did not find that petitioner operated in violation of any laws when it considered its application for a certificate of registration for the year 2025.

13. Petitioner’s application for a certificate of registration was forwarded to the Division’s Criminal Investigations Division (CID) to determine whether the sale of the previous business was an arm’s length transaction. On both December 17 and December 19, 2024, investigators conducted an initial investigation by searching the Division’s records, including its databases, related to both petitioner and the previous business. According to the report of investigation, dated December 18, 2024, the review showed an association or relationship between petitioner and the previous owners. Although the report of investigation is dated December 18, 2024, the details of the investigation outlined activity by the Division both before and after the report date.

14. The report, dated December 18, 2024, is referenced on its face as report of investigation number 2. The initial report of investigation is not in the record.

15. On January 13, 2025, two investigators from CID met with Mr. Alseidi at an address located on Hunter Avenue in Albany, New York, for an interview. The investigation report stated that Mr. Alseidi is related to the previous owners and that they resided at the same address in Albany. Lastly, the report indicated that the previous owners of the business owned the property at 29 Northern Drive in Troy where petitioner's business was in operation. This report of investigation, dated January 16, 2025, is number 3.

16. On February 7, 2025, the Division issued a letter to petitioner that determined the transaction did not qualify as an arm's length transaction and it refused to issue a new certificate of registration for the year 2025.

17. Petitioner protested this refusal to issue the certificate of registration by filing a request for conciliation conference at the Division's Bureau of Conciliation and Mediation Services. By conciliation order, CMS number 000369722, dated April 18, 2025, the refusal to issue the certificate of registration was sustained.

18. On May 16, 2025, petitioner filed a timely petition with the Division of Tax Appeals in protest of the conciliation order.

19. Inexplicably, the Division continued to investigate petitioner after its February 7, 2025, letter that informed petitioner that it refused to issue a certificate of registration for 2025. Although the report of investigation number 4 was not submitted into the record, the Division did submit reports numbered 5 through 9. These five reports were based upon physical surveillance conducted by the investigators from CID during the period June 24, 2025 and July 31, 2025.

20. At the hearing in this matter, the Division presented the testimony of Kristen DeLong. Ms. DeLong is a Taxpayer Services Specialist 4 in the Division's Registration,

Accounting and Support Bureau. Ms. DeLong explained the application process and the conclusion reached regarding petitioner's application for a certificate of registration.

21. Ms. DeLong testified that petitioner filed an application for a certificate of authority from the Division in order to collect sales tax. She explained that the Division issued form DTF-17, certificate of authority, to petitioner and that the application was processed automatically. In other words, she testified that there was nothing in the Division's records that would give rise to a rejection of the application. Ms. DeLong testified that there were no "outstanding assessments or other issues," and the certificate of authority was issued.

22. Ms. DeLong was asked whether, in reviewing the application for the certificate of authority, "what, if any, observations did you make about that particular application?" In response, she stated, "[w]ell, if he was purchasing a business, an existing business called One Stop, we know that they were suspended by the Department of Health for cigarette [violations]." This statement is in direct contradiction of the evidence. The Division introduced the letter from DOH requesting that the Division suspend the registration of the previous business on October 22, 2024, and the Division issued the suspension notice on October 30, 2024. Her testimony confirmed that the application for a certificate of authority was filed on October 7, 2024 and, thus, the previous business registration had not been suspended until after petitioner's application was filed.

23. It is noted that the Division never addressed petitioner's valid certificate of registration for the year 2024 during its questioning of Ms. DeLong. In fact, it was not until cross-examination that this fact was disclosed. The exchange between petitioner's representative, Mr. Swedick, and Ms. DeLong was as follow:

"Q [Mr. Swedick] Say - - say, you know, there was a purchase of this company in say in October of 2024.

A [Ms. DeLong] Right.

Q And if someone had applied for the cigarette and tobacco license at that point in time, would it have to be renewed come January 1st?

A If they applied for cigarette tobacco in October of '24 - -

Q Yeah.

A -- it would be good until the end of the year. It's a calendar year, so yes, they would have to reapply for 2025.

Q Are you aware whether the new company, One Stop Convenient, LLC, had applied in October or November for the cigarette and tobacco license?

A They did.

Q Okay. So were they approved then?

A Yes, because that was prior to DO[H] notifying us about the suspension. So it went through."

24. Ms. DeLong then explained the review process for an application for a certificate of registration for cigarettes and tobacco products. She testified that most applications go through without an issue. However, the ones that are not automatically approved are designated as exceptions. She testified that there can be several issues that cause an exception. For instance, if an applicant was convicted of a tax crime, if an applicant is adding a new location to an existing business or if the business location of the applicant had its certificate of registration suspended or revoked.

25. Ms. DeLong explained that petitioner's application for a certificate of registration for the year 2025 was deemed an exception because she found that there was a prior suspension at the business address issued to the previous owners after petitioner applied for and received his certificate of registration for 2024.

26. Ms. DeLong testified that, once the Division flagged that the proposed business location was the subject of a prior suspension, one of the Division's taxpayer services specialists would have conducted a further investigation using its internal computer systems. She explained that there is a database for locations of businesses where the registrations were either suspended or revoked and the investigation confirmed that petitioner's location was under a two-year suspension. There is no dispute that the previous business location is identical to petitioner's business location.

27. On December 26, 2024, the Division sent correspondence that the application could not be processed because additional information was needed from petitioner to demonstrate that the sale of the previous business did not qualify as an arm's length transaction. Ms. DeLong testified that, in response to this letter, petitioner submitted a copy of the asset purchase agreement, and then the matter was forwarded to CID for an investigation.

This testimony contradicts the events as demonstrated by the documents. Ms. DeLong testified that the matter was forwarded to CID after issuance of the Division's letter dated December 26, 2024, wherein additional documentation was requested from petitioner regarding the arm's length transaction. However, CID had two reports of investigation prior to the December 26, 2024, date.

28. CID recommended denial of the certificate of registration and, on February 7, 2025, sent correspondence to petitioner that the Division's Office of Tax Enforcement determined that the sale of the previous business did not qualify as an arm's length transaction.

29. The Division presented the testimony of Jerry Valenti, who has worked as a revenue crimes specialist in CID for about a year. He testified to his investigation regarding petitioner. Mr. Valenti testified that he received the asset purchase agreement when the case file was

transferred to him. From his review of the agreement, he learned that there were two sellers and identified them as Adul Ghani Alseidi and Ahmed Alshoga. Mr. Valenti stated that the agreement indicated that the purchase price was \$85,000.00, and it was for the store's assets, inventory and equipment.

He explained that he performed a search of the Division's in-house database for property records to determine who owns the business premises. He then conducted a CLEAR check. Mr. Valenti explained that CLEAR is a database utilized by law enforcement that CID is authorized to use in its criminal investigations. Mr. Valenti was searching for information regarding both Mr. Alshoga and Mr. Alsaydi, the owners of the previous business, as well as Mr. Alseidi, who owns petitioner. He reviewed their residential addresses and history, phone numbers, social security numbers and other information. His search revealed that all three men shared an address in Albany, New York, for approximately two decades and that they knew each other and were associated with each other. The Division submitted a 2024 final assessment roll and a property details record which indicated that the business location at 29 Northern Drive was owned by Mr. Alshoga and Mr. Alsaydi. In his report of investigation number 2, Mr. Valenti noted that Mr. Alshoga and Mr. Alsaydi owned the property at 29 Northern Drive in Troy. Mr. Alsaydi's name was not listed on either the final tax assessment roll or listed on the property details report.

30. Mr. Valenti testified that after he completed this research, he interviewed Mr. Alseidi. The result of his interview is contained in the report of investigation number 3. Mr. Valenti testified that Mr. Alseidi explained to him that the business was purchased from Mr. Alshoga only. Mr. Alseidi also discussed that he owned other similar businesses in the area. Mr. Valenti stated that the interview last approximately 20 minutes. After the interview, he filed his report of investigation number 3. This report did not include any details that the previous owners

were involved in or benefitted from the operation of petitioner's business. As set forth in finding of fact 16, the Division denied petitioner a certificate of registration for 2025.

31. Over four months after Mr. Valenti recommended to the Division's registration bureau that petitioner's application for a certificate of registration should be denied, he continued to conduct further physical surveillance of the Hunter Avenue address in Albany, New York. In fact, he continued physical surveillance of both the Albany location and the business location throughout July of 2025. None of this information provided the basis for the February 7, 2025, denial of the certificate of registration and is irrelevant to the denial at issue.

32. Petitioner presented the testimony of Mr. Alseidi. In addressing the arm's length transaction issue, petitioner testified about his relationship to the owners of the previous business and how he came to purchase the business.

Mr. Alseidi explained that Mr. Alshoga is his half-brother, and that Mr. Alsaydi is his brother. He testified that his father, Dahan Alseidi, owned the building on Hunter Avenue in Albany, New York, and that Mr. Alsaydi lived in the same building, but in a separate apartment. Mr. Alseidi testified that he lives on the same street, but at a different location. Mr. Alseidi testified that Mr. Alshoga lived in Troy, New York, and had been living there since at least 2010.

33. Mr. Alseidi testified that neither of the previous owners was involved with petitioner. He testified that his brother, Mr. Alsaydi, had been living in Yemen since prior to the purchase of the business and remained there at the time of the hearing.

34. Mr. Alseidi is involved in many business ventures. In addition to petitioner, he also owns a business, Perfect Mart, that is a convenience store located in North Troy, New York. Perfect Mart sells tobacco, groceries, hot food and alcohol. He testified that the Perfect Mart was previously named Titanic 2 Market and was owned by Mr. Alshoga. Mr. Alseidi explained

that he purchased this business from Mr. Alshoga at a time when Mr. Alshoga was unable to successfully acquire the permits to open the business. Mr. Alseidi also owns an ATM service company and a franchise named Chocolate Bash.

35. Mr. Alseidi testified that he decided to purchase the previous business, One Stop, operating at 29 Northern Drive in Troy because it was having issues and Mr. Alseidi saw the opportunity and potential of the business. Although he kept the name of the business, he expanded into an adjacent space, hired two cooks and offered hot food in addition to the convenience store operation. He also contacted engineers to assess the location for the installation of gas pumps. To Mr. Alseidi, the purchase of One Stop from Mr. Alshoga was no different than his purchase of Perfect Mart from Mr. Alshoga. As an experienced businessman, he saw an opportunity for a successful business and made the decision to purchase it from Mr. Alshoga.

36. At the conclusion of the hearing, the record remained open for the Division to submit petitioner's initial application for a certificate of registration and the valid certificate of registration issued to it by the Division for 2024, which it did submit by the due date.

CONCLUSIONS OF LAW

A. Tax Law § 480-a (1) (a) requires that every retail dealer display a certificate of registration from the Division in each place of business in New York State through which it sells cigarettes or tobacco products at retail. Registrations are valid for a calendar year and must be renewed each year (*see* Tax Law § 480-a [1] [c]). The Division may refuse to register or may revoke a registration where:

“the applicant's or retail dealer's place of business is at the same premises as that of a retail dealer whose retail dealer registration has been revoked and where such revocation is still in effect, unless the applicant or retail dealer provides the commissioner with adequate documentation demonstrating that such applicant or

retail dealer acquired the premises or business through an arm's length transaction . . . and that the sale or lease was not conducted, in whole or in part, for the purpose of permitting the original registrant to avoid the effect of the previous revocation for the same premises" (Tax Law § 480-a [1] [e]).

An "arm's length transaction" is defined as:

"a sale of a fee or all undivided interests in real property, or lease of any part thereof, or a sale of a business, in good faith and for valuable consideration, that reflects the fair market value of such real property or lease, or business, in the open market, between two informed and willing parties, where neither is under any compulsion to participate in the transaction, unaffected by any unusual conditions indicating a reasonable possibility that the sale or lease was made for the purpose of permitting the original registrant to avoid the effect of the previous revocation for the same premises" (*id.*).

Certain sales or leases are presumed not to be arm's length transactions:

"unless adequate documentation is provided demonstrating that the sale or lease was not conducted, in whole or in part, for the purpose of permitting the original registrant to avoid the effect of the previous revocation for the same premises:

(i) a sale between relatives; or

(ii) a sale between related companies or partners in a business; or

(iii) a sale or lease affected by other facts or circumstances that would indicate that the sale or lease is entered into for the primary purpose of permitting the original registrant to avoid the effect of the previous revocation for the same premises" (*id.*).

B. There is no dispute that petitioner purchased the business from One Stop and that petitioner's business is located at the same premises as One Stop. One Stop had its certificate of registration suspended after petitioner applied for and received its own certificate of registration. Ms. DeLong testified that the Division approved petitioner's application for a certificate of registration for 2024 because it was granted prior to the request by DOH to suspend the certificate of registration for the previous business.

In *Matter of Diamond Term. Corp.* (Tax Appeals Tribunal, September 22, 1988, confirmed *Matter of Diamond Term. Corp. v New York State Dept. of Taxation & Fin.*, 158

AD2d 38 [3d Dept 1990], *lv denied* 76 NY2d 711 [1990]), a case involving an applicant for a license to operate a motor fuel terminal, the Tax Appeals Tribunal stated, in pertinent part, that:

“[t]he power to refuse a license must be exercised in conformity with the express or implied purposes of the licensing law (*Matter of Bologna v O’Connell*, 7 NY2d 155, 159). The limits of the licensing authority’s discretion are determined by reference to the applicable statute. The licensing authority may deny a license only upon those grounds found in the statute, and its determination must be supported by the evidence.”

The applicable statute in this case is Tax Law § 480-a (1) (e). The Division argues that “[p]ursuant to Tax Law § 480-a, the Division may refuse to register a retail dealer when the applicant’s proposed place of business is at the same premises where a prior retail dealer registration was revoked and such revocation is still in effect.” There is no dispute that the applicant’s proposed place of business was under a suspension and not a revocation. The Division has not claimed, let alone demonstrated that, for purposes of the statute, suspension is the same as revocation. The Division has not cited to a single case or any authority where this statute applies to suspension cases for an existing business at the same location. Accordingly, the Division did not have the discretion to deny petitioner’s application for a certificate of registration pursuant to Tax Law § 480-a (1) (e).

C. Assuming, arguendo, that Tax Law § 480-a (1) (e) does apply, the analysis turns to whether the sale of the previous business qualified as an arm’s length transaction. Initially, the Division argues that petitioner did not provide adequate documentation to show that the sale of the business was at an arm’s length transaction. After receiving petitioner’s application for a certificate of registration and, as noted, determining petitioner’s place of business was at the same premises as a business whose certificate of registration was suspended, the Division requested documentation demonstrating that petitioner acquired the business in an arm’s length transaction. In response, petitioner provided an asset purchase agreement. The Division then

forwarded petitioner's application to the CID for further review. At no point did the Division request further documentation from petitioner.

The Division asserts that petitioner failed to provide proof that the assets were sold for fair market value in the open market. The Division also asked Mr. Alseidi during cross-examination whether sales tax was remitted on the purchase of the equipment and inventory from the previous business and whether a notification of a bulk sale transfer was filed with the Division. Mr. Alseidi testified that he hired a professional to file all the required paperwork for the purchase of One Stop. The Division did not dispute his answer or submit proof contrary to Mr. Alseidi's testimony. The Division seemingly had the experience in registration matters to request these specific documents before making its decision that the transaction did not qualify as an arm's length transaction but chose not to do so. The Division cannot now hold it against petitioner that the documents were not provided. Additionally, nothing about the nature of the investigator's actions were geared toward obtaining information needed to determine whether the sale qualified as an arm's length transaction.

D. As established by the testimony of the witnesses and the documentary evidence, the Division merely relied on its search of the databases to confirm that the sale was made between related people. The relationship between Mr. Alshoga, Mr. Alsaydi and Mr. Alseidi does not, by itself, evidence an attempt to avoid the suspension of the certificate of registration for the previous business. The Division argues that both Mr. Alshoga and Mr. Alsaydi continued to work at the new business and benefit from it. There was nothing in the record that established this assertion. In fact, Mr. Alsaydi was living in Yemen before the business was sold and had not returned as of the date of the hearing.

Additionally, Mr. Alseidi testified that the new business was different from the previous business. Petitioner began selling hot food and hired additional staff for this purpose. Mr. Alseidi contacted engineers to determine whether adding gas pumps to the business location was an option. There is simply no evidence to demonstrate that the previous owners were involved in or benefitted from petitioner's business.

E. The Division further contends that the timing of petitioner's application for a certificate of registration and alleged misrepresentations in petitioner's documents demonstrate that the sale of the business was an attempt to avoid the effect of the suspension of One Stop's certificate of registration. These facts, however, are not without reasonable explanation.

Petitioner submitted its form DTF-17 before it purchased the business. There is no indication in the record that either Mr. Alshoga or Mr. Alsaydi would profit from petitioner's ability to sell cigarettes as they have no ownership interest in petitioner's business. Moreover, Tax Law § 480-a (1) (e) provides that the Division "may" refuse to issue a certificate of registration if it determines that the sale of the business was conducted for the purpose of permitting the original registrant to avoid the effect of the previous revocation for the same premises, therefore, it is not mandated by the statute. All facts and circumstances considered, the record does not establish that One Stop's business was sold to petitioner to permit One Stop to avoid the effect of the suspension of its certificate of registration.

F. The actions taken by the Division after it denied petitioner a certificate of registration highlights the tenuous basis of its denial in the first instance. There is no reason why the bulk of the evidence submitted in the case was created well after the Division informed petitioner that it denied its application for a certification of registration. In its brief, the Division explained its actions as if they were undertaken in preparation for the hearing. This argument is meritless.

The facts that the Division relied upon for its conclusion that this sale did not qualify as an arm's length transaction would necessarily have to exist at the time of the denial.

G. The petition of One Stop Convenient, LLC, is granted, the notice of refusal to issue a cigarettes and tobacco products certificate of registration, dated February 7, 2025, is cancelled and the Division of Taxation is directed to issue a certificate of registration for 2025.

DATED: Albany, New York
November 6, 2025

/s/ Donna M. Gardiner
SUPERVISING ADMINISTRATIVE LAW JUDGE