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STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of

ROBERT B. GORDON and EDYTH V. GORDON

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) 1971.

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 25th day of June, 1974, she served the within  
Notice of Decision (or Determination) by (certified) mail upon ROBERT B. GORDON and

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

wrapper addressed as follows: Mr. and Mrs. Robert B. Gordon  
77-10 Courtland Avenue  
Stamford, Connecticut 06902

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

25th day of June, 1974

*James S. Van Patten*

*Martha Funaro*



STATE OF NEW YORK  
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION  
HEARING UNIT

EDWARD ROOK  
SECRETARY TO  
COMMISSION

STATE TAX COMMISSION

MARIO A. PROCACCINO, PRESIDENT  
A. BRUCE MANLEY  
MILTON KOERNER

BUILDING 9, ROOM 214-A  
STATE CAMPUS  
ALBANY, N.Y. 12227

AREA CODE 518

ADDRESS YOUR REPLY TO

MR. WRIGHT 457-2655  
MR. LEISNER 457-2657  
MR. COBURN 457-2896

DATED: Albany, New York  
June 25, 1974

Mr. and Mrs. Robert B. Gordon  
77-10 Courtland Avenue  
Stamford, Connecticut 06902

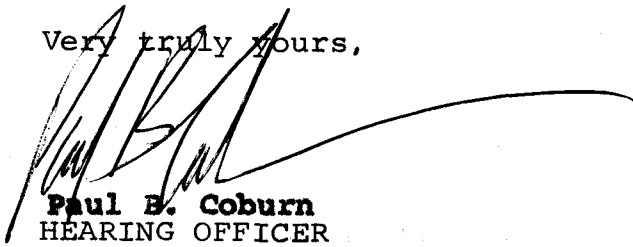
Dear Mr. and Mrs. Gordon:

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,

  
Paul B. Coburn  
HEARING OFFICER

Enc.

cc: Petitioner's Representative  
Law Bureau

AD-1.12 (8/73)

STATE OF NEW YORK

STATE TAX COMMISSION

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In the Matter of the Petition :  
of :  
ROBERT B. GORDON and EDYTH V. GORDON : DECISION  
for a Redetermination of a Deficiency :  
or for a Refund of Personal Income Tax :  
under Article 22 of the Tax Law for :  
the Year 1971. :  
:

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Petitioners, Robert B. Gordon and Edyth V. Gordon, have filed a petition for redetermination of deficiency or for refund of a personal income tax under Article 22 of the Tax Law for the year 1971. (File No. 1-79265515).

A calendar call was scheduled at the offices of the State Tax Commission, 2 World Trade Center, New York, New York, for March 13, 1974, at 10:00 A.M. On February 22, 1974, petitioners executed a written waiver of formal hearing and submitted the case to the State Tax Commission upon the entire record contained in the file. The State Tax Commission renders the following decision after due consideration of said record.

ISSUE

Were petitioners, Robert B. Gordon and Edyth V. Gordon, entitled to deduct a loss of \$10,000.00, due to the bankruptcy of the Institute of Family Economics, on their New York State personal income tax return for the year 1971?

FINDINGS OF FACT

1. Petitioners, Robert B. Gordon and Edyth V. Gordon, deducted a loss of \$10,000.00, incurred in connection with their investment in the Institute of Family Economics, on their New York State income tax resident return for the year 1971.

2. On April 13, 1973, the Income Tax Bureau issued a Statement of Audit Changes against petitioners, Robert B. Gordon and Edyth V. Gordon, imposing additional personal income tax for the year 1971 in the sum of \$491.30. It disallowed the \$10,000.00 deduction referred to in paragraph "1" upon the grounds that they were not New York State residents at the time the loss was incurred. Accordingly, a Notice of Deficiency was issued against the petitioners, Robert B. Gordon and Edyth V. Gordon, in the amount of \$520.66.

3. Petitioner, Robert B. Gordon, was a managing director of the Institute of Family Economics as a result of investments in said company totaling \$10,000.00. On January 18, 1971, Institute of Family Economics filed for a Chapter 11 reorganization under Federal Bankruptcy Act. On April 16, 1971, petitioners, Robert B. Gordon and Edyth V. Gordon, became residents of the State of New York. In May of 1971, petitioner, Robert B. Gordon, filed a Proof of Claim in bankruptcy form with the Bankruptcy Court in San Jose, California. During the year 1971 the company was engaged in active efforts to reorganize so as to remain in business. On January 22, 1973, petitioner, Robert B. Gordon, was notified by the trustee in bankruptcy, that it was "most improbable" that he would receive any funds from the bankrupt estate of the Institute of Family Economics.


CONCLUSIONS OF LAW

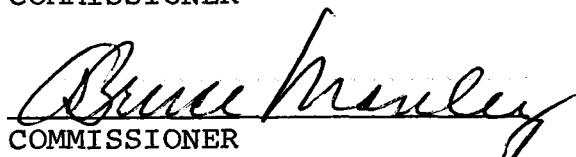
A. That since petitioners, Robert B. Gordon and Edyth V. Gordon, failed to prove that their investment in the Institute of Family Economics became worthless in the year 1971, therefore, they were not entitled to a loss deduction, at any time, during said year. J.L. Ruane 17 TCM 865.


B. That the petition of Robert B. Gordon and Edyth V. Gordon is denied and the Notice of Deficiency issued April 13, 1973 is sustained.

DATED: Albany, New York  
June 25, 1974

STATE TAX COMMISSION

  
COMMISSIONER

  
COMMISSIONER

  
COMMISSIONER