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STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

LILLI MILGROM, <sup>of</sup> EXECUTRIX, on behalf of  
ALEX MILGROM, (deceased)

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) 16 of the  
Tax Law for the (Year(s) 1943, 1944 & 1945

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 22nd day of February , 1972 , she served the within Notice of Decision (or Determination) by (certified) mail upon Lilli Milgrom, Executrix, on behalf of Alex Milgrom, (deceased (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Lilli Milgrom  
109 Barlow Drive North  
Flatbush Gardens  
Brooklyn, New York  
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

22nd day of February , 1972.

Linda Wilson

Martha Funaro

STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of  
LILLI MILGROM, EXECUTRIX, On behalf of  
ALEX MILGROM, (deceased)  
For a Redetermination of a Deficiency or  
a Refund of Personal Income  
Taxes under Article(s) 16 of the  
Tax Law for the (Year(s) 1943, 1944 & 1945

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

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 22nd day of February , 1972 , she served the within  
Notice of Decision (or Determination) by (certified) mail upon Emanuel W. Staft

(representative of) the petitioner in the within  
proceeding, by enclosing a true copy thereof in a securely sealed postpaid  
wrapper addressed as follows: Emanuel W. Staft  
c/o Abrams, Meresman & Company  
545 Madison Avenue  
New York, New York  
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

22nd day of February , 1972

Linda Wilson

Martha Funaro



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

**February 22, 1972**

**Lilli Milgrom  
109 Barlow Drive North  
Flatbush Gardens  
Brooklyn, New York**

**Dear Madam:**

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

Please take further notice that pursuant to section(s)  
**375** of the Tax Law any proceeding  
in court to review an adverse decision must be commenced  
within **90 Days** 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 relating hereto may be  
addressed to the undersigned. These will be referred  
to the proper party for reply.

Very truly yours,

**Lawrence A. Newman**

Hearing Officer

cc Petitioner's Representative  
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

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In the Matter of the Application	:	
of	:	
LILLI MILGROM, EXECUTRIX, on behalf of	:	
ALEX MILGROM, (deceased)	:	DETERMINATION
for Revision or Refund of Personal Income	:	
Taxes under Article 16 of the Tax Law for	:	
the years 1943, 1944 and 1945.	:	

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Lilli Milgrom, Executrix of the estate of Alex Milgrom, filed an application for revision of personal income taxes under Article 16 of the Tax Law for the years 1943, 1944 and 1945. A formal hearing was held at the offices of the State Tax Commission in the City of New York on November 29, 1967. The taxpayer was represented by Abrams, Meresman and Company, C.P.A.'s (by Harry Meresman).

FINDINGS OF FACT

1. Taxpayer filed New York State Income Tax Resident Returns for the years 1943, 1944 and 1945.
2. On March 16, 1964, the Department of Taxation and Finance issued assessments # SIB 12694, SIB 12695 and SIB 12696 for the years 1943, 1944 and 1945 totaling \$21,739.54.
3. Alex Milgrom was an officer and stockholder of the Chesterfield Textile Corporation. Taxpayer diverted cash receipts from the corporation which were kept by the taxpayer.
4. On February 27, 1950, taxpayer was indicted by the Federal Internal Revenue Service for income tax evasion, was convicted, fined \$5,000.00 and received a one-year suspended sentence. The Federal Government asserted a 50% fraud penalty for all the years involved.
5. The federal-changes in net income per audit show additional income of \$82,697.08 consisting of constructive dividends received from the Chesterfield Corporation.

6. The Special Investigation Bureau, on audit, added to taxpayer's income, available dividends (without deductions against surplus for accrued taxes against the Chesterfield Corporation). The Federal allowed these accrued taxes as a deduction against income.

DETERMINATION

A. The assessments are reduced to conform to computations of State tax based on Federal changes as follows: (1) Total additional income for the years 1943 equals \$24,812.97, resulting in additional tax due of \$673.83. (2) Total additional tax due for 1944 equals \$21.01, based on a computation error in the part of the taxpayer. (3) The total capital gain for the year 1945 equals \$46,060.83, resulting in a capital gains tax of \$776.04.

B. Fraud penalty under section 376 of Article 16 of the Tax Law assessed at 100% plus 12% interest on the doubled amount, is lawful and proper, and is hereby assessed on the reduced amounts of normal and capital gains taxes.

C. The assessments are sustained, as reduced.

DATED: Albany, New York

*February 22, 1972*

STATE TAX COMMISSION

*William J. Sullivan*  
COMMISSIONER

*Bruce M. Meeley*  
COMMISSIONER

*Wilton Koenig*  
COMMISSIONER

May 24, 1972

Abrams, Meresman & Co.  
545 Madison Avenue  
New York, New York 10022

Attention: Mr. Harry Meresman

Re: Alex Milgrom, Deceased 6/30/62  
Sam Novick, Deceased 6/29/68  
For the Years 1943-1944-1945

Gentlemen:

This is to acknowledge receipt of your letter of May 16, 1972.

Please be advised that the decision of the State Tax Commission in the above entitled matter dated February 22, 1972, was issued only after due and deliberate consideration and review by the State Tax Commission of the transcript, exhibits and applicable law.

We do not deem this an appropriate case for additional administrative review. A proceeding in the Supreme Court of the State of New York to review the decision must be commenced within four months of the date of the decision.

Sincerely,

NORMAN GALLMAN  
Commissioner

NG/NGW/lw