THE STATE OF SOUTH CAROLINA
In The Court of Appeals

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SC Court of Appeals

APPEAL FROM THE ADMINISTRATIVE LAW COURT

Phillip Lenski, Administrative Law Judge

Case No. 2017-000968

Richard Beltram, ... Appellant/Respondent,

v.

South Carolina Department of Revenue, ...Respondent/Appellant.

RECORD ON APPEAL

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STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, v. South Carolina Department of Revenue, Respondent.	)	ALC Docket No. 13-ALJ-17-0244-CC Appellate Case No. 2017-000968 **ORDER ON REMAND TO PAY OR POST BOND**

STATEMENT OF THE CASE

This matter is before the South Carolina Administrative Law Court (ALC or court) pursuant to an Order from the Court of Appeals, dated July 13, 2017, which remanded the case to this court to determine the amount of taxes Richard Beltram must pay or the amount of bond he must post pursuant to S.C. Code Ann. § 12-60-3370. Both the Petitioner and the South Carolina Department of Revenue (Department or Respondent) filed Briefs on Remand arguing their respective positions.

DISCUSSION

In its Amended Final Order, this court held that the Petitioner is "personally liable for the employee withholding taxes, penalties, and interest owed by Intedge for the period of May 1, 2003, through July 1, 2005" (Responsible Period).[1] This court further held that "the Petitioner is not liable for the penalties . . . [after July 1, 2005] due to the Department's eight (8) year delay in pursuing the Petitioner as a responsible party." Finally, this court held that "the Petitioner is

[1] This period, which the court found that the Petitioner is personally liable for, includes quarters ending in: September 2003, December 2003, March 2004, June 2004, September 2004, December 2004, March 2005, and June 2005. The periods, which the court found that the Petitioner is not personally liable for, include quarters ending in: September 1999, March 2001, June 2001, March 2003, September 2005, and December 2005. Although the court did not originally include the withheld tax from the quarter ending in June 2005 in its calculation, this was in error. *See* Amended Final Order at p. 9, paragraph 27. The quarter ending in June 2005 is contained within the Responsible Period ending on July 1, 2005 and, thus, should have been included in the court's calculation. Additionally, this court erred by including the quarter ending in March 2003 in its calculations, as that quarter ended prior to the start of the Responsible Period on May 1, 2003. *See* Amended Final Order at p. 9, paragraph 27.

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SC ADMIN. LAW COURT

required to pay interest that has continued to accrue, on the unpaid portion of the taxes[,] for taxes Intedge incurred from May 1, 2003 through July 1, 2005." Amended Final Order at pp. 24-25.

Pursuant to S.C. Code Ann. § 12-60-3370, "a taxpayer shall pay, or post a bond for, all taxes, not including penalties or civil fines, determined to be due by the administrative law judge before appealing the decision to the court of appeals." Moreover, S.C. Code Ann. § 12-60-30(27) states that "'tax' or 'taxes' means taxes, licenses, permits, fees, or other amounts, including interest, regulatory and other penalties, and civil fines, imposed by this title, or subject to assessment or collection by the department."

In his Brief on Remand, the Petitioner contends that he is responsible for: (1) the lien filed on September 7, 2004 in the amount of $4,258.28; (2) the lien filed on February 16, 2005 in the amount of $3,923.79; (3) the lien filed on February 16, 2005 in the amount of $3,528.79; and (4) the lien filed on May 23, 2005 in the amount of $2,566.25. Brief of Petitioner on Remand at p. 2. The Petitioner further argues that interest, while disputed as it relates to his underlying tax liability, is not required under S.C. Code Ann. § 12-60-3370 to proceed with his appeal. Reply Brief of Petitioner on Remand at p. 3. Thus, the Petitioner contends that his total obligation under S.C. Code Ann. § 12-60-3370 is $13,602.11.[2] Brief of Petitioner on Remand at p. 2.

The Department, in its Brief on Remand, argues the Petitioner is responsible for eight (8) withholding tax quarters, including: September 2003, December 2003, March 2004, June 2004, September 2004, December 2004, March 2005, and June 2005.[3] The adjusted tax obligation for this period, as determined by the Department, amounts to $29,792.49 plus interest. The Department further contends that under the definition of "taxes" contained in S.C. Code Ann. § 12-60-30(27), the Petitioner is obligated to include interest in any payment or bond under S.C. Code Ann. § 12-60-3370. Respondent's Response to Brief of Petitioner on Remand pp. 1-2. As such, the Department calculated the interest through January 12, 2018[4] as totaling $24,718.01.

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[2] The actual amount of liability for these periods totals $14,277.11 but the Petitioner subtracted $675.00 for an "attorney's fees reduction" based on this court's holding in the Amended Final Order. Brief of Petitioner on Remand at p. 3; Amended Final Order at p. 24.

[3] Though the Petitioner claims that the June 2005 quarter should not be included in the calculation due to the fact that taxes for that quarter were not due until July 31, 2005, after the Responsible Period, the court disagrees with this argument. While the due date was after the Responsible Period, the taxable activity giving rise to the underlying case occurred during the Petitioner's time as a responsible party. Thus, the failure of the court to include this quarter in its Amended Final Order was simply the result of a miscalculation.

[4] As S.C. Code Ann. § 12-54-25(A) dictates, interest continues to accrue on the tax liability until "paid in its entirety." Pursuant to recent communications with the parties and an updated interest calculation from the Department, this figure includes interest accrued through the issuance date of this order.

Thus, after the $675.00 reduction for attorney's fees, the Department concludes that the total liability of the Petitioner amounts to $54,510.50. *See* Respondent's Brief on Remand from the South Carolina Court of Appeals at pp. 6-7; Respondent's Ex. 1, column H.

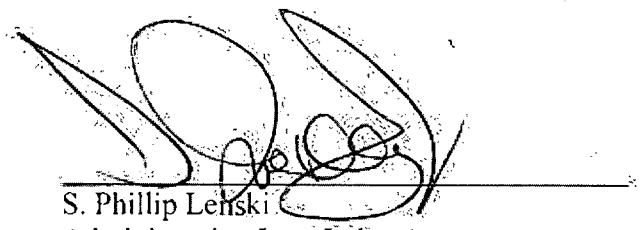
The court agrees with the Department's interpretation of the Amended Final Order that the Petitioner's liability is based upon the withholding tax quarters, rather than the filing dates of the liens themselves during the Responsible Period. Moreover, the Department properly calculated the quarters included in the Responsible Period pursuant to this court's order. The Department was also correct in its reading of this court's order that the Petitioner is accountable for any interest on the Petitioner's tax liability during the Responsible Period. Finally, this court finds that interest must also be included for any payment or bond pursuant to S.C. Code Ann. § 12-60-3370.

Therefore, the court holds that the Petitioner's total liability in this matter amounts to $54,510.50. The Petitioner must pay, or post a bond of, this amount to proceed with his appeal.

ORDER

IT IS HEREBY ORDERED that, pursuant to S.C. Code Ann. § 12-60-3370 and the Order from the Court of Appeals, the Petitioner must pay, or post a bond in the amount of, $54,510.50.

AND IT IS SO ORDERED.



S. Phillip Lenski
Administrative Law Judge

January 12, 2018
Columbia, South Carolina

CERTIFICATE OF SERVICE

I, Edye U. Moran, hereby certify that I have this date served this Order upon all parties to this cause by depositing a copy hereof, in the United States mail, postage paid, in the Interagency Mail Service, or by electronic mail to the address provided by the party(ies) and/or their attorney(s).

Edye U. Moran
Judicial Law Clerk

January 12, 2018
Columbia, South Carolina

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SC ADMIN. LAW COURT

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, v. South Carolina Department of Revenue, Respondent.	)	Docket No. 13-ALJ-17-0244-CC **AMENDED FINAL ORDER**

FILED
MAR 17 2017
SC ADMIN. LAW COURT

APPEARANCES:

Petitioner: David B. Greene, Esquire

Respondent: Nicole M. Wooten, Esquire
Timothy C. Thompson, Esquire
Milton G. Kimpson, Esquire

STATEMENT OF THE CASE

This matter is before the South Carolina Administrative Law Court (ALC or court) pursuant to a Request for a Contested Case Hearing filed by the Petitioner Richard Beltram (Petitioner) challenging a final decision by Respondent South Carolina Department of Revenue (Department). In its May 1, 2013 final decision, the Department determined that the Petitioner is personally responsible for the delinquent withholding tax, sales tax, penalties, and interest owed by Intedge Industries, Inc., for the periods of September 1999 through December 2005. After timely notice to the parties, a hearing of this matter was conducted on September 16 and 17, 2014, at the ALC in Columbia, South Carolina.

This court issued a final order on March 25, 2015. On April 2, 2015, the Petitioner filed a Notice of Motion to Reconsider, Alter or Amend. In his motion, the Petitioner requested the following relief: (1) that the employee withholding taxes for the second quarter of 2005 should not be charged to the Petitioner; (2) that the Petitioner should be awarded attorney fees in amount of $1,875.00; (3) that the Petitioner should not be responsible for interest on the unpaid taxes that accrued after July 2005; and (4) that an alleged scrivener's error found on page 13 and 14 listing

a date of September 2, 1012, be amended to read May 1, 2013, which was the actual date of the Department Determination.

On April 6, 2015, the Department also filed a Motion for Reconsideration to Reconsider, Alter and/or Amend. The Department requested the order be amended to reflect: (1) that the date of the Department's Proposed Notice of Assessment to Responsible Party be amended to reflect a date of September 2, 2009 rather than September 2, 2012; (2) that the Petitioner owes interest from March 2003 to June 2005 in the statutorily mandated amount rather than $1,287.61 and that he shall be responsible for the full amount of interest owed on the outstanding tax liabilities that will continue to accrue until the Petitioner satisfied the debt; (3) that the Petitioner is responsible for the penalties for failing to timely file returns and remit payment before the time prescribed by law; and (4) that no attorney fees shall be awarded to the Petitioner.[1]

FINDINGS OF FACT

Having carefully considered all testimony, exhibits, and arguments presented at the hearing of this case, and taking into account the credibility and accuracy of the evidence, this court makes the following Findings of Fact by a preponderance of the evidence:

1. This court has personal and subject matter jurisdiction. Proper notice of the date, time, place, and nature of the hearing was timely given to all parties.

2. Intedge Industries, Inc. began operating as a family-owned business in 1914 under the name International Edge Tool Company. The business was located in Newark, New Jersey. In 1976, the business formally changed its name to Intedge Industries, Inc. (Intedge) and registered as a New Jersey corporation. In 1988, the company moved its operations from Newark, New Jersey to 1875 Chumley Road, Woodruff, South Carolina. In 1988, the Department issued Intedge a Retail Sales Tax License. Intedge held this license until 2005.

3. The Petitioner held a variety of employment positions with Intedge throughout the years. Specifically, he began as a salesperson, moved to assistant sales manager, and then moved to vice-president of sales. In the mid-1980's, the Petitioner became president and majority shareholder of Intedge. The Petitioner remained in these last two positions until late 2005.

[1] The Amended Final Order replaces this court's March 25, 2015 Final Order. Any issues presented in the parties' motions for reconsideration that are not addressed in this Amended Final Order are denied.

4. As president of Intedge, the Petitioner primarily participated in the sales and marketing functions of Intedge and delegated to other employees responsibilities including accounting, manufacturing, distribution, and operations.

5. While the Petitioner did not participate in the day-to-day operations of the business, his responsibilities and duties within Intedge included the authority to sign checks, the power to hire and fire employees, and the ability to sign contractual obligations on behalf of Intedge. (Hr'g Tr. 58:17 – 59:6). The Petitioner acknowledged he had access to corporate records and majority control of Intedge from 1999 to early 2005. (49:3-15; 59:2-7; 64:5-11). He further acknowledged that he had the authority to resolve any outstanding tax liabilities with the Department on behalf of Intedge during this timeframe. (Hr'g Tr. 66:11-17).

6. Intedge submitted quarterly South Carolina withholding tax returns (Forms WH-1605) on behalf of the corporation for the quarters ending September 1999 through December 2005. Each return was timely filed (except for the withholding return for the period ending September 30, 2005, which Intedge failed to file), and each showed withholding tax due and reflected that such had been duly deposited or paid to the Department.

7. Despite these representations made by Intedge in its filed returns, Intedge failed to pay over or deposit all the withholding taxes that it had shown and reported on its withholding returns for the above referenced periods. The Department subsequently issued Proposed Notices of Assessment, which Intedge did not protest.[2] Based upon Intedge's failure to protest, the Department issued final assessments for these unpaid withholding taxes, ultimately resulting in the filing of tax liens for each period.[3] The assessments were properly made by the Department within three years of the day the tax was due without penalty. These withholding taxes, penalties, and interest remain unpaid. Except for the filing liens, the Department never issued levy notices against Intedge's assets or took any other steps against Intedge to collect the unpaid taxes. As for the Petitioner, no tax liens were ever filed against him. The Department filed fifteen (15) liens

[2] As required under the applicable statutes, Intedge filed withholding tax returns for the periods at issue. Although Intedge represented to the Department that it had deposited the withholding taxes due to the Department, it did not appropriately deposit the withheld taxes. Further, although Intedge reported the withholding taxes for its employees on the WH-1605, these taxes were not paid or deposited. As such, pursuant to S.C. Code Ann. § 12-54-85 (2014), the Department assessed these delinquent withholding taxes, penalties, and interest for the periods at issue against Intedge.

[3] See attached Exhibit "A" establishing the lien dates and amounts regarding Intedge's outstanding tax liability for the periods of September 1999 through December 2005. The tax, interest, and penalties referenced on Exhibit "A" are accrued through April 30, 2013 (the date listed on the Department Determination).

against Intedge, with dates beginning on June 14, 2001 (for taxes due on October 31, 1999) and going through June 21, 2006 (for taxes due on October 30, 2005).

8. In addition to the delinquent withholding taxes, Intedge failed to file its quarterly sales tax return (Form ST-3) for the period July through September 2005. After Intedge failed to protest the Proposed Notice of Assessment for the delinquent sales tax, the Department issued a final assessment. This assessment (including penalties and interest) ultimately resulted in the filing of a tax lien. As of the date of this order, the sales tax, penalty, and interest have not been paid and no return has been filed.[4]

9. In 1999 and 2000, Intedge employed a bookkeeper who had the ability to sign checks on behalf of Intedge using a stamp of the Petitioner's signature. The bookkeeper was removed from her position after she was discovered to have embezzled funds. The Petitioner was her supervisor at the time, and his duties and responsibilities as President of Intedge included verifying that Intedge's accounts were properly reconciled. (Hr'g Tr. 60:9-24).

10. In 2000, the Petitioner hired Terry Lawing as an independent contractor to prepare the payroll and quarterly withholding and sales tax returns, among other duties. Mr. Lawing was hired by the Petitioner and reported directly to him. As part of his duties for Intedge, Mr. Lawing prepared payroll, ran the checks, and pre-printed the tax payment checks to be included with the withholding and sales tax returns filed with the Department. Mr. Lawing had authorization from the Petitioner to sign the tax returns of Intedge, but Mr. Lawing did not have authorization to sign checks on behalf of Intedge. That duty was withheld by the Petitioner. Mr. Lawing left the prepared documents in a desk at Intedge's office, and the officer manager would retrieve the documents. Mr. Lawing presumed the documents were given to the Petitioner as the Petitioner maintained check writing authority for Intedge. (Hr'g Tr. 132:20 – 133:9).

11. In 2002, the Petitioner and Mr. Lawing met with Revenue Officers at the Department. On behalf of Intedge, the Petitioner requested to pay the delinquent withholding taxes due at that time under the Department's Amnesty Program. Payment of the delinquent taxes under this program would have permitted Intedge to pay the delinquent taxes without any penalty and pay half of the interest that had accrued since the due date of the returns. However, despite the

[4] See Exhibit "A" for sales tax, interest, and penalty amounts due and owing because of Intedge's failure to file the sales tax return for the period July – September 2005.

Petitioner's assertion that Intedge would pay the delinquent taxes, Intedge failed to remit the total amount due as required under the program.

12. Intedge ended its business arrangement with Mr. Lawing in October of 2005. During the time Mr. Lawing was employed as a contractor with Intedge, his primary job duties and the prescribed procedures for carrying them out did not change, except for emailing prepared reports to an employee of Intedge. (Hr'g Tr. 135:12-23).

13. Beginning in 2004, the Petitioner began the process of selling Intedge to his uncle, Daniel Beltram. In July, 2005, the building housing the company along with the land surrounding the building and all manufacturing assets were sold to Daniel Beltram.[5] The court finds that the Petitioner lost control over Intedge in July 2005, upon the sale of the building housing the company and all manufacturing assets. On October 1, 2005, the official sale of Intedge to Daniel Beltram was finalized, and the Petitioner signed a Contractor Agreement to receive $10,000per month to work as a consultant for the new company. Upon completion of the sale, Daniel Beltram formed a new company called Intedge Manufacturing, Inc., and at that point, Intedge Industries, Inc. ceased operations. Intedge Manufacturing, Inc. continues to operate at the Woodruff, South Carolina location. The Petitioner did not participate in the wind up the corporate affairs of Intedge. (Hr'g Tr. 79:22). Specifically, the Petitioner did not file Articles of Dissolution with the South Carolina Secretary of State's office notifying it of the entity's dissolution; he did not notify the Department of the sale of Intedge to Daniel Beltram; he did not notify the Department of the Petitioner's change of address regarding Intedge Industries; and he did not request a certificate of compliance from the Department prior to his sale of Intedge to his uncle. Furthermore, he did not properly wind-up the corporate affairs of Intedge. Intedge instead was administratively dissolved by the Secretary of State on January 16, 2009. (Hr'g Tr. 79:19 – 80:1-9, 81:9 – 83:1-11, 205:20-207:3). Despite the October 1, 2005 contractor agreement, this court finds that the Petitioner no longer had direct and immediate control of Intedge or its successor after July 2, 1005, and that Daniel Beltram assumed control of the business on that date.

14. Lori Coggins (Ms. Coggins) was employed by the Department as a Revenue Officer from May 2009 through March 2010. As part of her duties with the Department, Ms.

[5] The Petitioner contends that he was merely a "figurehead" president of Intedge beginning in December of 2004, however, after review all the evidence in this matter, this court finds otherwise. The property the Petitioner sold to his uncle consisted of eleven (11) acres, along with all improvements. It sold for $725,000 on July 14, 2005.

Coggins issued Proposed Notices of Assessment for Responsible Parties. During her employment with the Department, Ms. Coggins was assigned to begin collection procedures regarding Intedge's outstanding tax liabilities. As part of her job duties, Ms. Coggins made numerous attempts to contact the Petitioner to discuss Intedge's outstanding tax liabilities. Specifically, Ms. Coggins attempted to contact the Petitioner via phone, and she made personal field visits to the Petitioner's home and Intedge's physical business location. Ms. Coggins left her business card on each personal field visit. The Petitioner did not respond to any of Ms. Coggins' attempts to contact him. (Hr'g Tr. 114:19 19 – 115:10).

15. As part of her employment with the Department, Ms. Coggins issued a Proposed Notice of Assessment for Responsible Party to the Petitioner on September 2, 2009, in an attempt to collect the outstanding taxes owed by Intedge. Specifically, the Proposed Notice of Assessment informed the Petitioner that he was being held responsible for Intedge's outstanding sales and withholding taxes, penalties and interest for the periods of September 1999 through December 2005. The Department's Proposed Notice of Assessment was issued based upon the Petitioner's position as president and majority shareholder of Intedge.

16. On December 1, 2009, the Petitioner filed a timely protest contesting his personal liability for the withholding and sales tax assessments, penalties, and interest issued to Intedge. In his protest, the Petitioner asserts that the liability for the delinquent amounts rests solely with Intedge Manufacturing, Inc., and his uncle, Daniel Beltram. He further asserts that the Department's attempt to hold him liable for the outstanding taxes is beyond the applicable statute of limitations.

17. Upon filing the timely protest, the Petitioner contacted Bruce Owens, a Collections Supervisor for the Department's Greenville, South Carolina office. Mr. Owens has been employed at the Department for approximately twenty-eight (28) years.

18. Mr. Owens testified concerning the process the Department undertakes when determining if an individual is responsible for the outstanding tax liabilities of a business entity. The initial notice of proposed assessment regarding an outstanding tax liability is given to the corporation or other business entity. If the tax liability remains unpaid, the Department may utilize several different collection tools to collect the debt from the corporation. The Department may issue levy notices against company assets, or the Department might take steps to revoke the company's business license (Hr'g Tr. 142). Mr. Owens testified that "[i]t is the company's liability

in the front end and that's who we would be working with attempting to get something resolved." (Hr'g Tr. 142). Mr. Owens testified that if the company is not paying the taxes even after the Department has worked with the company, then the Department will "start looking at the individual." (Hr'g Tr. At 142). In this situation, the Department would assert responsible party status against an individual principal for the outstanding tax liability of a business entity. Based upon the Petitioner's position, duties, and authority within Intedge, the Department determined that the Petitioner was the responsible party for Intedge's outstanding tax liabilities.

19. Mr. Owens also testified concerning the statute "that relates to 10 year enforcement once a liability is assessed. We would look at that as our outside deadline for actually taking action to collect money for...a specific period." (Tr. 143). He further testified that the Department would use the same start date of the ten (10) year period that it used for the company, if it was collecting from a responsible party. (Tr. At 144, lines 1-8).

20. Mr. Owens explained that "a proposed assessment would be the first notice we're indicating that there appears to be a liability and we're putting that issue out there. After that, then there's an actual notice of assessment that follows that where now we're proceeding to say, okay, now pay us the money." (Hr'g Tr. At 145).[6]

21. Mr. Owens testified that the "most proper thing is to pursue the corporation before quickly moving on to the responsible party." The Proposed Assessment to the company serves notice to the responsible party of the unpaid debt.

22. Though he had no personal interactions with Intedge to collect the unpaid taxes between 2005 and 2009, Mr. Owens testified without objection concerning the contents of internal agency computer notes, which revealed that the Department had made a few efforts to collect from Intedge. Mr. Owens testified that he saw a Departmental note from a Revenue Officer indicating that an Intedge representative, Larry Flynn, called the Department on July 20, 2005, to discuss possible penalty waivers. There was also another note indicating that Intedge was no longer honoring its 2002 payment agreement. There was also a note from March 2007, stating that Intedge had closed or sold its business. A 2008 Department note referenced that Intedge's bank account at First National Bank was closed on October 19, 2005. Mr. Owens testified that the last thing he knew about the Petitioner's tax file was that it went to the Department's attorney on

[6] *See* S.C. Code Ann. § 12-60-30(23), which defines a "Proposed assessment" as "the first written notice sent or given to the taxpayer stating that a division within the department has concluded that a tax is due."

November 2, 2011. Regarding the computer notes he referenced at the hearing, he testified that he had provided those to the Department attorneys a few days earlier, and that he had brought some other things in his car in case he might need them for the hearing.

23. After the Petitioner filed a timely protest to the Proposed Notice of Assessment for Responsible Party, dated September 2, 2009, the Department did not issue a final determination until almost three (3) and a half years later, on May 1, 2013.[7] The Department Determination Letter concluded the Petitioner was personally and individually liable for unpaid employment withholding taxes and payroll taxes incurred by Intedge from September 1999 through December 2005.

24. The Department did not serve the Petitioner with its Department Determination within nine (9) months of receiving the Petitioner's protest, on December 1, 2009. *See* S.C. Code Ann. §12-60-450(E)(3). The Department Determination, issued May 1, 2013, occurred approximately forty-one (41) months after the Petitioner protested, and thirty-two (32) months beyond the time required under the statute.

25. During the testimony of Mr. Owens, the Department and the Petitioner became aware that Mr. Owens possessed documents the Petitioner previously sought in discovery but that the Department had not produced. Mr. Owens testified he had no knowledge of the Petitioner's discovery request, and the Petitioner did not file a Motion to Compel Discovery, prior to the hearing. Though the Department may have received some of the requested documents just prior to the hearing, this court finds that the Department, though it may have been negligent in not producing the requested computer records, did not act in bad faith, and error that may have resulted was cured when the documents were provided to the Petitioner. Likewise, this court allowed the Petitioner additional time to study the records, and determine whether they would be helpful to his case. This court denied the Petitioner's Motion to Dismiss, and determined that the appropriate remedy in this case was to recess the hearing and reconvene the following day, to allow the Petitioner and his counsel an opportunity to review the documents. [8]

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[7] *See* S.C. Code Ann. § 12-60-30(24), which defines "Protest" as "a written appeal of a proposed assessment or a division decision made in accordance with this chapter." Section 12-60-450(E)(3) mandates that the Department "must issue the determination on a proposed assessment not later than nine months after the date the written protest or claim as filed with the department by the taxpayer. Upon failure of the department to timely issue the determination, the taxpayer may request a contested case hearing before the Administrative Law Court for a determination of the tax controversy."

[8] One document the Petitioner objected to not receiving during discovery was his own protest and associated documents, which he had submitted to the Department. The Petitioner had sufficient time to review his own protest

26. This court also finds that, though the tax periods at issue range from late 1999 to December 2005, the Department never personally contacted or notified the Petitioner until it issued the Proposed Notice of Assessment to him on September 2, 2009, which was a little over four (4) years after the Petitioner left the company in July 2005.

27. This court finds, additionally, that as of this date, all the above-listed withholding taxes, penalties, and interest remain unpaid. This court also finds that the first three (3) tax liens (see footnote 5) filed against Intedge[9] have expired, since they were filed over ten (10) years ago.[10] , all before May 1, 2013, which was the date of the Department Determination in this matter. This court also finds that the first three (3) tax liens have expired. Additionally, the last three (3) tax liens were for unpaid taxes during tax periods that occurred after the Petitioner was no longer a responsible party.[11]The remaining tax liens were incurred during the Petitioner's tenure as the responsible party and amounted to $27,935.38, according to this court's calculations.[12]

CONCLUSIONS OF LAW

Based upon the foregoing Findings of Fact, this court concludes the following as a matter of law:

1. The Administrative Law Court has jurisdiction over this matter pursuant to S.C. Code Ann. § 1-23-600 (Supp. 2013), S.C. Code Ann. § 12-60-450(E)(3), S.C. Code Ann. § 12-60-30(1) ("The Administrative Law Court holds the contested case hearings.").

2. Generally, the party asserting the affirmative issue in an adjudicatory administrative proceeding has the burden of proof. *See Leventis v. S.C. Dep't of Health & Envtl. Control*, 340 S.C. 118, 133, 530 S.E.2d 643, 651 (Ct. App. 2000) (citing 2 Am.Jur.2d *Administrative Law* § 360 (1994)). Here, The Petitioner requested a contested case hearing, and therefore has the burden of proof to show that the Department's proposed assessment was incorrect.

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materials during the recess. Additionally, as the Department pointed out in the hearing, it never took the position that the Petitioner did not timely file a protest.

[9] Which this court calculates at $11,482.15.

[10] The Petitioner has not offered evidence or attempted to argue that all the tax liens have expired.

[11] Which this court calculates at $6,454.35.

[12] Though there may be a need for the Department to alter these calculations, based on a more thorough review of the taxes due for these dates.

3. The applicable standard of proof in this contested case hearing is by a preponderance of the evidence. *Anonymous v. State Bd. of Med. Exam'rs*, 329 S.C. 371, 375, 496 S.E.2d 17, 19 (1998) (holding the standard of proof in "administrative hearings is generally a preponderance of the evidence").

4. The weight and credibility assigned to evidence presented at the hearing of a matter is within the province of the trier of fact. *See S.C. Cable Television Ass'n v. S. Bell Tel. & Tel. Co.*, 308 S.C. 216, 222, 417 S.e.2d 586, 589 (1992). Furthermore, a trial judge who observes a witness is in the best position to judge the witness' demeanor and veracity and to evaluate the credibility of his testimony. *See e.g., Woodall v. Woodall*, 322 S.C. 7, 10, 471 S.E.2d 154 91996); *Wallace v. Milliken & Co.*, 300 S.C. 553, 556, 389 S.E.2d 448, 450 (Ct. App. 1990). In presiding over this contested case, this court serves as the finder of fact and makes a *de novo* determination regarding the matters at issue. *Reliance Ins. Co. v. Smith*, 327 S.C. 528, 534, 489 S.E.2d 674, 677 (Ct. App. 1997); *see also* S.C. Code Ann. § 1-23-600(B)(Supp. 2013).

Withholding

5. An employer paying wages at the rate of eight hundred dollars or more a year to an employee shall withhold income tax for that employee. S.C. Code Ann. § 12-8-520(A) (2014). A person located, doing business, or having gross income in this State and an employer having an employee earning income within this State are subject to South Carolina's withholding laws. S.C. Code Ann. § 12-8-510 (2014). "Employer" means the person for whom an individual performs or performed a service, of whatever nature, as the employee of the person. S.C. Code Ann. § 12-8-10(4) (2014). "Person" means an individual, trust, estate, partnership, receiver, association, company, corporation, or any other entity including the United States, a state, a political subdivision or agency of the United State or any state, and a municipality located in this State. S.C. Code Ann. § 12-8-10(1) (2014).

6. Taxes withheld "must be held in trust for the State and is a lien against all property, both real and personal, tangible and intangible, of the withholding agent." S.C. Code Ann. § 12-8-2030. "The lien becomes effective after it has been properly recorded in the county where the withholding agent's business is located." *Id.*

7. A withholding agent is "an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs." S.C. Code Ann. § 12-8-2010(D).

8. If a withholding agent fails to remit the withholding taxes, he or she "is personally and individually liable for the amount of tax not withheld or paid." S.C. Code Ann. § 12-8-2010(A) (emphasis added).

9. From September 1999 through December 2005, Intedge was an employer and withholding agent subject to South Carolina withholding laws. *See* S.C. Code Ann. § 12-8-10(2) ("'withholding agent' means a person required to withhold income taxes under the provisions of this chapter."). The Petitioner was also a withholding agent from September 1999 through July 2005 pursuant to section 12-8-2010(D) because as the president, majority shareholder, individual with check-writing authority, and individual with control over the corporation he had a duty to ensure that withholding taxes were paid to the Department in a timely manner. Section 12-8-2010(D); *City of Columbia v. Am. Civil Liberties Union of S.C., Inc.*, 323 S.C. 384, 475 S.E.2d 747 (1996) (holding that if a statute's language is plain and unambiguous, and conveys a clear and definite meaning, the court has no right to look for or impose another meaning and that the court must apply the statute's terms according to their literal meaning and may not resort to subtle or forced construction in an attempt to limit or expand the statute's scope); *see also Rock v. Dep't of Taxes*, 170 Vt. 1, 742 A.2d 1211 (1999) (adopting the following factors as determinative of whether a corporate officer or employee has a duty to remit withholding taxes: (1) the person's position within the power structure of the corporation; (2) the authority of the officer or employee as established by the articles of incorporation, bylaws, or employment contract; and (3) whether the person actually exercised control over the finances of the business). In this case, the Petitioner clearly meets at least two of the factors as he was the president and majority shareholder of the corporation, and he possessed authority to bind Intedge under contractual obligations and therefore occupied a position within the power structure of the corporation. Furthermore, although he failed to remit the taxes shown to be due on many of the returns, the Petitioner exercised control over the finances of the corporation by remitting a portion of the taxes due on some of the WH-1605 returns as well as maintaining check writing authority for Intedge. Overall, the Petitioner had control over the corporation's finances even though he may not have been involved in the day-to-day operations of the business.

10. Accordingly, the court concludes that as a withholding agent for Intedge, the Petitioner is liable for the withholding taxes, interest, and penalties that were not remitted to the Department to the same extent as Intedge. The withholding taxes were timely assessed against the corporation, and Intedge did not protest the assessments.[13] As an officer of the corporation responsible for such matters, the Petitioner became personally and individually liable for the delinquent taxes because of these assessments.

Statute of Limitations

11. Assessment means "the [D]epartment's recording the liability of the taxpayer in the office of the [D]epartment, subject to the restrictions in Section 12-60-440." S.C. Code Ann. § 12-60-30(2). Similarly, proposed assessment means "the first written notice sent or given to the taxpayer stating that a division within the [D]epartment has concluded that a tax is due." S.C. Code Ann. § 12-60-30(23).

12. Section 12-54-85(A) of the South Carolina Code provides "[e]xcept as otherwise provided in this section, taxes must be determined and assessed within thirty-six months from the date the return or document was filed or due to be filed, whichever is later." Subsection (G) of section 12-54-85 describes the thirty-six month period as a statute of limitations. The section contains several exceptions to the thirty-six month statute of limitations, including fraud and the taxpayer's failure to file a return among other exceptions. See S.C. Code Ann. § 12-54-85(A)-(G).

13. Internal Revenue Code (IRC) § 6501(a) requires that a tax assessment, including responsible party assessments, be issued against a taxpayer within three years after the return was filed. However, IRC § 6501 is specifically not made applicable to South Carolina state taxes. S.C. Code Ann. § 12-6-50 provides in pertinent part:

> For purposes of this title and all other titles that provide for taxes administered by the department, except as otherwise specifically provided, the following Internal Revenue Code Sections are specifically not adopted by this State:
>
> ***
>
> (16) Sections 2001 through 7655, 7801 through 7871, and 8001 through 9602, except For Sections 6015 and 6701, and except for Sections 6654 and 6655 which are adopted as provided in Section 12-6-3910 and Section 12-54-55. However,

[13] Because Intedge did not timely protest the assessments regarding the withholding and sales taxes, penalties, and interest, the assessments became final.

> Section 6654(d)(1)(D) relating to estimated tax payments for qualified individuals as defined in that item is not adopted.

(emphasis added). Moreover, § 12-6-50 also excludes IRC § 6672, which addresses the liability of third parties for federal withholding tax obligations. Instead, a third party's liability for state withholding taxes is governed by S.C. Code Ann. § 12-8-2010(A). Accordingly, the court concludes that the three year statute of limitations in IRC § 6501(a), is not applicable in this matter.

14. "Procedural due process imposes constraints on governmental decisions which deprive individuals of liberty or property interests within the meaning of the Due Process Clause of the Fifth or Fourteenth Amendment of the United States Constitution." Kurscbner v. City of Camden Planning Comm'n., 376 S.C. 165, 171, 656 S.E.2d 346, 350 (2008). "The fundamental requirements of due process include notice, an opportunity to be heard in a meaningful way, and judicial review." Id.

15. While not binding, there is case law interpreting the interaction between a withholding agent's liability under Section 12-8-2011 and the statute of limitations under Section 12-54-8 that this court finds persuasive. The ALC has previously addressed this issue in *Edwin Rowland v. South Carolina Department of Revenue*, 2008 WL 3863554 (S.C.Admin.Law.Judge.Div., 2008 (J. Geathers)) and *Philip Roddey v. South Carolina Department of Revenue*, Docket No. 14-ALJ-17-0125-CC, July 28, 2014, (J. Robinson). In *Rowland*, the Department sought to hold the taxpayer (owner and sole-shareholder of an S Corporation) personally and individually liable for failing to remit withholding taxes of the business entity. The taxpayer in *Rowland* argued that Section 12-54-85 barred the Department from holding him personally liable because the Department had timely assessed the corporation but had not timely assessed him personally. The court in *Rowland* concluded the statute of limitations did not bar the Department from holding the owner personally liable:

> [S]ubsection (D) [of section 12-8-2010] codifies, with respect to withholding taxes, the common law principles of holding corporate principals liable for corporate debts under appropriate circumstances and places those individuals on notice that a tax debt that is timely assessed against a corporation will be considered a debt of those individuals associated with the corporation who are responsible for withholding. The provision does not create any new liability, but simply clarifies existing common law.

Id. at *4. Moreover, the court concluded "[t]he Department's notices of assessment sent to [the corporation] served as sufficient constructive notice to [the owner] that the corporation was liable for withholding taxes, penalties and interest and that, as a principal [and withholding agent] of the corporation, he would be ultimately liable for this debt." Id. at *5 (basing its decision in part on the Indiana case Ball v. Indiana Department of Revenue, 563 N.E.2d 522 (1990) (discussing the liability of a withholding agent under a substantially similar statutory scheme to hold timely notice of the assessment to the corporation was timely constructive notice to the withholding agent of his personal liability)). Likewise, the ALC in *Roddey* found the ALC's ruling on the issue in *Rowland* persuasive and applied the same result.

16. As noted in the conclusions above, the Petitioner had a duty to remit the withholding and sales taxes and is personally liable under the respective statutes for the amount of taxes not paid. *See* S.C. Code Ann. § 12-8-2010(A). As noted in *Roddey*, a taxpayer's "statutorily imposed liability contrasts with the equitable doctrine of piercing the corporate veil, which seeks to bypass the well-recognized principal that 'a corporation is an entity, separate and distinct from its officers and stockholders, and that its debts are not the individual indebtedness of its stockholders.'" *Roddey*, at page 5 (quoting *Hunting v. Elders*, 359 S.C. 217, 223, 597 S.E.2d 803. 806 (Ct. App. 2004)). Generally, a principal will not be held liable for corporate debts; however, the statutory schemes set forth in South Carolina law specifically impose individual liability for withholding and sales taxes on the withholding agent and responsible person.[14]

17. Because the Petitioner's liability is derived from his role in the corporation, notice of the assessment to the corporation constituted notice of assessment to him, personally and individually. The notices of assessment were issued to the corporation as the withholding agent and as the retailer in a timely manner. *See* S.C. Code Ann. § 12-54-85 ("within three years of the date the return was filed or due to the filed"). Section 12-8-2010(D) expands the definition of "withholding agent" to include a corporate officer responsible for withholding taxes. Similarly, Section 12-54-195 expands the liability for the sales tax to the responsible officer. As such, notice

[14] Withholding taxes are held by withholding agents in trust for the State and the failure to remit taxes that have been withheld from employees' pay for this purpose is particularly egregious. See S.C. Code Ann. § 12-8-2030. Similarly, the failure of a responsible person to remit sales taxes that have been collected from purchasers for the very purpose of paying sales taxes to the State is also extreme. The statutory imposition of individual liability on withholding agents and responsible persons in these instances highlights the responsibility imposed upon withholding agents and responsible persons and serves to dissuade those in positions of authority in the corporation from breaching the trust at issue here.

issued to the corporation as a withholding agent is also issued to the corporate officer with responsibility for these matters. Furthermore, under the responsible party provisions of Section 12-8-2010, and by extension, Section 12-54-195, there is no requirement that the corporate officer or other responsible party be put on notice by separate assessments.

18. In this case, as a corporate officer with the duty to remit withholding taxes as well as sales and use taxes, the Petitioner was privy to the notices of assessment issued to Intedge. Under the rationale employed by the Indiana court in *Ball* and adopted in *Roddey* and *Rowland*, the assessments issued to Intedge constituted assessments on the Petitioner as a withholding agent. Any doubt as to the Petitioner's notice regarding the delinquencies is dispelled by his 2002 meeting with the Department. At that meeting the Petitioner represented Intedge and participated in discussions with the Department regarding the existing delinquent taxes. The Petitioner, acting for Intedge in the meeting, expressed a desire to enter the Department's Amnesty program to satisfy the outstanding tax liability. The Petitioner was, or should have been aware of the assessments against Intedge and his personal liability under Section 12-8-2010(A) in the event Intedge failed to remit the taxes.[15] Thus, the Department's timely assessments to Intedge put the Petitioner on constructive notice, as a principal of the corporation and as a withholding agent, both the existence of the tax debt itself and the fact that if the taxes were not remitted he would be personally liable for the debt. Consequently, this court interprets the Department's Responsible Party Proposed Assessment Letter, dated September 2, 2009, as a confirmation, rather than untimely notice, of the Petitioner's liability. Because of the original proposed notice of assessment to the corporation, notice was given to the responsible party and the debt became fixed when Intedge failed to protest the assessment. The Responsible Party Proposed Notice of Assessment provided the responsible party an opportunity to deflect the liability. The outstanding corporate debt itself, however, was established at that point. Thus, because the court concludes that the Petitioner received timely constructive notice, the court further concludes that the statute of limitations under section 12-54-85(A) does not bar the Department from seeking to collect the delinquent taxes from the Petitioner.

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[15] Notably, communications documented by the Department's Automated Receivables Management System (ARMS) establish that the Petitioner or his counsel at the time were aware of Intedge's liens as of July 2005. (Hr'g Tr. 173:17-23). As testified to by Mr. Owens, these documented communications in ARMS are consistent with the Department attempting to collect from Intedge Industries before attempting to collect from the Petitioner. (Hr'g Tr. 204:9-25).

Ten Year Lien Expiration Date

19. In applying a statutory provision, "words should be given their plain and ordinary meaning, without resort to subtle or forced construction to limit or expand the statute's operation." *Sloan v. S.C. Bd. of Physical Therapy Exam'rs*, 370 S.C. 452, 469, 636 S.E.2d 598, 607 (2006). Section 12-8-2030 provides:

> An amount withheld under this chapter must be held in trust for the State and is a lien against all property, both real and personal, tangible and intangible, of the withholding agent. The lien becomes effective after it has been properly recorded in the county where the withholding agent's business is located.

S.C. Code Ann. § 12-54-120 (2000) further provides:

> (A)(1) If a person liable to pay a tax neglects or refuses to pay it after demand, the amount of the tax, including interest, additional tax, addition to tax, or assessable penalty, plus accrued costs, is a lien in favor of the Department of Revenue on all property and rights to property, real or personal, tangible or intangible, belonging to the person.
>
> (2) This lien:
> (a) is referred to as a "tax lien";
> (b) is effective on the date of the assessment of the tax;
> (c) allows an authorized agent of the department to seize, levy on, and sell the property of the person for the payment of the amount due, with added penalties, interest, and costs of executing on the lien, and to pay the money collected to the department;
> (d) extends to bank deposits, choses in action, and all other property incapable of manual levy or delivery; and
> (e) continues for ten years from the date of filing.
> (3) "Demand", as used in this section, means an assessment by the department.

20. Based on the plain language of Sections 12-8-2030 and 12-54-120, the withholding tax liens set forth on Exhibit 1 for Intedge's delinquent withholding and sales taxes became effective against the company upon the filing of the liens in Spartanburg County. Although Section 12-8-2030 does not provide a limitations period for such lien, Section 12-54-120 goes on to provide the tax lien continues for a ten year period "from the date of filing." Therefore, to the extent any liens have been filed longer than ten (10) years at the time of the May 1, 2013 Department Determination, those liens have expired and the associated taxes, interest, penalties, and costs are no longer collectible against the company.

21. The court must next consider whether the ten (10) year lien expiration date applies to the Petitioner, since the Department has not filed any tax liens against the Petitioner in his individual or personal capacity. *See* S.C. Code Ann. § 12-54-120(A)(2)(e). It is uncontroverted that the Department filed several tax liens against Intedge beginning in 2001 through 2006. Both the *Roddey* and *Rowland* decisions addressed only the thirty-six (36) month statute of limitations for assessment of the tax, and not the ten (10) year limitation on tax liens.

Though the Department has successfully argued that the Petitioner's liability as a responsible party for Intedge's tax debt is derivative of Intedge's liability for purposes of the three (3) year statute of limitations, the Department now takes an antithetical position concerning the ten (10) year lien expiration. It argues that any lien filed against the Petitioner at the resolution of this litigation will thus have a collectible life of ten (10) years from the date of filing. The court rejects this logic. The Petitioner owes no tax separate from that of Intedge. Rather, he is personally liable for the taxes owed by Intedge by nature of his position with Intedge. Therefore, once the liens against Intedge expired and the Department was no longer able to collect the taxes secured by such liens, then the Department was also barred from collecting the taxes from the Petitioner. The Department has attempted to argue that it has unlimited time in which to file tax liens against the Petitioner, however, this court rejects that argument. Even Mr. Owens, a Department employee with twenty-eight (28) years of experience, testified that the ten (10) year expiration period begins to run against both the company and the responsible party from the time of the assessment issued to the company (Tr. At 144).

Additionally, the Department's argument lacks merit because, though it had ample opportunity to collect the entire tax liability from Intedge through various means, the Department never undertook any of the measures outlined by Mr. Owens in his testimony. Though the Department argued that it seeks to adhere "to sound public policy by first seeking to collect taxes from the corporation before looking through the corporation to individuals," the Department's lack of efforts to collect the tax liability from Intedge cannot now allow it now to argue it has an unlimited amount of time to collect from the Petitioner. Even after the Department finally filed its Proposed Notice of Assessment against Responsible Party on September 2, 2009, the Department

delayed an additional three (3) years and five (5) months before it issued its final Department Determination, on May 1, 2013.[16]

Therefore, under the facts of this case, this court finds that, since the Petitioner's liability as a responsible party for Intedge's tax debt is derivative of Intedge's liability, the expired liens have now also expired regarding the Petitioner. This court rejects the Department's argument that the date of September 2, 2009, has significance. Even at the date of the hearing, the Department had not filed any tax liens against the Petitioner. It was over three (3) years after issuing the Proposed Notice of Assessment to Responsible Party that the Department issued a final agency decision (May 1, 2013), that was thirty-two (32) months late. The statute mandates that "[t]he department must issue the determination on a proposed assessment not later than nine months after the date the written protest or claim was filed with the department by the taxpayer." Though the statute provides a remedy when the department fails to issue its Determination by allowing a taxpayer to file with this court, this court also finds that the Department is foreclosed from arguing that September 2, 2009, is somehow the date that magically stopped the running of the ten (10) year limitation period.

22. Because the Department is barred from collecting any taxes secured by a lien that was filed more than ten years before the May 1, 2013 Department Determination, the court holds that the following employee withholding taxes owed by Intedge can no longer be collected:

a. Employee withholding taxes for the third quarter of 1999 for which a lien was properly filed in August of 2001;

b. Employee withholding taxes for the first quarter of 2001 for which a lien was properly filed in November of 2001; and

c. Employee withholding taxes for the second quarter of 2001 for which a lien was properly filed in February of 2002.

Sale of Intedge

[16] The Department argues in footnote 3 of its Motion for Reconsideration that the "May 1, 2013 Department Determination should not be used as the date of record to evaluate the existence of valid Intedge tax liens and the consequent exclusion of expired liens for responsible party collection efforts." It argues that this Determination "has no 'tolling' effect on any limitation period." If this court were to take this argument to its logical conclusion, then the Department's failure to file tax liens against the Petitioner as of this date, would mean that the Department has no recourse regarding any of the fifteen (15) tax liens. The Petitioner, however, has not made this argument, either at the hearing, or in the Motion to Reconsider.

23. As a further defense to the assessments, the Petitioner argues that Intedge was sold to Intedge Manufacturing, Inc. in 2005, and any liability for the delinquent taxes, penalties, and interest became the liability of the successor corporation under S.C. Code Ann. § 12-54-124 (Supp. 2003). This section provides:

> In the case of the transfer of a majority of the assets of a business, other than cash, whether through sale, gift, devise, inheritance, liquidation, distribution, merger, consolidation, corporate reorganization, lease or otherwise, any tax generated by the business which was due on or before the date of any part of the transfer constitutes a lien against the assets in the hands of a purchaser, or any other transferee, until the taxes are paid. Whether a majority of the assets have been transferred is determined by the fair market value of the assets transferred, and not by the number of assets transferred. The department may not issue a license to continue the business to the transferee until all taxes due the State have been settled and paid and may revoke a license issued to the business in violation of this section.
>
> This section does not apply if the purchaser receives a certificate of compliance from the department stating that all tax returns have been filed and all taxes generated by the business have been paid. The certificate of compliance is valid if it is obtained no more than thirty days before the sale or transfer.

24. Although the court finds that substantially all the corporate assets of Intedge were sold in July 2005,[17] the Petitioner's argument that Intedge Manufacturing, Inc. is solely responsible for the unpaid taxes of Intedge fails. Section 12-54-124 in no way relieves or absolves a business whose assets are transferred to another entity from tax liability for unpaid taxes. Rather, the statue provides that any unpaid taxes generated by the transferring business prior to the transfer constitute a tax lien on the transferred assets in the hands of the purchasing entity. Nowhere does the statute eliminate the liability or obligation of the transferring business, or its responsible persons. This court refuses the Petitioner's invitation to read an additional clause into the statute or imply some

[17] The Petitioner was unable to produce any documentation of the sale of Intedge to Intedge Manufacturing, Inc. The court finds the Petitioner's explanation that these records are unavailable to be questionable. The Petitioner was the President and principal shareholder of Intedge until 2005. During the sale of the business, he was represented by counsel during the sale of the century old family business, and then by another counsel in subsequent litigation regarding the sale of that business. Despite being a party to these two legal processes involving the sale of the business, the Petitioner claimed he was not in possession of nor was he able to obtain a single pertinent document related to the sale of Intedge. However, due to this court's concerns with the Department's delay in pursuing this matter for years after the Petitioner left the company, the court accepts the Petitioner's testimony regarding the sale of Intedge.

protection from tax liability to businesses that transfer their assets to another business without satisfying unpaid tax debt.[18]

25. Further, although the Petitioner lost control of Intedge in July 2005, he has put forth no explanation for failing to pay the taxes from September 1999 to early 2005, nor has he argued that such taxes were not originally owed by Intedge. In fact, the Petitioner acknowledged on numerous occasions that he had majority or complete control of Intedge during that timeframe. The tax liabilities of Intedge were established prior to the sale of the business to the Petitioner's uncle. The Petitioner was in control of Intedge during that time, and he is the responsible party for such tax liabilities until his departure in July 2005.

26. However, because the Petitioner lost control of Intedge in July 2005, the court holds that he is not personally liable for any tax liability accruing to Intedge after July 2005. Therefore, the Petitioner is not liable for Intedge's employee withholding taxes for the following periods:

a. Legal tax lien July 5, 2006 (for taxes of $4,320 due on October 31, 2005, along with penalties and interest);

b. Legal tax lien December 14, 2006 (for taxes of $634.35 due on February 28, 2006, along with penalties and interest); and

c. Legal tax lien June 21, 2006 (for taxes of $1,500 due on October 20, 2005, along with penalties and interest).

Sales Tax (July through September 2005)

27. Similarly, as to the responsibility for sales taxes, S.C. Code Ann. § 12-54-195 (2014) provides that a "'responsible person' includes any officer, partner, or employee of the taxpayer who has a duty to pay to the department any state or local sales tax due by the taxpayer or use tax required or authorized to be collected by the retailer . . . ."

28. Section 12-54-195(B) provides the following with regard to a retailer who adds or collects a state or local sales or use tax, but fails to remit such tax to the Department: "a responsible person may be held liable, individually and personally, for the tax collected but not remitted to the

[18] The court finds the Department's reliance on the indemnification agreement the Petitioner executed with Intedge Manufacturing on October 1, 2005 unpersuasive. That indemnification agreement, a private contractual arrangement between the Petitioner and the successor company, had no effect on the liability imposed under § 12-54-124. It merely gave Intedge Manufacturing a contractual remedy against the Petitioner if Intedge Manufacturing was required to pay Intedge's delinquent taxes.

department, along with penalties and interest from the date the tax was due." Further, "[t]he tax, penalties, and interest are not collectible from the retailer to the extent the tax, penalties, and interest imposed by this subsection are collected from a responsible person." Id.

29. As a retailer with a valid retail license issued by the Department, Intedge was responsible for filing sales tax returns and paying the appropriate tax it collected from its customers to the Department. The sales taxes were timely assessed against Intedge and as provided by section 12-54-195, the Petitioner, by his role as an officer and majority shareholder of the corporation under a duty to file and remit sales taxes, was a responsible person for purposes of sales tax liability. However, the court holds that the Petitioner no longer held a position of control within Intedge as of July 2005. Because the sales tax return should have been filed in September 2005, two months after the Petitioner lost his position of responsibility within Intedge, the court concludes that the Petitioner is not liable for the sales tax, interest or penalty owed by Intedge.

Due Process

30. The Petitioner further asserts that the Department's assessment against him personally and individually, and the Department's actions in attempting to collect such assessment, violated his due process rights. Specifically, the Petitioner argues that his due process rights were violated by the Department based upon the excessive length of time between the assessments filed against Intedge, the issuance of the Proposed Notice of Final Assessment for Responsible Party, and the issuance of the Department Determination. While conceding that the Department failed to issue its determination within nine months, it asserts that, pursuant to S.C. Code Ann. § 12-60-450(E)(3), the Petitioner had the right to request a contested case hearing before the ALC at the expiration of 9 months. Here, the Petitioner failed to request such a hearing after nine months of the Proposed Notice of Assessment being issued. Thus, the Department argues, the Petitioner cannot complain of any perceived unfairness when he had a statutory remedy available to him but chose not to exercise that right. Furthermore, the Department argues that its actions in this case promote sound public policy in that a state agency should pursue remedies against a taxpayer business entity before looking through such entity to individuals.

31. For the Petitioner to receive the process he is due, he must have notice, an opportunity to be heard in a meaningful way, and judicial review. *See Kurschner v. City of Camden Planning Comm'n,* 376 S.C. 165, 171, 656 S.E.2d 346, 350 (2008) ("The fundamental

requirements of due process include notice, an opportunity to be heard in a meaningful way, and judicial review." (citing S.C. Const. art. 1, § 22; *Stono River Envtl. Protection Ass'n v. S.C. Dep't of Health and Envtl. Control,* 305 S.C. 90, 406 S.E.2d 340 (1991)). As discussed above, the Petitioner received notice of the taxes owed. Likewise, he received judicial review. However, the court is concerned with the Department's delay in this matter.

32. While the court agrees with the Department's above enumerated arguments, the Department's inexplicable multi-year delay in pursuing this matter against the Petitioner is troubling. Aside from filing initial tax liens, the Record is devoid of any evidence that the Department attempted to collect the taxes from Intedge through tax levies, seizures of assets, revocation of its business license, or through any other means. Additionally, the evidence reveals that the Petitioner attempted to address some of the taxes Intedge owed in 2002, and did not follow through. Though this failure to pay the taxes by the Petitioner voided any amnesty agreement Intedge may have had with the Department, it appears that the Department made few if any efforts to collect the taxes from Intedge. Furthermore, after waiting nearly four years to pursue the Petitioner as a Responsible Party for Intedge's delinquent taxes, the Department waited an additional four more years to issue a Department Determination. During this long delay the Petitioner sold Intedge and relinquished all control of and access to business records.

33. This court does not hold that the Department's delay completely divested the Petitioner's right to be heard in a meaningful way. However, this court cannot ignore the long delay in prosecuting this matter, which continued for years after the Petitioner sold the business and lost control of and access to its records. As a remedy, the court accepts the Petitioner's testimony regarding the sale of the business, and finds that he was no longer in control of Intedge as of July 2005. Furthermore, the court holds that the Petitioner is not responsible for the penalties accruing from the taxes owed by Intedge.

Penalties

34. The Department may waive, dismiss, or reduce penalties unless otherwise specifically prohibited. S.C. Code Ann. § 12-54-160 (2014). The Department has issued S.C. Rev. Proc. Bulletin #08-6 (the "Revenue Procedure") to provide procedural guidance for the waiver or reduction of penalties pursuant to that statute. The Revenue Procedure provides that the Department may grant a complete waiver of penalties when the "lack of performance required by a taxpayer is due to reasonable cause." When determining what constitutes "reasonable cause" the

Department examines whether the taxpayer exercised ordinary business care and prudence." The Department may grant a partial penalty waiver when "significant mitigating factors are present." The appropriate treatment of a penalty is a question of fact to be considered on a case-by-case basis.

In most cases, failure to file a tax return on or before the due date requires a penalty of up to twenty-five (25) percent of the amount of the tax. S.C. Code Ann. § 12-54-43(D) and (E). Unlike criminal fines, the fundamental purpose of civil penalties is not to punish. *See Plunkett v. Commissioner*, 118 F. 2d 644, 650 (1st Cir. 1941). Civil penalties "are provided primarily as a safeguard for the protection of the revenue and to reimburse the Government for the heavy expense of investigation and the loss resulting from the taxpayer's fraud." *Helvering v. Mitchell*, 303 U.S. 391, 401 (1938).

Under the unique facts of this case, though the Petitioner has not offered evidence that he exercised ordinary business care and prudence, this court also finds that the Department's protracted eight (8) year delay in reaching a final determination against the Petitioner in his personal capacity, causes this court to decline to impose any penalties, especially due to the extraordinary amount of interest that has accrued over this inexplicably long delay.

Interest

35. Interest is due on unpaid taxes under the provisions of S.C. Code Ann. § 12-54-25(A) and "is due on the unpaid portion from the time the tax was due until paid in its entirety." Unlike penalties, in which this court has some discretion, this court finds that there is no statutory authority for the waiver of interest in this case, brought under Chapter 54, Uniform Method of Collection and Enforcement of Taxes Levied and Assessed by South Carolina Department of Revenue.[19] *See Anonymous Taxpayers v. SCDOR*, 01-17-0187-CC (September 4, 2001). Therefore, the Petitioner is responsible for the full amount of interest owed on the applicable outstanding tax liabilities.

Attorney's Fees and Sanctions

[19] Though the Department may compromise interest during the settlement phase under the provisions of S.C. Code Ann. § 12-4-320(3), there is no statutory authority for the waiver of interest outside of the settlement realm.

36. At the hearing, the Petitioner moved the court for attorney fees. The court finds the Petitioner has provided the court with no statutory authority or case law that would allow it to award attorney's fees in this case.

37. Notwithstanding the issue of attorney's fees, however, there is also an issue concerning the Department's failure to provide requested discovery, which ultimately resulted in a day-long delay for the Petitioner to review the requested material. The Department did not become aware of the existence of the requested documents/records until one of its own employees (Mr. Owens) revealed during his hearing testimony that he had them in his possession, and that he had also provided the Department with them a few days prior. Had the Department interviewed this employee to any degree prior to his testimony, it should have learned of these records and could have used them, ironically, to its own benefit.[20] Though this omission was certainly not deliberate, and probably harmed the Department more than the Petitioner, this court concludes that this sanction (a reduction of $675.00) is appropriate in this case.

ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law, **IT IS HEREBY ORDERED** that the Department's Determination holding the Petitioner personally liable for the withholding and sales taxes, penalties, and interest of Intedge Industries, Inc. for the period of September 1999 through December 2005 is partially upheld and partially overturned. The court holds that the Petitioner is personally liable for the employee withholding taxes, penalties and interest owed by Intedge for the period of May 1, 2003, through July 1, 2005. Any taxes, penalties and interest accruing before that period are time-barred. Additionally, any taxes, penalties and interest accruing after the Petitioner was no longer a responsible party (July 1, 2005) are not attributable to the Petitioner and are also barred. Furthermore, the court holds that the Petitioner is not liable for the penalties in this matter due to the Department's eight (8) year delay in pursuing

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[20] As the Department noted during the hearing, these documents were found and brought to the hearing by Mr. Owens. He testified he retrieved them from the Department's Automated Receivables Management System ("ARMS"). Ultimately, Mr. Owens testified without objection to these documents, which established that the Petitioner and/or his attorneys were aware of tax liens as of July 2005. (Hr'g Tr. 173:17-23). The documents did not help the Petitioner in his case, but it could be argued that the Petitioner may have more actively pursued a settlement in this matter, had these documents been disclosed, as they should have been. Also, this court will speculate that the inordinate delay in this case, caused these documents to be temporarily lost or overlooked.

the Petitioner as a responsible party. **FURTHERMORE,** the Petitioner is required to pay interest that has continued to accrue, on the unpaid portion of the taxes for taxes Intedge incurred from May 1, 2003 through July 1, 2005.

AND IT IS SO ORDERED.

S. PHILLIP LENSKI
Administrative Law Judge

March 17, 2017
Columbia, South Carolina

CERTIFICATE OF SERVICE

This is to certify that the undersigned has this date served this notice order in the above entitled action upon all parties to this cause by depositing a copy hereof, in the United States mail, postage paid, or in the interagency mail, addressed to the party(ies) or their attorney(s).

This 17th day of MAR 17

(EB) _____
Docket Manager

FILED
MAR 17 2017
ADMIN LAW COURT

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, v. South Carolina Department of Revenue, Respondent.	)	Docket No. 13-ALJ-17-0244-CC **ORDER VACATING FINAL ORDER**

APPEARANCES:

Petitioner: David B. Greene, Esquire

Respondent: Nicole M. Wooten, Esquire
Timothy C. Thompson, Esquire
Milton G. Kimpson, Esquire

A hearing was held in this matter before the South Carolina Administrative Law Court (the court) on September 16 and 17, 2014. This court issued an Order on March 25, 2015. Thereafter, on April 2, 2015 the Petitioner filed a Notice of Motion to Reconsider, Alter, or Amend. Subsequently, the Respondent filed a Motion for Reconsideration Under ALC Rule 29(D).

IT IS HEREBY ORDERED that this court's Order dated March 25, 2015 is hereby vacated pending a decision upon the motions filed by the Petitioner and the Respondent.

AND IT IS SO ORDERED.

S. PHILLIP LENSKI
Administrative Law Judge

May 1, 2015
Columbia, South Carolina

CERTIFICATE OF SERVICE
This is to certify that the undersigned has this date served this order in the above entitled action upon all parties to this cause by depositing a copy hereof, in the United States mail, postage paid, or in the Interagency Mail Service addressed to the party(ies) or their attorney(s).

This 1st day of May, 2015
By: Judicial Law Clerk

FILED
MAY 01 2015
SC ADMIN. LAW COURT

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, v. South Carolina Department of Revenue, Respondent.	)	Docket No. 13-ALJ-17-0244-CC **ORDER**

APPEARANCES:

Petitioner: David B. Greene, Esquire

Respondent: Nicole M. Wooten, Esquire
Timothy C. Thompson, Esquire
Milton G. Kimpson, Esquire

STATEMENT OF THE CASE

This matter is before the South Carolina Administrative Law Court (ALC or court) pursuant to a Request for a Contested Case Hearing filed by the Petitioner Richard Beltram (Petitioner) challenging a final decision by Respondent South Carolina Department of Revenue (Department). In its May 1, 2013 final decision, the Department determined that the Petitioner is personally responsible for the delinquent withholding tax, sales tax, penalties, and interest owed by Intedge Industries, Inc., for the periods of September 1999 through December 2005. After timely notice to the parties, a hearing of this matter was conducted on September 16 and 17, 2014, at the ALC in Columbia, South Carolina. Based upon the evidence and arguments presented at the hearing, and upon the applicable law, I find that the Department's determination holding the Petitioner responsible for the outstanding tax liabilities of Intedge Industries, Inc. must be upheld in part and overturned in part.

FINDINGS OF FACT

Having carefully considered all testimony, exhibits, and arguments presented at the hearing of this case, and taking into account the credibility and accuracy of the evidence, I make the following Findings of Fact by a preponderance of the evidence:

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MAR 25 2015
SC ADMIN. LAW COURT

1. This court has personal and subject matter jurisdiction. Proper notice of the date, time, place, and nature of the hearing was timely given to all parties.

2. Intedge Industries, Inc. began operating as a family-owned business in 1914 under the name International Edge Tool Company. The business was located in Newark, New Jersey. In 1976, the business formally changed its name to Intedge Industries, Inc. (Intedge) and registered as a New Jersey corporation. In 1988, the company moved its operations from Newark, New Jersey to 1875 Chumley Road, Woodruff, South Carolina. In 1988, the Department issued Intedge a Retail Sales Tax License. Intedge held this license until 2005.

3. The Petitioner held a variety of employment positions with Intedge throughout the years. Specifically, he began as a salesperson, moved to assistant sales manager, and then moved to vice-president of sales. In the mid-1980's, the Petitioner became president and majority shareholder of Intedge. The Petitioner remained in these last two positions until late 2005.

4. As president of Intedge, the Petitioner primarily participated in the sales and marketing functions of Intedge and delegated to other employees responsibilities including accounting, manufacturing, distribution, and operations.

5. While the Petitioner did not participate in the day-to-day operations of the business, his responsibilities and duties within Intedge included the authority to sign checks, the power to hire and fire employees, and the ability to sign contractual obligations on behalf of Intedge. (Hr'g Tr. 58:17 – 59:6). The Petitioner acknowledged he had access to corporate records and majority control of Intedge from 1999 to early 2005. (49:3-15; 59:2-7; 64:5-11). He further acknowledged that he had the authority to resolve any outstanding tax liabilities with the Department on behalf of Intedge during this timeframe. (Hr'g Tr. 66:11-17).

6. Intedge submitted quarterly South Carolina withholding tax returns (Forms WH-1605) on behalf of the corporation for the quarters ending September 1999 through December 2005. Each return was timely filed (with the exception of the withholding return for the period ending September 30, 2005, which Intedge failed to file), and each showed withholding tax due and reflected that such had been duly deposited or paid to the Department.

7. Despite these representations made by Intedge in its filed returns, Intedge failed to pay over or deposit all of the withholding taxes that it had shown and reported on its withholding returns for the above referenced periods. The Department subsequently issued Proposed Notices

of Assessment, which Intedge did not protest.[1] Based upon Intedge's failure to protest, the Department issued final assessments for these unpaid withholding taxes, ultimately resulting in the filing of tax liens for each period.[2] The assessments were properly made by the Department within three years of the day the tax was due without penalty. These withholding taxes, penalties, and interest remain unpaid.

8. In addition to the delinquent withholding taxes, Intedge failed to file its quarterly sales tax return (Form ST-3) for the period July through September 2005. After Intedge failed to protest the Proposed Notice of Assessment for the delinquent sales tax, the Department issued a final assessment. This assessment (including penalties and interest) ultimately resulted in the filing of a tax lien. As of the date of this order, the sales tax, penalty, and interest have not been paid and no return has been filed.[3]

9. In 1999 and 2000, Intedge employed a bookkeeper who had the ability to sign checks on behalf of Intedge using a stamp of the Petitioner's signature. The bookkeeper was removed from her position after she was discovered to have embezzled funds. The Petitioner was her supervisor at the time, and his duties and responsibilities as President of Intedge included verifying that Intedge's accounts were properly reconciled. (Hr'g Tr. 60:9-24).

10. In 2000, the Petitioner hired Terry Lawing as an independent contractor to prepare the payroll and quarterly withholding and sales tax returns, among other duties. Mr. Lawing was hired by the Petitioner and reported directly to him. As part of his duties for Intedge, Mr. Lawing prepared payroll, ran the checks, and pre-printed the tax payment checks to be included with the withholding and sales tax returns filed with the Department. Mr. Lawing had authorization from the Petitioner to sign the tax returns of Intedge, but Mr. Lawing did not have authorization to sign checks on behalf of Intedge. That duty was withheld by the Petitioner. Mr. Lawing left the prepared documents in a desk at Intedge's office, and the officer manager

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[1] As required under the applicable statutes, Intedge filed withholding tax returns for the periods at issue. Although Intedge represented to the Department that it had deposited the withholding taxes due to the Department, it did not appropriately deposit the withheld taxes. Further, although Intedge reported the withholding taxes for its employees on the WH-1605, these taxes were not paid or deposited. As such, pursuant to S.C. Code Ann. § 12-54-85 (2014), the Department assessed these delinquent withholding taxes, penalties, and interest for the periods at issue against Intedge.

[2] See attached Exhibit "A" establishing the lien dates and amounts with regard to Intedge's outstanding tax liability for the periods of September 1999 through December 2005. The tax, interest, and penalties referenced on Exhibit "A" are accrued through April 30, 2013 (the date listed on the Department Determination).

[3] See Exhibit "A" for sales tax, interest, and penalty amounts due and owing as a result of Intedge's failure to file the sales tax return for the period July – September 2005.

would retrieve the documents. Mr. Lawing presumed the documents were given to the Petitioner as the Petitioner maintained check writing authority for Intedge. (Hr'g Tr. 132:20 – 133:9).

11. In 2002, the Petitioner and Mr. Lawing met with Revenue Officers at the Department. On behalf of Intedge, the Petitioner requested to pay the delinquent withholding taxes due at that time under the Department's Amnesty Program. Payment of the delinquent taxes under this program would have permitted Intedge to pay the delinquent taxes without any penalty and pay half of the interest that had accrued since the due date of the returns. However, despite the Petitioner's assertion that Intedge would pay the delinquent taxes, Intedge failed to remit the total amount due as required under the program.

12. Intedge ended its business arrangement with Mr. Lawing in October of 2005. During the time Mr. Lawing was employed as a contractor with Intedge, his primary job duties and the prescribed procedures for carrying them out did not change, with the exception of emailing prepared reports to an employee of Intedge. (Hr'g Tr. 135:12-23).

13. Beginning in 2004, the Petitioner began the process of selling Intedge to his uncle, Daniel Beltram. In July, 2005, the building housing the company along with the land surrounding the building and all manufacturing assets were sold to Daniel Beltram. The court finds that the Petitioner lost control over Intedge in July 2005, upon the sale of the building housing the company and all manufacturing assets. On October 1, 2005, the official sale of Intedge to Daniel Beltram was finalized. Upon completion of the sale, Daniel Beltram formed a new company called Intedge Manufacturing, Inc., and at that point, Intedge Industries, Inc. ceased operations. Intedge Manufacturing, Inc. continues to operate at the Woodruff, South Carolina location. The Petitioner "didn't do anything" to wind up the corporate affairs of Intedge. (Hr'g Tr. 79:22). Specifically, the Petitioner did not file Articles of Dissolution with the South Carolina Secretary of State's office notifying it of the entity's dissolution; he did not notify the Department of the sale of Intedge to Daniel Beltram; he did not notify the Department of the Petitioner's change of address with regard to Intedge Industries; and he did not request a certificate of compliance from the Department prior to his sale of Intedge to his uncle. Furthermore, he did not properly wind-up the corporate affairs of Intedge. Intedge instead was administratively dissolved by the Secretary of State on January 16, 2009. (Hr'g Tr. 79:19 – 80:1-9, 81:9 – 83:1-11, 205:20-207:3).

14. Lori Coggins (Ms. Coggins) was employed by the Department as a Revenue Officer from May 2009 through March 2010. As part of her duties with the Department, Ms. Coggins issued Proposed Notices of Assessment for Responsible Parties. During her employment with the Department, Ms. Coggins was assigned to begin collection procedures with regard to Intedge's outstanding tax liabilities. As part of her job duties, Ms. Coggins made numerous attempts to contact the Petitioner to discuss Intedge's outstanding tax liabilities. Specifically, Ms. Coggins attempted to contact the Petitioner via phone, and she made personal field visits to the Petitioner's home and Intedge's physical business location. Ms. Coggins left her business card on each personal field visit. The Petitioner did not respond to any of Ms. Coggins' attempts to contact him. (Hr'g Tr. 114:19 19 – 115:10).

15. As part of her employment with the Department, Ms. Coggins issued a Proposed Notice of Assessment for Responsible Party to the Petitioner on September 2, 2009, in an attempt to collect the outstanding taxes owed by Intedge. Specifically, the Proposed Notice of Assessment informed the Petitioner that he was being held responsible for Intedge's outstanding sales and withholding taxes, penalties and interest for the periods of September 1999 through December 2005. The Department's Proposed Notice of Assessment was issued based upon the Petitioner's position as president and majority shareholder of Intedge.

16. On December 1, 2009, the Petitioner filed a timely protest contesting his personal liability for the withholding and sales tax assessments, penalties, and interest issued to Intedge. In his protest, the Petitioner asserts that the liability for the delinquent amounts rests solely with Intedge Manufacturing, Inc., and his uncle, Daniel Beltram. He further asserts that the Department's attempt to hold him liable for the outstanding taxes is beyond the applicable statute of limitations.

17. Bruce Owens (Mr. Owens) is employed with the Department as a Collection Supervisor for the Greenville office. Prior to his position as a Collection Supervisor, Mr. Owens was a Revenue Officer with the Department. Mr. Owens was first contacted by the Petitioner upon the filing of his protest of the Notice of Proposed Assessment for Responsible Party.

18. Under the guidance of responsible party laws, Mr. Owens explained the process undertaken by the Department in determining if an individual is responsible for the outstanding tax liabilities of a business entity. The initial notice of proposed assessment regarding an outstanding tax liability is given to the corporation or other business entity. If the tax liability

remains unpaid, the Department may utilize several different collection methods in an attempt to collect the debt. One such method consists of asserting responsible party status against an individual principal for the outstanding tax liability of a business entity. Based upon the Petitioner's position, duties, and authority within Intedge, the Department determined that the Petitioner, pursuant to applicable law, was the responsible party for Intedge's outstanding tax liabilities.

19. After the Petitioner filed a timely protest to the September 2, 2009 Notice of Assessment for Responsible Party, the Department took no further action on the matter for over three years until it issued a Department Determination Letter against the Petitioner on May 1, 2013. The Department Determination Letter held the Petitioner personally and individually liable for unpaid employment withholding taxes and payroll taxes incurred by Intedge from September 1999 through December 2005. The Petitioner filed a request for a contested case hearing with this court on May 28, 2013.

CONCLUSIONS OF LAW

Based upon the foregoing Findings of Fact, I conclude the following as a matter of law:

1. The Administrative Law Court has jurisdiction over this matter pursuant to S.C. Code Ann. § 1-23-600 (Supp. 2013), S.C. Code Ann. § 12-60-450(E)(3), S.C. Code Ann. § 12-60-30(1) ("The Administrative Law Court holds the contested case hearings.").

2. Generally, the party asserting the affirmative issue in an adjudicatory administrative proceeding has the burden of proof. See Leventis v. S.C. Dep't of Health & Envtl. Control, 340 S.C. 118, 133, 530 S.E.2d 643, 651 (Ct. App. 2000) (citing 2 Am.Jur.2d Administrative Law § 360 (1994)). Here, The Petitioner requested a contested case hearing, and therefore has the burden of proof to show that the Department's proposed assessment was incorrect.

3. The applicable standard of proof in this contested case hearing is by a preponderance of the evidence. Anonymous v. State Bd. of Med. Exam'rs, 329 S.C. 371, 375, 496 S.E.2d 17, 19 (1998) (holding the standard of proof in "administrative hearings is generally a preponderance of the evidence").

4. The weight and credibility assigned to evidence presented at the hearing of a matter is within the province of the trier of fact. See S.C. Cable Television Ass'n v. S. Bell Tel.

& Tel. Co., 308 S.C. 216, 222, 417 S.e.2d 586, 589 (1992). Furthermore, a trial judge who observes a witness is in the best position to judge the witness' demeanor and veracity and to evaluate the credibility of his testimony. See e.g., Woodall v. Woodall, 322 S.C. 7, 10, 471 S.E.2d 154 91996); Wallace v. Milliken & Co., 300 S.C. 553, 556, 389 S.E.2d 448, 450 (Ct. App. 1990). In presiding over this contested case, this court serves as the finder of fact and makes a de novo determination regarding the matters at issue. Reliance Ins. Co. v. Smith, 327 S.C. 528, 534, 489 S.E.2d 674, 677 (Ct. App. 1997); see also S.C. Code Ann. § 1-23-600(B)(Supp. 2013).

Withholding

5. An employer paying wages at the rate of eight hundred dollars or more a year to an employee shall withhold income tax for that employee. S.C. Code Ann. § 12-8-520(A) (2014). A person located, doing business, or having gross income in this State and an employer having an employee earning income within this State are subject to South Carolina's withholding laws. S.C. Code Ann. § 12-8-510 (2014). "Employer" means the person for whom an individual performs or performed a service, of whatever nature, as the employee of the person. S.C. Code Ann. § 12-8-10(4) (2014). "Person" means an individual, trust, estate, partnership, receiver, association, company, corporation, or any other entity including the United States, a state, a political subdivision or agency of the United State or any state, and a municipality located in this State. S.C. Code Ann. § 12-8-10(1) (2014).

6. Taxes withheld "must be held in trust for the State and is a lien against all property, both real and personal, tangible and intangible, of the withholding agent." S.C. Code Ann. § 12-8-2030. "The lien becomes effective after it has been properly recorded in the county where the withholding agent's business is located." Id.

7. A withholding agent is "an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs." S.C. Code Ann. § 12-8-2010(D).

8. If a withholding agent fails to remit the withholding taxes, he or she "is personally and individually liable for the amount of tax not withheld or paid." S.C. Code Ann. § 12-8-2010(A) (emphasis added).

9. From September 1999 through December 2005, Intedge was an employer and withholding agent subject to South Carolina withholding laws. See S.C. Code Ann. § 12-8-10(2)

("'withholding agent' means a person required to withhold income taxes under the provisions of this chapter."). The Petitioner was also a withholding agent from September 1999 through July 2005 pursuant to section 12-8-2010(D) because as the president, majority shareholder, individual with check-writing authority, and individual with control over the corporation he had a duty to ensure that withholding taxes were paid to the Department in a timely manner. Section 12-8-2010(D); City of Columbia v. Am. Civil Liberties Union of S.C., Inc., 323 S.C. 384, 475 S.E.2d 747 (1996) (holding that if a statute's language is plain and unambiguous, and conveys a clear and definite meaning, the court has no right to look for or impose another meaning and that the court must apply the statute's terms according to their literal meaning and may not resort to subtle or forced construction in an attempt to limit or expand the statute's scope); see also Rock v. Dep't of Taxes, 170 Vt. 1, 742 A.2d 1211 (1999) (adopting the following factors as determinative of whether a corporate officer or employee has a duty to remit withholding taxes: (1) the person's position within the power structure of the corporation; (2) the authority of the officer or employee as established by the articles of incorporation, bylaws, or employment contract; and (3) whether the person actually exercised control over the finances of the business). In this case, the Petitioner clearly meets at least two of the factors as he was the president and majority shareholder of the corporation, and he possessed authority to bind Intedge under contractual obligations and therefore occupied a position within the power structure of the corporation. Furthermore, although he failed to remit the taxes shown to be due on many of the returns, the Petitioner exercised control over the finances of the corporation by remitting a portion of the taxes due on some of the WH-1605 returns as well as maintaining check writing authority for Intedge. Overall, the Petitioner had control over the corporation's finances even though he may not have been involved in the day-to-day operations of the business.

10. Accordingly, the court concludes that as a withholding agent for Intedge, the Petitioner is liable for the withholding taxes, interest, and penalties that were not remitted to the Department to the same extent as Intedge. The withholding taxes were timely assessed against the corporation, and Intedge did not protest the assessments.[4] As an officer of the corporation responsible for such matters, the Petitioner became personally and individually liable for the delinquent taxes as a result of these assessments.

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[4] Because Intedge did not timely protest the assessments regarding the withholding and sales taxes, penalties, and interest, the assessments became final.

Statute of Limitations

11. Assessment means "the [D]epartment's recording the liability of the taxpayer in the office of the [D]epartment, subject to the restrictions in Section 12-60-440." S.C. Code Ann. § 12-60-30(2). Similarly, proposed assessment means "the first written notice sent or given to the taxpayer stating that a division within the [D]epartment has concluded that a tax is due." S.C. Code Ann. § 12-60-30(23).

12. Section 12-54-85(A) of the South Carolina Code provides "[e]xcept as otherwise provided in this section, taxes must be determined and assessed within thirty-six months from the date the return or document was filed or due to be filed, whichever is later." Subsection (G) of section 12-54-85 describes the thirty-six month period as a statute of limitations. The section contains a number of exceptions to the thirty-six month statute of limitations, including fraud and the taxpayer's failure to file a return among other exceptions. See S.C. Code Ann. § 12-54-85(A)-(G).

13. Internal Revenue Code (IRC) § 6501(a) requires that a tax assessment, including responsible party assessments, be issued against a taxpayer within three years after the return was filed. However, IRC § 6501 is specifically not made applicable to South Carolina state taxes. S.C. Code Ann. § 12-6-50 provides in pertinent part:

> For purposes of this title and all other titles that provide for taxes administered by the department, except as otherwise specifically provided, the following Internal Revenue Code Sections are specifically not adopted by this State:
>
> ***
>
> (16) Sections 2001 through 7655, 7801 through 7871, and 8001 through 9602, except For Sections 6015 and 6701, and except for Sections 6654 and 6655 which are adopted as provided in Section 12-6-3910 and Section 12-54-55. However, Section 6654(d)(1)(D) relating to estimated tax payments for qualified individuals as defined in that item is not adopted.

(emphasis added). Moreover, § 12-6-50 also excludes IRC § 6672, which addresses the liability of third parties for federal withholding tax obligations. Instead, a third party's liability for state withholding taxes is governed by S.C. Code Ann. § 12-8-2010(A). Accordingly, the court concludes that the three year statute of limitations in IRC § 6501(a), is not applicable in this matter.

14. "Procedural due process imposes constraints on governmental decisions which deprive individuals of liberty or property interests within the meaning of the Due Process Clause of the Fifth or Fourteenth Amendment of the United States Constitution." Kurscbner v. City of Camden Planning Comm'n., 376 S.C. 165, 171, 656 S.E.2d 346, 350 (2008). "The fundamental requirements of due process include notice, an opportunity to be heard in a meaningful way, and judicial review." Id.

15. While not binding, there is case law interpreting the interaction between a withholding agent's liability under Section 12-8-2011 and the statute of limitations under Section 12-54-8 that this court finds persuasive. The ALC has previously addressed this issue in Edwin Rowland v. South Carolina Department of Revenue, 2008 WL 3863554 (S.C.Admin.Law.Judge.Div., 2008 (J. Geathers)) and Philip Roddey v. South Carolina Department of Revenue, Docket No. 14-ALJ-17-0125-CC, July 28, 2014, (J. Robinson). In Rowland, the Department sought to hold the taxpayer (owner and sole-shareholder of an S Corporation) personally and individually liable for failing to remit withholding taxes of the business entity. The taxpayer in Rowland argued that Section 12-54-85 barred the Department from holding him personally liable because the Department had timely assessed the corporation but had not timely assessed him personally. The court in Rowland concluded the statute of limitations did not bar the Department from holding the owner personally liable:

> [S]ubsection (D) [of section 12-8-2010] codifies, with respect to withholding taxes, the common law principles of holding corporate principals liable for corporate debts under appropriate circumstances and places those individuals on notice that a tax debt that is timely assessed against a corporation will be considered a debt of those individuals associated with the corporation who are responsible for withholding. The provision does not create any new liability, but simply clarifies existing common law.

Id. at *4. Moreover, the court in Rowland concluded "[t]he Department's notices of assessment sent to [the corporation] served as sufficient constructive notice to [the owner] that the corporation was liable for withholding taxes, penalties and interest and that, as a principal [and withholding agent] of the corporation, he would be ultimately liable for this debt." Id. at *5 (basing its decision in part on the Indiana case Ball v. Indiana Department of Revenue, 563 N.E.2d 522 (1990) (discussing the liability of a withholding agent under a substantially similar statutory scheme to hold timely notice of the assessment to the corporation was timely

constructive notice to the withholding agent of his personal liability)). Likewise, the ALC in Roddey found the ALC's ruling on the issue in Rowland persuasive and applied the same result.

16. As noted in the conclusions above, the Petitioner had a duty to remit the withholding and sales taxes and is personally liable under the respective statutes for the amount of taxes not paid. See S.C. Code Ann. § 12-8-2010(A). As noted in Roddey, a taxpayer's "statutorily imposed liability is in contrast to the equitable doctrine of piercing the corporate veil, which seeks to bypass the well-recognized principal that 'a corporation is an entity, separate and distinct from its officers and stockholders, and that its debts are not the individual indebtedness of its stockholders.'" Roddey, at page 5 (quoting Hunting v. Elders, 359 S.C. 217, 223, 597 S.E.2d 803. 806 (Ct. App. 2004)). Generally, a principal will not be held liable for corporate debts; however, the statutory schemes set forth in South Carolina law specifically impose individual liability for withholding and sales taxes on the withholding agent and responsible person.[5]

17. Because the Petitioner's liability is derived from his role in the corporation, notice of the assessment to the corporation constituted notice of assessment to him, personally and individually. The notices of assessment were issued to the corporation as the withholding agent and as the retailer in a timely manner. See S.C. Code Ann. § 12-54-85 ("within three years of the date the return was filed or due to the filed"). Section 12-8-2010(D) expands the definition of "withholding agent" to include a corporate officer responsible for withholding taxes. Similarly, Section 12-54-195 expands the liability for the sales tax to the responsible officer. As such, notice issued to the corporation as a withholding agent is also issued to the corporate officer with responsibility for these matters. Furthermore, under the responsible party provisions of Section 12-8-2010, and by extension, Section 12-54-195, there is no requirement that the corporate officer or other responsible party be put on notice by separate assessments.

18. In this case, as a corporate officer with the duty to remit withholding taxes as well as sales and use taxes, the Petitioner was privy to the notices of assessment issued to Intedge. Under the rationale employed by the Indiana court in Ball and adopted in Roddey and

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[5] Withholding taxes are held by withholding agents in trust for the State and the failure to remit taxes that have been withheld from employees' pay for this purpose is particularly egregious. See S.C. Code Ann. § 12-8-2030. Similarly, the failure of a responsible person to remit sales taxes that have been collected from purchasers for the very purpose of paying sales taxes to the State is also extreme. The statutory imposition of individual liability on withholding agents and responsible persons in these instances highlights the responsibility imposed upon withholding agents and responsible persons and serves to dissuade those in positions of authority in the corporation from breaching the trust at issue here.

Rowland, the assessments issued to Intedge constituted assessments on the Petitioner as a withholding agent. Any doubt as to the Petitioner's notice with regard to the delinquencies is dispelled by his 2002 meeting with the Department. At that meeting the Petitioner represented Intedge and participated in discussions with the Department regarding the existing delinquent taxes. The Petitioner, acting for Intedge in the meeting, expressed a desire to enter into the Department's Amnesty program to satisfy the outstanding tax liability. The Petitioner was, or should have been aware of the assessments against Intedge and his personal liability under Section 12-8-2010(A) in the event Intedge failed to remit the taxes.[6] Thus, the Department's timely assessments to Intedge put the Petitioner on constructive notice, as a principal of the corporation and as a withholding agent, both of the existence of the tax debt itself and the fact that if the taxes were not remitted he would be personally liable for the debt. Consequently, this court interprets the Department's Responsible Party Proposed Assessment Letter, dated September 2, 2009, as a confirmation, rather than untimely notice, of the Petitioner's liability. By virtue of the original proposed notice of assessment to the corporation, notice was given to the responsible party and the debt became fixed when Intedge failed to protest the assessment. The Responsible Party Proposed Notice of Assessment provided the responsible party an opportunity to deflect the liability. The outstanding corporate debt itself, however, was established at that point. As a result, because the court concludes that the Petitioner received timely constructive notice, the court further concludes that the statute of limitations under section 12-54-85(A) does not bar the Department from seeking to collect the delinquent taxes from the Petitioner.

Ten Year Lien Expiration Date

19. In applying a statutory provision, "words should be given their plain and ordinary meaning, without resort to subtle or forced construction to limit or expand the statute's operation." Sloan v. S.C. Bd. of Physical Therapy Exam'rs, 370 S.C. 452, 469, 636 S.E.2d 598, 607 (2006). Section 12-8-2030 provides:

---

[6] Notably, communications documented by the Department's Automated Receivables Management System (ARMS) establish that the Petitioner or his counsel at the time were aware of Intedge's liens as of July 2005. (Hr'g Tr. 173:17-23). As testified to by Mr. Owens, all of these documented communications in ARMS are consistent with the Department attempting to collect from Intedge Industries before attempting to collect from the Petitioner. (Hr'g Tr. 204:9-25).

An amount withheld under this chapter must be held in trust for the State and is a lien against all property, both real and personal, tangible and intangible, of the withholding agent. The lien becomes effective after it has been properly recorded in the county where the withholding agent's business is located.

S.C. Code Ann. § 12-54-120 (2000) further provides:

(A)(1) If a person liable to pay a tax neglects or refuses to pay it after demand, the amount of the tax, including interest, additional tax, addition to tax, or assessable penalty, plus accrued costs, is a lien in favor of the Department of Revenue on all property and rights to property, real or personal, tangible or intangible, belonging to the person.

(2) This lien:

(a) is referred to as a "tax lien";

(b) is effective on the date of the assessment of the tax;

(c) allows an authorized agent of the department to seize, levy on, and sell the property of the person for the payment of the amount due, with added penalties, interest, and costs of executing on the lien, and to pay the money collected to the department;

(d) extends to bank deposits, choses in action, and all other property incapable of manual levy or delivery; and

(e) continues for ten years from the date of filing.

(3) "Demand", as used in this section, means an assessment by the department.

20. Based on the plain language of Sections 12-8-2030 and 12-54-120, the withholding tax liens set forth on Exhibit 1 for Intedge's delinquent withholding and sales taxes became effective against the company upon the filing of the liens in Spartanburg County. Although Section 12-8-2030 does not provide a limitations period for such lien, Section 12-54-120 goes on to provide the tax lien continues for a ten year period "from the date of filing." Therefore, to the extent any liens have been filed longer than ten (10) years at the time of the September 2, 2012 Department Determination, those liens have expired and the associated taxes, interest, penalties, and costs are no longer collectible against the company.

21. The Department argues that the expiration of the liens against Intedge after ten years does not apply to the Petitioner as a withholding agent/responsible person. It argues that no liens have yet to be filed against the Petitioner because of this litigation; therefore no liens have yet to reach their ten year expiration date. The entire tax liability, which was first sought to be imposed against a responsible party in September 2009, is therefore collectible against the

Petitioner. Any lien filed against him at the resolution of this litigation will thus have a collectible life of ten years from the date of filing. The court rejects this logic. The Petitioner does not owe a tax separate from that of Intedge. Rather, he is personally liable for the taxes owed by Intedge by nature of his position with Intedge. Therefore, once the liens against Intedge expire and the Department is no longer able to collect the taxes secured by such liens, then the Department is also barred from collecting the taxes from the Petitioner.

22. Because the Department is barred from collecting any taxes secured by a lien that was filed more than ten years before the September 2, 2012 Department Determination, the court holds that the following employee withholding taxes owed by Intedge can no longer be collected:

a. Employee withholding taxes for the third quarter of 1999 for which a lien was properly filed in August of 2001;

b. Employee withholding taxes for the first quarter of 2001 for which a lien was properly filed in November of 2001; and

c. Employee withholding taxes for the second quarter of 2001 for which a lien was properly filed in February of 2002.

Sale of Intedge

23. As a further defense to the assessments, the Petitioner argues that Intedge was sold to Intedge Manufacturing, Inc. in 2005, and any liability for the delinquent taxes, penalties, and interest became the liability of the successor corporation under S.C. Code Ann. § 12-54-124 (Supp. 2003). This section provides:

> In the case of the transfer of a majority of the assets of a business, other than cash, whether through sale, gift, devise, inheritance, liquidation, distribution, merger, consolidation, corporate reorganization, lease or otherwise, any tax generated by the business which was due on or before the date of any part of the transfer constitutes a lien against the assets in the hands of a purchaser, or any other transferee, until the taxes are paid. Whether a majority of the assets have been transferred is determined by the fair market value of the assets transferred, and not by the number of assets transferred. The department may not issue a license to continue the business to the transferee until all taxes due the State have been settled and paid and may revoke a license issued to the business in violation of this section.
>
> This section does not apply if the purchaser receives a certificate of compliance from the department stating that all tax returns have

been filed and all taxes generated by the business have been paid. The certificate of compliance is valid if it is obtained no more than thirty days before the sale or transfer.

24. Although the court finds that substantially all of the corporate assets of Intedge were sold in July 2005,[7] the Petitioner's argument that Intedge Manufacturing, Inc. is solely responsible for the unpaid taxes of Intedge fails. Section 12-54-124 in no way relieves or absolves a business whose assets are transferred to another entity from tax liability for unpaid taxes. Rather, the statue provides that any unpaid taxes generated by the transferring business prior to the transfer constitute a tax lien on the transferred assets in the hands of the purchasing entity. Nowhere does the statute eliminate the liability or obligation of the transferring business, or its responsible persons. This court refuses the Petitioner's invitation to read an additional clause into the statute or imply some protection from tax liability to businesses that transfer their assets to another business without satisfying unpaid tax debt.[8]

25. Further, although the Petitioner lost control of Intedge in July 2005, he has put forth no explanation for failing to pay the taxes from September 1999 to early 2005, nor has he argued that such taxes were not originally owed by Intedge. In fact, the Petitioner acknowledged on numerous occasions that he had majority or complete control of Intedge during that timeframe. It is clear that the tax liabilities of Intedge were established prior to the sale of the business to the Petitioner's uncle. The Petitioner was in control of Intedge during that time, and he is the responsible party for such tax liabilities.

26. However, because the Petitioner lost control of Intedge in July 2005, the court holds that he is not personally liable for any tax liability accruing to Intedge after July 2005.

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[7] The Petitioner was unable to produce any documentation of the sale of Intedge to Intedge Manufacturing, Inc. Despite the Petitioner's assertions that these records are unavailable, the court finds this explanation to be questionable. The Petitioner was the President and principal shareholder of Intedge until 2005. During the sale of the business, he was represented by counsel during the sale of the century old family business, and then by another counsel in subsequent litigation regarding the sale of that business. Despite being a party to these two legal processes involving the sale of the business, the Petitioner claimed he was not in possession of nor was he able to obtain a single pertinent document related to the sale of Intedge. However, due to this court's concerns with the Department's delay in pursuing this matter for years after the Petitioner left the company, which is discussed later in this order, the court accepts the Petitioner's testimony regarding the sale of Intedge.

[8] The court finds the Department's reliance on the indemnification agreement the Petitioner executed with Intedge Manufacturing on October 1, 2005 unpersuasive. That indemnification agreement, a private contractual arrangement between the Petitioner and the successor company, had no effect on the liability imposed under § 12-54-124. It merely gave Intedge Manufacturing a contractual remedy against the Petitioner was Intedge Manufacturing to be required to pay Intedge's delinquent taxes.

Therefore, the Petitioner is not liable for Intedge's employee withholding taxes for the following periods:

a. Employee Withholding taxes for the third quarter of 2005, such return to be filed in September 2005; and

b. Employee Withholding taxes for the fourth quarter of 2005, such return to be filed in December 2005.

Sales Tax (July through September 2005)

27. Similarly, as to the responsibility for sales taxes, S.C. Code Ann. § 12-54-195 (2014) provides that a "'responsible person' includes any officer, partner, or employee of the taxpayer who has a duty to pay to the department any state or local sales tax due by the taxpayer or use tax required or authorized to be collected by the retailer . . . ."

28. Section 12-54-195(B) provides the following with regard to a retailer who adds or collects a state or local sales or use tax, but fails to remit such tax to the Department: "a responsible person may be held liable, individually and personally, for the tax collected but not remitted to the department, along with penalties and interest from the date the tax was due." Further, "[t]he tax, penalties, and interest are not collectible from the retailer to the extent the tax, penalties, and interest imposed by this subsection are collected from a responsible person." Id.

29. As a retailer with a valid retail license issued by the Department, Intedge was responsible for filing sales tax returns and paying the appropriate tax it collected from its customers to the Department. The sales taxes were timely assessed against Intedge and as provided by section 12-54-195, the Petitioner, by virtue of his role as an officer and majority shareholder of the corporation under a duty to file and remit sales taxes, was a responsible person for purposes of sales tax liability. However, the court holds that the Petitioner no longer held a position of control within Intedge as of July 2005. Because the sales tax return should have been filed in September 2005, two months after the Petitioner lost his position of responsibility within Intedge, the court concludes that the Petitioner is not liable for the sales tax, interest or penalty owed by Intedge.

Due Process

30. The Petitioner further asserts that the Department's assessment against him personally and individually, and the Department's actions in attempting to collect such

assessment, violated his due process rights. Specifically, the Petitioner argues that his due process rights were violated by the Department based upon the excessive length of time between the assessments filed against Intedge, the issuance of the Proposed Notice of Final Assessment for Responsible Party, and the issuance of the Department Determination. While conceding that the Department failed to issue its determination within nine months, it asserts that, pursuant to S.C. Code Ann. § 12-60-450(E)(3), the Petitioner had the right to request a contested case hearing before the ALC at the expiration of 9 months. Here, the Petitioner failed to request such a hearing after nine months of the Proposed Notice of Assessment being issued. Thus, the Department argues, the Petitioner cannot complain of any perceived unfairness when he had a statutory remedy available to him but chose not to exercise that right. Furthermore, the Department argues that its actions in this case promote sound public policy in that a state agency should pursue remedies against a taxpayer business entity before looking through such entity to individuals.

31. In order for the Petitioner to receive the process he is due, he must have notice, an opportunity to be heard in a meaningful way, and judicial review. See Kurschner v. City of Camden Planning Comm'n, 376 S.C. 165, 171, 656 S.E.2d 346, 350 (2008) ("The fundamental requirements of due process include notice, an opportunity to be heard in a meaningful way, and judicial review." (citing S.C. Const. art. 1, § 22; Stono River Envtl. Protection Ass'n v. S.C. Dep't of Health and Envtl. Control, 305 S.C. 90, 406 S.E.2d 340 (1991)). As discussed above, the Petitioner received notice of the taxes owed. Likewise, he received judicial review. However, the court is concerned with the Department's delay in this matter.

32. While the court agrees with the Department's above enumerated arguments, the Department's inexplicable years long delay in pursuing this matter against the Petitioner is troubling. Aside from filing initial tax liens, the Record is devoid of any evidence that the Department attempted to collect the taxes from Intedge until Ms. Coggins began her employment with the Department in 2009. Additionally, while there is testimonial evidence that the Petitioner attempted to address some of the taxes owed by Intedge by taking advantage of the Department's Amnesty Program, but then failed to pay the full amount of taxes due, therefore voiding any deal he would have received through the Program, there is no evidence that the Department made further attempts to collect the taxes after the breach for years. Furthermore, after initially waiting almost four years to pursue the Petitioner as the Responsible Party for

Intedge, the Department then waited another four years to issue a Department Determination. During this long delay, the Petitioner sold Intedge in 2005 and relinquished control of and access to its business documents. The court finds that the Department's delay in pursuing this matter against the Petitioner hampered the Petitioner's ability to locate and produce company documents pertaining to Intedge's failure to pay its taxes.

33. This court does not hold that the Department's delay completely divested the Petitioner's right to be heard in a meaningful way. However, this court cannot ignore the long delay in prosecuting this matter, which continued for years after the Petitioner sold the business and lost control of and access to its records. As a remedy, the court accepts the Petitioner's testimony regarding the sale of the business, and finds that he was no longer in control of Intedge as of July 2005. Furthermore, the court holds that the Petitioner is not responsible for the penalties accruing from the taxes owed by Intedge.

34. At the hearing, the Petitioner moved the court for attorney fees. In light of this court's Order in this matter, the Petitioner's motion is denied. However, during the first day of the hearing, it was revealed that documents that had been subpoenaed by the Petitioner from the Department were not produced prior to the hearing, and were located in a file in Greenville, South Carolina in the automobile of one of the Department's employees. The discovery of this information necessitated the court recessing the hearing and permitting the Petitioner and his counsel the opportunity to obtain and review the documents. The hearing was then resumed and concluded the following day. While the court finds the Department's failure to provide the Petitioner with the documents prior to the hearing was an inadvertent error, the court recognizes that this error necessitated a delay in the hearing and caused the Petitioner to have to expend additional time reviewing documents and making necessary adjustments to his presentation. The Petitioner's counsel submitted a copy of a fee statement accounting for his work and charges associated with preparing for this matter. The fee statement reflects that the Petitioner's counsel billed an additional six hundred seventy-five dollars ($675.00) for the two hours he spent collecting the Department's documents [at a rate of three hundred dollars ($300.00) per hour] and a conference call with his client. The court finds this charge to be reasonable, and subtracts that amount from the tax liability owed by the Petitioner.

ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law, **IT IS HEREBY ORDERED** that the Department's Determination holding the Petitioner personally liable for the withholding and sales taxes, penalties, and interest of Intedge Industries, Inc. for the period of September 1999 through December 2005 is partially upheld and partially overturned. The court holds that the Petitioner is personally liable for the employee withholding taxes and interest owed by Intedge for the period of March 2003 through June 2005. Any taxes accruing before that period are barred by the statute of limitation and any taxes accruing after that period arose after the Petitioner was no longer in control of Intedge. Furthermore, the court holds that the Petitioner is not liable for the penalties in this matter due to the Department's long delay in pursuing the Petitioner as a responsible party. Therefore, the Petitioner is personally liable for a total of Thirty-Two Thousand, Seven Hundred Seventy-Six Dollars and 38/100 cents ($32,776.38), including interest and costs accrued through April 30, 2013 as shown on Exhibit A. This amount is reduced by the $675.00 in attorney fees associated with the above discussed delay necessitated by the Department's failure to produce documents subpoenaed by the Petitioner. **THEREFORE**, the Petitioner is personally liable for a total of Thirty-Two Thousand, One Hundred and One Dollars and 38/100 cents ($32,101.38).

AND IT IS SO ORDERED.

S. PHILLIP LENSKI
Administrative Law Judge

March 25, 2015
Columbia, South Carolina

FILED
MAR 25 2015
SC ADMIN. LAW COURT

Exhibit "A"

Entity	Period Covered	Type of Tax	Tax Not Deposited or Paid to Department	Interest	Costs	Total
Intedge Industries Inc.	Mar-03	EW		17.48	225.41	242.89
Intedge Industries Inc.	Sep-03	EW	4258.28	169.87	243.12	4671.27
Intedge Industries Inc.	Dec-03	EW	3923.79	204.80	424.11	4552.70
Intedge Industries Inc.	Mar-04	EW	3528.79	156.10		3684.89
Intedge Industries Inc.	Jun-04	EW	2566.25	122.19	151.48	2839.92
Intedge Industries Inc.	Sep-04	EW	3995.31	187.28	229.12	4411.71
Intedge Industries Inc.	Dec-04	EW	3753.26	131.07	210.78	4095.11
Intedge Industries Inc.	Mar-05	EW	4041.85	127.65		4169.50
Intedge Industries Inc.	Jun-05	EW	3724.96	171.17	212.26	4108.39
TOTAL			29792.49	1287.61	1696.28	32776.38

ROA 000050

FILED
MAR 25 2015
ADMIN. LAW COURT

CERTIFICATE OF SERVICE

I, Amy B. Rothschild, hereby certify that I have this date served this **Final Order** upon all parties to this cause by depositing a copy hereof, in the United States mail, postage paid, in the Interagency Mail Service, or by electronic mail to the address provided by the party(ies) and/or their attorney(s) as follows:

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The Honorable S. Phillip Lenski

March 25, 2015
Columbia, South Carolina

FILED
MAR 25 2015
SC ADMIN. LAW COURT

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, v. South Carolina Department of Revenue, Respondent.	)	Docket No. 13-ALJ-17-0244-CC Appellate Case No. 2017-000968 **RESPONDENT'S BRIEF ON REMAND FROM THE SOUTH CAROLINA COURT OF APPEALS**

Pursuant to the South Carolina Court of Appeals' July 13, 2017 Order and the oral directive of the Administrative Law Court (ALC) on September 5, 2017, Respondent South Carolina Department of Revenue (Department) submits this Brief and supporting documents regarding the amount of withholding taxes plus related interest Petitioner Richard Beltram (Beltram) is required to pay or for which he must post a bond prior to continuing his appeal of Appellate Case No. 2017-000968. On March 17, 2017, the ALC issued an Amended Final Order (Order) concluding that Beltram is personally liable for the employee withholding taxes and interest owed by Intedge Industries, Inc. for the period May 1, 2003 through July 1, 2005. The ALC further found that Beltram is entitled to a reduction of tax in the amount of $675.00. Thus, as explained below, the ALC found that Beltram is liable for tax and interest in the amount of $52,719.93, and Beltram must pay or post a bond for this amount to continue his appeal.[1]

BACKGROUND

On April 28, 2017, the Department filed a Motion to Dismiss Appeal with Prejudice (Motion) based upon Beltram's failure to "pay, or post a bond for, all taxes . . . determined to be

[1] Interest is accrued through September 15, 2017. Pursuant to S.C. Code Ann. § 12-54-25(A), interest continues to accrue on the tax liability until "paid in its entirety."

- old statute - supreds

* taxes

due by the administrative law judge before appealing the decision to the court of appeals." S.C. Code Ann. §12-60-3370 (2014). (Motion, attached as Ex. 4.) Beltram filed a Return to Motion to Dismiss (Return) on May 18, 2017. (Return, attached as Ex. 5.) The Department filed its Reply to Appellant/Respondent's Return to Motion to Dismiss (Reply) on May 30, 2017. (Reply, attached as Ex. 6.) On July 13, 2017, the Court of Appeals issued an order denying the Department's Motion and remanding the matter to the ALC "for a determination of the amount of taxes Beltram must pay or the amount of the bond Beltram must post pursuant to section 12-60-3370." (Court of Appeals' Order, p.1.) The parties were unable to reach an agreement regarding the amount Beltram must pay in this matter, and the ALC held a telephone conference with the parties on September 5, 2017. During the telephone conference, the ALC instructed the parties to file briefs with the ALC on this issue no later than September 18, 2017.

ISSUE

What is the amount Beltram must pay or the amount of the bond Beltram must post pursuant to S.C. Code Ann. § 12-60-3370?

DISCUSSION

I. The ALC Determined Beltram's Liability In This Matter Is $52,719.93.

In its Motion and Reply, the Department asserted the ALC concluded that Beltram must pay $52,273.05[2] in withholding taxes and related interest based upon its determination that Beltram was a responsible party for Intedge Industries, Inc. from May 1, 2003 to July 1, 2005. (Ex. 4 and Ex. 6.) Included with the Motion and Reply, the Department submitted the affidavits of Perry T. Mathis, a Regional Manager with the Department. (Ex. 4, pp. 8-9; Ex. 5, exhibit B.) In his

[2]In the Department's Motion and Reply, the Department's calculation was based upon interest accrued through April 30, 2017. The Department's calculation for purposes of this Brief is $52,719.93 (interest has increased $446.88 between April 30, 2017 and September 15, 2017). As discussed below, interest will continue to accrue on the liability until paid in its entirety.

taxes

affidavits Mr. Mathis confirmed, pursuant to the Department's interpretation of the Order, that the withholding tax assessments (and related interest) at issue in this matter remain unpaid in the amount of $52,273.05.[3] This amount is consistent with the ALC's Order. However, in his Return Beltram asserts that the amount determined to be due by the ALC in this matter is $13,602.11. (Ex. 5, p. 3.) For the reasons set forth below, Beltram understates his liability as determined to be due in the Order.

A. The ALC determined that Beltram is the Responsible Party for Intedge Industries, Inc. from May 1, 2003 through July 1, 2005.

At the contested case hearing before the ALC, the Department argued that Beltram is the responsible party for the withholding tax and sales tax assessments incurred by Intedge Industries, Inc. from September 1999 through December 2005. See column "A" of Worksheet, attached as Exhibit 1. The total withholding tax and sales tax assessed by the Department during these periods is $49,596.84. (Ex. 1, columns C and D.) As noted on the Worksheet, the amounts of the withholding tax and sales tax assessments listed in columns C and D were taken directly from the column "TAX NOT DEPOSITED OR PAID TO THE DEPARTMENT" on Exhibit 2 attached to this Brief.[4]

The ALC agreed that Beltram was the responsible party for Intedge Industries, Inc. by concluding that "as a withholding agent for Intedge, [Beltram] is liable for the withholding taxes, interest, and penalties that were not remitted to the Department to the same extent as Intedge." (Order, p. 12.)

---

[3] Mr. Mathis' calculation includes the following withholding periods: Sept. 2003; Dec. 2003; Mar. 2004; Jun. 2004; Sept. 2004; Dec. 2004; Mar. 2005; and Jun. 2005. (Ex. 4, pp. 9.) Further, this calculation is based upon interest accrued through April 30, 2017. Id.

[4] Exhibit 2 was admitted, without objection, at the contested case hearing before the ALC as Respondent's Exhibit 2.

However, the ALC concluded that Beltram was only responsible for the outstanding tax in the amount of $27,935.38:

> 27. This court finds, additionally, that as of this date, all of the above-listed withholding taxes, penalties, and interest remain unpaid. This court also finds that the first three (3) tax liens (see footnote 5) filed against Intedge have expired, since they were filed over ten (10) years ago., [sic] all before May 1, 2013, which was the date of the Department Determination in this matter. This court also finds that the first three (3) tax liens have expired. Additionally, the last three (3) tax liens were for unpaid taxes during the tax periods that occurred after the Petitioner was no longer a responsible party. The remaining tax liens were incurred during the Petitioner's tenure as the responsible party and amounted to $27,935.38, according to this court's calculations.

(Order, p. 9) (emphasis added) (internal footnotes omitted.) As demonstrated on Exhibit 1, the ALC calculated the amount as follows:

Total Tax Assessed (column C + D)	$49,596.84
Excluded by ALC (column E + F)	($21,661.46)
TOTAL (column G)	**$27,935.38**

B. The ALC's calculation of tax in the amount of $27,935.38.

In arriving at its determination that Beltram was responsible for the outstanding tax of Intedge Industries, Inc. in the amount of $27,935.38, the ALC excluded certain withholding and sales tax periods from the Department's proposed assessment. First, the ALC excluded the first three withholding tax periods due to its determination that those periods are barred by the ten year lien period:

> 22. Because the Department is barred from collecting any taxes secured by a lien that was filed more than ten years before the May 1, 2013 Department Determination, the court holds that the following employee withholding taxes owed by Intedge can no longer be collected:
>
> a. Employee withholding taxes for the third quarter of 1999 for which a lien was properly filed in August of 2001;

b. Employee withholding taxes for the first quarter of 2001 for which a lien was properly filed in November of 2001; and
c. Employee withholding taxes for the second quarter of 2001 for which a lien was properly filed in February of 2002.

(Order, p. 18.) The ALC determined that the withholding taxes due from those three periods is $11,482.15. (Order, p. 9, n.9). See Ex. 1, column E.

The ALC also excluded later tax periods based upon its determination that those unpaid taxes occurred during periods when Beltram was no longer a responsible party:

> 26. However, because the Petitioner lost control of Intedge in July 2005, the court holds that he is not personally liable for any tax liability accruing to Intedge after July 2005. Therefore, the Petitioner is not liable for Intedge's employee withholding taxes for the following periods:
>
> a. Legal tax lien July 5, 2006 (for taxes of $4,320 due on October 31, 2005, along with penalties and interest);
> b. Legal tax lien December 14, 2006 (for taxes of $634.35 due on February 28, 2006, along with penalties and interest); and
> c. Legal tax lien June 21, 2006 (for taxes of $1,500 due on October 20, 2005, along with penalties and interest).

(Order, p. 20.) The ALC determined that the taxes due from those three periods is $6,454.35. (Order, p. 9, n.11). See Ex. 1, column F.[5] Although the ALC determined that only the periods of September 2005 (withholding), December 2005 (withholding), and September 2005 (sales tax) should be excluded from Beltram's liability as responsible party, it mistakenly excluded the withholding period from the quarter ending June 2005 in its calculation. (Ex. 1, column F.) As

[5] It appears the ALC Order contains a harmless error with regard to the tax lien filed June 21, 2006 (for taxes of $1,500.00 due on October 20, 2005). Specifically, the Order references the basis of this tax as employee withholding tax. However, the filed tax lien relates to sales tax due for the September 2005 period. See Ex. 1, column D; Ex. 2, p. 4. Because the ALC later determined that Beltram was not liable for the sales tax period of September 2005, the resulting error is harmless. (Order, p. 21, para. 29.)

discussed in the following section, the Department included the withholding period from the quarter of June 2005 in its calculation of Beltram's liability in this matter.

C. The Department's adjustments and calculations confirm that Beltram must pay or post bond on the amount of $52,719.93.

In its Order, the ALC also instructed the Department to review the ALC's calculations and make the necessary adjustments as a result of that review:

> Though there may be a need for the Department to alter these calculations, based on a more thorough review of the taxes due for these dates.

(Order, p. 9, n.12.) In accordance with the ALC's instruction, the Department reviewed the ALC's calculations and made four (4) adjustments. See Ex. 1, column H. First, the Department determined that Intedge Industries did not have a balance due for the withholding quarter ending March 2003. Thus, the amount of $1,867.85 was removed from the calculation. (Ex. 1, column H.)

Second, it appears the ALC mistakenly included the withholding quarter ending June 2005 in the ALC's calculation of excluded periods. In its Order, the ALC excluded periods in which the liability accrued *after* Beltram "lost his position of responsibility within Intedge" on July 1, 2005. (Order, p. 21, para. 29). The withholding taxes included in the period for the quarter ending June 30, 2005 consists of taxes on income earned during April 2005, May 2005, and June 2005. Because the income received in April 2005, May 2005 and June 2005 was earned prior to July 1, 2005, the withholding taxes Intedge was required to remit to the Department on its employees' income accrued *prior* to July 1, 2005. Beltram is responsible for the withholding taxes due for the quarter ending June 30, 2005, and the Department made this second adjustment to the ALC's calculation by including the withholding taxes from the quarter ending June 2005. (Order, p. 20; Ex. 1, column H.)

Thus, as shown on Exhibit 1, Beltram is the responsible party for withholding taxes outstanding in the amount of $29,792.49. (Ex. 1, column I.)

Third, the Department reduced the total due from Beltram by $675.00 as instructed by the ALC. (Order, p. 24; Ex. 1, column H.) Finally, the Department included interest calculations on the eight (8) withholding periods in which the ALC found Beltram was the responsible party. See S.C. Code Ann. § 12-54-25(A) (2014) (stating that interest continues to accrue on the tax liability until "paid in its entirety."); Order, p. 23 (finding that "there is no statutory authority for the waiver of interest in this case"). As of September 15, 2017, interest on such withholding periods has accrued to $23,602.44. See Affidavit of Perry T. Mathis, attached as Exhibit 3.

Accordingly, the Department's calculation that Beltram must pay or post bond for taxes in the amount of $52,719.93 is in complete accordance with the ALC's Order.

II. Beltram Failed to Include All Applicable Interest and Withholding Periods in His Calculation of the Amount Determined to Be Due In the ALC's Order.

As outlined in his Return, Beltram asserts that the total liability determined to be due by the ALC in this matter is $13,602.11. (Ex. 5, p. 3.) In his computation, Beltram included the following amounts: $4,258.28; $3,923.79; $3,528.79; $2,566.25; less $675.00 per ALC Order. It appears Beltram included the amounts for the withholding periods of September 2003, December 2003, March 2004, and June 2004, respectively. However, Beltram failed to include interest[6] on his liability, and Beltram failed to include the tax liability for all applicable periods.

[6]Based on the September 5, 2017 telephone conference, it is the Department's understanding that Beltram conceded that the amount due as determined by the ALC must include interest (and the amount stated in his Reply does not include interest). Out of an abundance of caution, the Department includes section II(A) of this Brief to the extent the Department misunderstood the statement by Beltram's counsel concerning the inclusion of interest in Beltram's liability.

A. Beltram failed to include the statutorily mandated interest accrued upon the withholding tax assessment.

Pursuant to S.C. Code Ann. § 12-60-3370 of the South Carolina Revenue Procedures Act (RPA), "a taxpayer shall pay, or post a bond for, all taxes, not including penalties or civil fines, determined to be due by the administrative law judge before appealing the decision to the court of appeals." S.C. Code Ann. § 12-60-3370 (2014) (emphasis added). The RPA defines "tax" or "taxes" as "taxes . . . including interest . . . imposed by this title, or subject to assessment or collection by the department." S.C. Code Ann. § 12-60-30(27) (2014). See also S.C. Code Ann. § 12-54-25(A); ALC Amended Order, p. 23 (finding that "there is no statutory authority for the waiver of interest in this case").[7] Thus, Beltram's liability determined to be due by the ALC must include all applicable interest on such tax assessments. Beltram's computation is simply in error as it does not include, pursuant to section 12-60-30(27), the interest due upon the withholding tax liability in this matter.

B. Beltram improperly excluded withholding tax periods specifically included in the ALC's Order.

At a minimum, Beltram's calculation is inaccurate because it fails to include the statutory interest amounts upon the tax liability. Nevertheless, Beltram argues that the Department's calculation is incorrect because the ALC's Order "does not set forth a specific money judgment. Rather, it calls for a calculation of the judgment based on certain time parameters set forth in the Amended Final Order." (Ex. 5, p. 2.) With regard to Beltram's assertion that the ALC's Order does not set forth a specific dollar amount, the Department would refer the ALC to Section I of this Brief as well as the ALC Order at page 9. With regard to Beltram's assertion that the ALC

[7] See also Order, p. 25 ("Furthermore, the Petitioner is required to pay interest that has continued to accrue, on the unpaid portion of the taxes for taxes Intedge incurred from May 1, 2003 through July 1, 2005.").

Order is based on "certain time parameters," the Department concurs with such statement. However, Beltram did not include all the withholding periods the ALC deemed him to be the responsible party of when making his calculation of his total tax liability in this matter. Specifically, the ALC made the following finding of fact:

> The court holds that the Petitioner is personally liable for the employee withholding taxes, penalties and interest owed by Intedge for the period of May 1, 2003, through July 1, 2005.

(Order, p. 24.)

As demonstrated on the Worksheet, the Department has included all tax periods from September 2003 through June 2005. (Ex. 1, column I.) All of these periods fall within the timeframe of May 1, 2003 through July 1, 2005 for which the ALC determined Beltram was a responsible party. This is the decision rendered by the ALC. See ALC Amended Order, pp. 24-25; Id. at p.9 ("The remaining tax liens were incurred during the Petitioner's tenure as the responsible party and amounted to $27,935.38, according to this court's calculations.").

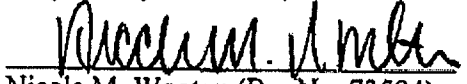
CONCLUSION

As evidenced by the supporting documents to this Brief, the Department correctly interpreted the amount determined to be due pursuant to the ALC's Order. Thus, the Department respectfully requests the ALC to issue an order affirming that the amount of taxes Beltram must pay or the amount of the bond Beltram must post pursuant to section 12-60-3370 is $52,719.93.[8]

[Signature on Next Page]

[8]This amount includes interest accrued through September 15, 2017. If Beltram does not pay or post bond prior to September 15, 2017, Beltram is responsible for all interest accrued after September 15, 2017.

Respectfully submitted,



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September 18, 2017

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, v. South Carolina Department of Revenue, Respondent.	)	**BRIEF OF PETITIONER ON REMAND** Docket No. 13-ALJ-17-0244-CC

This matter is before the Administrative Law Court on remand from the South Carolina Court of Appeals to address the narrow and specific issue of the principal amount of taxes due under the Administrative Law Court's Amended Final Order filed on March 17, 2017.

Petitioner submits that the scope and intention of the Court's order is contained in Paragraph 27, p. 9, which reads in pertinent part as follows:

> [T]he first three (3) tax liens (see footnote 5) filed against Intedge have expired, since they were filed over ten (10) years ago, all before May 1, 2013, which was the date of the Department Determination in this matter. This court also finds that the first three (3) tax liens have expired. Additionally, the last three (3) tax liens were for unpaid taxes during tax periods that occurred after the Petitioner was no longer a responsible party.

The Court noted that "there may be a need for the Department to alter these calculations, based on a more thorough review of the taxes due for these dates."

The Court calculated the first three expired tax liens as totaling $11,482.15. The Court calculated the last three tax liens as totaling $6,454.35. The Court calculated remaining tax liens as totaling $27,935.38.

In Paragraph 20, p. 16, the Court find that based on the plain language of the applicable

law, the tax liens set forth in Exhibit 1 to the Order **"became effective against the company upon the filing of the liens in Spartanburg County."**

The substance of the Order in these paragraphs is clear; the calculations are simply incorrect. A more thorough review of the respective tax liens and their due dates, as noted to be necessary by the Court, demonstrates this fact.

Looking to Exhibit 1, prepared by the DOR and upon which it relies, it is clear that the amounts of the tax liens that were filed during the period of liability established by the Court – from May 1, 2003 through July 1, 2005 – is as follows:

(1) Lien filed on September 7, 2004 in the amount of $4,258.28;

(2) Lien filed on February 16, 2005 in the amount of $3,923.79;

(3) Lien filed on February 16, 2005 in the amount of $3,528.79; and

(4) Lien filed on May 23, 2005 in the amount of $2,566.25.

These liens filed during the period of Petitioner's determined liability total $14,277.11. Subtracting the $675.00 attorney's fees reduction, this principal amount comes to $13,602.11. This amount is straightforward and in line with the specific language in the Court's order. The additional liens that the Department attributes to Petitioner consist of liens filed **on or after August 3, 2005**, which is outside the time period that the Court determined was applicable to Petitioner, based on the plain language of the Court's order.

Respectfully submitted,

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September 18, 2017

Exhibit 1

NOTICE SENT TO: (ENTITY OR INDIVIDUAL)	Period Covered	TYPE OF NOTICE	DATE SENT	Where Tax Reported If Any	Type of Tax	TAX SHOWN ON RETURN BY TAXPAYER	TAX NOT DEPOSITED OR PAID TO DEPARTMENT	PENALTIES	INTEREST	COSTS	TOTAL	LIEN
Intedge Industries Inc.	Sep-99	PNOA	3/29/2001	Return	Empl With	$2,519.14	2519.14	113.36	164.49		2796.99	N
Intedge Industries Inc.	Sep-99	Assmt	5/15/2001	Return	Empl With		2519.14	239.31	368.22		3126.67	N
Intedge Industries Inc.	Sep-99	Tax Lien - 50366302-2	8/13/2001	Return	Empl With		2519.14	277.08	422.03	165.91	3384.16	Y
Intedge Industries Inc.	Mar-01	PNOA	6/27/2001	Return	Empl With	$4,660.71	4660.71	146.60	62.72		4870.03	N
Intedge Industries Inc.	Mar-01	Assmt	8/14/2001	Return	Empl With		4660.71	193.20	119.21		4973.12	N
Intedge Industries Inc.	Mar-01	Tax Lien - 50385821-9	11/13/2001	Return	Empl With		4660.71	263.10	203.35	261.36	5388.52	Y
Intedge Industries Inc.	Jun-01	PNOA	10/10/2001	Return	Empl With	$4,302.30	4302.30	43.02	50.62		4395.94	N
Intedge Industries Inc.	Jun-01	Assmt	11/27/2001	Return	Empl With		4302.30	107.55	128.10		4537.95	N
Intedge Industries Inc.	Jun-01	Tax Lien - 50399243-0	2/25/2002	Return	Empl With		4302.30	172.08	194.12	238.43	4906.93	Y
Intedge Industries Inc.	Mar-03	Return	4/30/2003	Return	Empl With	$3,787.41						
Intedge Industries Inc.	Mar-03	PNOA	7/29/2003	Return	Empl With		1867.85	18.67	15.67		1902.19	N
Intedge Industries Inc.	Mar-03	Assmt	9/15/2003	Return	Empl With		1867.85	46.68	39.56		1954.09	N
Intedge Industries Inc.	Mar-03	Tax Lien - 50650728-2	10/7/2005	Return	Empl With				17.48	225.41	242.89	Y (includes 3/03 and 3/05)
Intedge Industries Inc.	Sep-03	Return	10/31/2003	Return	Empl With	$4,258.28						
Intedge Industries Inc.	Sep-03	PNOA	2/17/2004	Return	Empl With		4258.28	63.87	43.11		4365.26	N
Intedge Industries Inc.	Sep-03	Assmt	5/18/2004	Return	Empl With		4258.28	170.32	125.57		4554.17	N
Intedge Industries Inc.	Sep-03	Tax Lien - 50577657-3	9/7/2004	Return	Empl With		4258.28	234.19	169.87	243.12	4905.46	Y
Intedge Industries Inc.	Dec-03	Return	2/28/2004	Return	Empl With	$3,923.79						
Intedge Industries Inc.	Dec-03	PNOA	7/30/2004	Return	Empl With		3923.79	58.85	29.92		4012.56	N
Intedge Industries Inc.	Dec-03	Assmt	10/29/2004	Return	Empl With		3923.79	196.18	136.99		4256.96	N
Intedge Industries Inc.	Dec-03	Tax Lien - 50604526-5	2/16/2005	Return	Empl With		3923.79	274.62	204.80	424.11	4827.32	Y (includes 12/03 and 3/04)

Intedge Industries Inc.	Mar-04	Return	4/30/2004	Return	Empl With	$4,044.90						
Intedge Industries Inc.	Mar-04	PNOA	7/30/2004	Return	Empl With		3528.79	35.28	29.53		3593.60	
Intedge Industries Inc.	Mar-04	Assmt	10/29/2004	Return	Empl With		3528.79	123.49	95.57		3747.85	
Intedge Industries Inc.	Mar-04	Tax Lien - 50604526-5	2/16/2005	Return	Empl With		3528.79	194.05	156.10		3878.94	Y (includes 12/03 and 3/04)
Intedge Industries Inc.	Jun-04	Return	7/31/2004	Return	Empl With	$3,673.30						
Intedge Industries Inc.	Jun-04	PNOA	11/1/2004	Return	Empl With		2566.25	38.49	28.12		2632.86	N
Intedge Industries Inc.	Jun-04	Assmt	2/1/2005	Return	Empl With		2566.25	89.81	71.06		2727.12	N
Intedge Industries Inc.	Jun-04	Tax Lien - 50619243-7	5/23/2005	Return	Empl With		2566.25	141.13	122.19	151.48	2981.05	Y
Intedge Industries Inc.	Sep-04	Return	10/31/2004	Return	Empl With	$4,711.65						
Intedge Industries Inc.	Sep-04	PNOA	1/14/2005	Return	Empl With		3995.31	59.92	50.57		4105.80	N
Intedge Industries Inc.	Sep-04	Assmt	4/15/2005	Return	Empl With		3995.31	119.84	103.56		4218.71	N
Intedge Industries Inc.	Sep-04	Tax Lien - 50630256-2	8/3/2005	Return	Empl With		3995.31	199.72	187.28	229.12	4611.43	Y
Intedge Industries Inc.	Dec-04	Return	2/28/2005	Return	Empl With	$3,753.26						
Intedge Industries Inc.	Dec-04	PNOA	5/5/2005	Return	Empl With		3753.26	37.53	34.60		3825.39	N
Intedge Industries Inc.	Dec-04	Assmt	8/3/2005	Return	Empl With		3753.26	112.59	111.96		3977.81	N
Intedge Industries Inc.	Dec-04	Tax Lien - 50639161-6	9/6/2005	Return	Empl With		3753.26	131.35	131.07	210.78	4226.46	Y
Intedge Industries Inc.	Mar-05	Return	4/30/2005	Return	Empl With	$4,041.85						
Intedge Industries Inc.	Mar-05	PNOA	6/1/2005	Return	Empl With		4041.85	40.41	40.73		4122.99	N
Intedge Industries Inc.	Mar-05	Assmt	8/31/2005	Return	Empl With		4041.85	101.03	102.94		4245.82	N
Intedge Industries Inc.	Mar-05	Tax Lien - 50650728-2	10/7/2005	Return	Empl With		4041.85	121.23	127.65		4290.73	Y (includes 3/03 and 3/05)
Intedge Industries Inc.	Jun-05	Return	7/31/2005	Return	Empl With	$3,724.96						
Intedge Industries Inc.	Jun-05	PNOA	11/4/2005	Return	Empl With		3724.96	37.24	37.54		3799.74	N
Intedge Industries Inc.	Jun-05	Assmt	2/3/2006	Return	Empl With		3724.96	130.36	148.08		4003.40	N

Intedge Industries Inc.	Jun-05	Tax Lien - 50700406-9	3/6/2006	Return	Empl With		3724.96	148.98	171.17	212.26	4257.37	Y
Intedge Industries Inc.	Sep-05	Return		Office Aud	Empl With							
Intedge Industries Inc.	Sep-05	PNOA	2/13/2006	Office Aud	Empl With		4320.00	1450.40	100.56		5870.96	N
Intedge Industries Inc.	Sep-05	Assmt	6/5/2006	Office Aud	Empl With		4320.00	1752.80	205.21		6278.01	N
Intedge Industries Inc.	Sep-05	Tax Lien - 50720549-7	7/5/2006	Office Aud	Empl With		4320.00	1774.40	236.06	326.52	6656.98	Y
Intedge Industries Inc.	Dec-05	Return	2/28/2006	Return	Empl With	$634.35						
Intedge Industries Inc.	Dec-05	PNOA	8/14/2006	Return	Empl With		634.35	6.34	7.46		648.15	N
Intedge Industries Inc.	Dec-05	Assmt	11/14/2006	Return	Empl With		634.35	28.54	37.16		700.05	N
Intedge Industries Inc.	Dec-05	Tax Lien - 50762228-3	12/14/2006	Return	Empl With		634.35	31.71	41.74	45.39	753.19	Y
Intedge Industries Inc.	Sep-05	PNOA	1/30/2006	Delq Est	Sales		1500.00	912.50	38.15		2450.65	N
Intedge Industries Inc.	Sep-05	Assmt	5/22/2006	Delq Est	Sales		1500.00	942.50	74.56		2517.06	N
Intedge Industries Inc.	Sep-05	Tax Lien - 50719459-7	6/21/2006	Delq Est	Sales		1500.00	950.00	85.29	136.76	2672.05	Y
Richard S Beltram	Sep-99 to Dec-05 listed above	PNOA Resp Par	9/2/2009	Return (see above)	Empl With		41196.13	20552.32	25198.92		86947.37	N
Richard S Beltram	Sep-05 listed above	PNOA Resp Par	9/2/2009	Delq Est (see above)	Sales		1500.00	1550.00	706.92		3756.92	N
Legend: Date Sent Column for returns listed is the postmark date												

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 12265, Columbia, South Carolina 29211-9979
803-898-5130 Fax # 803-896-0171

September 25, 2017

The Honorable S. Phillip Lenski
Administrative Law Judge
Edgar A. Brown Building
1205 Pendleton Street, Ste. 224
Columbia, SC 29201

Re: Richard Beltram v. South Carolina Department of Revenue
Case No. 13-ALJ-17-0244-CC
Appellate Case No. 2017-000968

Dear Judge Lenski:

Enclosed please find the Respondent's Response to Brief of Petitioner on Remand in the above referenced matter. Also enclosed is a Proof of Service.

Should you have any questions, please do not hesitate to contact me at 803-898-1826 or Nicole.Wooten@dor.sc.gov.

Sincerely,

OFFICE OF GENERAL COUNSEL FOR LITIGATION

Nicole M. Wooten
Counsel for Litigation

c: Ginger D. Goforth, Esquire

Enclosures
NMW: tm

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, v. South Carolina Department of Revenue, Respondent.	)	Docket No. 13-ALJ-17-0244-CC Appellate Case No. 2017-000968 **RESPONDENT'S RESPONSE TO BRIEF OF PETITIONER ON REMAND**

Pursuant to the oral directive of the Administrative Law Court (ALC) on September 5, 2017, Respondent South Carolina Department of Revenue (Department) submits this Response to Petitioner Richard Beltram's (Beltram) Brief of Petitioner on Remand emailed to the ALC on September 18, 2017.

In his Brief, Beltram asserts that the ALC's March 17, 2017 Amended Final Order (Order) determined that his liability in this matter is limited to $13,602.11. Beltram calculated this amount by adding the amount due for the withholding quarters ended September 2003, December 2003, March 2004, and June 2004. Beltram's calculation is erroneous for the following reasons: (1) Beltram's computation does not include the interest due upon the withholding tax liability in this matter; and (2) Beltram excludes from his computation the amount due for the withholding quarters ended September 2004, December 2004, March 2005, and June 2005.

I. Beltram failed to include the statutorily mandated interest accrued upon the withholding tax assessments.

Based on Beltram's Brief, it appears that he now disputes that interest must be included in the amount he must pay or the amount of the bond he must post pursuant to S.C. Code Ann. § 12-

60-3370 (2014).[1] Section 12-60-3370 requires Beltram to "pay, or post a bond for, all taxes . . . determined to be due by the administrative law judge before appealing the decision to the court of appeals." (emphasis added). Further, S.C. Code Ann. § 12-60-30 includes interest in the definition of taxes:

> "Tax" or "taxes" means taxes, licenses, permits, fees, or other amounts, including interest and penalties, imposed by this title, or assessed or collected by the department, except property taxes.

S.C. Code Ann. § 12-60-30(27) (2014) (emphasis added). Because section 12-60-3370 requires Beltram to pay or post a bond for "all taxes" and the definition of "taxes" includes interest, the amount Beltram is required to pay or the amount of the bond he must post before continuing his appeal includes all interest on the tax due for all applicable periods. See Order, p. 23 (confirming that interest is included); Dept's Br., pp. 7-8 (additional discussion regarding the inclusion of interest).

II. Beltram improperly excluded withholding tax periods specifically included in the ALC's Order.

As discussed in the Department's Brief and supporting documents filed on September 18, 2017, the ALC held that Beltram is personally liable for the employee withholding taxes and interest owed by Intedge for the period of May 1, 2003 through July 1, 2005 ("Responsible Party Period"). (Order, pp. 24-25.) Therefore, Beltram is liable for all of the withholding taxes incurred during the Responsible Party Period. The Responsible Party Period includes the following eight

[1]Further, the issue on remand is not limited to "the narrow and specific issue of the principal amount of taxes due under the Administrative Law Court's Amended Final Order filed on March 17, 2017." (Beltram's Brief, p.1) (emphasis added). Nowhere in the South Carolina Court of Appeals' Order does it limit the amount due to the "principal" amount of taxes.

(8) withholding tax quarters: September 2003, December 2003, March 2004, June 2004, September 2004, December 2004, March 2005, and June 2005 ("Eight Withholding Quarters").

As illustrated on Exhibit 1 to the Department's Brief, the adjusted tax due for the Eight Withholding Quarters totals $29,792.49 plus interest.[2] (Ex. 1, column I.) The ALC's Order held that Beltram is a responsible party for Intedge during the Responsible Party Period. Thus, Beltram is liable for the adjusted tax due during that period, plus interest. Therefore, he must pay or post bond of $52,719.93 (which includes interest through September 15, 2017) prior to continuing his appeal before the Court of Appeals.

Nevertheless, Beltram interprets the ALC's Order to hold that that he is not liable for the tax due for the withholding quarters ended September 2004, December 2004, March 2005, and June 2005 because the Department did not file the tax liens for these quarters until after the Responsible Party Period. Beltram's reliance on the filing dates of the tax liens is misplaced because the lien does not need to be filed in order for a taxpayer to be liable for a tax.

Under South Carolina law, a tax lien is created when a taxpayer fails or refuses to pay a tax after demand:

> If a person liable to pay a tax neglects or refuses to pay it after demand, the amount of the tax, including interest, additional tax, addition to tax, or assessable penalty, plus accrued costs, is a lien in favor of the Department of Revenue on all property and rights to property, real or personal, tangible or intangible, belonging to the person.

---

[2]The ALC directed the Department to make certain adjustments to the ALC's calculation of the amount Beltram is liable for in this matter. (Order, p.9, n.12). Those adjustments are also delineated on Exhibit 1 to the Department's Brief. (Ex. 1, column H).

S.C. Code Ann. § 12-54-120(A)(1) (2014). The tax lien permits the Department "to seize, levy on, and sell the property of the person for the payment of the amount due . . . ." S.C. Code Ann. § 12-54-120(A)(2)(c) (2014). By contrast, a tax lien is filed to give notice to third parties that the Department of Revenue has a lien against a taxpayer for an existing tax liability. Further, a tax lien is filed to establish the priority of liabilities as to a taxpayer's other creditors. The Department does not file a tax lien to create a liability but to ensure that an existing liability has priority over the liabilities of the taxpayer's other creditors.

In short, a tax lien does not create an obligation or liability of the taxpayer – it identifies a liability that already exists. See S.C. Code Ann. § 12-8-520 (2014) (providing that income tax on an employee's wages shall be withheld if at the time of payment the wages are expected to equal or exceed one thousand dollars during the year). Moreover, a tax lien is evidence of a liability the taxpayer owes the Department, regardless of whether the lien is ever filed.

Thus, Beltram incorrectly asserts that he is not liable for the tax due for the withholding quarters ended September 2004, December 2004, March 2005, and June 2005 simply because the liens for these quarters were not filed until after July 2005. Intedge failed or refused to pay the withholding tax for the Responsible Party Period, so that tax became a liability (i.e., a lien regardless of whether the lien had been filed). See S.C. Code Ann. § 12-8-2030 (2014) ("An amount withhold under this chapter must be held in trust for the State and is a lien against all property . . . of the withholding agent."). Accordingly, because the ALC found Beltram was a responsible party for Intedge Industries, Beltram is liable for the tax due for the Eight Withholding Periods during the entire Responsible Party Period.

CONCLUSION

For these reasons and those contained in the Department's Brief, the Department correctly interpreted the amount determined to be due pursuant to the ALC's Order. Thus, the Department respectfully requests the ALC to issue an order affirming that the amount of taxes and interest Beltram must pay or the amount of the bond Beltram must post pursuant to section 12-60-3370 is $52,719.93.[3]

Respectfully submitted,

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Attorneys for Respondent

Columbia, South Carolina
September 25, 2017

[3]This amount includes interest accrued through September 15, 2017. If Beltram does not pay or post bond prior to September 15, 2017, Beltram is responsible for all interest accrued after September 15, 2017.

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, v. South Carolina Department of Revenue, Respondent.	)	Docket No. 13-ALJ-17-0244-CC Appellate Case No. 2017-000968 **PROOF OF SERVICE**

I, Tonie M. Miranda, do hereby certify that I have caused to be mailed postage pre-paid, a copy of the Department of Revenue's Respondent/Appellant's Response to Brief of Petitioner on Remand in the above-referenced case re: Richard Beltram v. South Carolina Department of Revenue, Docket No. 13-ALJ-17-0244-CC, Appellate Case No. 2017-000968 to Ginger D. Goforth, The Ward Law Firm, P.A., P.O. Box 5663, Spartanburg, SC 29304 this 25th day of September, 2017.

Tonie M. Miranda
Legal Assistant for Respondent/Appellant

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, v. South Carolina Department of Revenue, Respondent.	**REPLY BRIEF OF PETITIONER ON REMAND** Docket No. 13-ALJ-17-0244-CC

Petitioner Richard Beltram ("Beltram") submits this brief in reply to the brief of Respondent South Carolina Department of Revenue ("DOR") transmitted on September 18, 2017.

As noted by both Beltram and the DOR, the South Carolina Court of Appeals remanded this matter to determine the amount of taxes due under the Administrative Law Court's Amended Final Order filed on March 17, 2017 ("Amended Final Order") so that Beltram may file the appropriate bond or pay the appropriate amount of taxes into the court and proceed with his appeal.

I. The Amended Final Order does NOT support the DOR's claimed liability of $52,719.93

Precision of language is the key to interpreting the law, be it a statute, a regulation, or an Order of the Court. This Court noted in its Amended Final Order that in applying a statutory provision, "words should be given their plain and ordinary meaning, without resort to subtle or forced construction to limit or expand the statute's operation." Sloan v. Board of Physical Therapy Examiners, 370 S.C. 452, 636 S.E.2d 598, 607 (2006). The court then cited S.C. Code Ann. § 12-8-2030, which provides that an amount withheld for taxes is a lien against property of the withholding agent, and, further, that "**[t]he lien becomes effective after it has been properly**

recorded in the county where the withholding agent's business is located." S.C. Code Ann. § 12-8-2030. Under the plain language of this statute, such liens are **not** effective prior to their proper recording.

The Court reinforced and recognized this plain language in Paragraph 20, p. 16 of the Amended Final Order, wherein it held that "the withholding tax liens as set forth in Exhibit 1 for Intedge's delinquent withholding and sales taxes **became effective against the company upon the filing of the liens in Spartanburg County.**"

The Court also used the precise language – "tax lien" – when holding that Beltram/Intedge was not liable for "any taxes secured by a lien" that was filed more than ten years before May 1, 2013, the date of the Final Department Determination (that was filed nearly three years too late).

Therefore, the plain language of the Order requires tax liability on the part of Beltram for tax liens properly filed between May 1, 2003 and July 1, 2005. The DOR's own lien filing timeline document, which Beltram submitted as Exhibit 1 to his September 18, 2017 submission, fully supports this position.

The Order, giving meaning to this plain language, requires Beltram to pay the following amounts:

Tax liens that were filed during the period of liability established by the Court – from May 1, 2003 through July 1, 2005

(1) Lien filed on September 7, 2004 - $4,258.28

(2) Lien filed on February 16, 2005 - $3,923.79

(3) Lien filed on February 16, 2005 - $3,528.79

(4) Lien filed on May 23, 2005 - $2,566.25

$14,277.11

- 675.00
$13,602.11

The liens filed during the period of Petitioner's determined liability, reduced by the attorney's fees awarded, total $13,602.11. All other liens attributed by the DOR to Beltram were filed **on or after August 3, 2005**, and outside the time period that the Court determined was applicable to Petitioner, based on the plain language of the Court's order.[1]

II. Beltram did not fail to include interest in the calculation of amounts required for the appeal bond.

Beltram recognizes that the Court found – although Beltram contests the finding – that interest was due on the unpaid taxes. This despite the fact that the DOR's "protracted eight (8) year delay," which the Court stated was an "inexplicably long delay" in reaching its Final Determination on May 1, 2013, was the cause of the vast majority of the interest accrual. The DOR's failure to timely pursue its remedies was not within Beltram's control. Neither was the time the matter was pending. Still, the fact of the award of interest is an issue for appeal.

However, regardless of whether interest was properly awarded in the Amended Final Order, the plain language of S.C. Code Ann. § 12-60-3370 does not require the payment of interest be posted in order to proceed with the appeal. This statute specifically states that "[e]xcept as otherwise provided, a taxpayer shall pay, or post a bond, for all **taxes**, not including penalties or civil fines, determined to be due by the administrative law judge before appealing the decision to

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1 It is significant to note that this is not a situation where Beltram is claiming the Court's Amended Final Order is in error, and the DOR is claiming it is not. For example, the DOR claims that the Court wrongfully failed to include the withholding period ending in June 2005. The Court did not err excluding this period. Quarterly withholding taxes are not due until the month following the quarter. So, withholding taxes for April, May, and June 2005 were not due until July 31, 2005. Under the Amended Final Order, Beltram was not liable for any taxes due after July 1, 2005. As such, the Court rightfully and upon a sound legal basis excluded this period from its Order.

the court of appeals." This section does not discuss interest. The legislature could have addressed it, but declined to do so. Therefore, even though the Court's Order awarded both unpaid taxes and interest (which it addressed separately, not together), the bond statute does not require the payment of interest to pursue the appeal, only the taxes owed.

CONCLUSION

For the reasons set forth herein, Petitioner Richard Beltram urges the Court to apply the consistent language throughout the Amended Final Order referring to the **tax liens** owed to reach the determination – supported by the DOR's own records/exhibit - that Beltram owes $13,602.11 in taxes under the Order, and that the posting of this amount with the Court of Appeals satisfies the bond requirement. Beltram further submits that while the Court's decision to award interest is a matter for appeal, such interest is not specified in the plain language of the appeal bond statute, which only requires the payment of or a bond based on the **taxes** owed in order to proceed with the appeal.

Respectfully submitted,

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September 25, 2017

State of South Carolina
Department of Revenue
Office of General Counsel for Litigation
300A Outlet Pointe Blvd. (29210); P.O. Box 12265, Columbia, South Carolina 29211
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April 6, 2015

The Honorable S. Phillip Lenski
Administrative Law Judge
Edgar A. Brown Bldg.
1205 Pendleton St., Ste. 224
Columbia, SC 29201

Re: Richard Beltram v. South Carolina Department of Revenue
Docket No. 13-ALJ-17-0244-CC

Dear Judge Lenski:

Enclosed please find the Respondent's Motion for Reconsideration Under ALC Rule 29(D) to Reconsider, Alter, and/or Amend Under Rule 59(E), SCRCP regarding the above-referenced matter. Also enclosed is a Proof of Service.

Yours truly,

OFFICE OF GENERAL COUNSEL FOR LITIGATION

Nicole M. Wooten
Counsel for Litigation

Enclosures

c: David B. Greene, Esquire

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SC ADMIN. LAW COURT

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, vs. South Carolina Department of Revenue, Respondent.	)	Docket No. 13-ALJ-17-0244-CC **MOTION FOR RECONSIDERATION UNDER ALC RULE 29(D) TO RECONSIDER, ALTER, AND/OR AMEND UNDER RULE 59(E), SCRCP**

Pursuant to ALC Rule 29(D) and Rule 59(e), SCRCP, the South Carolina Department of Revenue (Department) respectfully requests that this Court reconsider, alter, and/or amend its Final Order and Decision dated March 25, 2015 (Order), which held that the Department's Determination holding Petitioner responsible for the outstanding tax liabilities of Intedge Industries, Inc. (Intedge) must be upheld in part and overturned in part. While the Department believes this Court reached the proper ultimate conclusion – that Petitioner is the responsible party liable for the unpaid taxes and interest of Intedge Industries, Inc. – the Department asserts that the Court should reconsider its rulings on the expiration date of the lien limitations period, the accrual of interest, and the accrual of penalties. In addition, the Court should reconsider its ruling awarding attorney's fees to the Petitioner.

I. Lien Expiration Date

After a contested case hearing, the Court issued the Order affirming in part and overturning in part the Department's May 1, 2013 final agency decision. Beginning on Page 13 of the Order, the ALC concluded the following:

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> 20. Based on the plain language of Sections 12-8-2030 and 12-54-120, the withholding tax liens set forth on Exhibit 1 for Intedge's delinquent withholding and sales taxes became effective against the company upon the filing of the liens in Spartanburg County. Although Section 12-8-2030 does not provide a limitations period for such lien, Section 12-54-120 goes on to provide the tax lien continues for a ten year period "from the date of filing." Therefore, to the extent any liens have been filed longer than ten (10) years at the time of the September 2, 2012 Department Determination, those liens have expired and the associated taxes, interest, penalties, and costs are no longer collectible against the company.
>
> * * *
>
> 22. Because the Department is barred from collecting any taxes secured by a lien that was filed more than ten years before the September 2, 2012 Department Determination, the court holds that the following employee withholding taxes owed by Intedge can no longer be collected:

Order at 13-14 (emphasis added). The Department respectfully submits that the September 2, 2012 date does not correspond to any document issued in this case; instead, the correct date to be used in the Court's analysis is September 2, 2009, the date on which the Department issued its Proposed Notice of Assessment to Responsible Party (PNOA). The Department issued its Department Determination to Petitioner on May 1, 2013.

The Department respectfully submits that the September 2, 2009 PNOA is the correct date to use in determining whether the outstanding tax liens of Intedge are collectible against Petitioner.[1] Support for use of this date is found in an earlier portion of the Order which contains the following legal conclusion:

> The Petitioner was, or should have been aware of the assessments against Intedge and his personal liability under Section 12-8-

[1] S.C. Code Ann. § 12-60-30(23) defines "proposed assessment" as "the first written notice sent or given to the taxpayer stating that a division within the department has concluded that a tax is due."

> 2010(A) in the event Intedge failed to remit the taxes. Thus, the Department's timely assessments to Intedge put the Petitioner on constructive notice, as a principal of the corporation and as a withholding agent, both of the existence of the tax debt itself and the fact that if the taxes were not remitted he would be personally liable for the debt. Consequently, this court interprets the Department's Responsible Party Proposed Assessment Letter, dated September 2, 2009, as a confirmation, rather than untimely notice, of the Petitioner's liability.

Order at 12. (footnote omitted) (emphasis added).

The issuance of the September 2, 2009 PNOA put Petitioner on official notice that the Department sought to hold him personally liable for the taxes and was "confirmation . . . of the Petitioner's liability." Id. The September 2, 2009 PNOA represented the initiation of the Department's formal efforts to collect the tax debt from the Petitioner in his individual capacity as withholding agent. Furthermore, as this Court correctly observes, the PNOA "provided the responsible party an opportunity to deflect liability" and exercise his due process rights under the South Carolina Revenue Procedures Act by filing a protest to challenge whether he was, in fact, a responsible party.[2] Id.; see S.C. Code Ann. § 12-60-10 et seq. ("South Carolina Revenue Procedures Act"). Under this Court's rationale that the Department is precluded from responsible party collection of any Intedge tax lien that had already reached its ten year expiration, the date of record to determine such preclusion must be September 2, 2009 – the date of the Department's confirmation of the tax debt to the responsible party and its formal initiation of collection activity – instead of September 2, 2012 or any other subsequent

[2]This Court is correct that the PNOA for responsible party does not allow a withholding agent to contest the amount of the corporation's tax debt; instead, as here, the taxpayer may only contest whether he is liable as a responsible party. Order at 12 (stating "the debt became fixed when Intedge failed to protest the assessment").

date. None of the Intedge withholding tax liens this Court originally excluded from responsible party liability had actually expired on September 2, 2009.[3]

II. Interest

In the Order, this Court also concludes that "Petitioner is liable for the withholding taxes, interest, and penalties that were not remitted to the Department to the same extent as Intedge." Order at ¶10, page 8. The Court further reiterates Petitioner's liability in the Order by stating "Petitioner is personally liable for the employee withholding taxes and interest owed by Intedge for the period of March 2003 through June 2005. Id. at 19. Exhibit "A" of the Order sets forth the amount of interest determined by this Court as owed by the Petitioner in this matter: $1,287.61. However, for the reason set forth below, the Department respectfully requests that this Court amend its Order to include the statutorily-mandated interest amount.

In the May 1, 2013 Department Determination, the Department attached an exhibit demonstrating the various dates and amounts related to Intedge's outstanding tax liabilities at issue. Included in this exhibit are interest amounts related to the various proposed notice of assessments, assessments, and tax liens filed against Intedge. It

[3]The May 1, 2013 Department Determination should not be used as the date of record to evaluate the existence of valid Intedge tax liens and the consequent exclusion of expired liens for responsible party collection efforts. "Department Determination" is defined as the "final determination within the department from which a person may request a contested case hearing before the Administrative Law Court." S.C. Code Ann. § 12-60-30(10). In practice, the Department Determination is the official position of the Department after consideration of the facts, circumstances and legal argument offered in the taxpayer's protest filed in response to a PNOA. Significantly, the Department Determination has no "tolling" effect on any limitations period. To the contrary, in the context of limitation periods applicable to tax debts, the issuance of a proposed notice of assessment "tolls" various limitations periods. See generally, S.C. Code Ann. § 12-54-85(G).

appears that this Court used the sole interest figure related to the tax liens referenced in this document when determining the final interest owed by Petitioner (as shown on Exhibit "A" of the Order).[4] However, the interest amount referenced in the attachment to the Department Determination is the interest accrued as of the date the tax lien is filed.[5] The first page of the May 1, 2013 Department Determination provides the total amount of interest due in this matter, with that interest accrued through April 30, 2013: $25,905.84.[6]

It is well established that interest is mandated by state law. Specifically, interest is applicable to this matter pursuant to S.C. Code Ann. § 12-54-25(A), which provides the following: "If any tax is not paid when due, interest is due on the unpaid portion from the time the tax was due until paid in its entirety." Interest is the compensation allowed by law for the use or forbearance or detention of money. Rosen v. U.S., 288 F.2d 658, 660 (3rd Cir. 1961). Further, a waiver of interest is not statutorily authorized, as interest represents the time value of money. Anonymous Taxpayers v. DOR, 01-ALJ-17-0187-CC, (Dec. 13, 2001).[7] "Unlike a penalty, there is no South Carolina statute which grants

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[4]On page 3 of the Order, footnote 2 reads as follows: ("See attached Exhibit A establishing the lien dates and amounts with regard to Intedge's outstanding tax liability for the periods of September 1999 through December 2005. The tax, interest, and penalties referenced on Exhibit A are accrued through April 30, 2013 (the date listed on the Department Determination.)" (emphasis added).

[5]For instance, the interest amount of $17.48 for the March 2003 employee withholding tax period is accrued as of October 7, 2005 – the date the tax lien was filed.

[6]Notably, the interest referenced on the first page of the Department Determination includes interest for all applicable periods (employee withholding tax and sales tax).

[7]The Department may waive up to thirty days interest for administrative convenience purposes. See § 12-54-25(A). Unfortunately, such waiver is not applicable

general authority to waive interest. Although there is a statute which allows interest to be compromised, that provision anticipates a settlement or quid pro quo." Id. However, compromising the interest in this matter is not applicable because the parties did not reach a settlement.

Put simply, "[i]nterest is not a penalty." Id. Because Petitioner had use of monies owed and due to this State for the outstanding tax liability of Intedge, interest is applicable in this matter, and it continues to accrue until the tax liability is paid in its entirety. In its Order, this Court established that Petitioner is liable for the applicable outstanding tax liabilities of Intedge and that those tax liabilities remain unpaid. Accordingly, the Department respectfully requests this Court to amend its Order to provide that Petitioner is responsible for the full amount of interest owed on the applicable outstanding tax liabilities and that the interest continues to accrue until satisfied by Petitioner, as mandated by section 12-54-25(A).[8]

III. Penalties

In its Order, this Court concludes that Petitioner "is not liable for the penalties in this matter due to the Department's long delay in pursuing the Petitioner as a responsible party." Order at 19. For the reasons sets forth below, the Department respectfully requests this Court to amend its Order to hold Petitioner responsible for the penalties asserted in this matter.

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here, as waiving only a portion of the interest would not be of any administrative convenience.

[8]See attached Exhibit "A" detailing the interest owed for each period at issue in the May 1, 2013 Department Determination, with interest accrued through March 31, 2015. Pursuant to section 12-54-25(A), interest continues to accrue until the tax liability is satisfied in its entirety.

Under South Carolina law, a withholding agent must file a withholding tax return with the Department pursuant to the terms described in S.C. Code Ann. §§ 12-8-1520 and 12-8-1530. See S.C. Code Ann. § 12-36-2570 (corresponding sales tax return provision). A taxpayer may request an extension to file such return. The Department's granting of such request, however, does not extend the time for payment of tax, as a taxpayer has a duty to pay the tax associated with a return by that return's due date. If the taxes are not paid by the date due, the taxpayer is subject to interest and penalties. S.C. Code Ann. §§ 12-54-25 and 12-54-43. Civil penalties are applied to every South Carolina tax law which requires a return unless otherwise provided and such penalties are considered a tax owed to the state. Section 12-54-43(A) and (B). In the case where a taxpayer fails to timely file his return, the Department must assert a failure to file penalty:

> In the case of failure to file a return on or before the date prescribed by law, determined with regard to any extension of time for filing, there must be added to the amount required to be shown as tax on the return, a penalty of five percent of the amount of the tax if the failure is for not more than one month, with an additional five percent for each additional month or fraction of the month during which the failure continues, not exceeding twenty-five percent in the aggregate.

Section 12-54-43(C)(1) (emphasis added). In the case of a taxpayer who fails to timely pay the taxes owed, the Department must assert a failure to pay penalty:

> In case of failure to pay the amount shown as tax on any return on or before the date prescribed by law, determined with regard to any extension of time for paying, there must be added to the tax due a penalty of one-half of one percent of the amount of the tax if the failure is for not more than one month, with an additional one-half of one percent for each additional month or fraction of the month, during

> which the failure continues, not exceeding twenty-five percent in the aggregate.
>
> In case of failure to pay any amount of any tax required to be shown on a return which is not shown, including an assessment within ten days of the date of the notice and demand for payment, there must be added to the amount of tax stated in the notice and demand one-half of one percent of the amount of the tax if the failure is for not more than one month, with an additional one-half of one percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty-five percent in the aggregate.

Section 12-54-43(D) and (E) (emphasis added). Notably, the Department is following the statute in imposing penalties in certain, specific situations. The Department – following the applicable statutes – properly asserted failure to file and failure pay penalties against Intedge for the applicable tax periods.[9] Accordingly, the Department requests this Court uphold the assessment of penalties against Petitioner as outlined in the Department's final agency decision.[10]

Moreover, the penalties asserted against Intedge, and ultimately to Petitioner as the responsible party, were well-established and capped out before any perceived delay on the part of the Department. Specifically, a failure to file penalty is assessed at five percent of the amount due for each month, up to twenty-five percent. See section 12-54-

[9]This Court, as an administrative agency, is similarly required to follow the law until the same is changed by the General Assembly. See Island Packet v. Kittrell, 365 S.C. 332, 342, 617 S.E.2d 730, 735 (2005) (citing Video Gaming Consultants, Inc. v. S.C. Dep't of Rev., 342 S.C. 34, 535 S.E.2d 642 (2000) (ALC is agency of executive branch of government and must follow law as written until its constitutionally is judicially determined)).

[10]The total penalties asserted against Intedge for the applicable tax periods are referenced on the attached Exhibit "A."

43(C)(1). Thus, the failure to file penalty in this matter caps out after five months – long before any "delay" by the Department. With regard to the failure to pay penalty, the penalty is assessed at one-half of one percent, up to twenty-five percent. See section 12-54-43(D)(E). Thus, the failure to pay penalty in this matter caps out after fifty months (four years, two months) – again, before any "delay" by the Department.

Accordingly, the Department respectfully requests this Court to amend its Order and uphold the Department's determination of statutorily-imposed penalties against Petitioner in this matter.

IV. Attorney's Fees

In the Order, this Court awarded attorney's fees in the amount of six hundred and seventy-five dollars ($675.00) to Petitioner's counsel based upon counsel's "additional time reviewing documents and making necessary adjustments to his presentation." Order at 18. The Department respectfully requests that this Court reconsider, alter, and/or amend its award of attorney's fees to the Petitioner.

S.C. Code Ann. § 12-60-3350 states that "in an action covered by [Chapter 60], no costs or disbursements may be charged or allowed to either party, except for the service of process and the attendance of witnesses." Further, our Supreme Court interpreted this statutory provision in CFRE, LLC v. Greenville County Assessor, 395 S.C. 67, 84, 716 S.E.2d 877, 886 (2011), to also bar the award of attorney's fees:

> In its brief, CFRE requested that this Court award costs in the amount of $646.50, the same amount it requested from the ALC. Furthermore, in its reply brief, CFRE requested an awarded of attorney's fees. However, "[i]n an action covered by [the South Carolina Revenue Procedures Act (SCRPA)], no costs or disbursements may be charged or allowed to either party, except for the service of process

> and attendance of witnesses." S.C. Code Ann. § 12-60-3350 (Supp. 2010). As this action is governed by the SCRPA in the tribunals below, see id. § 12-60-2510, et seq., CFRE is not entitled to attorney's fees but may be entitled to some costs.

Id. at 84, 716 S.E.2d at 886. Nevertheless, to the extent this Court awarded Petitioner attorney's fees against the Department in the nature of sanctions for failing to turn over all documents in discovery, the following excerpt from CFRE is instructive:

> CFRE next argues that the ALC erred by not sanctioning the Assessor for its failure to formally respond to CFRE's interrogatories and production requests. We disagree.
>
> * * *
>
> Even if CFRE has not waived this issue, the ALC did not abuse its discretion in not ordering sanctions against the Assessor. "In determining the appropriateness of a sanction, the court should consider such factors as the precise nature of the discovery and the discovery posture of the case, willfulness, and degree of prejudice." McNair v. Fairfield County, 379 S.C. 462, 467, 665 S.E.2d 830, 832 (Ct. App. 2008). A trial court's decision on whether or not to impose discovery sanctions is reviewed for abuse of discretion. Jamison v. Ford Motor Co., 373 S.C. 248, 270, 644 S.E.2d 755, 767 (Ct.App.2007); see also Original Blue Ribbon Taxi Corp. v. SC Dep't of Motor Vehicles, 380 S.C. 600, 604, 670 S.E.2d 674, 676 (Ct. App. 2008) (stating that the reviewing tribunal may affirm, reverse, or remand the decision of the ALC if "the substantive rights of the petitioner has been prejudiced because the finding, conclusion, or decision is . . . arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.").
>
> An affirmative duty does exist to answer interrogatories and respond to requests to produce. See Rule 33(a), SCRCP ("Each interrogatory *shall* be answered separately and fully in writing under oath, unless it is objected to, in which event the reasons for objections shall be stated in lieu of an answer." (emphasis added)); Rule 34(b), SCRCP ("The party upon whom the request is served *shall* serve a written response ...." (emphasis added)); see also Samples v. Mitchell, 329 S.C. 105, 109–10, 495 S.E.2d 213, 215–16 (Ct.App.1997) (stating that parties must disclose all

evidence, or at least the existence of evidence, that relates to the case, not only evidence which they intend to use at trial).

Here, the Assessor failed to formally answer any of the standard interrogatories or production requests. However, the ALC required the Assessor to produce various documents and enter them into the record, an order with which the Assessor fully complied. Furthermore, the documents submitted to the court created a complete record of the facts. Thus, despite arguing that it has been "prevented from being fully prepared for trial," there is no evidence of what material facts were not produced to CFRE, and anything CFRE contends is missing immaterial and irrelevant. Therefore, CFRE ultimately received all pertinent and material information it would have been entitled to had the Assessor specifically answered CFRE's requests.

Thus, notwithstanding the duty to formally answer the interrogatories and production requests, CFRE was not prejudiced by the Assessor's failure to do so. Although CFRE argues that Downey v. Dixon, 294 S.C. 42, 362 S.E.2d 317 (Ct.App.1987), mandates that prejudice be presumed where there has been a failure of discovery, it fails to relay the remainder of the sentence in question from Downey: "[P]rejudice must be presumed and, unless the party who has failed to submit to discovery can show lack of prejudice, reversal is required." Id. at 46, 362 S.E.2d at 319 (emphasis added). As the Assessor correctly notes, CFRE itself conceded that there was nothing more the Assessor could produce that is of any consequence. The sole undiscovered fact that CFRE contends exists is the identity of an unnamed employee of the Assessor whom CFRE believes could be an additional witness, but that witness would provide no additional information. Accordingly, the Assessor has met its burden in proving that CFRE suffered no prejudice as a result of its merely technical failure to comply with this Court's discovery rules. Therefore, we hold that the ALC did not abuse its discretion in not sanctioning the Assessor.

CFRE, 395 S.C. at 81-84, 716 S.E.2d 885-886 (footnote omitted).

In CFRE, the County Assessor's Office failed to participate in discovery and the Court upheld the lower court's denial of sanctions. Significant for the purposes here, is the Court's recitation to the standards for the award of sanctions: "In determining the appropriateness of a sanction, the court should consider such factors as the precise nature of the discovery and the discovery posture of the case, willfulness, and the degree of prejudice." Id. at 82, 716 S.E.2d 85 (quoting McNair v. Fairfield County, 379 S.C. 462, 467, 665 S.E.2d 830, 832).

As indicated in the Order itself, the court has determined that the Department's failure to disclose the documents at issue was "inadvertent." Order at page 18. While the disclosure of the documents did not occur until the Court had recessed for the afternoon of the first day of trial, the trial in this matter had originally been scheduled to last for two (2) days – thus, the parties were not prejudiced by having to resume the trial the next day. The analysis must be whether the evidence itself added anything substantive to the Petitioner's case. The documents that were ultimately disclosed to the Petitioner were screenshots from the Department's ARMS program as well as documents Petitioner created and/or submitted to the Department with regard to his protest of the September 2, 2009 PNOA. The Department submits that this evidence was cumulative and did not add to the Petitioner's case or his knowledge about the case. See Hr'g Tr. 187:10-200:4.

Moreover, to the extent this Court awarded Petitioner attorney's fees against the Department pursuant to any equitable considerations, the Department asserts that under the doctrine of unclean hands, Petitioner should be barred from receiving any award regarding a discovery dispute as Petitioner himself contributed to a discovery issue. See Ingram v. Kasey's Associates, 340 S.C. 98, 107, 531 S.E.2d 287, 292, n.2 (2000)

("Unclean hands precludes a plaintiff from recovering in equity if he acted unfairly in a matter that is the subject of the litigation to the prejudice of the defendant.").

During the discovery process of this matter, to include the deposition of Petitioner, the Department made numerous requests to Petitioner to produce any and all documents related to the sale of Intedge Industrires, Inc. to Intedge Manufacturing as this sale was the primary – if not the only – argument Petitioner asserted regarding his individual liability of Intedge's outstanding tax debt. Petitioner apparently produced some, but not all, of the documents in his possession related to the sale of Intedge. During cross-examination of Petitioner by the Department's counsel, Petitioner referenced a document that had not been previously provided to the Department during discovery:

> Q: Is this the document you were referring to when you believe – you said you believed that we had the contract?
> A: No, that was – no. There was – there was documents dated October 1st that showed transfer of the corporate name and things like that.
> Q: Do you have the documents with you?
> Mr. Greene: Your Honor, if I may?
> The Court: Yes, sir.
> Mr. Greene: I did find a document that I think maybe what he's looking at if I can –
> The Court: Yes, Sir. See what's Mr. Greene's got there.
> Ms. Wooten: Thank you, Your Honor. The document that was provided was not the contract that I was requesting . . . .

Hr'g Tr. 74:24-75 15. The discussion continued through Petitioner's cross-examination:

> Ms. Wooten: Your honor, if I could have a moment, please?
> The Court: Yes
> Ms. Wooten: Thank you, Your Honor, I'm going to give this document to Mr. Beltram. This was just presented to us this morning.

Hr'g Tr. 83:12-17.

M[s]. Wooten:	At this time, I'd like to move this exhibit into evidence as Respondent's exhibit Three.
Mr. Greene:	Okay
The Court: admitted.	Respondent's Exhibit Three, there being no objection is
Q:	Mr. Beltram, could you tell me the – the title of the document that I handed to you as Respondent's Exhibit Three?
A:	Guarantee and Indemnity Agreement.

Hr'g Tr. 83:24 – 84:10.

This document was presented to the Department during Petitioner's cross-examination, despite repeated requests by the Department during discovery and Petitioner's deposition. The document produced was Respondent's Exhibit 3, "Guarantee and Indemnity Agreement." Although this Court did not find the Department's reliance on this document persuasive, the Department had nearly identical time to review this document and make necessary adjustments to its presentation as Petitioner did with regard to his acquired documents. Regardless of the statutory prohibition against awarding attorney's fees in claims arising under the RPA, it is inequitable to award Petitioner attorney's fees for a discovery dispute when Petitioner engaged in the very same action – inadvertent or not – in the same hearing.

Conclusion

Based on the foregoing, the Department respectfully requests that this Court alter or amend its Order to find the following: that September 2, 2009 is the correct date to use when determining if Intedge's outstanding tax liens expire; that the applicable interest in this matter continues to accrue until the entire tax liability is satisfied; that

Petitioner is liable for the applicable penalties in this matter; and the Petitioner is not entitled to an award of attorney's fees in this matter.

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Columbia, South Carolina
April 6, 2015

Exhibit "A"

FILED
APR 06 2015
SC ADMIN. LAW COURT
ROA 000096

Beltram	Responsible Party case			
Tax Period	Tax	Penalty	*Interest	**Bal due
Sep-99	$0.00	$310.51	$443.87	$754.38
Mar-01	$2,230.81	$1,469.57	$2,856.12	$6,556.50
Jun-01	$4,302.30	$1,935.96	$4,057.72	$10,295.98
Mar-03	$0.00	$0.00	$27.19	$27.19
Sep-03	$4,258.28	$1,916.15	$2,951.90	$9,126.33
Dec-03	$3,923.79	$1,765.33	$2,732.12	$8,421.24
Mar-04	$3,528.79	$1,587.76	$2,411.90	$7,528.45
Jun-04	$2,566.25	$1,154.75	$1,703.59	$5,424.59
Sep-04	$3,995.31	$1,797.58	$2,580.23	$8,373.12
Dec-04	$3,753.26	$1,669.92	$2,323.43	$7,746.61
Mar-05	$4,041.85	$1,818.40	$2,442.21	$8,302.46
Jun-05	$3,724.96	$1,676.01	$2,161.10	$7,562.07
Sep-05	$4,236.18	$3,165.00	$2,415.31	$9,816.49
Dec-05	$634.35	$285.38	$329.70	$1,249.43
Sep-05	$1,500.00	$1,550.00	$837.59	$3,887.59
Grand Totals	$42,696.13	$22,102.32	$30,273.98	$95,072.43

*Entries above reflect tax, penalties, and interest accumulated through 3/31/15 per Automated Receivable Mgt System(ARMS). Interest continues to accrue until entire liability is satisfied.

**Proposed assessment issued in Beltram's name does not include lien costs. See Judge Lenski's Exhibit "A" calculation of Beltram's liability which provides for lien costs in the amount of $1,696.28.

PROOF OF SERVICE

I, Nicole M. Wooten, do hereby certify that I have caused to be mailed postage pre-paid, a copy of the Respondent's Motion for Reconsideration Under ALC Rule 29(D) to Reconsider, Alter, and/or Amend Under Rule 59(E), SCRCP re: Richard Beltram vs. South Carolina Department of Revenue, Docket No. 13-ALJ-17-0244-CC to David B. Greene, Esquire, The Greene Law Firm, PA, 11 McGee Street, Greenville, SC 29601, this 6th day of April 2015.

Nicole M. Wooten

FILED
APR 06 2015
SC ADMIN. LAW COURT

THE GREENE LAW FIRM, PA

DAVID B. GREENE, ESQ.
DAVID@DAVIDGREENEATTORNEY.COM
864-271-7940 – Telephone

TARA JEAN BROWN, PP, PLS PARALEGAL
TARA@DAVIDGREENEATTORNEY.COM
864-370-3413 – Facsimile

April 2, 2015

Nicole M. Wooten, Esquire
Office of General Counsel for Litigation
South Carolina Department of Revenue
PO Box 12265
Columbia SC 29211

Re: ***Richard Beltram V. South Carolina Department Of Revenue***
Docket No. 13-ALJ-17-0244-CC

Dear Ms. Wooten:

Enclosed please find the Petitioner's Notice of Motion to Reconsider, Alter or Amend regarding the above-referenced matter. Also enclosed is a Certificate of Service for same.

If you have any questions please don't hesitate to call our office.

With kind regards,

Tara Jean Brown, PP, PLS
Paralegal for Greene Law Firm, PA

/tjb

Enclosure as stated above

11 McGee Street, Greenville SC 29601
Website: www.Greenelaw.org

APP 2015
S.C. Dep
OGC for

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

Richard Beltram, Petitioner, -vs- South Carolina Department of Revenue, Respondent.	)	**Docket No. 13-ALJ-17-0244-CC** **NOTICE OF MOTION TO RECONSIDER, ALTER OR AMEND**

TO: NICOLE M. WOOTEN, TIMOTHY C. THOMPSON AND MILTON G. KIMPSON, ATTORNEYS FOR RESPONDENT:

PLEASE TAKE NOTICE that, pursuant to the provisions of Rule 59 (e) of the South Carolina Rules of Civil Procedure, the undersigned will move the Court ten days after service upon you, or as soon thereafter as counsel may be heard, that the Honorable S. Phillip Lenski reconsider and amend his Order signed and filed on March 25, 2015 on the following grounds, to wit:

1. The employee withholding taxes for the Second Quarter 2005 should not be charged to petitioner. In his Order Judge Lenski found that petitioner had lost control of Intedge as of July 2005. The filing and payment for this quarter was not due until July 31, 2005 and these taxes were not assessed until February 3, 2006. Therefore these taxes are outside petitioner's range of responsibility and should be dismissed.

2. Attorney fees awarded to petitioner should be one thousand eight hundred seventy-five ($1,875.00). In his Order, Judge Lenski awarded petitioner six hundred seventy-five ($675.00) dollars in attorney fees for additional time spent due to respondent's failure to provide certain items of discovery. This was based on a

trip to respondent's headquarters and a phone conference with petitioner concerning those materials. However, the Court overlooked an additional four hours of time spent due to this late discovery production, two additional hours in trial preparation and the additional two hours of trial that would not have been necessary if this discovery had been produced in a timely manner and could have been presented during the first day of trial. This additional four hours of time are documented in petitioner's fee statement.

3. Petitioner should not be responsible for interest on the unpaid taxes that accrued after July 2005. As stated earlier, Judge Lenski found that petitioner had lost control of Intedge as of July 2005. Testimony was presented at trial that was corroborated by phone call records, internal notes and other documents produced by respondent after the first day of trial that established the following:

a. Larry Flynn, Esq., who was the registered agent for Intedge, contacted respondent in July 2005 to ask for a payoff of all tax debt. This was pursuant to the sale of the business. He was never given this information. This contact also served as a means of contacting petitioner, which was not utilized.

b. Carlos Johnson, who was petitioner's attorney in the lawsuit with petitioner's uncle, called the respondent in January 2010 to inquire about the tax situation on behalf of petitioner. Respondent did not respond to his call, as shown by their computer notes.

c. In the Order, Finding of Fact 14 states that Lori Coggins testified that she ". . . made numerous attempts to contact the petitioner . . .", including attempting contact by phone, making personal field visits to petitioner's home and Intedge and leaving her business card on each visit. However, respondent's computer notes produced on the afternoon of the first day of trial do not have any entries stating that she did these things although attempts to contact a taxpayer are supposed to

be noted in the file. Since these were not produced until after her testimony, petitioner had no opportunity to confront her with these records.

Based on this evidence, it is clear that respondent had several opportunities to contact petitioner or respond to petitioner's attempts to contact respondent in order to reach a settlement of these taxes but, for whatever reason, chose not to do so. Therefore, petitioner should not be charged with the additional interest accrued after July 2005.

4. The wrong date for the Department Determination letter was stated on pages 13 and 14 of the Order. The Department Determination letter was issued to petitioner on May 1, 2013, as noted on page one of the Order. However, due to a scrivener's error, the incorrect date of September 2, 2012 was listed as the date of the Department Determination letter in Item 20 on page 13 and Item 22 on page 14. These two dates need to be corrected.

Therefore, plaintiff respectfully requests that Judge Lenski reconsider his Order and grant petitioner's Motion.

I SO MOVE.

GREENE LAW FIRM, P. A.
DAVID B. GREENE (SC Bar No. 2405)
Attorney for Petitioner
11 McGee Street
Greenville, South Carolina 29601
864-271-7940

BY: DAVID B. GREENE, Esq.

Greenville, South Carolina
April 2, 2015

THE GREENE LAW FIRM, PA

DAVID B. GREENE, ESQ.
DAVID@DAVIDGREENEATTORNEY.COM
864-271-7940 – Telephone

TARA JEAN BROWN, PP, PLS PARALEGAL
TARA@DAVIDGREENEATTORNEY.COM
864-370-3413 – Facsimile

April 2, 2015

COPY

The Honorable S. Phillip Lenski
Administrative Law Judge
Edgar A. Brown Bldg.
1205 Pendleton Street, Suite 224
Columbia SC 29201

Re: ***Richard Beltram V. South Carolina Department Of Revenue***
Docket No. 13-ALJ-17-0244-CC

Dear Judge Lenski:

Enclosed please find the Petitioner's Notice of Motion to Reconsider, Alter or Amend regarding the above-referenced matter. Also enclosed is a Certificate of Service upon Counsel for the Respondent.

If you have any questions please don't hesitate to call our office.

With kind regards,

Tara Jean Brown

Tara Jean Brown, PP, PLS
Paralegal for Greene Law Firm, PA

/tjb

Enclosure as stated above

cc: Nicole M. Wooten, Esquire [with enclosures]

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT

RICHARD BELTRAM, **Appellant/Petitioner,**	)	**DOCKET NO.: 13-ALJ-17-0244-CC**
-vs-	)	**CERTIFICATE OF SERVICE**
SOUTH CAROLINA DEPARTMENT OF REVENUE, **Respondent.**	)	

PERSONALLY appeared before me Tara Jean Brown, Certified PP, PLS, Paralegal for the Greene Law Firm, PA, who being duly sworn, deposes and states as follows: that she is the paralegal to the attorney for the Petitioner in the above captioned action; that this is a proper circumstance for service by mail; and that one (1) copy of the **PETITIONER'S NOTICE OF MOTION TO RECONSIDER, ALTER OR AMEND** was served on the Attorney for Respondent by depositing in the United States Mail on **APRIL 12, 2015** with the proper address thereon and postage prepaid in full, addressed as follows:

Nicole M. Wooten, Esquire
Office of General Counsel for Litigation
South Carolina Department of Revenue
PO Box 12265
Columbia SC 29211

Tara Jean Brown

TARA JEAN BROWN, CERTIFIED PP, PLS
PARALEGAL FOR GREENE LAW FIRM, PA

South Carolina Administrative Law Court (SC ALC)
Request for Contested Case Hearing FORM

Last Name: Beltram	First: Richard	Middle: S	☒ Mr. ☐ Mrs. ☐ Miss ☐ Ms.	Docket No. (To Be Completed by ALC)

Mailing Address:	City:	State and Zip:
725 Black Wolf Run	Spartanburg	SC 29306

Home Number:	Work Number:	Cell Number:	*E-Mail Address:
864-542-2035	864-532-1717	864-590-7723	

*By providing your e-email address, you consent to receive court orders and notices via electronic transmission

REPRESENTATION

Are you representing yourself? ☐ Yes ☒ No — If No, please complete the following:

Are you represented by an Attorney? ☒ Yes ☐ No	Are you represented by a CPA? ☐ Yes ☐ No
Name of Attorney: David B. Greene	Name of CPA:
Mailing Address: 11 McGee St.	Mailing Address:
City, State and Zip: Greenville, SC 29601	City, State and Zip:
Work Number, Cell Number and E-mail Address: 864-271-7940, 864-350-0704, greenelaw@mac.com	Work Number, Cell Number and E-mail Address:

CASE INFORMATION

Name of the Agency that issued the decision: Dept. of Revenue
(Example – Dept. of Revenue, Dept. of Insurance, DHEC)

In order to have your case processed, **you must attach the agency decision.** Is it attached?: ☒ Yes ☐ No	If no, please explain:
Date the decision was issued: May 1, 2013	Date the decision was received: May 3, 2013

Please provide a brief statement regarding why the hearing is being requested and the relief sought:
See attached

Payment via ☒ Check ☐ Money Order ☐ Cash for $ 150.00 (applicable **filing fee pursuant to** ALC Rule 71) is being submitted today to the Administrative Law Court via ☒ U.S. Postal Service ☐ Hand-delivery

X [signature] — 5-27-13

X Your Signature or Signature of Attorney/CPA — Date

CERTIFICATE OF SERVICE (MUST BE COMPLETED)

Your Name: David B. Greene | Date: | City: Greenville | State: SC

I hereby certify that on the date and place listed above, I served a copy of the foregoing Request for Contested Case Hearing **on all other parties** to this matter by depositing the same in the United States Mail, postage paid, and addressed as follows (use the reverse side for any additional names):

Name and/or Agency	Address	City, State and Zip
South Carolina Dept. of Revenue	Office of General Counsel for Litigation, PO Box 12265, Columbia, SC 29211	
Name and/or Agency	Address	City, State and Zip

X [signature] — 5-27-13

X Your Signature or Signature of Attorney/CPA — Date

ATTACHMENT TO HEARING REQUEST

Please provide a brief statement regarding why the hearing is being requested and the relief sought:

1. The taxpayer disagrees with the Revenue Officer that he is responsible for any taxes after June 2005. He has no liability after June, 2005.

2. The taxpayer disagrees that notice of personal assessment to him was within the statute of limitations; thus, he has not been personally assessed the tax and is not personally liable.

3. The Department of Revenue has unduly delayed attempting to collect this tax from the taxpayer, which has resulted in his not being able to gather the evidence necessary to properly defend himself. Therefore SCDOR should be enjoined from pursuing this action.

Relief Sought: Dismissal of this action in its entirety due to expiration of the statute of limitations and laches.

CERTIFIED MAIL

THE GREENE LAW FIRM, P.A.

11 McGee Street
Greenville, SC 29601

91 7108 2133 3939 7447 8832

UNITED STATES POSTAGE PITNEY BOWES
02 1P $ 006.57⁰
0003880533 MAY 28 2013
MAILED FROM ZIP CODE 29601

South Carolina Department of Revenue
Office of General Counsel for Litigation
PO Box 12265
Columbia, SC 29211

ROA 000107

CERTIFIED MAIL

91 7108 2133 3939 7447 8849

UNITED STATES POSTAGE PITNEY BO
02 1P $ 007.1
0003880533 MAY 28 2
MAILED FROM ZIP CODE 29

ROA 000108

THE GREENE LAW FIRM, P.A.

11 McGee Street
Greenville, SC 29601

Clerk's Office
South Carolina Administrative Law Court
1205 Pendleton St., Suite 224
Columbia, SC 29201

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits. 13-232

1. Article Addressed to:

Clerk's Office
SC Administrative Law Court
1205 Pendleton St., #224
Columbia SC 29201

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 91 7108 2133 3939 7447 8849

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT DIVISION
Docket No. 13-ALJ-17-0244-CC

Richard S. Beltram,

Petitioner,

COPY

v.

South Carolina Department of Revenue,

Respondent.

ADMINISTRATIVE HEARING

****

Tuesday, September 16, 2014
10:12 a.m. - 3:34 p.m.

And

Wednesday, September 17, 2014
1:09 p.m. - 3:17 p.m.

The hearing before the Honorable Phillip Lenski, was taken at the Edgar A. Brown Building, 1205 Pendleton Street, Suite 224, Columbia, South Carolina, on the 16th and 17th day of September, 2014 before Carla S. Dominick, Court Reporter and Notary Public in and for the State of South Carolina.

CREEL COURT REPORTING, INC.
1230 Richland Street / Columbia, SC 29201
(803) 252-3445 / (800) 822-0896

APPEARANCES

David B. Greene, Esquire
GREENE LAW FIRM
11 McGee Street
Greenville, South Carolina 29601
Attorney for the Petitioner
david@davidgreeneattorney.com

Nicole H. Wooten, Esquire
Milton G. Kimpson, Esquire
Timothy C. Thompson, Esquire
SOUTH CAROLINA DEPARTMENT OF REVENUE
300A Outlet Pointe Boulevard
Columbia, South Carolina 29210
Attorney for the South Carolina
Department of Revenue
WootenN@sctax.org

Also Present:
Richard S. Beltram, Petitioner
Lauren Acquaviva, Esquire, SCDOR
Mary Beth Campbell, Esquire, SCDOR

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DAY 2, September 17, 2014

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EXHIBITS

(Original's were retained by the court)

Petitioner's Exhibit Number One 8
(Series of Liens)
Petitioner's Exhibit Number Two 8
(Proposed Assessment for Responsible Party; dtd 9/2/09)
Petitioner's Exhibit Number Three 8
(Note; dtd 6/6/05)
Petitioner's Exhibit Number Four 8
(Warranty Deed dtd 7/14/05)
Petitioner's Exhibit Number Five 8
(Option to Purchase)
Petitioner's Exhibit Number Six 8
(Contractor Agreement; dtd 10/1/05)
Petitioner's Exhibit Number Seven 8
(Ltr from SCDOR to Petitioner)
Petitioner's Exhibit Number Eight 172
(Ltr to D. Greene from SCDOR)
Petitioner's Exhibit Number Nine 192
(SCDOR's Screen prints)
Petitioner's Exhibit Number Ten 221
(S. C. Reg. Of Deeds; dtd 9/16/14)

Respondent's Exhibit Number One 7
(Department file)
Respondent's Exhibit Number Two 7
(Excel Worksheet of Tax Liabilities)
Respondent's Exhibit Number Three 84
(Guarantee and Indemnity Agreement; dtd 10/1/05)
Respondent's Exhibit Number Four 206
(Secretary of State for Intedge Industries, Inc.; File Date 2/23/88)

STIPULATIONS

It is stipulated and agreed that this hearing is being taken pursuant to the rules of the Administrative Law Judge Division and the South Carolina Rules of Civil Procedure.

(Petitioner's Exhibit Numbers One through Seven were marked for identification purposes.)

(Respondent's Exhibit Numbers One and Two were marked for identification purposes.)

THE COURT: Good morning, everyone. I am Phil Lenski, the administrative law judge assigned to this matter and this is the matter of Richard Beltram, Petitioner, versus the South Carolina Department of Revenue, docket number 13ALJ170244CC. Let's see. It is the 16th of September 2014. Let's see. Representing the Petitioner today is Mr. Greene, is that right?

MR. GREENE: Yes, sir.

THE COURT: Good morning, sir. How are you doing?

MR. GREENE: Good morning.

THE COURT: How was your drive down?

MR. GREENE: It was very good. Thank you.

THE COURT: Good. All right. Wonderful. Okay. And on behalf of the department, a lot of folks here today. Let's see here. Ms. Wooten, how are you doing?

MS. WOOTEN: Fine, thank you, Your Honor.

THE COURT: Good. Good. Mr. Kimpson, how are you, sir?

MR. KIMPSON: Good morning, Your Honor.

THE COURT: Good. And, sir?

MR. THOMPSON: Tim Thompson.

THE COURT: And how are you Mr. Thompson?

MR. THOMPSON: I'm well, thank you, Your Honor.

THE COURT: Good. Good. I got your notice of appearance, so you'll be here. And then anybody else?

MS. WOOTEN: That's all on behalf of the department.

THE COURT: That's all. Okay. All right. Wonderful. I see some other folks from the department. Good morning, everybody. All right. Before we get started, are there any motions or pre-hearing matters that we need to take up at this time?

MR. GREENE: One preliminary matter, Your Honor. We have a motion to let the court know that we are -- will be requesting attorney's fees under section 1577300 of the code.

THE COURT: Okay. All right. Thank you for the notice of that. We'll take that up at the appropriate time, Mr. Greene, sir. Anything else?

MS. WOOTEN: Your Honor, at this time, just as a preliminary matter, the department would like to go ahead and offer its exhibits into the

record.

THE COURT: Okay.

MS. WOOTEN: They've been marked as Respondent's Exhibit One and Respondent's Exhibit Two.

THE COURT: Respondent's Exhibits One and Two. Mr. Greene, any objection?

MR. GREENE: No objection, Your Honor.

THE COURT: All right. No objection. Respondent's Exhibits One and Two are admitted.

MS. WOOTEN: Thank you.

THE COURT: Thank you, Ms. Wooten.

(Respondent's Exhibits Number One and Two were admitted into evidence.)

MR. GREENE: And we have seven exhibits that we would like to put in.

MR. WOOTEN: No objection from the department.

THE COURT: And if there's no objection, we can go ahead and admit those then and that will save a bit of time on that, so Petitioner's Exhibits One through Seven, is that right, Mr. Greene?

MR. GREENE: I'm sorry?

THE COURT: Exhibits One through Seven.

MR. GREENE: Yes, Your Honor. Thank you, Your Honor.

THE COURT: Yes, sir. All right. Thank you very

much. Okay. Without objection, Petitioner's One -- Petitioner's One through Seven are admitted.

(Petitioner's Exhibits Number One through Seven were admitted into evidence.)

THE COURT: All right. Anything else preliminary matters?

MS. WOOTEN: Nothing from the department.

THE COURT: All right. There being nothing further. Let's see. Do the parties have opening statements? Mr. Greene?

MR. GREENE: I'm ready, Your Honor.

THE COURT: Yes, sir. All right.

OPENINGS STATEMENTS

MR. GREENE: Thank you. May it please the court, good morning again. I'm David Greene and I represent the Petitioner, Mr. Richard Beltram. This case is about payroll taxes that were accrued by a company called Intedge Industries. This company was begun two generations ago by Mr. Beltram's grandfather. It grew into a fairly large company. It is not a one-person, fly-by-night company. It had a board of directors, managers, employees, sales, all of that. A very thriving company. Unfortunately,

in late 2004 going on into 2005, this company suffered a hostile takeover by Mr. Beltram's uncle, Daniel Beltram and ended up going out of business or being bought out by Mr. Beltram in October of 2005. At which time, He began a new company called, Intedge Manufacturing. So we'll be trying to be very careful to distinguish between Intedge Industries and Intedge Manufacturing. The taxes that we're talking about were accrued between 1999 and the end of 2005. Now what we will show today, we're going to show several things. One, that some of these taxes are outside the statue of limitations for collection that more than 10 years have gone by since this current action began in May of 2013. We'll also show that for the periods claimed in 2005 that Mr. Beltram was not a withholding agent with any duty to withhold taxes, so he could not be responsible for taxes he had no duty to withhold. Then, in the intervening years of 2002, '03, and '04, we will show that many of those periods Mr. Beltram was never either constructively or actually served with notice of these taxes being due, so they should drop out too. But

even more important, we're going to show today that the Department of Revenue and by the way, I will -- I will refer to the South Carolina Department of Revenue, Department of Revenue, DOR, or the Department, it's all the same if you'll agree to that.

THE COURT: I will understand, sir. Thank you.

MR. GREENE: And so what we want to point out today is that the department has been very negligent and sloppy in handling the entire affair with Intedge Industries and Richard Beltram. We'll point out many instances of this and some of the most important ones are that between 2002 and 2013, Mr. Beltram was never contacted about trying to work out a solution or anything like that. In 2009 -- in September 2009, the department then issued a proposed notice of assessment to Mr. Beltram and he properly filed a protest to that notice and after that time, the department never contacted him again as they are required to do under the Revenue Procedures Act, until they filed their -- sent him their department determination letter in May of 2013 and so they never contacted him in the meantime to try to work anything out.

Also, important in that is that of course, under the Revenue Procedures Act, the department is required to file their department determinations within nine months of receiving the protest and there is no question that Mr. Beltram did file that protest. It is referenced in the determination letter. So -- and there was no -- never any attempt to collect from Intedge Industries through levy, seizures, or any other means or from Intedge Manufacturing since they bought out all of the assets of Intedge Industries. Also, the department never made any attempts to identify any other potentially responsible withholding agents. All of these being very negligent in their handling. So in conclusion, the department -- we will show that the department is trying to hold Mr. Beltram responsible for taxes that were out of statute, the taxes for which he had no duty to withhold taxes, and because of their -- the way they handled this case, their actions and failure to act, effectively deprived Mr. Beltram of his constitutional right of due process and therefore, all of this should be dismissed.

Thank you.

THE COURT: Thank you, sir. Ms. Wooten?

MS. WOOTEN: Thank you, Your Honor.

THE COURT: Thank you.

MS. WOOTEN: In this matter, the department seeks to hold Petitioner Richard Beltram personally liable as a withholding agent for the outstanding tax liabilities of Intedge Industries. Mr. Beltram, as the president and majority shareholder of the corporation, had a duty to file these tax returns and pay the corresponding withholding taxes and sales taxes. Although Mr. Beltram asserts that the department failed to timely notify him of this assessment because his liability is derived from his role in the corporation, notice of the assessment to the corporation constituted notice of the assessments to him. Moreover, the ALC has rendered two decisions agreeing with the department's decision regarding whether or not the department must notify the responsible party of the corporation of any proposed assessments within the 36-month statute of limitations. And those cases, those are Roland versus the Department of Revenue and

Roddy versus the Department of Revenue. The ALC determined that timely notice to the corporation is effective notice to the corporate principle with regards to responsible party basis. Therefore, pursuant to 12A2010 and 1245195, Mr. Beltram as the corporate officer with the duty to remit and be held liable for the withholding and sales taxes of Intedge Industries and the department respectfully requests that you uphold the department's determination.

THE COURT: Thank you. All right. Mr. Greene, sir.

MR. GREENE: Yes, sir. We are ready to proceed.

THE COURT: Yes, sir.

MR. GREENE: Call Mr. Beltram to the stand.

THE COURT: All right. Come on forward. Mr. Beltram, if you would please come forward, sir?

MR. BELTRAM: Thank you.

MADAME COURT REPORTER: If you would raise your hand? Do you solemnly swear that the testimony you're about to give in this matter is the truth, the whole truth, and nothing but the truth so help you God?

MR. BELTRAM: I do.

MADAME COURT REPORTER: State your name for the

record?

MR. BELTRAM: Richard Stephen Beltram.

THE COURT: Thank you, Mr. Beltram. Please be seated and make yourself comfortable.

MR. BELTRAM: Thank you very much.

THE COURT: Yes, sir.

RICHARD S. BELTRAM, having been duly sworn, testifies as follows:

MR. BELTRAM - DIRECT EXAMINATION BY MR. GREENE:

Q: Please tell us your address?

A: My home address?

Q: Yes.

A: My home address is 725 Black Wolf Run, Spartanburg, South Carolina 29306.

Q: And how long have you been at that address?

A: I've been at that address since 2001.

Q: What is your current occupation?

A: My current occupation is I am a manufacturer's representative for the food service industry. I'm self-employed and I operate under the name of B Square Enterprises located in Spartanburg, South Carolina.

Q: Okay. And what is your work address?

A: 1002 South Pine Street, Spartanburg, South Carolina 29302.

Q: And how long have you been at that work address?
A: Since 2008.
Q: Okay. Have any of your personal phone numbers changed since 2005?
A: No, sir.
Q: Okay. And is your number listed in the phone book?
A: It is, sir.
Q: Okay. And during the years 2005 to 2009, have you been involved in various public activities where people would likely see your name come up in various different places?
A: Yes, and can I detail those?
Q: Please, yes.
A: Okay. From 1999 to 2009, I was the Spartanburg County GOP chairman, Republican Party Chairman and at that time had any number of newspaper articles and other public notices of my activities and where I was located. In addition to that from 2003 to 2009, I was a commissioner on the agency head salary commission and one of the requirements to be on that commission is that you not only sign an affidavit, but the governor's office does a

background check to assure that there are no outstanding state taxes due from myself and thirdly, during that time, I was also a member of the South Carolina State Guard, which is an auxiliary unit of the National Guard.

Q: So referring back to the committee that you were on, the background check didn't reveal any taxes owed, is that correct?

A: No. If it did, I would've been relieved of my responsibility.

Q: So now beside the case that we're in today, are you involved in any other litigation or legal type issues?

A: No, no litigation. There's no IRS complaints or past due taxes, or hanging liens or anything else.

Q: Okay. To sort of sum that up, have you been easy to find in the last five to six, seven years?

A: I've been easy to find since I moved to South Carolina in 1988.

Q: Okay. Now I mentioned Intedge Industries. I want you to tell me a little bit about that. What kind of company was that? Was that a private company, public company? What did it

do?

A: Sure. The original name International Edge Tool Company started in 1914 in Newark, New Jersey. During the late '80s, the company, well, excuse me, in 1976, the company changed its name to Intedge Industries, Incorporated, a New Jersey incorporation. In 1987 and 1988, we decided that for economic reasons we were going to be much better served moving the base of our business from New Jersey to Woodruff, South Carolina. So in 1988, we opened up a very, very pleasant 50,000 square foot manufacturing facility located at 1875 Chumley Road, 29388. The company that I opened there in 1988 is still today located as Intedge Manufacturing 25 years later.

Q: Okay.

A: The Intedge Industries was a privately held firm by my family for the latter years, I was the president and not the only stockholder. We had a board of directors. Then, in beginning -- at the beginning of 2005, the business was being transitioned from myself to my uncle out of Florida, Daniel G. Beltram. He incorporated Intedge Manufacturing, a Florida Corporation,

which is also public record in August of 2005. He purchased the Intedge building and all of the equipment in July of 2005. Later on, on October 1st, the rest of the assets of Intedge Industries was transferred to Intedge Manufacturing. The same employees were kept. The social securities of those employees then would show up on Intedge Manufacturing tax forms.

Q: And we'll talk in more detail about that ---

A: Very good.

Q: --- in a little bit.

A: Thank you.

Q: You mentioned you were president, now is that the only position you ever held at Intedge Industries?

A: No, most of my career was spent in sales. I was an outside salesperson, then assistant sales manager, vice-president of sales, and then only when my father stepped aside in the mid '80s, did I become president of the company.

Q: Okay. What were your general responsibilities prior to 2005 as president?

A: I more enjoyed the marketing and the sales

aspect of the company, so I would hire people to run manufacturing. I would hire people to do accounting. I would hire people to do distribution because most of my time was spent out on the road calling on the customers and from about the mid '90s up until about 2000, even the check writing ability of our company was handled normally by a facsimile stamp that was in the hands of our accounting manager up until year 2000 when we had an embezzlement of the company and so in 1999 and 2000, we had an embezzlement. Marlene Mabry was the payroll and accounting manager at the time. When it was discovered that she was embezzling, she was sent to jail. Minor amounts of restitution was sent to us, but we -- she's had a long criminal record of similar issues. The reason I bring that up is because what was being converted for her personal use was monies in 1999 and 2000 that was supposed to go to the SCDOR.

Q: Okay. All right. Now I want to show you what has been introduced as Plaintiff's Exhibit One already admitted into evidence and can you tell me generally what that is?

A: Each sheet. Do you want me to do it separately

or as the whole package?
Q: As -- as a whole they are all ...
A: These are all notices of tax liens.
Q: Okay.
A: Addressed to Intedge Industries at P.O. Box, Woodruff, South Carolina and ...
Q: All right. And when did you first see these liens?
A: These -- these first couple of liens arrived on my desk in 2001 and how they arrived is they arrived by mail with certified mail return receipt requested, which means that at that point in time when I went to the post office, I signed a green card and that was then sent back to the DOR in Columbia, South Carolina.
Q: Okay.
A: Soon after receiving these, I contacted the DOR realizing that this was part of the embezzlement in the company and I should point out to that after Ms. Mabry was not only terminated from our company, but went through a very rather lengthy prosecution and so we didn't know the depth of the problem for some time, then I engaged Mr. Terry Lawing to do payroll and other accounting procedures, but

upon receiving this, I then did contact the DOR and sat down with them in 2002 to try to mediate pay off the amounts of money that had arising from 1999 and 2000. Monies were paid to the DOR, even though it was listed in the determination letter that I failed to pay delinquent taxes, the point was I did pay money. At that time, there wasn't an online capability of showing release of liens of so forth, but I have found out more recently that three of the liens during that period of time were released and I -- and I was able to find online some tax satisfaction -- satisfaction notices.

Q: All right. Now you said you paid money. Do you mean you paid your personal money or you paid the Intedge Industries?

A: Intedge Industries paid DOR for monies based on the amnesty program.

Q: Okay.

A: And at the time when I left there and then subsequently paid the monies, my impression I had paid everything that was due up to that time and I know there's record of that paying because there's tax satisfaction notices. I

never heard from DOR after that meeting as to whether I still had an open balance, paid part of it or anything else. There was no contact whatsoever.

Q: And I want you to just go through these one by one and tell me the date of the notice and the period which it is filed?

A: The first one here listed was it was filed on 8/13/01 for $3,384.16.

Q: And period. The period ...

A: The period covered was 9 -- 9/99.

Q: Okay. And has more than 10 years past since May of 2013?

A: Yes, sir.

Q: Okay. Go to the next one and the date and the period?

A: The period listed on this one is, covered is 03/01 and the lien notice was 11/30/01 ---

Q: Okay.

A: --- for $5,280.52.

Q: And more than 10 years have passed on that one?

A: They have.

Q: Okay.

A: But I should point out that even in addition to the 10 years passing, since I had paid money to

DOR for 1999 and 2000, up until receiving the proposed notice of assessment, which I protested and then the determination letter, I had evidence that these had actually been paid.

Q: All right. Go to the next one.

A: The next one, period covered is 06/01 and the date of notice is 2/25/02.

Q: Okay. Again, more than 10 years?

A: Yes, it is.

Q: Okay. Next one.

A: This is period covered is 03/03 to 03/05.

Q: So maybe two periods were covered in that notice?

A: That's what it would appear.

Q: Yeah.

A: And the date of the notice is 10/07/05 and at that point, I had already relinquished, long relinquished control of the P.O. Box, the company assets and so this notice I can clearly say I never saw.

Q: And we'll get into testimony about that later, but ---

A: Okay.

Q: --- but you were not in control at that time?

A: That's correct.

Q: Okay. Go to the next one.
A: The period covered is 09/03 to 09/03 and the date of notice is 9/07/04.
Q: Okay. Now in '04, you were still with the company.
A: I was.
Q: Did you ever see that notice?
A: I don't remember whether I saw it or not. If the DOR would produce the green card, we could see who signed for that card and know who actually received the notice.
Q: Okay. Go to the next one.
A: The next notice is a period covered is 12/03 and 03/04. The date of notice is 2/16/05, February 16, '05, which is again after the date that I had relinquished most of the financial controls of the company.
Q: Okay.
A: The next period covered is 06/04 and the date of the notice is 5/23/05, May 23, '05 and again same answer. It was after I had relinquished most of the controls of the accounting of the company.
Q: Okay. Go ahead.
A: And most importantly, Mr. Greene, is the access

to the P.O. Box, which was the same since 1988, is the same today in 2014, so any notices that went to that P.O. Box were received by the person that had access to that P.O. Box and by that date, I did not, May and February. The next one is 9/04. The date of notice is August 3, 2005, again, I did not have access to the P.O. Box and notice was received by -- by others.

Q: And also you had no control over the finances?

A: Correct.

Q: Okay. Go ahead.

A: The next period is 12/04. The date of notice is nine or September 6, 2005, and again, that's more than nine years ago and I did not have access to the bank account. I did not have access to the P.O. Box. Did not have access to the accounting procedures. Keep going?

Q: Yes, please.

A: The next period is June '05, 06/05, date of notice was -- was three or March 6, '06, and then by that time, all the assets had been already transferred six or eight months prior to that. I was totally out of control of everything that dealt with the business and at

that point, I had been hired as a contract worker, a 1099 contract worker as a sales manager by the new company Intedge Manufacturing. The next notice is dated 9/5 or September 5th. The date of notice is July 5, 2006 and this period and the notice were both beyond the time I even was involved in anything that related to accounting, payroll withholding or sales tax. The next one is dated 12/5. The date of notice was 12/14/06. Again, both of those dates are outside the time that I was involved at all and the notice, obviously, was received by people that had access to the P.O. Box. And the last one dated here is 9/5, September 5th period. The date of the notice is 6/21, June 21, '06, and again the same answer, I was not at all in control of any aspect of the business except outside sales management.

Q: And I believe that is a sale -- has to do with sales tax and that's the only notice of levy that had to do with sales tax, is that right? The very last one you have.

A: That has to do with sales tax. Yes, sales tax, and this was a period that after there was not

even reason for a sales tax and it wasn't a form that I would've been responsible to fill out.

Q: Okay. Thank you. Now did you have a -- a reason -- I think you previously referred to it, to meet with the Department of Revenue in 2002?

A: Yes, I met with Mr. Allen Sheriff that pretty much the whole time I was in South Carolina was the revenue officer that was handling the 29388 zip code.

Q: Okay. And why -- why did you meet with them and what happened?

A: The Spartanburg DOR Office had been closed and that was in Greenville and it was made notice to me that there was an amnesty program and due to the embezzlement of the company, we realized that we had some past due DOR taxes and so Mr. Lawing here and myself went to the Greenville office of the DOR, listened to what the plan would be for repayment, sent monies in, that I thought fully paid for the problem, didn't hear anything after that and as I indicated in early testimony, subsequently found out that they did issue tax satisfaction notices.

Q: Okay. Now at that meeting, did anyone from DOR tell you that you might be personally liable for any -- for those taxes?

A: No.

Q: Okay. When -- so when did you first learn that DOR planned to hold you personally responsible?

A: Sometime shortly after September 2, 2009.

Q: Okay.

A: Which is a full four years plus, more than four years, after I relinquished control of Intedge, sold the assets, and so forth, I received a packet by first class mail at my home address that was listed as proposed assessment of responsible party.

Q: And I want to show you this, which is Exhibit Two of the Petitioner is that what you're talking about?

A: This was two pages of many pages.

Q: Okay.

A: But this was the first -- this was actually -- this was actually the back of this. So this was the first page, but the details following is what became most troubling.

Q: Okay. And that is addressed to you, is that right?

A: It's addressed to me, Richard S. Beltram, 725 Black Wolf Run, Spartanburg, South Carolina 29306.
Q: And was that your address?
A: Yes.
Q: Okay. That was your home address?
A: That's my home address then and still my home address today and my home address as of 2001.
Q: When -- when we requested discovery, were both of those pages or any of the other pages you referred to sent to us?
A: No, they weren't. We got the top sheet and not the second sheet.
Q: Okay.
A: And the reason the second sheet is important, is because my handwriting at the top is a fax number and I realized that I had gotten that fax number from the second or the back side of that first sheet. It also spelled out there the ability at anytime from the time that I got this notice until the case was finalized that I had the ability to contact the taxpayers' advocate office.
Q: Now what did you do after you received this notice? Did you -- did you file any --

anything with the department?

A: It told me that I had 90 days to send a protest notice in, which -- which I did. In the determination letter, it lists that I did it on 12/1, within the time limit, but I -- I believe it was much sooner than that. But I faxed back to the office -- and the only name on here was Bruce Owens as the one who had found me personally responsible on this proposed notice. So I sent a note back with some notes scribbled on here that I had ceased control of the company. I believe there was a more detailed letter with that and that has not been turned over to us by DOR through discovery. That -- that verbiage on that letter, but I should also point out that when I went through that I realized that there was no one, but there were actually two proposed notices of assessment, one that was for Intedge Industries, Incorporated and a second one that was for Intedge only, which covered all the time after the assets had actually been transferred to a new company. So in addition to sending notes back telling the DOR who was the financial person at the new Intedge Manufacturing in

Tampa, Florida giving them name -- names and contacts, I realized that at some point in time, DOR had completely confused Intedge Industries from Intedge and Intedge Manufacturing.

Q: After you sent in your protest at the very latest by December 1 according ---

A: At the very latest. Yes.

Q: --- to the department of 2009, were you contacted by anyone from DOR before you received the determination letter in May of 2013?

A: There was no -- no contact whatsoever for three-and-a-half years after I had sent in my protest.

Q: And based on what you'd read, was it your feeling that you had made your move and that they were supposed to respond back at this time?

A: That's correct.

Q: Okay.

A: Do you want me to detail any other problems I found with those notices to me or do you want me to do that at another time?

Q: Well, shortly, yeah.

A: Okay.
Q: But succinctly you can do that, yes.
A: Well, I noticed that all these notices that came from the first one, it listed the physical address of Intedge Industries as being 221 Highway North in Woodruff, South Carolina. That address was only for Intedge during a very brief time as a recruiting office in 1987. So right or wrong, my assumption from that is that it was telling me that a revenue officer had never visited Intedge Industries from 1988 all the way up to getting this notice in 2009.
Q: So they didn't even determine the correct address to send it?
A: Didn't have the correct address, didn't come out to the address to realize it was the wrong address, come to the new address and knock on the door and say, Mr. Beltram, we -- we need to talk about some problems. Nothing.
Q: Okay. Now have you at any time between '99 -- between 1999 and 2013, received any documents or phone calls or evidence from DOR purporting to make you personally liable for the taxes, except for the proposed notice of assessment?
A: I got the proposed notice of assessment and I

heard nothing until at least three-and-a-half years later when, shortly after May 1, 2013, I received a determination letter or they called it department determination.

Q: And this entire time, did anyone ever personally tell you that you might be liable personally for the taxes?

A: No. In fact, just the opposite because in April 2, 2008, as I explained earlier, I had been for two years a contact -- contractor for Intedge Manufacturing in sales management. I was terminated from that position in November of 2007. Shortly after that, I filed suit against Daniel G. Beltram, the owner of the company, and Intedge Manufacturing for breach of contract. Since at the time I was the GOP Chairman for Spartanburg County and we had done a lot of activity, so there was a lot of public notification of our activities, there was a newspaper article that was published on April 2, 2008, and in that article ---

MS. WOOTEN: Objection, Your Honor, hearsay.

MR. BELTRAM: I have the article right here.

MS. WOOTEN: Is the person here?

THE COURT: Hang on a second, Mr. Beltram, we have

an objection. Mr. Greene, do you have a response to that?

MR. GREENE: Yes, what he's referring to is public record. There's no privilege. If that's what you're saying.

MS. WOOTEN: The person making the statements ...

THE COURT: I think the objection is that --- Hang on a second, Ms. Wooten. I think the objection is that he's testifying about a document, number one that's not in evidence, and number two, ---

MR. GREENE: Well, okay.

THE COURT: --- it's a newspaper article.

MR. GREENE: Do you have a copy of it?

MR. BELTRAM: I have it right here. Yeah. Here's the newspaper article, so it was a public document found in print, found on ---

THE COURT: Hold on.

MR. BELTRAM: Okay. You haven't -- sorry.

Q: Is this the document to which you are referring?

A: It is.

Q: And is that a true facsimile copy of the document?

A: It is.

Q: Okay. I would move to submit this into evidence.

MS. WOOTEN: We object, Your Honor. If he is going to make reference to any statements found in here, we no ability to cross-examine the person purporting to make these statements.

THE COURT: Let -- let me see. What is -- what is this article? What was -- what is this article?

MR. GREENE: It's going to refer to a lien that was filed against Intedge Manufacturing, the successor company in 2008 presumably for taxes owed by the old company and then it was later disappeared from the rolls of the -- of the ROD office and was apparently expunged from the record.

THE COURT: And the purpose for offering that in this hearing is? Does this have any relevance to this hearing? I got the impression that what Mr. Beltram was about to testify to was that he read this article irrespective of what it said, he did something.

MR. BELTRAM: Yes.

THE COURT: Of course, he can testify about what he did.

MR. GREENE: Fine. Okay.

MR. BELTRAM: Yes, I would like to testify.

THE COURT: I don't understand -- but -- but ---

MR. GREENE: Well, we don't -- yeah. If he can testify to that and then, we don't really need the article itself into evidence. That's -- I'll withdraw that.

THE COURT: All right. And so Ms. Wooten, what it -- what it appears is that Mr. Beltram wants to talk about having read this article without discussing the article itself, which you've objected to on the grounds of hearsay, which I sustain that objection, it is -- it is -- any testimony from Mr. Beltram about this article would be hearsay. But based on what he read, then he took some action and I'm going to allow -- I mean, you can, you can then at that point you are objecting to him saying what he did, but I don't -- I don't know what your objection would be at that point, but if you have one, then you of course could make it.

MS. WOOTEN: Thank you.

THE COURT: So the article is not coming in. I don't want to hear from Mr. Beltram about what -- what the article said, but having read that

article, if Mr. Beltram then did something.

MR. GREENE: Yes, sir. Okay.

Q: As a result of seeing this article in the paper, what did you do or what -- what impressions did you get and what were your thoughts?

A: I did two very specific actions. One is I immediately called the reporter that wrote the story to quiz him on the veracity of the details, which he advised me were -- was correct.

MS. WOOTEN: Objection, Your Honor, hearsay.

MR. GREENE: He just says he - okay.

THE COURT: We're just trying -- I think what Ms. Wooten is concerned about is your going into what the reporter said, so as long as -- yeah.

MR. BELTRAM: No. Okay.

THE COURT: You talked to the reporter.

A: Only the veracity of that.

Q: Okay.

A: Having learned at that point that tax liens are public information on the internet, then I personally opened up the Spartanburg County Public Records to see with my own eyes that there was a tax lien against Intedge

Manufacturing for $93,151 and listed -- and listed essentially the exact same periods that we were discussing earlier in my testimony.

Q: Okay. The appearance there -- that they are the subject of this trial?

A: Correct.

Q: Yeah. Okay. Okay. So you found that then, as we got closer to today's trial, did you go back to the internet and look at -- at these records again?

A: I actually went back sooner than this -- this trial.

Q: Okay.

A: I went back to the time I got this determination letter because I was really kind of shocked that I was being held responsible after looking at the tax lien against the company that purchased all the assets of Intedge Industries and found that the record no longer existed and I studied statute, asked a few other attorneys, and apparently the DOR has the ability to expunge records and from that we tried to ask the court here, was there any explanation for that and that's when our -- our motion was -- was not accepted.

Q: All right. Okay. Was there ever any question that Intedge Manufacturing bought all of the assets of Intedge Industries, your company?

A: No, there's no question and all that was publicly documented in a variety of different public files.

Q: Okay. Back in 2005 when all of this was going on, what was your -- were your relations with the owners of -- of the new company, were they amicable or were they hostile? How would you characterize your -- your relationship with the new company as you were being taken over?

A: In 2005?

Q: Yeah.

A: It was very amicable because there was reason that my uncle out of Florida would purchase our assets because he had an additional revenue stream to utilize the Intedge building at 1875 Chumley Road for his distribution side of the business plus the fact it was giving me the ability to go back to a sales role with a fairly substantial contract of reimbursement and compensation.

Q: All right. I want to take you back to the period of late 2004, October, November,

December 2004 through October of 2005, if I may, and just tell the court what happened in that period in late 2004 to -- to change the authority of who ran that company?

A: I started negotiations with my uncle. At first there was conversation of -- of buying the physical property and the machinery and what had -- what had really triggered some of that conversation was the fact that we had, had in Spartanburg, South Carolina, several manufacturing companies, Mayfair Mills, Spartan Industries, some very large companies that had been -- put out of business foreclosure, bankruptcy, and so forth, and what happened is the appraisal values of the properties in Spartanburg, industrial properties, fell so dramatically that in some cases properties were only worth a dollar a square foot. Having noticed that my lender at the time was GE Capital and they had told me that if I could find a suitable buyer for the building and the machinery that they would then, because it was a Small Business Administration loan, they would then reduce my note to the new appraised value and we found by doing a -- a very well

approved appraisal of the facility and the equipment that GE Capital and the Small Business Administration would accept a purchase from a third party of the building at literally half of the mortgage.

Q: But even before that point, did your uncle, Daniel Beltram, put money into the -- into the corporation?

A: Yes, but that -- that followed this initial conversation of purchase, but simultaneously with the conservation about purchasing the building and the equipment, he also decided that in order for us to expand some of our sales and marketing efforts that he was going to begin to invest money in Intedge Industries in lieu of taking financial controls of the company.

Q: And I'll show you this. Please identify what it is?

A: This is a note that I signed on June 6, 2005 as president of Intedge Industries that up to that point, he invested $100,517.50 in Intedge Industries. Again, my agreement to him for this note was that he would have financial controls of the company.

Q: Okay. This is already in evidence as Petitioner's Number Three. Now at what time did you lose control of the finances, in other words call the shots, for all the financial decisions of the company?

A: Most of them were gone in the first month or two of 2005.

Q: Okay. And who took over that authority?

A: The person that I was to report to in financial matters was a man named -- by the name of Jim Reeverts in Tampa, Florida that worked for Daniel G. Beltram. And that name Jim Reeverts was part of my protest in the proposed notice of assessment that Jim Reeverts was the person that was handling the accounting and so under the direction of Daniel G. Beltram, Jim Reeverts was my contact for any financial information, except as it dealt with payroll and then Mr. Lawing, back here, and he'll have to testify to that, but I -- I was advised by Mr. Reeverts that all payroll matters would be handled with Mr. Lawing and Mr. Reeverts directly.

Q: Now when did the company officially close and be taken over by Daniel Beltram?

A: The final assets were recorded as October 1, 2005, but I must point out that the machinery and the building had already transferred hands and money from Daniel G. Beltram had been put into Intedge Industries early in 2005.

Q: Okay. And I was going to ask you, why did it take so long from the end of 2004 until almost the end of 2005, for this takeover to happen?

A: Several things were going on. One is to negotiate with GE Capital and the Small Business -- Business Administration, they have to be very clear and careful that appraisals that we were presenting were -- were accurate, were honest. That was one part of it. The second part of it is that Daniel G. Beltram was negotiating with a third company located here in Columbia to do their distribution and the contract it was a fulfilment procedure and that company -- their fulfilment house, which was here in Columbia, was beginning to wind itself down, so there were many months involved to get all these pieces in -- in -- in place.

Q: And please identify what this is, Exhibit Number Four?

A: This was a sale of 1875 Chumley Road which

housed the Intedge industries' corporation and the equipment and this was being sold to Daniel G. Beltram, which I guess he, in this point, was known as DQ Investments, LLC.

Q: And when was that?

A: This was -- this was signed, looks like July 14, 2005, when the deed actually changed hands.

Q: Okay. And that's when your building was actually sold. Is that right?

A: Well, building and all the production equipment. It was -- it was a package put together by GE Capital that was showing up as property, but it included the property, the land -- the building, the land around it, and all the production equipment in the building.

Q: And I believe your parents owned some of the land around there. Is that right? Or some part of the surrounding property.

A: In addition to the 15 acres of land that Intedge Industries sat on, I as a personal investor along with my roommate from college and my parent had bought another 100 adjacent acres. Daniel G. Beltram also contingent upon purchasing Intedge and all the assets, needed to assure that he could also purchase all that

other land.
Q: Okay. And is that part of what held up the whole process?
A: It was.
Q: Okay. And then I'll show you Exhibit Number Five. I identify that, I mean, yeah. Tell me what that is?
A: This was an option to purchase for my father who owns -- my mother and father together actually owned 11 acres of land in that larger piece of 100 and some acres. At this point, he bought an option to buy, but that option or until this option was successfully drafted and negotiated, again, it held up the actual transfer of the assets.
Q: And I believe Daniel Beltram wasn't going to go through with the deal unless all of this was --
-
A: That's correct.
Q: --- bought?
A: Even though, I need to repeat again that he was continually investing monies in Intedge Industries for exchange of having financial control of the company.
Q: Okay. And earlier you referred to being a

contractor for Intedge Manufacturing. I'll show you this. Is that what that is?

A: Yes. This contract -- this is the first of two. This was actually -- the term of this was October 1, 2005 and it lasted for six months until March 31, 2006, and then it was rolled over beyond that.

Q: Okay. Now after you were ousted from the company, were you able to get all of your books and records from the company like end of 2005, beginning of 2006 or did ---

A: I -- if it's okay, please the Court, I'm going to bifurcate your question ---

Q: Yeah.

A: --- and answer two ways. One is when you say ousted, when I relinquished control of the accounting procedures, which was 2005 and during that -- or excuse me, beginning of 2005, first month or two, it was an amicable relationship and as a result, I was negotiating what I thought would be a long-term contract where I would actually be in the building. The understanding was that every asset, every paper, even the websites, everything that belonged to Intedge Industries was going to be

transferred over to the new company, so all the payroll records, any notices received by any vendor, any paid bills, accounts receivable due, all that was kept in the building and was out of my control. The reason I want to bifurcate it because at the end of my -- or my contract was terminated early in November of 2007. At that point, I was not even allowed in the building anymore and not only was all -- any financial records confiscated, but also my personal effects that had certain tax records and so forth also were confiscated, never returned. I got the Spartanburg County Sheriff's Department involved. Some of these things were returned to me and then after that in 2008, we started a two-year litigation battle with my uncle.

Q: Okay. So you had no more access to those records after 2006 or so?

A: I had -- I had no access to the accounting or payroll records after the beginning of 2005. Didn't even have access to my own personal records that dealt with tax filings and things like that in November of 2007.

Q: Okay. Now that reminds me of a question I

meant to ask earlier. Did -- have you filed and paid all of your personal taxes from 2002 forward?

A: Yes, I'm current on everything. Everything's paid up. There's no question about anything. And again, what -- what's odd about this whole situation is that you would think if there was a big payroll problem that IRS would be chasing me for withholding tax and yet IRS hasn't caused any problem. There's no liens against me or anything else.

Q: Now did you think -- did you have any reason to believe you owed any taxes to DOR prior to receiving that proposed assessment?

A: No. And even when I received that I -- I thought that this must be incorrect because I knew that there was this tax lien against Intedge Manufacturing covering those monies and since they were the purchaser of all the assets and liens follow assets, my logical conclusion was that this was DOR sending me some kind of a perfunctory notice.

Q: So if you had been approached by DOR back in 2004 asking for taxes from '99 up to 2003, would you have been able to pull records and

deal with them about that issue?
A: In what time frame?
Q: In -- in -- from '99 to 2004, if you were approached in 2004. If DOR had contacted you and said we've got problems here with 2002 taxes?
A: Yes, those records ---
Q: You would've had access ---
A: --- would've been at 1875 Chumley Road. I don't know if they're there now, but that's where they were stored and yes, anything up to the end of 2004, we could've pulled out the file, sat down with a revenue officer in my office, and decided or figured out what was -- what was pending.
Q: In 2009, did you have any access to any records like that?
A: Nothing at all.
Q: Okay. Now the last thing I want to show you is the department determination that you received in May of 2013. Do you recognize that?
A: I do.
Q: Okay. And to what address was that letter sent?
A: 725 Black Wolf Run, Spartanburg, South Carolina

29306.

Q: Okay. Your home address?

A: That is correct.

Q: Is -- have you -- you've read through that whole determination, I guess?

A: Yes, I have numerous times.

Q: Okay. And is there any information in that, that is faulty or just plain incorrect?

A: It is and if you'll give me just a minute, I will put out my notes. That's all right. I don't need that. Obviously, when I received this three-and-a-half years later, after the -- the proposed notice of assessment, my first response was, I was aghast that this was coming out of -- totally out of left field. When I did begin to review it, the first thing it states in the first sentence is that the periods covered are September 1999 through September 2005. That's the first sentence and yet Attorney Ms. McMahan who wrote this to me, then in the next sentence talks about December 2005, so right off the bat, I realize that there seemed to be confusion at DOR as to what was really involved. Then again, it talks about through December of 2005 further on it --

the thing also that was rather confusing is that Ms. McMahan is interchanging Intedge Industries, Intedge Manufacturing, Intedge as if they are all one entity.

Q: Okay. For the record, you refer to Ms. McMahan and that is the attorney that was first assigned to this case, is that right?

A: That was the first of at least three. That's right.

Q: And then she left this case and other attorneys came on. Okay. Go ahead.

A: And I'm not going to belabor the Court with every little detail at this point, except when we got to number three and it talks about Mr. Beltram and his Accountant Terry Lawing, and so I realized by getting this that going through the documentation, since they're detailing a meeting I had with Mr. Lawing and didn't detail any other meetings, I think it confirmed in my mind that there was no contact with DOR past 2002 with me directly or anybody at Intedge Industries, but the last sentence is curious. It says, however, Intedge failed to remit the delinquent taxes due as required under the program and yet I found online at that time tax

satisfaction notices for that same period so again, my reaction was I'm being held responsible for things that have already been resolved. It says, Intedge, and again, are we talking about Intedge Manufacturing, Intedge Industries on number four, Intedge failed to file its quarterly sales tax return for the period of July through September 2005. That was due in October and I was completely off the scene at that point, but again, I -- I'm -- from Ms. McMahan's writeup, the whole thing through here, I'm really unclear what entity she's talking about and when we come towards the end, she indicates where we're talking about transfer of assets, it says, although it is true that the above referenced section provides for transfer E liability under circumstance which substantially all the corporate assets have been sold here despite -- despite pre -- excuse me, despite repeated requests by the Department, no documents of sale have ever been provided. Now through discovery, we would like to know, I think, what requests there were from DOR because I don't have any and they've not produced any.

However, the -- even without those documents, it was clear that the P.O. Box, the phone number, the website, the physical address, and the social security number of the same employees was in fact transferred to another EIN number.

Q: Okay. So under oath today, are you saying that not only did you not receive repeated requests that you never received a single request for this information that she refers to?

A: No request for that information, no contact with DOR until recently. I went to my state representative -- Representative Eddie Tallon of Spartanburg, South Carolina and asked him could he help me figure out why we can't seem to get much cooperation from DOR as to any contacts or whatever and he reported back to me that he had conversation with a Mr. Meredith McClain, who I understand is the deputy director and Mr. McClain was going to help remedy the situation by giving Mr. Tallon some thoughts as to how I could resolve the issue. Then he was told, a few months later -- what would you like?

Q: Here. Go ahead.

A: A few months later that he wasn't going to produce anything, so Mr. McClain at that point sent an email indicating that I had the ability to call and talk to the taxpayer advocate, a Mr. -- Ms., excuse me, Ms. Jean Funchess. I met with her in late August, sat down and detailed the confusion of this whole matter because again I had read here that up until the time where at this hearing she could have influenced ---

THE COURT: Could I stop you for just one second?

MR. BELTRAM: Yes, sir.

THE COURT: August of what year, sir?

MR. BELTRAM: This year.

THE COURT: Okay.

MR. BELTRAM: 2014.

THE COURT: Okay. Thank you.

A: I was trying -- Your Honor, I was trying to do everything I possibly could to settle this matter, resolve this matter, remedy this matter and I was looking in every direction I possibly could. Ms. Funchess took my documentation, told me that she had to talk to a Mr. Milton Kimpson who she detailed to me as being the head of the legal department, which I think Mr.

Kimpson is here. She called me back right after Labor Day advising me that Mr. Kimpson had told her that she couldn't have any involvement in this case, but I don't see any place in statute or anything else that precludes the taxpayer advocate from being involved in my case to help resolve this to avoid this very costly court hearing today.

Q: Now have a few final questions. First, do you feel you are personally responsible for any of these taxes today?

A: I am not.

Q: Okay.

A: I don't -- I can't even speak to the veracity of these taxes with all this documents that we don't have and others that we do have and certainly after all these years and knowing that my records are no longer available to me, long past statutes of limitation, the length of time from a proposed notice of assessment to the determination letter being three-and-a-half years. I also moved my office from one side of the building to the other side of the building on January '10, so after not hearing anything on the proposed notice, I put all that stuff

prior to 2010 in some boxes and a year or so later that -- that stuff was shredded which I assume went with the proposed notice, but when we asked DOR under discovery to produce my protest letter, they still to this moment have not produced the letter in entirety.

Q: Okay. So do you feel you suffered irreparable loss as a result of DOR's proceeding against you in this way?

A: I have. Not only time out of my business, but also very, very excessive legal costs in order to defend myself against what my interpretation is complete negligence by DOR.

Q: Very shortly, is there anything else that we have not covered that you'd like to tell the Court?

A: I think at this point, we've covered everything that -- that's on the table. Thank you.

Q: That's all I have, Your Honor.

THE COURT: Thank you, Mr. Greene. Ms. Wooten?

MR. WOOTEN: Your Honor, we would request a five to 10 minute break before starting cross if you would allow that?

THE COURT: A little comfort break?

MS. WOOTEN: Yeah.

THE COURT: Okay. All right.

MS. WOOTEN: A little break. If that's okay with the parties?

THE COURT: Mr. Greene, any objection to a five minute comfort break?

MR. GREENE: (Shakes head negatively.)

THE COURT: All right, sir. Thank you. There being no objection, we're under recess for five -- five minutes.

MADAM COURT REPORTER: All rise.

(Off the Record)

THE COURT: Okay. We're back on the record and I think we were ready for Ms. Wooten cross-examination. If you're ready, go ahead.

MS. WOOTEN: Yes, Your Honor.

THE COURT: All right.

MS. WOOTEN: Thank you very much.

MR. BELTRAM - CROSS-EXAMINATION BY MS. WOOTEN:

Q: Good morning, Mr. Beltram.

A: Good morning.

Q: I'm going to start off talking about Intedge Industries. If I happen to say Intedge, I am referring to Intedge Industries.

A: Okay.

Q: If at any point, I want to talk about Intedge

Manufacturing, I will say Intedge Manufacturing.

A: Okay.

Q: Just to be clear.

A: That's good ground rules. Thank you.

Q: Okay. What was the last position that you held with regard to corporate structure of Intedge?

A: I was president of the company.

Q: Okay. And what were those general responsibilities as president of Intedge?

A: Since my forte had always been sales and marketing, most of my responsibilities revolved around sales and marketing. As I said in testimony with Mr. Greene, I delegated to other people accounting, manufacturing, distribution, operations.

Q: As president did you -- you have power to hire and fire employees?

A: Correct.

Q: Is that correct? You had the ability and the authority to sign contracts on behalf of the corporation?

A: Correct.

Q: Did -- and you had authority to sign checks on behalf of the corporation?

A: Up until the beginning of 2005.
Q: Okay. So from 1999 to the first or second month of 2005, you had complete control of Intedge?
A: Compete probably stretching it, I had majority control of the company.
Q: Majority.
A: Because I had a board of directors and I had other family members that were in fact involved in different aspects of the business.
Q: But you had the ability to hire and fire, write checks on behalf of the corporation, enter into contracts on behalf of the corporation, and in your testimony earlier, up until the first or second month of 2005?
A: Right. But that responsibility was shared with others.
Q: Who else had those -- had equivalent responsibilities that you had up until ...
A: At what -- what date?
Q: From 1999 to the first or second month of 2005?
A: In those five or six years, it varied a little bit. Sometimes my father was involved. I had a sister involved. If you could be more specific, I can answer that question.

Q: Let's go year by year.
A: Okay.
Q: 1999?
A: 1999 I had most of the control, although my father was still very much involved.
Q: Okay. 2000?
A: The same thing.
Q: 2001?
A: 2000 -- and I should point out that 1999 and 2000, as I testified earlier, we had a Marlene Mabry there, who had the ability to sign checks using a facsimile stamp of my name and so because of embezzlement and her putting in the check register checks to go to SCDOR and yet the check itself was made out to herself, the ability to sign checks, she had, although it was a fraudulent method that she was using.
Q: Were you her supervisor?
A: I was her supervisor.
Q: And as president and supervisor, would you have had the responsibility to check behind her or to check and make sure that the accounts were reconciled correctly?
A: Yes, and that's how we caught her and she ended up -- we -- we went through a long prosecution.

She wasn't particularly cooperative as to what checks she did convert. The original check was to something other than DOR and this all began to come in focus over six months or a year period of prosecution with the sheriff's department. If you're dealing with any sheriff's department on these kind of prosecutions, which are relatively small potatoes, it takes a long time.

Q: Okay. Let's go back to the years that we were discussing earlier. We got through 2001. What about 2002?

A: 2002, at that point, I had hired, on a contract basis, Mr. Lawing, who was handling payroll records and the quarterly filings, but ultimately at the time, if there was money due, it would end up on my desk.

THE COURT: If I could just stop for -- just for a second, Mr. Beltram?

MR. BELTRAM: Yes.

THE COURT: You referred to this gentleman a couple of times. How -- how can I spell his last name just for ...

MR. BELTRAM: L-A-W-I-N-G.

THE COURT: Okay. Thank you.

MR. BELTRAM: Phonetically perfect. Lawing. Did I do it right? I hope I did it right.

Q: For 2003, who were the individuals that we have been discussing through 1999? Who would ...

A: That would've been me.

Q: You -- you as well. What about 2004?

A: 2004 would've been me.

Q: And 2005?

A: Was not me.

Q: What about the first, second month that you had testified to earlier?

A: Maybe the first few weeks, but the first tax filing that would've been due, would've been due on April 15, 2005. So the first time the DOR would've had any involvement with that would've been the first quarter of 2005.

Q: Were you still president of Intedge no April 15, 2005?

A: Correct.

Q: But you did not have a duty with regard to withholding taxes, payroll taxes, overseeing the company, authority over the company on that date, although ---

A: That's correct.

Q: --- even though you were still president ---

A: That's correct.
Q: --- of the company? Did you review the tax returns before they were filed with the department and I -- I apologize. When I say tax returns, I'm referring to the withholding and sales tax returns of -- between the period of 1999 and 2005 at issue in this case?
A: I don't believe I did. No.
Q: Would you have had a duty as president to review those prior to them being filed with the Department of Revenue?
A: I don't think so. No.
Q: You stated earlier, you signed checks, correct, on behalf of Intedge?
A: Correct.
Q: Those included payroll checks, correct?
A: Correct.
Q: Would you have also signed checks to pay withholding taxes to the State of South Carolina?
A: Tell me what time frame you're talking about?
Q: 1999 to 2004.
A: Okay. Again, as I stated for the third time, from 1999 to 2000, there was an accounting manager that had possession of a facsimile

stamp, so even though my name was on there, she was physically hitting the check with -- with my signature, even though numerous of those dollars were converted to her own use.

Q: The stamp, whose signature was on the stamp?

A: It was my signature.

Q: As president of Intedge?

A: It just said, Richard S. Beltram.

Q: And that's because you had authority over the corporation, is that correct?

A: That's correct.

Q: Did you -- I believe you stated earlier, you had a bookkeeper, you refer to Marlene, is she the bookkeeper, officer manager, what was her role?

A: Marlene Mabry was our payroll and accounts payable manager is what she was hired to do.

Q: Okay. And she worked from 1999 to 2001, is that correct?

A: Somewhere in that time frame. I don't have her personnel records, but it was in that time frame.

Q: And after her departure, Terry Lawing came in and filled those responsibilities?

A: Only as it related to payroll.

Q: Okay. Who did Terry report to?
A: He reported to me.
Q: Okay. Did he have the authority to write checks on behalf of the corporation?
A: No.
Q: At what point did you become aware of Intedge's outstanding tax liabilities?
A: Just prior to 2002 amnesty meeting, when as I said earlier in testimony -- and I didn't go to the post office box every day, other people in my company did, but one day that I did go, there was a tax lien notice and I can't tell you at this point which quarter, but it was a tax lien notice and in order to receive that notice, I had to sign a green card. It was a return receipt requested and so that's when I became noticed and since that -- well, more recently and during this litigation, I've asked to see those other cards to see just exactly who received those notices and as you know DOR has been non-responsive. So that was the time I noticed. I contacted DOR to set up a meeting to discuss payment of those debts through the amnesty program.
Q: With your regard to your request for green

cards, you said that the department was non-responsive. Did you receive a response from the department?

A: The response was you had none of them.

Q: But you did receive a response ---

A: Yeah, but that's ---

Q: --- from the department?

A: --- non-responsive in the fact that we know the cards are there because they were going back to Columbia.

Q: Starting in 1999, did you -- do you or did you have the authority to resolve any outstanding tax liabilities on behalf of Intedge?

A: I did. Yes.

Q: And this would be all the way through 2004, first couple of months in 2005?

A: 2004. We'll stop at that point and -- and again, I must say that, that was resolving any notices that I was aware of because looking through this, there were supposed debts from 2003 and 2004 that I wasn't even aware of because it wasn't even presented to me because the person at the P.O. Box at that time was somebody other than me.

Q: I'm going to hand you or I think it's up here.

MS. WOOTEN: Your Honor, may I approach?

THE COURT: Certainly.

Q: I'm going to hand you what has been marked as Respondent's Exhibit One.

A: Okay.

Q: Could you tell the Court what is this document?

A: I -- I don't know. I -- I mean, I see half of it.

Q: I'm sorry. I'm sorry. It's page nine of the exhibit that I handed you.

A: Okay. Page nine is a quarterly tax return periods cover January to March 2003 signed by Terry Lawing on April 22, '03.

Q: Did Mr. Lawing have authorization to sign the return on behalf of Intedge?

A: He did.

Q: And again, he did not have the authority to write the check for the withholding taxes ---

A: Correct.

Q: --- that is indicated as being owed?

A: Correct.

Q: For the sake of time, would you agree that Mr. Lawing had the authority to sign all of the tax returns for the period in question in this matter from 2002 forward?

A: Okay. Now ---
Q: If you don't, we'll go through each one of them.
A: --- I'm a little confused because you have in the same document ones before 2002. Are you separating out everything prior to 2002 when you ask that question?
Q: From 2002 forward. The documents in here that are the quarterly tax returns have been signed by Terry Lawing. I'm asking if he had authority to sign all of those quarterly tax returns that have been provided in this exhibit?
A: I will answer that in this file that was presented, only some of the quarters -- the quarterly tax returns were submitted. A lot of the quarters here -- the quarterly tax return has not been submitted and I don't know if that means that DOR doesn't have it. I don't understand that, but all I can tell you is that the first one in this file talks about January to March 2003 that he signed on April 22, '03. I believe he actually started in that position prior to 2003.
Q: Okay. I'm just referring to the quarterly tax

returns that are in dispute in this matter. I'm not referring to anything outside of what's been provided.

A: Okay. But all these others are in dispute. We haven't resolved all this whole pile on my left hand, ---

Q: Okay.

A: --- ma'am, have not been resolved.

Q: All right. All right. We just talked -- referenced page nine. If you will go to page 13.

A: Now I'm a little unclear. You asked a question. Have you withdrawn that question, then, or going to 13 now?

Q: You -- I just asked if Terry Lawing had the authority to sign on behalf of Intedge for the quarterly tax returns that we have provided in Exhibit One. You did not acknowledge that, so I'm going to go through each one of those individually.

A: Okay. Because the -- the ones prior to that one, I don't have any quarterly return so ...

Q: I'm only asking what's been provided in Exhibit One.

A: Okay. Okay.

Q: Okay.
A: But you agree there are ones in dispute that we're not talking about?
Q: Object. You can't ask me a ---
A: Okay. Sorry.
Q: --- question. Page 13 of that exhibit.
A: Yes.
Q: Did Mr. Lawing have authority to sign on behalf of Intedge?
A: Yes.
Q: Page 16, did he have authority to sign on behalf of Intedge?
A: Yes.
Q: Page 19, did he have the authority to sign on behalf of Intedge?
A: Yes.
Q: Page 22, same question. Did he have ---
A: Yes.
Q: --- authority? Page 25, did he have the authority to sign on behalf of Intedge?
A: Yes.
Q: Page 28, did he have authority to sign on behalf of Intedge?
A: That I can't answer yes or no because he actually filled out this form on January 28,

2005, and I'm not sure at that point whether he was already getting instructions from Tampa, Florida or not. I'm not sure. I can't -- I can't answer that one.

Q: Were you still the president as of January 25th or 28th of 2005 of Intedge?

A: Yes, but not the chief -- but not the chief operating officer or the chief executive officer.

Q: Page 32 of the record -- I'm sorry, excuse me. That's the wrong page. Thirty-one?

A: That one is dated, if we're looking at the right sheet, or April 19, 2005?

Q: Were you still the president of Intedge on April 15, 2005?

A: But not responsible for payroll.

Q: Were you still the president?

A: I was the president, but not responsible for payroll or withholding.

Q: Page 34.

A: Okay.

Q: Did Mr. Lawing have the authority to sign on behalf of Intedge?

A: Not by Intedge Industries, no. He was given those instructions from Tampa, Florida.

Q: Between 1999 and 2004, how many employees did the corporation have approximately?
A: It averaged between 60 and 90 to my recollection.
Q: And you stated earlier that you were aware from at least 2001, 2002 of Intedge's tax liability -- outstanding tax liabilities?
A: The -- the tax liens that I had received 2002 or prior, I was aware of and those are the ones that I went to talk to Revenue Officer, Allen Sheriff, along with Mr. Terry Lawing. We learned what the amnesty program meant and then to my recollection, we paid what was due.
Q: What is your understanding of what the amnesty program was?
A: Again, we're reaching back 12 years, so I'm going to give you a vague idea. That there was a reduction of interest and penalties.
Q: Did you receive or did you receive notice of Intedge's tax liabilities for tax years 2003 and 2004, correct?
A: I -- I -- I don't remember. I don't know.
Q: You don't remember if you received a tax notice for Intedge for 2003, 2004?
A: That's correct. I don't know if I received

those or not and I think I stated that earlier.

Q: I'm going to ask a couple of questions related to the sale of Intedge Industries to Intedge Manufacturing. Again, I'm going to be referencing Intedge, that's Intedge Industries. If I'm referring to Intedge Manufacturing, I will say Intedge Manufacturing.

A: Understood.

Q: Okay. When did you -- when did the reported sale of Intedge Industries to Intedge Manufacturing occur?

A: When was it reported? I'm sorry. What was the first word or first couple of words of your question? When was ---

Q: Reported sale.

A: Okay. And I have to splint that into three parts because there was investments by Daniel G. Beltram, who would be the sole owner of Intedge Manufacturing, and that started the beginning of 2005 through an arduous negotiation process with GE Capital. The actual closing of the building and all the equipment was concluded in July of 2005 through numerous other considerations, the last of the assets were transferred, I believe the actual

contract date is October 1, 2005, but I can tell you there were numerous delays to get to that point on October 1, 2005.

Q: Do you have a copy of the contract from the sale of Intedge Industries to Intedge Manufacturing?

A: I thought -- was that already put into evidence? You showed that to me before.

Q: Just to save time, do you have the Petitioner's Exhibits?

MS. WOOTEN: May I approach, Your Honor?

THE COURT: Sure.

MS. WOOTEN: Do you have the Petitioner's Exhibits?

THE COURT: Here's the Court's copy.

MS. WOOTEN: Court's copy. Okay.

A: So I don't get things confused, can we -- are you done with this first one?

Q: Yes, I am through with that one.

A: Okay. So we want to hand this back or just leave it here? Tell me what you want me to do. Just put it there?

Q: That's fine.

A: I just want to make sure it's complete.

Q: Is this the document you were referring to when you believe -- you said you believed that we

had the contract?

A: No, that was -- no. There was -- there was documents dated October 1st that showed transfer of the corporate name and things like that.

Q: Do you have those documents with you?

MR. GREENE: Your Honor, if I may?

THE COURT: Yes, sir.

MR. GREENE: I did find a document that I think maybe what he's looking at if I can ---

THE COURT: Yes, sir. See what's Mr. Greene's got there.

MS. WOOTEN: Thank you, Your Honor. The document that was provided was not the contract that I was requesting, so we're going to move along. Thank you for your patience.

Q: Can you identify this document on the screen for me please, Mr. Beltram?

A: You have a -- boy, it's really blurry here. Do you have a better transmission or -- okay. This is ---

Q: I -- I'll give you -- I'll give you this. Hand it to you.

A: This is the same document that Mr. Greene asked me about a little earlier in my testimony.

Q: What is the date?
A: June 6, 2005.
THE COURT: Is this in the Respondent's or the Petitioner's?
MS. WOOTEN: I'm sorry. This is Petitioner's Exhibit Three, I believe.
THE COURT: Okay.
Q: Is that correct, Mr. Beltram?
A: It is.
THE COURT: All right.
Q: Who signed this document?
A: I did.
Q: As president of Intedge?
A: Correct.
Q: And the date is June 6, 2005, correct?
A: That is correct.
Q: Now going back to the sale of Intedge, were you and/or the corporation represented by an attorney in these transactions?
A: Yes. The attorney that represented Intedge Industries was Larry Flynn, a Spartanburg attorney, and David something or other, not David Greene, another David in Spartanburg, handled Intedge Manufacturing and Daniel G. Beltram.

Q: And included in the sale, you said, were assets of Intedge?

A: What -- what I indicated was the remaining assets because the building that we were in and all the real property, the equipment, that had all transferred in July of 2005 and was recorded. The mortgage was cancelled against Intedge Industries and another subsidiary corporation called Upstate Development and so what was left in October were accounts receivables, any liabilities, inventory, the post office box, the address, the website, and virtually everything that were assets of Intedge Industries.

Q: And just to clarify, not referring to real property that you discussed in July of 2005, are you referring to like the personal assets of or personal property within the -- the building, the corporation, is that what you're referring to as assets? What -- what are you referring to as assets?

A: Okay. In -- in -- in South Carolina by -- by statute and Department of Revenue and so forth, taxes on property are considered a building and equipment as far as manufacturing. There is no

taxes or tax recordings on things like inventory, accounts receivable, and so forth. What I'm attempting to tell you is that the real property that included the land, the building, and the manufacturing equipment was transferred in July. What was left over in October were things like inventory, accounts receivable, the website, the P.O. Box, the phone number, the fax machine, the photocopy machine, and computers.

Q: I've got what's been marked as Petitioner's Exhibit Four.

A: Okay.

Q: And this is the real estate transaction you were referencing earlier?

A: That's correct.

Q: Is that correct? And the business, real estate, fixtures that you had described were sold for $725,000?

A: And included in that was building and the equipment that belonged to Intedge Industries. That is correct.

Q: Where did the money go?

A: The money was sent to GE Capital to pay off the mortgage and I think I explained in earlier

testimony that the value of buildings in Spartanburg County had taken such a nosedive that GE Capital and also the Small Business Administration accepted $725,000 for a mortgage that was a million-and-a-half dollars based on appraisals earlier on the building. So all that money went to GE Capital to pay off the mortgage for not only the building, but also the production equipment.

Q: Did you disclose any outstanding tax liabilities of Intedge Industries to Intedge Manufacturing prior to the sale?

A: I wasn't aware of any because as I told you in earlier testimony, at 2002 when I met with Mr. Allen Sheriff, paid off the debts, since I had no other contact from anybody from DOR, at the time of the closing, I wasn't aware of anything.

Q: What did you do to wind up the corporate affairs of Intedge Industries after the sale or prior to the sale?

A: Since all the records, everything relates to Intedge Industries was left in the building with my uncle and his subsequent corporation, I didn't do anything.

Q: You didn't notify anyone, such as the Secretary of State's Office?

A: Again, my attorney who handled the contract, Larry Flynn, all that was part of that rather involved contract that was finally signed on October 1, 2005, and as I've given during my testimony and deposition, I would make a logical conclusion that the lawyers involved would've handled all that.

Q: Would you agree that this was an asset sale for Intedge?

A: No. No. It was more than that because except for a minor change in the name, even the website that was Intedge Industries was part of the sale, the P.O. Box, the phone number, so it was a lot more than just a few assets. It was everything in the company. He chose to reincorporate in -- well ---

Q: Did you sell the stock of Intedge Industries?

A: No. The stock was dissolved because he chose upon purchase to not -- to start a new corporation, but again I -- I want to point out that this Petitioner's Exhibit Number Three was clear indication that Daniel G. Beltram had heavily invested in Intedge Industries prior

to changing the name because he wanted a Florida corporation rather than New Jersey corporation.

Q: How was the stock resolved at the sale of the business?

A: I -- I can't answer that. Again, that was all contract negotiation with the attorneys on both sides.

Q: Did you send notice to the Department that Intedge Industries had been sold to your uncle, Daniel Beltram?

A: I can't answer that. I don't know.

Q: I'm asking did you send notice?

A: I don't think I did because again, the lawyers were telling me they were handling all the transfers, notifications, and everything else. All I do know is at the closing, we were advised the DOR had no objection to the transfer of the assets to the purchaser based on any outstanding liens of debts or anything else, except the accounts payable that we had for current liabilities from vendors.

Q: Who told you that?

A: That was represented at the -- at the contract table. I'm not sure if it was my attorney or

the purchaser's attorney that said that.
Q: And your not sure if that was Department of Revenue? You don't -- you don't know who said that or who represent -- or who ---
A: No. I can't -- I can't speak for who told them that. We were just sitting at the contract table and there were no notice of outstanding debts with DOR or more importantly, the IRS and as it's turned out, the IRS, which would've been parallel to all these issues, has had no objection then and has no objections now and no outstanding debts or liabilities.
Q: Did you receive a certificate of compliance from the department with regard to the sale?
A: I did not receive it. Now again, if it was mailed to P.O. Box 969, Woodruff, South Carolina, I've indicated in numerous parts of my testimony that I had no control of that P.O. Box. There was nothing mailed to my home address.
Q: When you sold Intedge, did you inform the department of a change in mailing address?
A: For -- for what?
Q: When Intedge was sold, did you inform the department that it had been sold and that there

was a new mailing address for you if the department needed to contact you with regard to Intedge Industries?

A: I -- I don't know. Again, that was all handled by lawyers. What I can tell you in early testimony, my home address, my social security number, my telephones for personal contact have all been exactly the same. And again, if anything was mailed to P.O. Box 969, that was intercepted by others as I've indicated in earlier testimony.

MS. WOOTEN: Your Honor, if I could have a moment, please?

THE COURT: Yes.

MS. WOOTEN: Thank you. Your Honor, I'm going to give this document to Mr. Beltram. This was just presented to us this morning. When I reference any documents regarding the sale of Intedge Industries to Intedge Manufacturing.

THE COURT: Okay. We haven't got that marked yet, have we?

MS. WOOTEN: No, we have not.

THE COURT: Okay.

MR. WOOTEN: At this time, I'd like to move this exhibit into evidence as Respondent's Exhibit

Three.

MR. GREENE: Okay.

THE COURT: Respondent's Exhibit Three, there being no objection is admitted.

(Respondent's Exhibit Number Three was admitted into evidence.)

Q: Mr. Beltram, could you tell me the -- the title of the document that I handed to you as Respondent's Exhibit Three?

A: Guarantee and Indemnity Agreement.

Q: Okay. If you will flip back to the second page?

A: Okay.

Q: Do you recognize the signatures on this page?

A: Yes, that's my signature.

Q: Okay. It's your signature personally?

A: Personally as majority stockholder of Intedge Industries and President of Intedge Industries. That's correct.

Q: Okay. What is the date of this document?

A: October 1, 2005. This was signed at the time we were selling the rest of the assets and by the way when I went back to my deposition here that was done by Katherine Brown back in March, these same questions were asked and we -- we

satisfied by giving documents and so forth of the actual sale, so I'm not sure what's happened to those documents in that line of questioning in March, but we addressed those same issues.

MS. WOOTEN: May I approach, Your Honor?

THE COURT: You may.

Q: Mr. Beltram, if you could read this -- those two lines right there (indicating)?

A: "Amount of guarantee and indemnity, amount of this guarantee and indemnification is unlimited."

Q: Okay.

A: Okay.

Q: And if you could also read two more lines beginning with this and read until the semicolon.

A: "This indebtedness includes and relates to any and all guarantees, liability, judgments, obligations, debts, taxes due in the most comprehensive, absolute, or contingent joint or several which may become a lien or attach the assets by sale of transfer."

Q: I'll take that back from you. Would you agree that this document is an indemnification

agreement to Intedge Manufacturing?
A: Of any debts that I was aware of and I wasn't aware of any debts ---
Q: Does it say that in the document?
A: It doesn't say that, no.
Q: Okay. So -- excuse me. I believe the first line you read of this guarantee states that the guarantee and indemnification is unlimited, is that correct?
A: That's correct.
Q: The second one I had you read also stated that "the indebtedness includes and relates to any and all of the guarantors liabilities, taxes due in the most comprehensive sense."
A: Right and -- and when I signed that October 1st, prior to that I was not aware of any tax liabilities. In fact, most of the tax liabilities we're talking about were presented to the new Intedge after October 1, 2005.
Q: But again, there is no limiting language in the agreement ---
A: No.
Q: --- that I just provided to you?
A: Correct.
Q: And it does not say all liens that Intedge or

Richard Beltram is aware of?
A: No, but I -- I'm sure it can't mean things that weren't even presented up to that point or things that I was not aware of.
Q: Can I approach again and ask you to read one more line of this agreement?
A: Okay. Sure.
Q: If you will read this first sentence beginning with the indebtedness?
A: "The indebtedness as guaranteed by this guarantee includes any and all amounts which are deemed due or such amounts as attached to assets purchased under the sale and purchase executed prior to this agreement" -- "prior to this agreement."
Q: So all -- all that are attached to the assets, is that correct?
A: Prior to that. And I wasn't aware of any.
Q: I'm going to ask you to read the entire sentence again into the record.
A: Okay. Which -- which sentence do you want me to read?
Q: The first sentence again.
A: "The indebtedness as guaranteed by this guarantee includes any and all amounts which

are deemed due or such amounts as attached to assets purchased under the sale and purchase agreement executed prior to this agreement." And as far as I know from that point to this point, there's been no attachment to any of the assets.

Q: But you would agree it says such amounts as -- as attached to assets purchased under the sale and purchase agreement executed prior to this indemnification agreement?

A: That's right. And -- and we were sitting at that point dealing with things like inventory, things like accounts receivable, things like the website, but the most important part of the agreement, which was the building and the real property, had transferred in July of 2005 and there's no such agreement covering those much more substantial assets.

Q: Okay.

MS. WOOTEN: I'm sorry, Your Honor, may I have one more moment, please?

THE COURT: Yes.

Q: Just a few more questions. Isn't it true that the department and you entered into settlement discussions regarding this matter?

A: Only -- only a week ago after almost 10 years or more. One week ago, I believe you spoke to Mr. David Greene. That was the first time in all these years and it was such an offer that, excuse me, but it -- it was worth laughter because it had no reason to it or logic to it. It -- but there was no -- let me put it to you this way. There was no reasonable negotiation ever, but one week ago, yes, there was a call the day after I was told by Mrs. Funchess, the taxpayer advocate that she could not help my case. It was right after that and it was an offer that didn't make -- wasn't a realistic offer.

Q: So is it your testimony that we did not present any kind of settlement offer to the department in this matter?

A: That's correct. Because I feel that not only do I not owe taxes, but I think for my time loss, my long, long period of -- of legal fees, I'm actually owed that in return. You're the third attorney involved in this. I can tell by the testimony here and the questions that what Katherine Brown deposed me on, you know, we're asking those same questions even though those

questions were resolved at deposition, so my point is that I'm actually owed money and I'm not due any taxes.

Q: Isn't it true that you submitted a settlement offer to the department at the conclusion of the deposition of Mr. Bruce Owens approximately three to four weeks ago?

A: I'm not aware of any settlement, no. I know Mr. Greene said to you with context that if Mr. Beltram agreed to this number, would you agree to that and as far as I know, there was no response, but no there was no official settlement. The only thing he did was have conversation with you, Mr. Thompson, and the third attorney that if we could get settlement, would these numbers make any sense to you and what Mr. Greene told me was they did not make any sense to you and so there was no official settlement offer ever given to DOR.

Q: Isn't it true that in those conversations, it was relayed that we did not have the authority on behalf of the department to accept that settlement at that time?

A: You know again, I was precluded from that meeting, so you're asking me to answer

something -- if you want to bring Mr. Greene up to the witness stand, that's fine, but no, I -- I can't answer that at all because I wasn't in that hearing -- in that meeting.

Q: And isn't it true that the settlement offer proposed at the conclusion of that deposition, was the settlement offer we accepted and presented to you approximately one week ago that you then rejected?

A: No, because I -- again, I will say -- this is one more time that there was no settlement offer from me that was ever approved or discussed. The only thing Mr. Greene said to me is he had conversation with you to see if there was any substantial movement, but the point was that I never made a settlement offer in the terms that you're trying to state, but again, I think very important, since I'm held to a certain standard, you're asking me to talk about hearsay and I -- I don't -- I object to that not as a lawyer, but as an individual.

Q: Nothing further from the department, Your Honor, for this witness.

THE COURT: Thank you, Ms. Wooten. Mr. Greene, sir, any redirect?

MR. GREENE: Yes, Your Honor, just a few questions.

THE COURT: All right. Thank you, sir.

MR. GREENE: Thank you.

MR. BELTRAM - RE-DIRECT EXAMINATION BY MR. GREENE:

Q: Since the department brought up the issue of an offer, which I stayed silent and did not object to, I want to reiterate with you that you never authorized me to make any offer to them directly, did you?

A: That is correct.

Q: And in fact, their offer entailed giving or abandoning proposed liabilities for 1999, 2001, and 2005, is that correct?

A: That is correct. And -- and it turns out that even one of the liabilities we're discussing here today from 2006, when I checked the tax office, that lien has never even been recorded as Intedge Industries, so we didn't get into that yet, but even some of the documentation of debts and so forth, there's -- there's one from July 2006 that's not even recorded at this moment at -- at the county tax office or deeds and -- and register of deeds office.

Q: Let me show you Respondent's Exhibit Three again. This is that ---

A: Yeah.
Q: --- agreement. Who does it list as purchaser?
A: "Intedge Manufacturing, 6800 Florida Avenue, Tampa, Florida."
Q: And that is the one controlled by your uncle?
A: Right.
Q: Now isn't it a common -- very common practice in company sales that the purchaser will attempt to make one or more of the principals of the -- of the company that's being sold, personally liable in case any -- any creditor comes after the new company that they will try to hold the principals liable personally? That's not a very uncommon practice, is it?
A: No, it's boiler plate, but more importantly in that, Mr. Greene, the -- the place where money was transferred was back in July. At this point, there was no money transferred. I received nothing as far as compensation for the remaining assets. The true sale of the meaningful assets was back -- done in July, so to me this was almost a moot point because the assets that were involved here had almost no value. The assets that did have value where there could be seizure or attachment, was back

in July.
Q: Was the Department of Revenue a party to that contract or that agreement?
A: I can't answer that. Again, lawyers on both sides dealt with everything.
Q: Were they a party to this contract?
A: No, they were not. No.
Q: Did they sign any ---
A: No, they did not.
Q: --- did DOR sign this?
A: No.
Q: They're not a party to this?
A: They were not.
Q: And so the only one that could benefit from this contract would be Daniel Beltram, is that true?
A: Correct.
Q: Okay. Now did -- and this contract is basically saying that if Daniel Beltram or Intedge Manufacturing is pursued by a creditor including DOR ---
A: Correct.
Q: --- IRS, or anyone ---
A: Correct.
Q: --- and it -- it was because of actions that

happened while Intedge Industries was still operating ---

A: Correct.

Q: --- then you would agree to be responsible for that?

A: That's right. Intedge Manufacturing was never pursued for any assets or anything else.

Q: That was my next question. What -- did Daniel Beltram ever invoke this contract against you?

A: No. No.

Q: Do you think he would have if he'd have been -- if he'd have been pursued by the DOR?

A: Absolutely because we ended up in some very nasty litigation a year or two years after this, so certainly with being so adversarial, if there was an issue, he would've pursued me.

Q: Would you have signed that contract if you had felt that you had a lot of liabilities -- that Intedge Industries had a lot of liabilities that you could be responsible for?

A: No, because the assets involved here were minor assets. The major assets had already transferred ownership back in July.

Q: Okay. That's all I have, Your Honor. Thank you.

THE COURT: Thank you, Mr. Greene. Ms. Wooten, anything ---

MS. WOOTEN: Yes, sir.

THE COURT: --- from that?

MS. WOOTEN: One question.

MR. BELTRAM - RE-CROSS EXAMINATION BY MS. WOOTEN:

Q: Isn't it true that it is your defense today that because of the sale of Intedge Industries to Intedge Manufacturing, all of the liabilities are transferred to Intedge Manufacturing?

A: No, that's not my defense. My defense is that I don't believe the veracity in most of those tax filings because I believe that if they were -- were true tax liabilities that somebody would've approached me long before the sale of the assets. What I can speak to is any notices that were received from 2005 to the current day were going to somebody else and I can't speak to the veracity of those either, but what I do know is that the time between IRS not -- excuse me, between DOR actions against me or communications with such a long period of time that my true belief here today is that I don't believe the veracity of the tax debt and any

tax debt that was left over, I only can presume that a revenue officer went out to the new Intedge to try to sort it out.

Q: Okay. So just to be clear, your defense -- it is not your defense that because of the sale from Intedge Industries to Intedge Manufacturing, all liabilities were transferred to Intedge Manufacturing?

A: Any liabilities that have veracity are transferred, but I guess what I'm answering is the Exhibit One that you gave me, Respondent's Exhibit One, I can't speak to the veracity of that file, but any that are outstanding debts did move through the transfer, yes.

Q: Would you agree that the indemnification agreement makes you liable for any outstanding taxes on behalf of Intedge Industries?

A: No, only as it relates to assets that were dealt with at the closing on October 1st, but what moved in July was much greater, but again, my -- my more ---

Q: Does -- does the document say that?

A: It does not say that, but it was dated at a certain point that it's clear that, that's what transferred, but my more global thought is if

there were objections from DOR, why couldn't I talk to the taxpayer advocate? Why wasn't there a revenue officer trying to remedy the situation? Why did it take three-and-a-half years to get a determination letter?

Q: That's all, Your Honor.

THE COURT: Thank you, Ms. Wooten. Anything after that, Mr. Greene?

MR. GREENE: No, sir.

THE COURT: There being nothing further, is any objection to allowing Mr. Beltram to return to his seat?

MS. WOOTEN: No objection.

THE COURT: All right. There being none, sir, thank you very much.

MR. BELTRAM: Thank you very much.

THE COURT: You may return to your seat.

MR. GREENE: Next I call Lori Coggins.

THE COURT: All right. Ms. Coggins? If you'd raise your right hand and be sworn in first?

MADAME COURT REPORTER: Do you solemnly swear that the testimony you're about to give in this matter is the truth, the whole truth, and nothing but the truth, so help you God?

MS. COGGINS: I do.

MADAME COURT REPORTER: State your name for the record.

MS. COGGINS: Lori J. Coggins.

THE COURT: All right. Ms. Coggins, please be seated and make yourself comfortable. Thank you.

LORI J. COGGINS, having been duly sworn, testifies as follows:

MS. COGGINS - EXAMINATION BY MR. GREENE:

Q: Thank you, Ms. Coggins. I'm David Greene. I will ask -- be asking you a few questions this morning. Have you ever been employed by South Carolina Department of Revenue?

A: I was.

Q: Okay. And just prior to joining the department, where did you work before that?

A: I worked with the Georgia Department of Corrections at the Augusta Probation Office.

Q: Okay. And how long were you with the Department of Revenue?

A: About -- approximately eight months.

Q: Okay. And ---

THE COURT: I'm sorry, eight months, did you say, ma'am?

MS. COGGINS: Yes, sir.

THE COURT: Okay. Thank you.
Q: And could you tell us approximately when you began and when you left?
A: I believe I started around May and left around March.
Q: Of?
A: Of 2009.
Q: Okay. And then left in March of 2010?
A: '10.
Q: Okay. Thank you. Why did you leave the department?
A: I took a job with the Social Security Administration.
Q: Now in preparation for your testimony today, have you met with anyone at DOR to discuss your testimony?
A: No, sir.
Q: What about any of the legal staff that's here today?
A: I've spoken with them generally. Mostly just introductions.
Q: Okay. Tell me what kind of training you received at DOR to -- or what was your job at DOR?
A: I was a revenue officer.

Q: In the collections division?
A: Yes.
Q: Okay. And what training did you receive for that position?
A: Well, we received on-the-job training and we went to Columbia for some training down there. It was two, three, four weeks. I don't remember because it was five years ago.
Q: Okay. And -- okay. So did you ever have any responsibility for dealing with Intedge Industries?
A: I did.
Q: And what about Richard Beltram?
A: I tried to make contact with him.
Q: Okay. And you were assigned to his case, I believe due to geographical location, is that right?
A: Yes, sir.
Q: Okay. So he was one of many. Who assigned you to his particular case?
A: His case was assigned to my area.
Q: And were you the only one working in that area?
A: Correct.
Q: Okay. Now did you receive any special training dealing with individuals that the department

felt might be responsible persons for unpaid payroll taxes?

A: It was general training when we went.

Q: Okay.

A: And then Mr. Owens was there to ask questions if we had questions.

Q: Okay. So you would refer any questions you had to Mr. Owens?

A: Correct.

Q: Okay. Was he your supervisor during that entire period?

A: He was.

Q: Okay. And we're talking about Mr. Bruce Owens, is that right?

A: Correct.

Q: Okay. Thank you. Now when -- when you were assigned to Mr. Beltram's case, what procedure did you follow to -- to which let up to the proposed assessment?

A: What do you mean by procedure?

Q: Well, what -- what did you do to get the point of somebody saying, here is a case we think may -- person may be responsible to the point that you sent out the proposed assessment against him? What did you do to -- to get from A --

point A to point B?
A: Assessments were already made against him when they appear on your caseload. And then when they appear on your caseload, you try to make contact with them to work with them.
Q: Okay. Now you say assessments, those would be the assessments against Intedge Industries?
A: Correct.
Q: There were no individual assessments made against Mr. Beltram at that time, is that right?
A: Well, if they were, he lived in a different area, so they -- somebody else would've -- if he had personal income tax issues, he lived in a different area, so they would've fallen to someone else.
Q: So you say none that you knew of?
A: None that I knew of at that time.
Q: Okay. And so you said you tried to contact him. Did you ever talk with Mr. Beltram prior to issuing the proposed assessment?
A: You mean the responsible party?
Q: Responsible party assessment?
A: Did I ever talk to him?
Q: Yes.

A: No, sir. He was non-responsive.
Q: I'm sorry?
A: He was non-responsive.
Q: He was -- in what way?
A: He did not respond to any letters that were sent. When I made personal visits out to Intedge and to his home, he did not respond to any of the cards that I left at either Intedge or at his home.
Q: Okay. And you -- so you're saying that you sent letters to Mr. Beltram?
A: Yes, sir.
Q: Okay. And you sent cards?
A: I left cards when I made personal field visits.
Q: Okay. You mean business cards?
A: Yes, sir.
Q: And -- and who did you leave those with?
A: With the receptionist that was there at Intedge when I went to the actual facility to ask ---
Q: And what address did you go to?
A: I went out -- out to Chumley Road, to the actual business.
Q: Okay. And did you ever call him on the phone?
A: Yes, sir.
Q: Okay. And what was the result of that?

A: He did not return calls.
Q: He did not return calls. Okay. Did anyone work with you on Mr. Beltram's case?
A: Allen Sheriff.
Q: Allen Sheriff?
A: Yes, sir.
Q: Okay. And what was his position in the department?
A: He was a revenue office -- revenue officer also.
Q: Okay. Now did you collect any evidence to lead you to believe that Mr. Beltram was a responsible party?
A: Other than the fact that he was the person responsible for the company.
Q: Okay. How -- and how did you ascertain that?
A: He was the CEO, he was the president when you did the research on the Secretary of State's Office as to who was the responsible party there, his -- his name was listed.
Q: Okay. So basically you did an internet -- internet search? Would that be fair?
A: That would be fair.
Q: Okay. So you never actually talked with Mr. Beltram prior to issuing a ---

A: No, sir. As I said, he was ---
Q: --- proposed assessment?
A: --- non-responsive.
Q: Okay. Now can you tell me, you actually issued that proposed assessment and proposed -- assessment of the responsible party. Do you know why it was brought to you four -- at least four years after these taxes were accrued by the industries?
A: No, it was on my caseload. It was not brought to me. It was on my caseload.
Q: Okay. So it was already on your list when you came to work there?
A: Yes, sir.
Q: Is that what you're saying? Do you know how far down the list it was? It must've been ...
A: It was on the top.
Q: Okay. You don't know how long it had been there?
A: No, sir.
Q: Okay. Do you know who -- who you replaced in that area as a ...
A: No, sir.
Q: Okay. Were you aware that Mr. Beltram did respond with a protest to the assessment?

A: No, sir.
Q: Okay. You -- would you normally -- when he sent that protest back to the DOR, would you normally have been involved in that?
A: If he did, it was not brought to my attention for it to come down to me and the case remained at the top of my list.
Q: But would it be your understanding that if -- if you're the one who issued the proposed assessment of responsible party and somebody objected to that, then you would continue with that case to talk to that person and try to resolve it?
A: Okay. I issued the responsible party and then shortly after that I left DOR, so if he issued the -- anything after I left, I would've had no ---
Q: Sure.
A: --- no ...
Q: That was issued in September of 2009, correct?
A: No, sir.
Q: May I see the ---
THE COURT: What are you looking for, Mr. Greene?
MR. GREENE: Responsible party -- I think it's Number Two.

THE COURT: Respondent's Two I ---
MR. GREENE: Petitioner's Exhibit Number Two.
THE COURT: Petitioner's Exhibit Number Two. That may be in those documents there, sir.
MR. GREENE: Let's see. This is all theirs, I believe.
A: You have to remember, I've been gone five years so ...
MS. WOOTEN: There are some exhibits on ...
THE COURT: Mr. Greene, there are some more documents on your counsel table there, sir.
Q: Okay. Yeah. Okay. Is -- is this the assessment that you -- proposed assessment that you sent to him?
A: It could have been. Like I said, I've been gone five years, sir, so I could have my dates wrong.
Q: You didn't ...
A: I said, I've been gone five years.
Q: Yeah. I know, but ---
A: So ...
Q: --- I mean, I'm -- when is that dated?
A: This is dated September 2, 2009.
Q: Okay. And that's when you were there?
A: Correct.

Q: That's when you were assigned to that area?
A: Correct.
Q: And you've already said you are familiar -- you had his case?
A: Correct.
Q: So you would've been the one to send that?
A: I -- I could have been.
Q: Okay. And it's already been established that he, at the very latest, he protested that by December 1, 2009, and you were still there then?
A: I was.
Q: Okay. And you were in fact there four more months, at least?
A: Correct.
Q: But you say you never saw the protest?
A: No, sir.
Q: You were never asked about it?
A: No, sir.
Q: You -- you never responded. Okay.
A: That would not have fallen within my responsibility.
Q: The moment you sent out that proposed assessment, the case left from your inventory?
A: Dealing with his protest was not within my

responsibility.
Q: Okay. Whose responsibility would it have been?
A: That would've been within management.
Q: With your supervisor?
A: Correct.
Q: Okay. Were you aware that Intedge Industries no longer existed in 2009 when you worked there?
A: Was I aware of it?
Q: Yeah.
A: If I remember correctly, there was some talk of that and we did ask Mr. Beltram to submit that documentation and he never did.
Q: But you just told me a moment ago, you never made any contact with him.
A: I did not. Mr. Owens did.
Q: So you were aware then of -- of contact of some sort of contact?
A: But it was not with me.
Q: Okay. That's all I have, Your Honor.
THE COURT: Thank you. Nothing further? Mr. Greene, nothing further, sir?
MR. GREENE: I through, Your Honor.
THE COURT: Okay. Thank you.
MR. GREENE: I'm sorry.

THE COURT: All right. No problem. Thank you. Ms. Wooten?

MR. WOOTEN: Yes, thank you.

MS. COGGINS - CROSS EXAMINATION BY MS. WOOTEN:

Q: Good morning, Ms. Coggins.

A: Good morning.

Q: Thank you for coming today. Just wanted to clarify something. You said earlier, you had, had no contact with DOR prior to this morning, no in-person contact prior to this morning, is that correct?

A: Just introduction type contact.

Q: Okay. And -- and the first time you met Mr. Kimpson or spoke with him was this morning?

A: Correct.

Q: Is that correct? Okay. And did he ask you to look up some information?

A: He did.

Q: Okay. What was that information that he asked you to look up?

A: It was some information on the Registrar of Deeds site with Spartanburg County.

Q: And what information did you find -- what information were you looking for?

A: It was in reference to some liens against Mr.

Beltram.

Q: Okay. And what -- what did you find in reference to the liens against Mr. Beltram?

A: There are several liens against Mr. Beltram. There are past and current liens against Mr. Beltram on the Registrar of Deeds in Spartanburg County.

Q: Can you describe those in detail?

A: Some of them are from the South Carolina Department of Revenue, some of them are from the IRS, and some of them are from other private entities.

Q: And this information was located on the County of Spartanburg, Registrar of Deeds Official Site?

A: Yes, ma'am.

Q: And you referenced earlier or Mr. Greene made a reference earlier that you did an internet search. I believe you had referred to the Secretary of State's Office?

A: Yes, ma'am.

Q: Okay. And the Secretary of State is an official agency of the -- of South Carolina?

A: Yes, ma'am.

Q: And is it correct that they can -- that the

official business records of incorporation's business registered agents would be found at the Secretary of State's Office?

MR. GREENE: I object. She doesn't have the expertise to know that.

THE COURT: Ms. Wooten?

MS. WOOTEN: I'm just asking what type of records would the South Carolina State Secretary -- Secretary of State's Office hold. What is on their website as an official state agency. It's public knowledge. Anyone can go and visit ---

THE COURT: Maybe you could ---

MS. WOOTEN: --- what is on there.

THE COURT: --- maybe you could build a little bit of foundation there ---

MS. WOOTEN: Okay.

THE COURT: --- as to how she might be aware of -- I guess, she doesn't -- I don't have any evidence that she worked there ---

MS. WOOTEN: Okay.

THE COURT: --- or knows anything about the Secretary of State's Office.

Q: You stated earlier that you worked with the Department of Revenue, is that correct?

A: Yes, ma'am.
Q: Okay. In your duties as the department -- in working for the Department of Revenue, have you had an occasion to visit the Secretary of State's website?
A: Yes, ma'am. You go on the Secretary of State's website and you can look up ownership of business to see who is registered as the owner of business, how they're incorporated, and things of that nature.
Q: Do you consider that to be reliable information?
A: Yes, ma'am, I do.
Q: Why do you consider that to be reliable information?
A: Because it is a state agency. You have to go through that state agency in order to be licensed to get your charter for a business.
Q: And the information that you determined with regard to Richard Beltram and Intedge Industries was located on this website?
A: Yes, ma'am.
Q: You had mentioned earlier that you had attempted to contact Mr. Beltram numerous times?

A: Yes, ma'am.
Q: Approximately how many times did you attempt to contact him?
A: If I remember correctly, I made at least two trips out to Intedge and I made at least one trip to his home and I cannot tell you how many letters and phone calls I made.
Q: And you received no response to any of those attempts?
A: No, ma'am.
Q: And if I may -- I'm going to give you what's been marked as Petitioner's Exhibit Two. Is your name on this letter?
A: No, ma'am.
Q: Do you recognize any Department of Revenue employee's name on the letter?
A: Yes, ma'am.
Q: Whose name is that?
A: Bruce Owens.
Q: And what is that letter?
A: This is ...
Q: Oh, excuse me. What is that document?
A: This is the responsible party assessment.
Q: That's all for the department, Your Honor.
THE COURT: All right. Thank you, Ms. Wooten. Mr.

Greene, sir, anything?

MR. GREENE: Yes.

THE COURT: Redirect?

MR. GREENE: Thank you, Your Honor.

MS. COGGINS - RE-DIRECT EXAMINATION BY MR. GREENE:

Q: Can you tell me when you visited the company and left your card with the receptionist?

A: No, sir. I -- I had -- I don't have my notes and it was over five -- it was five years ago.

Q: Are they at home? Would you bring -- did you bring them with you?

A: No, sir.

Q: Okay. Do you still have their notes, though?

A: No, sir.

Q: Okay. Do you remember when I talked with you approximately last week sometime, you told me at that time that you could not remember anything, you didn't remember him from -- you wouldn't know him if he walked in the room, you didn't remember anything about the case because it was five years ago. But now today, you remembering quite a bit, aren't you?

A: I just remember -- I don't remember dates, I don't remember general -- I cannot give you of that information.

Q: Did you tell me at that time about any letters, any multiple, I don't know how many letters that you'd sent him? You didn't tell me about that did you?

A: You didn't ask me.

Q: I asked you for everything you knew about the case we're -- and -- and your lien and your meetings with Richard Beltram and Intedge Industries, did I not?

A: Yes, sir.

Q: Okay. Was that not -- would you not have thought that was important?

A: I would assume that you would know that, that was the procedure that goes on with it. You are a tax attorney, aren't you?

Q: Do you have any copies of those letters?

A: No, sir.

Q: Okay. That's all I have, Your Honor.

THE COURT: All right. Thank you. Anything, Ms. Wooten?

MS. WOOTEN: Nothing further from the department.

THE COURT: Okay. With nothing further, we -- are we finished with -- with the witness in this case?

MS. WOOTEN: Yes, Your Honor, we are.

THE COURT: All right. Nothing else. All right. Ms. Coggins, ma'am, thank you very much. You can return to your seat or you. Any objection to allowing Ms. Coggins to be excused ---

MR. GREENE: None at all.

MS. WOOTEN: No, Your Honor.

THE COURT: --- from these proceedings? All right. Thank you very much, Ms. Coggins.

MS. COGGINS: Thank you. May I be dismissed, Your Honor?

THE COURT: You are, ma'am. You may leave.

MS. COGGINS: Thank you. Because I have a dental appointment.

THE COURT: Yes, ma'am.

MS. COGGINS: Thank you.

THE COURT: I hope you make it. Mr. Greene?

MR. GREENE: I'll be ready to call my next witness.

THE COURT: All right. If you're ready?

MR. GREENE: Terry Lawing.

THE COURT: All right. And before we begin, how long do you expect Mr. Lawing's testimony to go?

MR. GREENE: Mine is fairly short, probably 20 minutes or so. I don't know theirs.

THE COURT: I -- I tell you what. I only ask that

question for the parties. It's closing down on 1:00. I am good with going forward if you'd all like to do that, however, I also understand that people might like to take a little break, have lunch, freshen up, whatever you might want to do, so I'm perfectly flexible on that. I'll let that be how you want to handle it. Do you want to just trudge or do you want to take a little break?

MR. GREENE: Well, I mean, he and -- you and I both. Bruce Owens and that's it. So we have Mr. Lawing and Mr. Owens and that's it.

MR. WOOTEN: Okay. That's fine. We would just request a lunch break after Mr. Lawing's testimony.

MR. GREENE: That'll be fine. Yeah.

THE COURT: All right. Let's go with Mr. Lawing and then we'll take a -- a lunch recess at the end of that time.

MS. COGGINS: Your Honor?

THE COURT: Ma'am.

MS. COGGINS: May I say something?

THE COURT: Let -- let's recess right now.

(Off the Record)

THE COURT: All right. Mr. Greene, we're ready?

MR. GREENE: We're ready.

MS. WOOTEN: We're ready.

THE COURT: All right. We're back on the record after a short recess. Mr. Greene, let's see. We have -- it's Mr. Long, right?

MR. LAWING: Lawing.

THE COURT: Lawing. I beg your pardon. All right. If you'd be sworn in.

MADAME COURT REPORTER: Do you solemnly swear that the testimony you are about to give in this matter is the truth, the whole truth, and nothing but the truth, so help you God?

MR. LAWING: I do.

MADAME COURT REPORTER: State your name for the record.

MR. LAWING: Terry L. Lawing.

THE COURT: Mr. Lawing, thank you. Be seated and make yourself comfortable, sir.

TERRY L. LAWING, having been duly sworn, testifies as follows:

MR. LAWING - DIRECT EXAMINATION BY MR. GREENE:

Q: Good morning, Mr. Lawing. Please tell us your professional address?

A: My professional address is Carlisle Finishing, Chester Whitmire Highway, Carlisle, South

Carolina.

Q: Okay. And tell -- tell me and the Court briefly about your education and work history and experience?

A: I have a degree in business administration, concentration in accounting from Limestone College. I did further graduate work in church ethics and administration from Freedom University and since then, I taught -- taught school, I taught business sciences and taught math and was a coach in -- in school for a while, left and went into private business with American Fast Print as assistant controller, and then from American Fast Print to United Merchants as southern controller for six years, and then I left them and went with Reid Brothers as financial director for a year and left them and -- with a startup company, DHL Pharmaceutical Business for a number of years.

Q: What do you do with this company that you are with now? What is your primary ...

A: I'm senior accountant for Carlisle Finishing.

Q: Okay. So you have many years experience as an accountant ---

A: I do.

Q: --- dealing with all the various aspects of accounting?
A: I have.
Q: Okay. And are you familiar with Intedge Industries?
A: I am.
Q: Did -- were you ever -- did you ever work for Intedge as an employee?
A: No. I was contract.
Q: Okay. But you did work with them as an independent contractor?
A: I did.
Q: Can you tell the Court approximately what period of time that was?
A: I met them late 1999. My brother was a graphic designer for them with their catalogs and then in 2000, they had an employee that had an embezzlement situation and they were needing someone to come in and take care of payroll and because they have a certain type of payroll that they had, I was aware of that type and so I started in 2000 until mid 2005.
Q: Okay. And you mentioned payroll, did you ever -- did you have any other responsibilities in the company other than payroll?

A: Well, I have a manufacturing background, so I did some IE studies when we brought some new product lines to develop cost situations, so I did that, but I also passed along the payroll and accrued payroll to the Stravlo Group for -- because they were the accountants for -- for Intedge.

Q: And did you ever work with Richard Beltram personally?

A: I did.

Q: Okay. How -- how did that come about? What was that involved with?

A: Well, I am also registered with the IRS as a preparer, so I've done some tax preparation for -- for Richard.

Q: Okay. But just as far as the company goes, you worked with him in relation to the payroll and all?

A: Well, when I came in, they were in the midst of trying to determine the problem with the embezzlement, the amount of money and that type thing. I did -- because I have some background in forensic accounting, I went back and determined monies that were missing and some of the things that weren't paid properly and -- in

order for them to try and determine the situation, but it took -- that took a little while. But I also did -- because they have piece work or production work, I set up a system to develop payment for employees on production work and hourly work.

Q: Okay. And that's where people are paid by how many widgets they make or whatever?

A: That's correct. Yes.

Q: Okay. What was his position with the company during the time that you worked -- worked with the company?

A: When I first met him, he was president of the company. He and his -- well, I sat down with them and we worked out the agreements for me to come onboard to work, but he was president at that time and basically my goto person for -- for major decisions if it were those, but that was the position I knew him as until 2005.

Q: Okay. And did you go -- have an occasion to go to a meeting at DOR with Mr. Beltram in 2002?

A: I did.

Q: Tell me a little bit about that. What was the purpose of the meeting?

A: Well, it was to clear up -- clear up the

situation that developed out of the embezzlement where the lady that embezzled the money that should've been going to South Carolina Department of Revenue for payroll taxes and I had gone back and to determine and so we met with Mr. Allen Sheriff to work out that situation and get that rectified.

Q: Okay. So that meeting was to sort of point out that -- that Mr. Beltram and Intedge thought taxes were being paid, but the money was being funneled elsewhere?

A: That's correct.

Q: Was anyone else at that meeting?

A: Not that I remember ---

Q: Okay.

A: --- just Mr. Beltram, Mr. Sheriff, and myself.

Q: Okay. Did -- did Mr. Sheriff ever tell Mr. Beltram that -- that he might be personally liable for those taxes?

A: I did not hear that conversation.

Q: Okay. And you were there the whole time?

A: Yes.

Q: Okay. Now when you prepared the payroll, who did you give your payroll information to?

A: I -- I had kind of a strange situation because

I had other work and then eventually I went to the plant where I'm at now, so I would do -- they gave me a key and I'd go in at night and they'd leave me the information and I'd prepare the payroll, run the checks, and the tax payment checks and put them in a desk drawer with the reports and leave them in an office there for them for payroll.

Q: Now but did you -- did you have any idea who got those reports and finished them out and wrote the checks?

A: Well, I thought the office manager always took care of getting them out of the drawer and passing them along for signature and at first that was Deborah Whitmore and then Debbie Collins or Collier took that job and they basically -- if they had questions, they would -- they would contact me with the payroll questions.

Q: Okay. So primarily even them having to do with that Ms. Collier or one of those people would contact you with questions, not Mr. Beltram?

A: That's correct.

Q: Okay. Now in -- in 2001 or '02, through most of 2004, would you say that Mr. Beltram was

basically in charge of the company?
A: Yes.
Q: Did anything happen near the end of 2004 to change your opinion about that?
A: I began to -- I would go over occasionally during the day and I began to see some new folks I didn't know and on one occasion, I was introduced to Mr. Beltram's uncle and only on that occasion did I ever meet him, but I did begin to see some people around in late 2004.
Q: Okay. And did any physical changes happen that you remember about where he was located and all that?
A: Early 2005, Mr. Beltram's office used to be on, I call the main hall on the right, and then he was moved out of that office up the hall on the left and the big office was turned over -- as we call the big office, was turned over to someone else.
Q: Okay. And did that signify anything to you?
A: Change in the administration, but to tell you that, that was related to me in any way would be hearsay because the person who did is not here, so ...
Q: Now did you know -- did you ever have occasion

to meet Daniel Beltram?
A: I met him one time.
Q: Okay.
A: I was introduced to him and that was the only time.
Q: When was that?
A: That was like 2004.
Q: Late 2004?
A: Uh-huh (affirmative response).
Q: So he was already making a presence in the business at that point?
A: Yes.
Q: Okay. Beside what you've already told us, is there any other -- any other things that led you to believe and realize that Mr. Beltram had lost the financial control of the company?
A: In 2005, Mr. Beltram's wife, Jackie, was a part of the business. She handled purchasing and payables and I went in one day and they told me that she was no longer there. She had been removed from the company and that had been passed along to a different responsible party and also as Rick had said before, Spartanburg was going through a difficult period of time as well as the business I was -- I'm still in. We

were going through a bankruptcy at the time because of the downturn in -- in the economy. The business was having a downturn and so the things that I gathered were that they felt like by joining the two together that it would be a stronger organization, but that was never officially presented to me and a lot of the -- a lot of the contracts and things that have been today, I was not aware of until today, so ...

Q: But it was clear to you that Daniel Beltram was higher in the pecking order than Richard Beltram, is that right?

A: That was my understanding.

Q: And when did you stop -- when -- when was your job ended as far as helping the company with payroll?

A: Well, there were two companies I was helping in the 2000s, one was a freight company they sold so I -- I ended their payroll sometime in the middle of the year, then stopped theirs, and then Intedge, when that transition began, they told me we're going to start doing the payroll in Florida. They're going to move all their employees onto that payroll. We won't need you

after -- it must have been in the third quarter of the year. Originally, I said second quarter, but it had to be in the third quarter basically because the change didn't take place until October, so ...

THE COURT: Of 2005, sir?

MR. LAWING: 2005. Yes.

Q: So after from more or less the beginning of 2005 until you stopped doing their payroll, if you had a problem, who would you go to see?

A: I -- I talked to Debbie Collier. She was the office manager.

Q: Okay.

A: And so I didn't have -- I understand there was a financial director in Florida, but I never saw him, met him, talked to him. I always talked to Debbie.

Q: All right. That's all I have, Your Honor. Thank you.

THE COURT: All right. Thank you, Mr. Greene. Ms. Wooten?

MS. WOOTEN: Thank you.

MR. LAWING - CROSS EXAMINATION BY MS. WOOTEN:

Q: Good afternoon.

A: Good afternoon.

Q: Thank you for being here. I have a few questions for you. You were employed by Intedge as a contract employee, is that correct?
A: That's correct.
Q: And you were employed from approximately 2000 -- mid 2001?
A: Basically 2000 because ...
Q: 2000?
A: Yes.
Q: Okay. To sometime in 2005?
A: 2005. Yes.
Q: Who hired you to work at Intedge?
A: Rick Beltram.
Q: And you stated earlier that your professional responsibilities, duties, was to complete payroll, is that correct?
A: That's correct.
Q: And you sent that to an accounting firm?
A: No.
Q: No.
A: Actually, I -- I calculated the payroll, I produced the checks, produced the tax payment checks and all the registers and left them in a drawer. Now what I would do, was sent copies

of those registers to the accounting firm, Stravlo.

Q: And what information did you use to complete the withholding returns?

A: The accumulation of the -- the weekly payroll reports or biweekly at one time were -- they were weekly and they went biweekly and so I'd use those weekly reports to create the tax return, the quarter returns.

Q: Where did you get those reports or who did you get those reports from?

A: They were on the computer. We -- we put in -- when I got there, they had Great Plains, and transferred from Great Plains to QuickBooks, but there were other items that they needed and we couldn't get the package that we needed, so we went to Peachtree Multi-Pack, so those were on the computer and I -- I had access to the computer to pull off the payroll reports.

Q: Okay. And you stated earlier that you passed the returns and the checks along to either Deborah Whitmore or Debbie Collier?

A: That's correct.

Q: Okay. Do you know who ultimately signed those checks?

A: I -- well, I can surmise that Rick would sign the checks because I didn't have signature authority. I didn't -- I have never as a contractor wanted signature authority, so I would always assume that he would have signature of those.

Q: So it's your understanding that Mr. Beltram had authority to sign the payroll checks?

A: Yes.

Q: And you stated earlier that you would go in at night -- that you were provided a key to go in at night. Did you have an official office there?

A: No. I -- I had a place to work and it would change occasionally as to who -- who was there or not there, but I did have a place to sit and produce the payroll.

Q: Just estimating generally, how much time did you spend at Intedge on a weekly basis?

A: On a weekly basis, probably three to five hours.

Q: And this was all at night?

A: Not all the time. Occasionally, there would be times that I would have a break in the day and I could move over there during the day because

it gave me a chance to see what was going on and talk to people and understand the flow of the work because like I said, I did do some costing and so that would help me to see the situation so not all the time at work -- at night and occasionally after the changes came in 2005, they changed the locks on the building and so I had to go pick up material and usually email it back to them and they could do the checks.

Q: As -- are you an accountant, a CPA?

A: I'm not a CPA, I'm a management accountant.

Q: Okay. Were you involved with any of the corporate functions or formalities at Intedge, such as board meetings or other decision-making processes?

A: No, I wasn't.

Q: To the best of your knowledge, what was Mr. Beltram's ownership position within Intedge?

A: I did not have that understanding because there were other shareholders.

Q: Was Mr. -- was Mr. Beltram a shareholder in Intedge?

A: Again, I shouldn't have made that comment because I'm not really -- I don't know that

information, but I -- I was always under the impression there were multiple shareholders in the family.

Q: Were you ever aware that the returns and checks you submitted to Intedge to be processed, were you ever aware that the money was not sent to the Department of Revenue?

A: No.

Q: Did you ever write or sign or excuse me, did you ever sign any checks on behalf of Intedge?

A: I did not.

Q: Okay. From 2000 to, I think you testified earlier, October of 2005, did your procedures and your job duties remain the same? Did you report to the same person? Did you provide the same information to the same individual or someone in that capacity?

A: I -- basically, my job stayed the same. I didn't -- I didn't change procedures, prepared the payroll the same way, left it in the same manner, except like I said toward the end, I would have to email it and they would produce the checks based on the email.

Q: And that was approximately October of 2005?

A: That was basically probably before October. It

was in the third quarter, so it would be somewhere August, July, August, September, in that -- that area.

Q: And who signed your payroll checks?

A: My check?

Q: Uh-huh (affirmative response).

A: Up until 2005, it was signed by Rick and after 2005, my checks began to come from someone else, and I was going to find files, but my files were destroyed in a flood in my basement in 2008, so I don't have those, but I -- I can't tell you who signed that check, but it was not Rick any longer in 2005.

Q: That's all from the department, Your Honor.

THE COURT: All right. Thank you, Ms. Wooten. Mr. Greene, anything in followup?

MR. GREENE: No.

THE COURT: All right. There being no further questions for this witness. Is there any objection to excusing Mr. Lawing? Do you want -- do you want him to be available to return or -- I guess he's with you, sir?

MR. GREENE: Excused, yes.

THE COURT: Okay. All right. Mr. Lawing, thank you, sir. You're excused. You can return to

your seat. Thank you.

MR. LAWING: Thank you.

THE COURT: All right. Ladies and gentlemen, I think we talked about taking a lunch break at this time, so what -- what about an hour. Is that enough for everybody?

MS. WOOTEN: Yes. Sure.

MR. GREENE: Yes.

THE COURT: Okay. So it's about one -- I have about 1:15, let's say 2:15. Thank you.

(Lunch was taken from 1:15 p.m. to 2:29 p.m.)

THE COURT: Okay. We're back on the record. Mr. Greene you had -- were you finished with your ---

MR. GREENE: We're ready, Your Honor.

THE COURT: Pardon me?

MR. GREENE: We're ready for our last witness.

THE COURT: Oh, you have one more witness. Yes, sir. Thank you.

MR. GREENE: Are you ready for us?

THE COURT: Yes, sir. When you're ready.

MR. GREENE: Call Mr. Bruce Owens, please.

THE COURT: All right. Please come forward and be sworn in, sir. No, if you're right there, you're fine right there. Yes, sir.

MADAME COURT REPORTER: If you'll raise your right hand?

MR. OWENS: yes.

MADAME COURT REPORTER: Do you solemnly swear that the testimony you're about to give in this matter is the truth, the whole truth, and nothing but the truth, so help you God?

MR. OWENS: I do.

MADAME COURT REPORTER: State your name for the record.

MR. OWENS: Bruce Owens.

THE COURT: Mr. Owens, please be seated and make yourself comfortable.

BRUCE OWENS, having been duly sworn, testifies as follows:

MR. OWENS - DIRECT EXAMINATION BY MR. GREENE:

Q: Good afternoon, Mr. Owens.

A: Hi.

Q: Would you please tell us who your employer is?

A: I'm employed by the South Carolina Department of Revenue.

Q: Okay. And your professional address?

A: Is 545 North Pleasantburg Drive, Suite Number 300, Greenville, South Carolina 29607.

Q: How long have you been with the Department of

Revenue?
A: Twenty-seven years and working in my ninth month, 27 plus nine.
Q: And so what was your position in the department back in 1999?
A: I was a revenue officer.
Q: And what is your position today?
A: I'm a collection supervisor in our Greenville office.
Q: Okay. How long have you held that position?
A: Seven years -- a little over seven years.
Q: I think maybe you told me that there have been times in your whole career when you were supervisor and then not and then back again?
A: Yes.
Q: So I guess my question really was, you are a supervisor right now and how far back continuously have you been a supervisor?
A: From March of 2007 ---
Q: Okay.
A: --- to the present.
Q: Now have you ever had the responsibility for dealing with Intedge Industries?
A: Only as the appeal came in on this proposed assessment was the first involvement I had with

the case.
Q: Okay. What about Richard Beltram same?
A: I only spoke with Mr. Beltram in connection with calls concerning the appeal that came in from him.
Q: Okay. Now appeal, you mean ...
A: Well, he called after receiving the proposed assessment responsible party.
Q: Uh-huh (affirmative response).
A: And that was the beginning of conversations I had with him.
Q: Okay. And then he -- he filed a written protest after that?
A: Yes. Yes, he did.
Q: Okay. And you never had any dealings with him or Intedge prior to that time?
A: No, sir.
Q: What kind of special training, if any, do you receive as a revenue officer or a supervisor to deal with deciding whether to propose that someone is personally liable for corporate taxes?
A: Well, of course, we are versed with the statutes that relate to responsible party and then of course, using our system of procedures

on how to generate notices. Of course, as a supervisor, then I would be looking, since my name would be inserted on those, I'm looking beyond that to potential appeals or protests or questions that may come to me.

Q: Did you do any research into the individual to determine whether or not that person had any responsibility for those taxes?

A: Yes, we would normally be looking to determine what factors that ...

Q: And what -- what kind of things do you do?

A: Well, clearly if there were communications with an individual.

Q: Okay.

A: That -- that would be something that we would be looking at. Other site that might indicate what someone's involvement with the company were, other websites I'm talking about, again, clearly communication with the -- with the taxpayer, the business, employees of the business that we may have occasion to communicate with.

Q: But you -- you have no personal knowledge if any of that was done in connection with proposing to assess Mr. Beltram?

A: Other than what I've heard here today, I wouldn't know the day to days of revenue officers involved.
Q: Is there usually any particular event or -- or occurrence that triggers you looking into an individual to be responsible for those taxes?
A: Well, we clearly want to reach out and work with someone at the company if we can to have the company pay the debt. It is the company's liability in the front end and that's who we would be working with attempting to get something resolved.
Q: So I guess you're saying if the company is not paying, that's when you start looking at the individual?
A: Well, there are other collection tools we have. Certainly if a company were not paying, the Department of Revenue could look at issuing levy notices against assets that they may have. We could be -- if they all -- if they had business licenses issued through the Department of Revenue, we could look at taking steps to revoke those licenses.
Q: Okay.
A: The responsible party, of course, is clearly a

-- a tool, but ---

Q: Do you have any kind of a time limit for collecting taxes from a company?

A: Well, there's a statute that relates to 10 year enforcement once a liability is assessed. We would look at that as our outside deadline for actually taking action to collect money for a -- for a specific period.

Q: Okay. When does that start?

A: We would at the -- the date of assessment of the particular liability.

Q: All right. And that starts the 10-years running, is that right?

A: (Nods head affirmatively.)

Q: Now do you have a time limit if you assess an individual as being responsible for corporate taxes, do you have a time limit to collect those taxes?

A: If -- I'm not sure of your -- your question. If we're going -- if they've been assessed, we would have the same 10 years.

Q: Okay.

A: Of course in the case of responsible party as it's indicated in the department determination, responsible party, based on their authority and

whatnot, has notice of a liabilities based on the original assessment issued to the company.

Q: Okay. So does the 10 years start then from the assessment of the company for the individual?

A: Yes, sir.

Q: Okay. So that's -- okay. So that starts that 10 years running also for both of those?

A: (Nods head affirmatively.)

Q: Now what -- just tell us what is an assessment? What does that mean?

A: Well, a proposed assessment is the requirement under the law that we submit some notice to someone indicating that there's a tax liability.

Q: But ---

A: An unpaid tax liability.

Q: --- but what is an assessment -- what is an assessment?

A: Well, in our ---

Q: How do you know ---

A: --- parlance of ...

Q: --- when a tax has been assessed?

A: Well, again, in our parlance, a proposed assessment would be the first notice we're indicating that there appears to be a liability

and we're putting that issue out there. Subsequent to that, then there's an actual notice of assessment that follows that where now we're proceeding to say, okay, now pay us the money.

Q: Okay. Now is assessing the company the same thing as assessing anyone you feel may be responsible for the taxes personally?

A: Well in -- in the initial issuance of a notice against a corporation, of course, there's a hope, an impression that the liability will be paid, so potentially any responsible person is not an issue. We hope the tax will be paid. But if you're asking me the proposed assessment would that alert the responsible party, I would say yes, that would alert and there wouldn't be a separate notice required to notify the responsible person that there are taxes due, unpaid taxes due.

Q: Now, the laws did -- the law of South Carolina is that you have to assess a tax owed by a company within 36 months, is that correct?

A: Yes, sir.

Q: Three years?

A: Yes, sir.

Q: Okay. Now if you do not assess that tax within that time for whatever reason, what happens to those -- to those taxes?
A: We would -- we would not be able to pursue that liability.
Q: Okay. Now if -- if you were going to hold an individual -- try to hold an individual responsible for those -- for corporate taxes, does he have to be assessed?
A: Well, as I think I alluded to just a bit ago, if -- if he is a responsible person under the statute ---
Q: Uh-huh (affirmative response).
A: --- then by virtue of his authority in the company, his position in the company, then he would've been aware and he would've had notice of the unpaid liability, so there's not a necessity to assess him separate than that original notice.
Q: So if you've assessed a company for a particular period of taxes, is there ever any reason to -- to do a proposed assessment to a responsible party if he's already assessed?
A: Well, again, the -- the hope, the impression was that from original notice to the company,

the liability would be paid. If it's not paid and we're potentially going to move against the responsible party, as I think it, I think, says in the department determination, it's a collection mechanism to give that individual an opportunity to the proposed assessment that is, is an opportunity for that individual to provide information as to why that perhaps they would not be responsible.

Q: If -- if he was assessed when you assessed the company, why not just send him a bill? You've already said, he's assessed when the company was assessed, he was assessed, so why -- why waste more taxpayers' money in going through another mechanism when you say it was done at the beginning. Why not send him a bill?

A: Well, the department certainly would -- would seek and hope and expect that we would be paid by the corporation, so it -- it may never come to the issue of responsible party. That's -- that's our intent. That's what we think is probably the most proper thing, to pursue the corporation that has the liability before quickly moving on to a responsible party.

Q: Okay. So does the 36-month restriction apply

to that proposed assessment against the individual?

A: As I say, I -- from my understanding, the proposed assessment to the company serves notice if -- if we have someone who is the true responsible party, serves notice to them of the unpaid debt, so they had their three-year -- within three-year notice, if the assessment was timely to the company.

Q: Now let us see Petitioner's Number Two, the proposed assessment.

THE COURT: That's Respondent's One, Respondent's Two.

MR. GREENE: Here it is.

Q: Now I want to show you Petitioner's Exhibit Number Two.

A: Yes, sir.

Q: And tell us again what that is?

A: This is a proposed assessment responsible party for employer withholding tax due from Intedge Industries, Incorporated that was issued to Mr. Richard Beltram.

Q: Okay. And your signature is on that, correct?

A: Not my signature, it is the -- my name is inserted into this document, but I did not sign

it. No, sir.

Q: Okay. Now an ordinary person looking at that would assume, I believe, that you had prepared that document, would that not be right, since your name is the only name on there?

A: I'm not sure, but certainly if they wanted to talk about the notice, it would indicate they need to talk to me. Yes, sir.

Q: Okay. Thank you.

A: Yes, sir.

Q: Well, why -- we've heard other testimony that Mrs. Coggins or Ms. Coggins actually prepared that document and sent it to Mr. Beltram and you agree with that, I mean, you don't dispute that, right? Did she prepare that?

A: Yes, sir. That's correct. She did.

Q: Okay. And so what is the purpose of your name being on that instead of hers?

A: If there's any appeal decision, any protested decision, it was thought to be an opportunity for someone to talk with perhaps whoever someone separate than who generated the notice.

Q: Okay. And so, in other words, the duty shifts from the revenue officer to the supervisor, is that ...

A: We certainly may seek the assistance of the revenue officer or any of the revenue officers that we have, but I think, yes, it would normally be the supervisor who would be shepherding the process along if there was an appeal being pursued.

Q: Okay. Would she generally know that a protest had been filed in response to her proposed ...

A: Potentially she would some -- some people will copy them. Certainly, I'm subject to ask them, you know, about their involvement in the business, with the business, or, you know, help with proceeding from the point of getting any sort of an appeal or call of protest.

Q: Could you tell us why the department waited four years from the last tax that your talking about to issue this proposed notice?

A: Well, I think it goes back once again to an effort to pursue the corporation instead of rashly rushing to ...

Q: Why don't you tell me about your efforts to pursue the corporation from 2005 to 2009?

A: Well, probably proceeded on a couple of fronts. First of all, some of these later periods in '05 were -- as '05 ended and '06 began, were

actually continuing to be assessed and various assessment notices, proposed notices, assessment -- notice of assessments, tax lien notices, collection fee notices, those were being issued from our Columbia Operation Center, so that would've been standard and normal for -- for any taxpayer who had an unpaid liability as far as involvement with the collection case, then a revenue officer would've been involved in attempting to work the case. I wouldn't necessarily be privy to everything they did on the case. I think we sent you some documents about some of -- some of the actions that were noted.

Q: So those were sort of the automatic documents that were generated, like you say, in 2006, lien notices, things like that, but and those come out of Columbia, primarily?

A: Yes, sir.

Q: Okay. So my question is, what did the Greenville Office of the DOR, what collection efforts did that office make from let's just say from 2007, '08, and '09, to collect tax from Intedge Industries, which of course no longer existed?

A: Right. Well, I don't -- I don't presuppose that it was clear that it no longer operated, but from what I can understand in looking at the -- the notes, one step was to request -- the revenue officer requested that this liability be posted on Debtor's Corner on the Department of Revenue Website. There were indications that a payment agreement that may have been in force at some time, was no longer being honored and the revenue officer had attempted to contact the business. I believe there's notes to the effect that the revenue officer was attempting to work with the new business owner at a later point in time to determine who, perhaps, was responsibilities at that point. I saw indications of a letter, at least one letter, but I can't tell from what I have more than that, that may have been generated to the business.

Q: Now did you produce that letter or any letters under the discovery request for ...

A: Our automated collection system and notices that are generated are not -- they're not reproducible.

Q: They are not reproducible?

A: Right.
Q: What do you mean by that? Are they in a computer?
A: That means the system that generates them, when the letter goes out, there's no way for me to pull you up a copy if you wanted to see that copy.
Q: So the State of South Carolina and the Department of Revenue, has no system to back up when they say they've done something and sent a letter, they cannot go back later and prove that they sent that letter, is that what you're saying?
A: Well, certainly for the notice -- proposed notice of assessment, the notice of assessment, the collection fee notices, the tax lien notices, those are something that -- that the department has copies of and can -- can generate, but not something submitted out of our automatic collection system. Normally, there would be a ...
Q: So you have no way to show me that you tried to contact Intedge Industries, Intedge Manufacturing or Richard Beltram about working with him -- with any of them to resolve these

taxes, is that right?

A: As I say, I'm not privy to each action that a revenue officer takes on their cases, so I -- no I would never suppose that I had a complete list of everything they had done on the case.

Q: Ms. Coggins said she sent -- I don't know how she phrased it, but numerous letters or something like that. You're -- are you saying those don't exist?

A: I wouldn't be able to give you details on that. No, sir.

Q: Well, she was your direct responsibility, is that right?

A: She worked for me, but a revenue officer, each action they take, they don't clear with me, so I -- as again, I can't say each collection effort they made on the case.

Q: So there's no way to verify whether she did or didn't send the letters, is there?

A: Those letters are issued first-class mail, so ultimately what would producing a copy of the letter tell you?

Q: Well, ---

A: If you claimed you didn't get it, we'd be right back where we started from, so ---

Q: Well, this is where we are because you're saying that you can't produce any copies that you sent him. That's what you're saying, right?
A: Of any of the collection system letters.
Q: What about records of phone calls that she claims she made to him? Do you have any records where you note down records of any phone calls and that type of thing?
A: We provided any notes that exist for actions taken on the case. That's what you have.
Q: So back to my question of why you waited four years or up to nine years to issue a proposed notice of assessment for 1999, for instance, that was 10 to 11 years later when you issued that proposed notice. Why did you wait so long to do that?
A: Well, the '99 period was not assessed in 1999 ---
Q: Okay.
A: --- say it was -- it was later and -- and so your question again, I'm sorry?
Q: Okay. Why did you wait then eight years, from 2001 to 2009, to assess -- to issue your proposed assessment against Mr. Beltram for --

for such an old tax?

A: Well, you -- you characterized it as waiting so late. As I said, the company was issued various notices that -- that every taxpayer in South Carolina gets if they don't pay a liability. Beyond that, I've recounted some things that happened. I -- while I don't have a complete list of what might be -- what might have gone on, so I -- it's your characterization is we waited so late, I -- the wait word, I guess, is what I would question. We were doing things and we tried to indicate what those were that -- that's all I can really add to it.

Q: But all the liens you're talking about were to Intedge Industries not to Richard Beltram, correct?

A: Yes, other than the things you've heard Ms. Coggins talk about.

Q: And I think you've already said that you -- you were aware that Mr. Beltram did protest the assessment?

A: Yes.

Q: And how many times -- well, first of all, do you have a copy of -- of his protest?

A: We have a copy of what he submitted.
Q: Okay. That was never produced to us. Do you know why ---
A: I ---
Q: --- under the discovery?
A: --- I'm not responsible for producing discovery. I don't really know what you're referring to.
Q: So you're say your office does have a copy of what he submitted back to you?
A: Yes.
MR. GREENE: Okay. And Your Honor, I would request that, that be supplied to me immediately. It was requested under discovery over a-year-and-a-half ago and we've never seen it.
THE COURT: Does the department have a response to that?
MS. WOOTEN: I'm sorry?
THE COURT: Does the department have a response to that?
MS. WOOTEN: To our knowledge, we don't have it in -- in our office. If, again, that's something Mr. Beltram produced, then he has a copy of it, but to our knowledge, we did not have that in our file.

MR. GREENE: Okay. He says they do. She says they don't. I rest my case and we'll move on.

THE COURT: Yes, sir.

Q: Okay. After you received that protest, how many times did you contact Mr. Beltram by letter, phone, in person, to try to resolve that issue?

A: The -- the first call -- the first indication that I had of the proposed assessment was a call from Mr. Beltram, actually a voice mail, and I returned the call and that was in September, shortly after the September 2, '09, issue date of the proposed assessment. I returned his call. We spoke. Then, in -- your asking letters, conversations, whatever, just sort of run down -- run down the list or ...

Q: Yeah. I want to know what all you did. Yeah.

A: Yeah. And when I called him back, we spoke about what his concerns were. Of course, I asked that he put this in writing, so that we'd be sure we got, as requested in the proposed assessment, any details that we needed to pick up on. After that point, I received a fax December of '09 and that's what I would -- would call his appeal. It was other -- it was

documents including some -- some article that he wanted us to see. It was copies of the proposed assessments and the attachment sheets that indicate a liability. Thereafter, in January of 2010, I issued a letter to him from me, Mr. Beltram, asking if he would care to meet to discuss the liabilities. The response that I got several days later was from him that he had received a letter that it had referred -- a letter from me that had referred to a CID six appeal procedure document that was not attached and I said okay, fine, I will mail that out to you today and then we set up a meeting for February 12, 2010.

Q: Okay.

A: I'm sorry. Yes, February 12, 2010.

Q: I'm sorry. What's the ...

A: February 12, 2010.

Q: '10.

A: A meeting. Yes, sir.

Q: Right. Right.

A: What I would refer to as an appeal conference to discuss the issues.

Q: Right.

A: That letter also asked for some details based

on the documents he'd sent in for some details in the form of a sales agreement because he was referencing another business that had purchased his company.

Q: Do you have any of those letters -- copies of any of those?

A: I -- I don't have them here with me. I wasn't aware they were needed, but I certainly could produce them.

Q: You have copies of those letters were kept?

A: Yes, sir. And Mr. Beltram was calling me in response to these documents that you're questioning. I assume that he was not calling me out of the thin air. You know, we sent the proposed assessment, he called me. As you say, my name's on the notice, you know, I called him back. I sent him a letter, he calls and says there's not something -- there's something not attached to the letter. We -- we set up a meeting date. We had a meeting date, so ---

Q: Are you saying you and he met?

A: Yes, sir.

Q: Okay.

A: Yes, sir. He and I and Revenue Officer, Allen Sheriff met in our Greenville Office February

12, 2010.

Q: Okay. Now before I get to that, Your Honor, I renew my request for these letters that we were requesting in our original discovery back in early 2013, so ...

THE COURT: Ms. Wooten, what I'm hearing from you -- from a representative from your agency is that these documents exist. I mean, he says he can get them.

MS. WOOTEN: Okay.

THE COURT: And Mr. Greene asked for them in 2013 and the department's position is they don't have them, but I'm listening to a representative from your agency saying that you do.

MS. WOOTEN: Okay. If -- if Mr. Owens has them, we will certainly provide them to Mr. Greene. I don't have them in my possession, but if he has them, we will certainly give them to Mr. Greene.

MR. OWENS: I mean the department determination refers to a ---

THE COURT: Hang on one second, Mr. Owens.

MR. OWENS: Okay.

MR. GREENE: The department knows in a discovery

request, they have to go get their clients' documents entered to that discovery. I mean, if she would've had it -- well, she was even on the case, but the original attorney obviously wouldn't have had all those documents in her office as she's a lawyer. They would've been at DOR and we requested for all documents having to do with the determination letter, the proposed assessment, all of that, and all correspondence and there's no excuse for that in my book and so I think that's enough right there to -- to carry out case.

THE COURT: Let's take -- what I'd like to do. I'd like to take a brief recess. I would like to take a brief recess at this time and I'd like to see Counsel in my office for just a moment.

(Recess was taken from 3:03 p.m. to 3:25 p.m.)

THE COURT: All right. We're back on the record and it appears that there is some -- there is a -- that there is a file in possession of the department that may contain information that was requested by Mr. Greene in this matter on behalf of the Petitioner that was not provided pursuant to discovery request by the department. It's my understanding that the

department is going to look into that and get -- get that file and make it available to the Petitioner and Mr. Greene in this matter, but at this time, Mr. Greene, did you have anything that you wanted to bring up?

MOTION

MR. GREENE: Yes, sir. I do have a motion, Your Honor.

THE COURT: Yes, sir.

MR. GREENE: May it please the Court, I move at this to dismiss this case against Mr. Beltram due to the information that has not been forthcoming and is critical to the case and by being surprised after a deposition where nothing was said about this, coming to court and learning for the first time of these things, it may very well change the direction of our case and I think it has caused irreparable harm to the case for Mr. Beltram and I move for a dismissal of the case. In the even Your Honor does not see fit to dismiss the case, we are coming back tomorrow entirely or whenever entirely because DOR didn't do what it said it would do, therefore, I ask that in addition to my initial statement that we asking for attorney's fees

under the statute, if in addition to that, I'm specifically asking for attorney's fees from this point forward and -- and travel time for coming back down here from Greenville because none of that would've been necessary it DOR had produced what they had at the beginning. Thank you.

THE COURT: Thank you. Ms. Wooten or Mr. Kimpson, certainly. Yes, sir.

MR. KIMPSON: Thank you. Your Honor, we would ask that this Court deny the taxpayer's motion to dismiss for a number of reasons, the department doesn't believe that these documents have any materiality at all. Nevertheless, to the extent they exist, we are going to provide them, but if the document or the documents that have been talked about or protested, the department has never, ever suggested in any manner that you did not timely protest. Any letters between the department and Mr. Owens or to Mr. Beltram asking him for information, he's testified about that. So whatever this file contains, Your Honor, it's not material and is best is duplicated. Nevertheless, Your Honor, if there is any remedy, it's certainly not to

dismiss this case because I think you will find that this evidence does not go to the actual substance of the case, so we would ask the court to do -- to deny his motion to dismiss. As it relates to the motion for attorney's fees, I'd like to point out to the Court and to express that it seems like there are some discovery problems on either side. One of the interesting things is that there would've never been any motions to compel, certainly in the context of motions to compel or failure to respond to a motion to compel would've resulted in some sort of attorney's fees. What we have here is a witness making a statement about the existence of documents. Everybody is surprised. Your Honor, things happen in trial, but there certainly is no wrongful intent on behalf of the department that would warrant any sort of attorney's fees, so we would ask the court to deny the motion on that ground. Furthermore, I do understand that we will have to come to court another time and we have already allotted two days for this trial, so there's not even going to be an additional expense that had not previously been

contemplated because there will be a second day. I would point out to the Court, 12-60-350 costly disbursements are not allowed and actually covered by this chapter, no costs or disbursements may be charged or allowed to either party, except for the service of process and the attendance of witnesses that there is a case CFRD, LLC versus Greenville County Assessor and that is found at 395 South Carolina 67, which essentially says attorney's fees are not recoverable either. Now I understand the motion and certainly if there was some wrongful intent for somehow not disclosing these documents that could potentially take the bar against attorney's fees or this -- this manner out of that realm. Your Honor, I think you will find once you see these documents are not material, certainly there's no wrongful intent that would support attorney's fees. The department would ask that the Court deny the motion for attorney's fees, deny the motion to dismiss and Your Honor, we respectfully request the case today's period be recessed and reconvened tomorrow at 10:00.

THE COURT: Thank you, Mr. Kimpson. Mr. Greene, you

made the motion, do you have anything in replay?

MR. GREENE: I didn't hear what he said. Tomorrow?

MR. KIMPSON: 10:00.

MR. GREENE: 10:00. That's fine. In response to his statement about motion to compel, I do believe that my request to you to have to make him produce these documents while I was questioning him, is in the nature of a motion to compel and also I don't think that case that he referred to overrules and -- and validates the statute that I asked you to find attorney's fees under to begin with, so I think that's not even relevant.

THE COURT: All right. Thank you, Mr. Greene. Thank you, Mr. Kimpson. All right. At this time, I'm going to, Mr. Greene, I'm going to deny your motion to dismiss this matter. I don't think that -- that under the circumstances that, that is the appropriate remedy in his case, however, I am going to and the department has of course agreed to this, I'm going to ask -- order the department to produce that record -- that file so that you can review it. We're going to recess this

matter until tomorrow, if 10:00 is an acceptable time, although I realize you're going to have to drive back up to Greenville, review that file, and return. We had planned to be here tomorrow anyway. We had -- that was the request as it was to be a day-and-a-half long hearing and therefore, so we're going to -- if -- if the courtroom is reserved for tomorrow, we've got that, and therefore, if 10:00 is not acceptable, I -- I'm willing to move that to a later time if that would work.

MR. GREENE: Mr. Beltram is -- to give us because we won't be able to get together tonight I don't think, but he would rather see it start at 1:00 and I think, I mean, this is the last witness and I think we're probably not more than an hour of being through anyway.

MS. WOOTEN: That's fine.

THE COURT: Is that acceptable to the department, 1:00?

MR. WOOTEN: Yes.

MR. GREENE: Would that be okay with Your Honor?

THE COURT: Absolutely, I'm -- I'm -- I wanted to make sure that you have an opportunity to review everything and I realize that this is

somewhat of an inconvenience, so certainly 1:00 -- I'm going to reserve ruling on the motion for the fees and the charges until I've had an opportunity to review everything that the parties present. I think that takes care of everything, so we will then reconvene tomorrow at the same courtroom at -- at 1:00 p.m. Thank you. We're in recess.

MADAME COURT REPORTER: All rise.

(The hearing was recessed at 3:34 p.m.)

DAY TWO

SEPTEMBER 17, 2014

THE COURT: Okay. Good morning, everyone. Back on the record after our recess, I think the parties were going to travel up to Greenville and take a look at a file up there that was on in Mr. Owens possession. Has everyone -- has everyone had an opportunity to -- to do all that and take care of that matter, Mr. Greene?

MR. GREENE: Yes, sir. We did receive most of the documents last night and a few this morning. We have gone through them. We're ready to go forward.

THE COURT: All right. Yes, sir. All right. And the department?

MS. WOOTEN: Yes, we're ready to proceed.

THE COURT: Okay. All right. I think we had Mr. Owens on the stand when we recessed yesterday. Do we want to pick it up from there? That seems logical to pick it up from there. You had -- Mr. Greene, you indicated you might, after reviewing the record, need to recall some witnesses and of course that's perfectly ...

MR. GREENE: I would just like to resume testimony with -- with Mr. Owens.

THE COURT: Right. If that is acceptable -- any objection from the department as to that?

MR. WOOTEN: No objection from the department.

THE COURT: That seems the appropriate way to proceed, so let's go ahead and Mr. Owens, if you would return to the stand, sir. And, sir, I'll just remind you that you're still under oath from yesterday and please be seated and make yourself comfortable.

MR. OWENS: All right, sir.

THE COURT: Mr. Greene?

MR. GREENE: Thank you, Your Honor.

THE COURT: Yes, sir.

MR. OWENS - CONTINUED DIRECT EXAMINATION BY MR. GREENE:

Q: Mr. Owens, good afternoon.
A: Good afternoon.
Q: First I want to go ahead and show you this. Can you identify that and tell me what it is?
A: I've never seen it before. It seems to indicate it's a document from the Department of Revenue to you talking about the request for evidence.
Q: Okay. And if you'd flip over, can you just identify what those items are?
A: These -- these are notes within the -- our automated collection system. The Department of Revenue's automated collection system for two separate cases, Intedge Industries, Incorporated and then Richard S. Beltram, a separate case based on responsibility party.
Q: Okay. These are notes that somebody would've typed in the computer?
A: Yes.
Q: And are these screen prints, so to speak, where you printed them out from the screen?
A: Yes.
Q: Okay. Your Honor, I would like to introduce this as Petitioner's Number Eight -- yes, Number Eight.

THE COURT: All right. Ms. Wooten?

MS. WOOTEN: If Mr. Owens could just indicate when he received this information?

MR. KIMPSON: The date on it.

MS. WOOTEN: The date on it, I'm sorry. The date of the information.

MR. OWENS: The date of this letter. Again, this was addressed to David Greene from Nicky Wooten, but it's dated September 15, 2014.

THE COURT: All right. If no objection?

MS. WOOTEN: No objection.

THE COURT: All right. Without objection, that's -- it's Petitioner's Number Eight. Mr. Greene, is that right?

MR. GREENE: That's right.

THE COURT: All right. Thank you, sir. Is admitted without objection.

(Petitioner's Exhibit Number Eight was admitted into evidence.)

MR. GREENE: And Your Honor, I'm going to give you a courtesy copy just to look at.

THE COURT: Thank you, sir.

Q: Okay. This -- you don't know -- did you have any involvement in generating this letter and collecting these files?

A: No, sir.
Q: Okay. If you could, I -- they are -- the pages are numbered. I'd like you to turn to page two for me ---
A: All right, sir.
Q: --- if you would? And just for everybody's -- for the Court's information and all, of course you already know, these read from the bottom to the top to make -- to make sense and I understand that's because only so many words can be put into each ---
A: A couple of lines basically for each note, so if it's more than two lines, you might have multiple notes on the same date.
Q: Okay. So and we read from the bottom to the top. Okay. This -- I would like you to read the note dated 7/20/05 for me?
A: "Attorney Larry Flynn" -- this is for Intedge Industries, I guess -- yes. You said page two, I'm sorry. "Attorney Larry Flynn called re payoff or possible penalty waiver. Gave him payoff of liens and referred to Allen or John for penalty waiver."
Q: Okay. Now do you know -- can you tell who wrote that note in?

A: HGB, the user ID is a former revenue officer, Hall Banks.
Q: Okay. So he's -- he's not with the department now?
A: No, sir.
Q: Okay. So that indicates in 2005, there was discussions about getting everything paid off at that time apparently.
A: A call about it.
Q: A call about it. Okay. Then, on page five, if you would return to that?
A: Yes.
Q: And read -- well, I'd like you to read all three of those from the bottom to the top, but first let me ask you, what is a PPA?
A: A short version of partial payment agreement. Okay.
Q: Okay. If you would just read those -- those three notes and tell me who Bruce S is?
A: Bruce S is Bruce Allen Sheriff, who we refer to as Allen Sheriff.
Q: Okay.
A: But that's his user ID.
Q: Okay.
A: January 12, '06 note stating "the taxpayer did

not comply with PPA sales taxes minimal, taxpayer will not return phone calls." Also from Bruce S March 12, '07, "business sold to a Florida based entity, no retail sales now at location" and again on March 12, '07 note, also from Bruce S. "Trying to work with new owner to determine responsible party on debts."

Q: So as far back as March of '07, the department knew that the business Intedge Industries was closed and there was a new owner, is that right?

A: That's the indiction here.

Q: Okay. Thank you. Then, on page four, if you'd go back to that? On the -- the -- the one dated July 28th of '08, again this is having to do with taxpayer name is Intedge Industries. Read the one from July 28th of '08.

A: "Account closed First National Bank as of 10/19/05."

Q: Okay. So does that pretty well tell you that -- that Intedge Industries had no bank account after that?

A: No bank account with First National Bank anyway.

Q: Okay. Then, 8/7/09, first of all, who

generated that note?
A: Coggin L is the user ID for Lori Coggins.
Q: Okay. And again the taxpayer is Intedge Industries, is that right?
A: Yes, sir.
Q: At the top of the page?
A: Yes, sir.
Q: And what does that say?
A: "Letter sent reference taxes, sales, withholding, corporate from 1999 to 2005."
Q: Okay. So she sent that to Intedge Industries, didn't she not to Richard Beltram?
A: I can't tell from this the address that was used, but it's the Intedge Industries case.
Q: But that was the taxpayer she was addressing the letter to?
A: (Nods head affirmatively.)
Q: Okay.
A: From what I can see here, yes.
Q: Okay. Then, on 9 -- oh, I'm sorry. Page six, the 9/10/09, what does that say?
A: Tele -- "telephone call from Rick Beltram DOR assessed as responsible party. His number 864-590-7723. His theory is when the business was sold parenthetically, he says assets in Intedge

Industries, Incorporated" and I think it's continued.

Q: He continues on the next page.

A: Yes, sir.

Q: If you could ---

A: Going back to -- to read it, I guess, in context, his theory is when the business was sold, in parentheses, he says, "assets in Intedge Industries, Incorporated were sold in 2005 to Intedge Manufacturing owned by his uncle, Daniel Beltram, and currently in operation. That they assume response for any liabilities and he has a quote from Danny Brazele, current affairs spokesman for DOR stating this and DOR issued liens in the name of Intedge Manufacturing for the same liabilities we are now assessing him for personally." I told him to send a written statement." Also continued.

Q: Yeah, continue to finish the statement. Yeah.

A: On page eight, to send written statement "of his position as per the proposed notice with attachments such as the sales agreement and we would look at his position."

Q: All right. So that -- does that indicate to

you that Mr. Beltram at that time on 9/10 had contacted the department -- well, in this one. I'm sorry. Is this your ---

A: Yes, it was.

Q: --- ID on that one?

A: That was my note.

Q: So he contacted you then ---

A: Yes.

Q: --- about this?

A: Yes.

Q: Then on page nine on 12/2/09, top -- the top line, would you read that one for me?

A: "Telephone call from Carlos Johnson, attorney, he will be assisting Beltram in case."

Q: Okay. What does that mean to you from that statement?

A: An attorney working for Mr. Beltram was involved in assisting.

Q: What is the DOR policy if -- if a taxpayer has an attorney representative -- what is their policy about contacting the taxpayer directly if there is one?

A: I'm not sure as, again, I'm not sure what you mean.

Q: Well, I mean, does the -- is it fine for a

revenue officer to go ahead and contact the taxpayer if he's represented by an attorney?

A: Yes, I don't think it would be prohibited.

Q: Okay.

A: It depends on what we may be, of course, asking, but ...

Q: Okay. And if the lowest one on that one dated 12/1/09, of course that's a continuation, I guess, from ---

A: These are numbered on the left over there, so ...

Q: Well, go -- go to page 10 and read the top line, if you would, from 1/25/10?

A: "Richard Beltram called asked for a copy of CID 6 tax appeal procedures, which he stated was not enclosed as noted in my letter." "Mailing copy to" -- again it's continued on ---

Q: Yes.

A: --- page 11. "His home mailing address. He also" state -- "states Intedge's building was located in Spartanburg County titled in name Upstate Development Properties, sold in July 2005", and it's continued, "to David Beltram, (his uncle) and he again states liens filed in Spartanburg County by DOR against Intedge

Manufacturing, which represents the liabilities" -- and it's continued -- "for which he is now being assessed."

Q: So right after the protest was filed, Mr. Beltram did file a protest ---

A: Yes.

Q: --- that's not disputed?

A: That's correct.

Q: And he -- there were -- there were the phone call -- there were two phone calls and -- and as you've testified later, you met in February briefly. Can you tell me a little bit more about that meeting?

A: In -- in February of 2010, he and I and revenue officer, Allen Sheriff, met as I recall four or five different issues we covered. Of course, he -- he was once again wanted to talk about the article that he had presented that by his theory stated that the Department of Revenue had already selected somebody responsible for the same debts that -- that Mr. Beltram was being assessed for. There was talk about the -- some of the earlier periods and tax amnesty. Allen Sheriff was at the meeting with Mr. Beltram and I had also been at the meeting in

2002 with Mr. Beltram and Terry Lawing. We were -- there was a reference to that meeting. Of course, I was saying if you have some documentation that payments had been made, we would need to see that to be able to determine if you somehow did not get credit for some periods, but regardless, there were other periods since 2001 that would in any event not have been part of amnesty, so we certainly would need to get some sort of determination on what may have been done as far as payments on those.

Q: Okay.

A: I believe the second thing we were talking about or third thing, we talked about the sale of assets issue because I had, in the phone calls and in my letter to Mr. Beltram, and at the meeting once again, we talked about the piece of real estate that was sold that as I understood that at that point was not in the name of Intedge Manufacturing -- I'm sorry, Intedge Industries, so I was again asking, do we have any details on any other assets that were sold by Intedge Industries. We were -- what else -- Mr. Beltram was concerned that the

statute of limitations had -- had lapsed and someone told him that these periods would no longer -- would no longer be within a statute to assess him. We talked about, you know, sort of a followup to the original main conversation about the withholding liabilities. We talked about there was one sales tax period that was actually based on a delinquent liability that is a return ha not been filed and I was saying if there was a potential to get that return that may resolve some of that period and ultimately we -- we ended with me saying if we could get some more details about the asset sales, about any payments that he may have made, then hopefully we could resolve something. If not, then this would go up my chain of command to eventually to our litigation section if we could not get an agreement.

Q: About how long did that meeting last, if you remember?

A: I -- I don't have the time. I don't know that it was -- I don't -- I don't really remember.

Q: Okay. Now that meeting was with -- in February -- did you give ---

A: 2010.
Q: --- a date? Okay. February of '10. Okay. I want to go over to page 12, the last page.
A: Uh-huh (affirmative response).
Q: And if you'll read those three lines from the bottom up.
A: From March 1, '10, "met with Richard Beltram and RO Sheriff in the Greenville Office, 2/12/10, preparing writeup of issues of the PO provided by the taxpayer" and then November 2, 2011, another note from me. "Carol McMahan advised March 2001 that the department determination prepared year contacted Wanda Grubb and she states the DD being reviewed by Milton Kimpson."
Q: Okay. And of course Milton Kimpson of course is here in the courtroom. He is an attorney with the Department of Revenue.
A: The date that I list, March 2001, should read March 2011.
Q: Okay. That has to be a typo.
A: Yes.
Q: I understand. I'm glad you pointed that out. Okay. The -- your -- your note, which really finished with that one note is dated March 1.

Why did it take you a month to get this note in the computer? Do you remember?

A: Forgot to make the note.

Q: And then the next date, the two other ones that refer to Carol McMahan being given that was dated 11/11, which was a year-and-a-half later or more than a year-and-a-half later. Do you know -- well, let me ask, when did this case leave your collection jurisdiction and move to the legal jurisdiction?

A: The -- slight change. The date of that note is 11/2/11. I think you said 11/11, but November 2, '11, but in answer to your question, approximately late February, early March 2010.

Q: It would've -- it would've left your jurisdiction?

A: Yes, sir.

Q: Okay. So then from that point, it sat over in the legal department until May of 2013?

A: Well, of course I ---

Q: It was in the legal department until May of 2013?

A: I -- I sent it to -- to my collection administrator and beyond that, I don't know the timing on ---

Q: Okay.
A: --- when it went where.
Q: Who is your collection manager?
A: Collection administrator for our division at that time was Allen Blackmon.
Q: Okay. All right. Anyway, on November 2nd, it was -- according to Wanda Grubb -- do you know who Wanda Grubb is ---
A: She's an ---
Q: --- what her position is?
A: --- employee of the Department of Revenue. I don't say that I know her ---
Q: According to her ---
A: --- actual position.
Q: --- it was sent over to Mr. Kimpson by -- at least by November 2nd, of '11?
A: Yes, sir. That's what I -- that's what I heard.
Q: Now I want to go back to the first -- first, I mean, the page two and tell me when at the top left, when does this indicate that this was printed out of the computer?
A: 8/31/09.
Q: Okay. And the same for page three and four and five?

A: Yes, sir.
Q: Is that correct?
A: Yes, sir.
Q: Okay. So those pages were printed at least by 2009. Do you know where they've been all of this time or why they were not produced for us?
A: I can't say why they weren't produced. They were -- would've been in our office in -- in Greenville.
Q: Okay. But this -- but these did not come from you from yesterday, right? As we said before, this was sent to me late Monday afternoon.
A: I provided these copies recently.
Q: Okay. These copies, you mean?
A: Yes.
Q: Okay. You provided these recently to ---
A: Right.
Q: --- DOR, I mean, to the -- the attorneys?
A: Yes.
Q: Okay. Do you remember when you provided those?
A: I don't have the exact day without going back and looking. Sometime late last week, I believe.
Q: Last week?
A: Yes, late last week.

Q: And they were provided to us on Monday afternoon late. Okay. But the at least four or five, or six of these were printed up back in 2009?
A: Yes.
Q: Okay. I'm going to show you this and I know that you recognize ...
A: Are we through with that?
Q: Yeah. Can you tell us what that is?
A: Yes, that's Exhibit Number 49, is -- is that what that is, that page?
Q: What, I mean, just in general ---
A: Just talk about them?
Q: --- these -- are these the ---
A: Okay. I have a letter dated January 21, 2010, that I issued to Mr. Richard Beltram.
Q: Well, excuse me, I don't mean to interrupt. What I'm really asking you is, I'll say it this way, are these the documents that you got together last night and provided us?
A: Yes.
Q: Okay. All right.
A: Yes.
Q: Now you, as I remember from conversations after Court, you had all of these documents in -- in

your car in a file?
A: Yes.
Q: Why were they in your car?
A: I brought them with me in case I needed them in connection with ---
Q: Okay.
A: --- this case.
Q: But you had not provided them to any of the counsel at that time?
A: I -- I don't believe that the January 21, 2010 letter was in anything that I submitted, but these other documents were previously submitted ---
Q: Were submitted.
A: --- as part of me sending it up the chain of command, as I discussed earlier.
Q: Before you go any further, I need to try to submit this into evidence, so Your Honor, I would like to submit these documents into evidence.
MR. KIMPSON: Your Honor, I know this is somewhat unusual, may I address that?
THE COURT: Uh-huh.
MR. KIMPSON: Your Honor, and Mr. Greene, I apologize to you. We really don't have any

problem admitting those documents. I do have to say, however, the last -- beginning page 60 are documents that are internal documents at the Department of Revenue pertaining to Mr. Beltram and Intedge Industries -- oh, I'm sorry.

MR. GREENE: That one there.

MR. KIMPSON: Yes. Is that part of what you're trying to get in now?

MR. GREENE: Yes, I was going to submit it all, I just wanted -- but what you're -- is this what you're saying, he -- he did not provide you with this?

MR. KIMPSON: Those were produced by the computer system. I don't have any problem with you introducing it. Your Honor, what I would specifically request is that at some point Mr. Greene, if he's going to introduce these through our witness, have the witness explain those internal documents. They -- they'd be gibberish without some explanation to the Court, and -- and we'd be happy to, yes. Yes, we'd be happy to agree to their admission as long as he explains them because in and of itself, they don't mean anything.

MR. GREENE: Yeah.

MR. KIMPSON: The other thing, Your Honor, that I would point out for the Court's benefit, the -- the earlier exhibit, I believe, has some sensitive social security and/or FEIN numbers that before it eventually goes into a record, may need to be redacted.

THE COURT: All right. This would be Petitioner's Exhibit Eight that Mr. Owens testified to that was the automated collection system comments and Mr. Kimpson you think that there may be some sensitive information in there that may be redacted before it goes in the record.

MR. THOMPSON: Any social security numbers.

MR. KIMPSON: Is there an FEIN or social security number on this?

THE COURT: They're key numbers, but I don't know that, that's ---

MR. KIMPSON: I'm sorry, Your Honor.

THE COURT: Like on page six, there's a key number that looks like a social security number, but I don't know if it is.

MR. BELTRAM: Yeah. That is my -- Your Honor, that's my social security number.

THE COURT: So there is some information on there to

---.

MR. KIMPSON: To that extent, we are fine with regard to the condition that the exhibit that Mr. Greene is seeking to introduce now, just wanted to explain the problem and let the witness explain probably what those last set of documents mean.

THE COURT: All right. So with regard to Petitioner's Exhibit Eight, let's make sure that before that goes into the record that the sensitive information that may contain a social security number or any other protected information, is redacted from that exhibit before it becomes part of the record, so and there is at least one social security number on there that definitely needs to be redacted from -- from that exhibit, Petitioner's Exhibit Number Eight. All right. And then with regard to Nine, which is nine? That's what that is, right, Mr. Greene?

MR. GREENE: Petitioner's Exhibit Nine.

THE COURT: Okay. Petitioner's Exhibit Number Nine, there being no objection, however, we'll have Mr. Owens explain some of those pages. Thank you, Mr. Kimpson. Thank you, Mr. Greene.

(Petitioner's Exhibit Number Nine was admitted into evidence.)

MR. GREENE: Thank you.

MR. OWENS: Could I correct one thing here? I -- I see these number 59, 60, through 70, I believe, which is what Mr. Kimpson was just talking about, I said I sent these up as part -- clearly, these were just generated. These were not sent up in, you know, late February, early March of 2010, and they would've not existed -- -

MR. GREENE: I understand.

MR. OWENS: --- with this date.

Q: You -- you did not take these out of your car until last night, did you?

A: No.

Q: And I -- yeah. I apologize. You're right. This was all given to me last night.

A: Right.

Q: But before that part, that's what you supplied last night?

A: Yes.

Q: Yes. All right. Now thank you for correcting that for me. Now the -- I'm going to go through this in chronological order, which is

a little bit out of your order, so let's go to page 51 and -- and that is -- tell me what that is?

A: It's listed as a memo to Bruce Owens from Richard Beltram dated September 14, 2009, and it was the first written indication of Mr. Beltram's position regarding the proposed assessment that he had received from the Department of Revenue.

Q: And it appears eight pages circled and that refers to other eight pages that are in this -- in the things that Mr. Beltram sent with that fax?

A: I understand this was one of eight pages, this 9/14/09 headed document was one of eight pages that -- that came in by fax to our office in Greenville.

Q: Right. Okay. Then page 50, if you would look at that?

A: Yes.

Q: Tell me what that is?

A: It is dated 12/1/09 and it's listed as a memo to DOR and attention Bruce Owens from Richard Beltram, and this was another fax that I received from Mr. Beltram once again in

connection with him of his protest or appeal, if you would, of the proposed assessment that was generated to him.

Q: Okay. So this is -- this is his actual protest?

A: I felt it was the actual protest, of course, I submitted it with -- with the 9/14 documents because it was part of that.

Q: And again, this has been -- been around in your file for -- well, there it says 12/1/09, correct?

A: Yes, sir.

Q: But do you know why it was not produced when we asked for it?

A: No, sir. I can't -- don't know that.

Q: Now the second -- the ending of the first line into the second begins I would like to -- could you read the rest of that sentence?

A: I -- I missed what page you are referring to.

Q: I'm sorry. Start on page 50.

A: Okay. And what would you like for me to read?

Q: The -- on the top line starting I would like.

A: "I would like to request the assistance of a taxpayer right's advocate. I have carefully reviewed your mailing to me and the rights

provided by South Carolina Law."
Q: And -- and go ahead and read one more sentence.
A: "I", appears to be have, I can't quite tell, "have also have had consultation with my attorney, Mr. Carlos Johnson."
Q: Okay. Now first of all, what did you do, if anything, in -- in response to his request to meet with a taxpayer advocate?
A: I haven't done anything.
Q: Okay. Now and this letter also -- this fax puts you on notice that Mr. Carlos Johnson, who is an attorney, was going to be representing him and is that right, at that time?
A: That's what it states. Yes, sir.
Q: Okay. All right. Now on page 49, your first page, is your actual letter dated what -- dated when?
A: January 21, 2010.
Q: Okay. And that -- what -- what was the purpose of this letter?
A: To attempt to see if Mr. Beltram cared to meet with us to discuss the issues that he raised and hopefully to provide any additional information as -- as I requested here.
Q: Now down in the third paragraph, the very short

one, could you read that one sentence paragraph?

A: The third paragraph?

Q: Yes.

A: Certainly?

Q: Certainly, yes.

A: "Certainly, we would review the terms of the sales transaction if you would care to provide a copy of the completed contract of sale, which transferred ownership as well as any other information you think pertinent."

Q: But of course you already knew back in at least 2007 that -- that, that had been done and that there was a new company, isn't that right according to the notes?

A: I had no reason to believe that Mr. Beltram wouldn't have a copy of a contract to sale of his own business.

Q: But what I'm trying to say, you did not need that contract of sale to know that Intedge Industries had been bought out by Intedge Manufacturing, did you, because you refer to that about the new owner and something all of that back in 2007?

A: I was asking about the contract of sale as a

followup to my phone discussion when Mr. Beltram first called me where he was referencing the sale, attempting to understand and get a description of what assets were sold and that was my purpose for asking about the contract of sale that was ---

Q: Okay.

A: --- so, I was not questioning that a sale occurred.

Q: I'm sorry. I missed, I missed that?

A: I was not asking -- I was not questioning that a sale occurred, I was ---

Q: Okay.

A: --- attempting to verify what actually happened in the sale.

Q: Okay. Let's go ahead and -- and starting with page 60, tell us again what this is and how to read it?

A: You wanted to begin with page 60?

Q: Sixty I believe that's the first page.

A: This is a -- as I say a screen print we would refer to from our automated receivable management system, which is our billing system at the Department of Revenue. It's recapping for the March 2003 employer withholding period

some -- some details about that period as it is generated in our billing system.

Q: Okay. And over on the right, a few lines down, is ASMT. Is that an assessment date? ASMT DT?

A: Yes.

Q: Okay. So for the period of March of '03, what was the assessment date on that?

A: 9/15/03.

Q: Okay. And the next one is for the period of 9/30/03, is that right?

A: Yes. Yes.

Q: And the assessment date would be?

A: May 18, 2004.

Q: Okay. Let's go over to page 64 and what period is that and that's PCVD, is the period covered?

A: Yes, sir.

Q: Okay. So what is that period and the assessment date?

A: September 30, 2004 period covered and it was assessed on April 14, 2005.

Q: '05. Okay. Then, the next page?

A: Page 65 is for the December 2004 employer withholding tax period and it was assessed on August 3, 2005.

Q: Okay. In August, yeah. Okay. Then, the next

page?

A: Page 66 is period is from March 2005 employer withholding tax order and it was assessed on August 31, 2005.

Q: And the next page, 67?

A: Is the June 2005, June 30, 2005 employer withholding tax period ended and it was assessed on February 3, 2006.

Q: And then the next page?

A: Page 68 has the September 2005 employer withholding tax period ended and it was assessed on 6/5/06, 2006.

Q: And the -- the very last one -- or the next to the last -- well, 69 -- page 69, what is that one?

A: That is the December 2005 employer withholding tax period ended and it was assessed on November 14, 2006.

Q: Okay. And then the very last page?

A: Page 70 has the September 2005 period ended sales tax and that was assessed May 22, 2006.

Q: Okay. All right. Thank you.

THE COURT: Thank you, sir.

Q: So from what you've given us today or last night, you sent one letter to Mr. Beltram and

have -- have you followed up prior to May of 2013, did you follow up with him any more by letter?

A: No, sir. I did not.

Q: Okay. After your meeting in February of '10, did you follow up with him by phone call or any -- any other method?

A: No, sir.

Q: Okay. In the period going back to 2002, after the amnesty meeting and after they paid part or most of these taxes that were already due, what kind of collection option did you take against Intedge Industries?

A: I don't know that I can recall at all by memory. Those notes we were reading are the only specifics that I know about.

Q: Okay. So you don't know of any levies that were issued against them for bank accounts or against customers?

A: No, sir. Other than what those notes detail, I wouldn't be privy to that.

Q: But that's a common collection process for DOR, correct? Levies?

A: Potentially to -- to levy ---

Q: Yes. And seizures, did you seize any property,

any assets, any equipment of Intedge?
A: No, sir.
Q: Okay. Did you ever revoke their license for nonpayment of tax?
A: Not that I can tell, sir.
Q: Okay. Were you ever a time they quit operating because they had no license?
A: No, sir.
Q: Okay. What about Intedge Manufacturing, did you ever issue -- and by you, of course, I mean the Department of Revenue, did you ever issue any levies against their financial customers or assets they held from Intedge Industries?
A: No, sir. I did not.
Q: Okay. What about seizures? Any seizures of any of those assets that were transferred over?
A: No, sir. I did not.
Q: Okay. And I guess, was there like business license ever revoked to your knowledge?
A: Intedge Manufacturing?
Q: Manufacturing, yes.
A: No, sir. Not to my knowledge.
Q: Okay. Did the department ever pursue any other potentially responsible withholding agent for these taxes to your knowledge?

A: No, sir. We did not.
Q: Okay. Do you know why that was?
A: Because the evidence we had indicated Mr. Beltram, Richard Beltram was the responsible party.
Q: Well, have you -- have you ever pursued more than one individual in relation to company taxes at any time?
A: If we could identify an additional or multiple responsible parties, yes, sir, we would.
Q: Did you try to identify anyone else?
A: I don't understand the word try. From everything that was known as I understand what, you know, we have available from the revenue officer, Mr. Beltram was the responsible party.
Q: Now I think yesterday we -- we established that an assessment against the company also acts as an assessment against any potentially responsible party, right, that was that you said?
A: Yes, sir.
Q: And the statute of limitations for collection begins on the date of assessment, is that what we stated?
A: Yes, sir.

Q: And -- and of course I believe also that the assessment, although it was filed against the company, is not valid against the responsible party until he receives either actual or constructive notice, would you agree with that?

A: Well, as I understand it, the fact that the Department of Revenue timely assessed Intedge Industries, would've been notice to Mr. Richard Beltram, based on his authority and position with the company.

Q: Now yesterday we learned about the letter that we see today and -- and meeting. When I took your deposition a few weeks ago, you did not mention either of those things. Why was that?

A: I don't recall a question that had anything to do with them.

Q: You don't recall a question that had deal with that?

A: There was no question, in my mind, that I had submitted that as part of an appeal.

Q: Oh, you thought you'd already submitted it?

A: And I -- and I don't recall a question that had anything to do with the documents.

Q: Well, I had asked you how you -- how you followed up with Mr. Beltram after his proposed

notice of what the department did to contact him and you don't remember any of that?

A: I don't recall that question.

Q: Okay. That's all I have, Your Honor.

THE COURT: All right. Thank you, Mr. Greene. Ms. Wooten?

MS. WOOTEN: Thank you, Your Honor.

MR. OWENS - CROSS EXAMINATION BY MS. WOOTEN:

Q: Do you have Petitioner's Exhibit Eight in front of you? Thank you very much. I'll ask you a few questions about Petitioner's Exhibit Eight. Just in general with this document, what -- what does all of this tell you, all of these notes contained in this -- in this packet of information that was provided to Mr. Greene?

A: These are some of the recorded information as to what the automated collection system notes are efforts, work by the revenue officer to attempt to collect a liability from Intedge Industries or whoever else may hold funds.

Q: So this is consistent with the department attempting to collect the liabilities from Intedge before going -- seeking the responsible party for the liability?

A: Yes.

Q: And if you will go to page two of that document? The entry date of July 20, 2005?
A: Yes.
Q: Could you read that again for the Court?
A: "Attorney Larry Flynn called re payoff or possible penalty waiver, gave him payoff of liens and referred to Allen or John for penalty waiver."
Q: So it was -- the -- Mr. Flynn, do you know who Mr. Flynn is?
A: I don't know specifically. I believe I've seen his name on -- as a registered agent for the Intedge Industries according to the Secretary of State, but I believe it refers to Lawrence Flynn. I believe that would be the same person, but I don't know that definitively.
Q: Okay. I'm going to hand you a document. Could you identify this document for the Court, please?
A: This is a document that I printed today from the South Carolina Secretary of State's Website where it lists Intedge Industries, Incorporated and registered agent and some information regarding the corporate's history -- corporation's history with the Secretary of

State.

Q: And you went to the Secretary of State's Office Website this morning?

A: Yes.

Q: Did you enter the search for this document?

A: Yes.

Q: And this is the result from that search?

A: Yes.

Q: At this time, Your Honor, I'd like to offer this as -- this Exhibit into evidence. It'll be Department or Respondent's Exhibit Five, Four.

THE COURT: Four?

MS. WOOTEN: Uh-huh (affirmative response).

THE COURT: Mr. Greene, any objections to that?

MR. GREENE: No.

THE COURT: All right. There being no objection, Respondent's Exhibit Four is entered into evidence at this time.

(Respondent's Exhibit Number Four was admitted into evidence.)

MS. WOOTEN: Thank you.

Q: May I have that copy back, please?

A: Uh-huh (affirmative response).

Q: Thank you. I'm going to give you the original.

Thank you. At the bottom of the document, there is a file date of January 16, 2009, could you read the comment associated with that date?

A: It lists a code is forfeiture comment "SCBOS filing, administrative dissolution #2."

Q: Thank you. If you will go to page four of Petitioner's Exhibit Eight?

A: Yes.

Q: In the second entry dated July 28, 2008, could you read that for us, please?

A: "Account closed First National Bank as of 10/19/05."

Q: What does that mean?

A: That indicates to me that the revenue officer contacted First National Bank and as of 10/19/05, the account was closed.

Q: Why would the revenue officer contact First National Bank?

A: Attempting to determine if there were funds held on behalf of Intedge Industries that we could collect from -- collect on.

Q: If you will turn to Petitioner's Exhibit Nine? Oh, I'm sorry. I apologize. If you will go back to Petitioner's Exhibit Eight? If you will start on page nine? Mr. Greene had you

read several of these entries starting from page labeled nine through the rest of the document to page 12. Were these statements by the department or were these statements by Richard Beltram to the department?

A: I was recapping Mr. Beltram's statement, his position as I was understanding it from his contact with me.

Q: So the department was not saying that the business had been sold to Intedge Manufacturing or that there were any liens filed in Spartanburg County against Intedge Manufacturing, is that correct? Those were all Mr. Beltram's statements to the department.

A: Yes. I was recapping what he was relaying to me as his position.

Q: Okay. All right. Now we can go to Petitioner's Exhibit Nine. On the first page, page 49, Mr. Greene asked you to read the sentence starting with certainly regarding the contract of sale. Did Mr. Beltram ever supply a contract of sale to you?

A: No, he did not.

Q: Did he -- to your knowledge, did he supply one to the department?

A: Not that I'm aware of.
Q: And beginning with page 50, page 50 was not sent to the department at the same time page 51 was, is that correct?
A: That's correct.
Q: Okay. And documents from page 50 through 59, I believe, 58 excuse me, through 58, those documents were provided by Mr. Beltram to the department, is that correct?
A: Yes.
Q: So he had these in his possession?
MR. GREENE: Your Honor, he can't answer that. Calling for a conclusion.
THE COURT: It would call for speculation.
MS. WOOTEN: Withdraw.
THE COURT: But your prior question was, these were documents, 58 through 60, is that what you said?
MS. WOOTEN: I'm sorry. Fifty through 58.
THE COURT: Fifty through 58.
Q: Those were documents Mr. Beltram provided to the department?
A: Yes.
Q: And these were the documents that were provided yesterday to Mr. Beltram again, is that

correct?
A: Yes.
Q: All right. I withdraw that. These documents were provided to Mr. Beltram yesterday as a part of his request yesterday during the hearing?
A: I -- I don't know if Mr. Beltram got them. I understood Mr. Greene may have, is that ...
Q: But they would be ...
A: But these were the documents.
Q: These were the documents the parties were requesting yesterday as part of the discovery request?
A: Yes.
Q: And Mr. Greene asked you a couple of questions regarding followup with Mr. Beltram after he protested the proposed notice of assessment for the responsible party. Once the file is sent to litigation, it is not the ordinary course of business to contact the taxpayer, is that correct?
A: Yes.
Q: Okay.
A: That's correct.
Q: If you'll bear with me just a moment, Your

Honor? I believe you had indicated earlier, you had spoken to Mr. Beltram regarding this -- Intedge Industries, is that correct?

A: Yes.

Q: How many times?

A: Three times.

Q: And those were two phone conversations and one in-person meeting?

A: Yes.

Q: In those conversations, did Mr. Beltram state that he was the owner of Intedge?

A: Yes, he did.

Q: Did he ever indicate any other responsibilities or positions he held at Intedge?

A: Well, yes that he was the president of the company. Certainly, we discussed his interaction with the Department of Revenue as part of the amnesty program. I believe that -- that's all we actually spoke about.

Q: To your knowledge, did Mr. Beltram receive amnesty under the department's program?

A: No, he did not.

Q: Why didn't he?

A: Because there are additional periods that were prior to 2000 and the end of 2001, which is the

period that amnesty covered and those periods were not paid, so he would not have been granted amnesty without paying the entire liability.

Q: To your knowledge, did Intedge Industries challenge the validity of the assessments against them for the relevant tax periods in this matter?

A: I'm not aware of any question of those periods by Intedge Industries.

Q: Did Intedge Industries file did it hold all the withholding and sales tax returns for the periods in question?

A: Of the periods that were issues on the proposed assessment, there were actually two -- all were time filed and filed timely, except for two periods and that was the September 2005 sales period that was assessed and also the September 2005 employer withholding tax period that was also not filed with the department.

Q: For those two periods not filed, how does the department determine the outstanding tax lien?

A: Well, for the sales tax period, our operations center would have created an estimated amount to protect the State's position. With regard

to the September 2005 withholding period, a -- a December 2005 quarterly report had all -- had been filed and as part of that quarter, December '05, it serves a dual purpose, it has a -- a reconciliation section where each quarter's tax is listed by the taxpayer, our office withholding unit referred to the tax from that December '05 period for the third quarter of 2005 to generate a number as far as the amount of withholding due. They allowed him payment credits that we were showing and then ...

Q: And the department had to do this because returns were not filed for those periods, is that correct?

A: That's correct.

Q: Did Intedge Industries indicate on the returns that the appropriate tax was being remitted on the return?

A: Yes, it did.

Q: Were all of the taxes remitted on those returns?

A: No, they weren't.

Q: What did the department do as a result of Intedge's failure to remit all the tax due on

the returns?

A: The department issued a purposed notice of an assessment for those various periods as required under the law.

MS. WOOTEN: Your Honor, may I have Respondent's Exhibit Number Two?

THE COURT: Yes. Here.

MS. WOOTEN: Thank you.

Q: Could you tell the Court what this document is?

A: This is a spreadsheet that was created as part of the final agency determination of listing each period that's at issue here.

Q: Okay. Let's start with the headings at the top. I'm going to use the Elmo over here.

LAW CLERK: As long as you turn it on, it should be ...

Q: And the notice was sent to on this document ---

A: Yes.

Q: --- it indicates the notice was sent to?

A: Intedge Industries, Incorporated.

Q: Okay. It says type of notice?

A: That would be the various stage notices that would've been issued for each period. The PNOA referring to the proposed notice of assessment. Just a short way to refer to that. The

assessment, which would have followed the proposed notice of assessment, the notice of tax lien, when that was issued.

Q: And those all relate to one quarter of September 2000 -- September 1999?

A: Those first three entries do, yes.

Q: Okay. So with regard to the first three, the proposed notice of assessment, it shows the date, the date the assessment was sent out to Intedge Industries, it shows another date, and the date the tax lien was filed, it shows that date as well, is that correct?

A: Yes.

Q: And those were just the September '99 period, it shows type of tax. What type of tax is shown on here?

A: Employer withholding tax.

Q: And next, the heading at the top. Tax shown on return.

A: Yes.

Q: Could you explain that for the Court?

A: This would've been the -- the number from line one of the employer withholding tax quarterly return, which would've listed the -- the amount of South Carolina Withholding withheld from the

employee's pay -- employee's pay for the -- for the quarter.

Q: The number that is represented here, is that something the taxpayer would have provided on the return?

A: Yes.

Q: And the next column, what does that reference?

A: It's indicating the amount of -- of tax, unpaid tax, that existed for that particular period.

Q: And again the next column?

A: The applicable penalty that was assessed, the applicable interest, and if there are any lien costs at that -- at that stage would be in the last column -- that next to last column.

Q: And because Intedge Industries did not protest the proposed notice of assessment, the department fixed the assessment at least for the September '99 period on May 10, 2001?

A: Yes, that's the date the assessment would've been issued.

Q: Okay. And this would -- these here -- the quarters that are involved in this matter are all listed on this Excel Spreadsheet with the corresponding dates and tax shown, tax not paid, penalty interest and any applicable cost,

is that correct?

A: Yes.

Q: Did Mr. Beltram provide any documents that he -- to establish he is not the responsible party for these taxes?

A: No.

Q: Did he ever provide any documents establishing a majority of the assets were transferred during the sale of Intedge Industries to Intedge Manufacturing?

A: No, not to me.

Q: Is it the department's position that Mr. Beltram is the responsible party for the withholding and failed tax liabilities in this matter?

A: Yes.

Q: That's all from the department, Your Honor.

THE COURT: All right. Thank you Ms. Wooten. Mr. Greene, sir, anything?

MR. GREENE: No, redirect.

THE COURT: Nothing further. Okay. All right. There being no further questions, then, Mr. Owens, you're free to step down and return to your seat, sir. Thank you very much. If you have some documents, you can just hand those to

me. Thank you, sir. Mr. Greene?

MR. GREENE: Petitioner rests.

THE COURT: All right. Thank you, sir.

MS. WOOTEN: No further witness -- or no witnesses from the department, Your Honor.

THE COURT: Nothing from the department.

MR. GREENE: And Your Honor, if they have no more witnesses, I do have one witness in rebuttal.

THE COURT: All right. Okay.

MR. GREENE: I call Mr. Beltram.

THE COURT: Recall Mr. Beltram. Sir?

MR. BELTRAM: Still under oath?

THE COURT: Yes, sir. I'll just remind you that you're still under oath from yesterday, sir.

MR. BELTRAM: Thank you, sir.

MR. GREENE: Thank you.

THE COURT: Thank you.

MR. BELTRAM - REBUTTAL BY MR. GREENE:

Q: Mr. Beltram, let me first of all show you what was marked as Defendant's Exhibit Number Four. Do you recognize that?

A: Yes, Lawrence Flynn was the registered agent for Intedge Industries. That's correct.

Q: Okay. And down at the bottom, it shows the date of where the corporation was dissolved.

What is the reason -- what is the reason that the Secretary of State shows ---

A: They put on here forfeiture. I don't know what that means, but we ceased business in 2005 and it was very clear, so this must be a bookkeeping -- I'm speculating that it's a bookkeeping procedure by the Secretary of State.

Q: Okay. Did you or anyone that you know file dissolution papers with the Secretary of State to dissolve ...

A: I'm not aware of that.

Q: Okay. Now Ms. Coggins, you heard her testify yesterday and she referred to a long list of liens that showed how, I guess, bad of a person you were. Did that prompt you to do anything after you left the court yesterday?

A: I left the court and went back to my computer in Spartanburg to look up my name and print out to see if the same information was there that was there a week ago when I checked.

Q: Okay. And identify what this is?

A: This is the going all the way back to 1987, every contract, transfer of assets, power-of-attorneys, et cetera, et cetera, some liens

that were canceled from that and the last entry on here is April 23, 2013.

Q: Okay. So -- and is that a copy of what was on the screen?

A: That's right. This is on the screen taken last night, 9:16, and shows I have no outstanding liens, no outstanding judgments, collection matters or anything else.

Q: And where did you go to get that information?

A: The public index, I guess, in Spartanburg County, it's under the Registrar of Deeds website.

Q: Okay. Spartanburg County Registrar of Deeds?

A: That's correct.

Q: Okay. And the website identified itself as that?

A: That's correct. You put in a name and then punch in and then that comes up.

Q: I'd like to introduce this, Your Honor, as Petitioner's 10.

THE COURT: Okay. Ms. Wooten, any objection?

MR. GREENE: Do you have another copy?

MR. BELTRAM: That's the only one I brought.

MR. GREENE: I'm sorry. We don't have another copy.

MR. BELTRAM: I'm sure we can make copies here.

MS. WOOTEN: No objection.

THE COURT: There being no objection to -- is it 10?

MR. GREENE: Number 10.

THE COURT: To Petitioner's Number Exhibit 10, it is admitted.

(Petitioner's Exhibit Number 10 was admitted into evidence.)

A: Can I add some information to that?

Q: I'm sorry?

A: Can I add some information to my statement about 10?

Q: Yes, you need this?

A: No. I don't need that.

Q: Okay.

A: All I wanted to say is that I've done the same thing for Intedge Industries and I've done the same thing for Intedge Manufacturing back in 2008 and I found a $93,000 lien on the same website in 2008 for Intedge Manufacturing and for Intedge Industries, this was printed 9/12/2014, just a couple days ago. There are numerous, going back to '99 and 2000, there are numerous cancellation of state liens that are on file. Also, one of the liens that was just reported by Mr. Owens on July 20, 2006, for a

lien of $6666.98 that's never been recorded on Intedge Industries and there are other items that don't agree exactly. There's a duplicate one on here. As I said, there's numerous satisfaction of taxes and there's several on here where there are cancellations of state -- there's three on there, state -- where it's been told numerous times in this courtroom that I didn't do anything to resolve the issues of the amnesty, and yet on here, there's -- there's three cancellations of tax liens.

Q: Okay. We've been talking about the Department of Revenue trying to contact you and Ms. Coggins said she called. Do you have an answering machine at your home?

A: I do.

Q: Do you check it regularly?

A: I do.

Q: Did you ever have any messages from Ms. Coggins or anyone else ---

A: I did not.

Q: --- in 2002 to September of 2009?

A: Not only from Ms. Coggins, but from -- there wasn't any revenue officers that called my home number, which is listed in the white pages.

Q: Now I -- I do believe from testimony after that -- after September '09, you did get a message from Mr. Owens and that you called him back, is that right?

A: We exchanged calls, I noticed on the notes here, it -- it was kind of unusual that a phone conversation I had with Mr. Owens on 9/14/09 wasn't put on their message system until 12/01/09. That's two-and-a-half months later. And I would think that after two-and-a-half months, facts aren't exactly the same way that they were presented and I would say that my recollection was a little different, but I would like to point out that from the first moment that we filed to have a contested hearing, I advised you at that point that my protest letter was no longer in my file because of the length of time in between and I remember in our first discovery notice, we had asked for copies of that protest letter as the basis of looking at the documents and as late as September 10th, last Wednesday, Ms. Wooten's telling us she doesn't have it. So over a period of about a year-and-a-half, we've been looking to get that document and that document

was placed in my hands last night by email approximately 6:00 p.m.

Q: Now about Ms. Coggins, if she had called Intedge in 2009 or '07, well, she didn't get there until 2009, but in 2009, if she had called Intedge Industries, Intedge Manufacturing, would you have had any way to know that?

A: No, I would not, and again, since the phone numbers were transferred from Intedge Industries to Intedge Manufacturing, she would've dialed the same number and I again would guess that if she asked for Mr. Beltram, they were thinking she was asking for Daniel Beltram because I was off the premise long before that.

Q: And if she had visited out there and asked for Mr. Beltram, would you have been told about that?

A: I would not have and ---

Q: For the same reason.

A: -- various notices that the department said that they mailed to P.O. Box 969 after about the first of 2005, I wasn't getting any of those notices. The mail was being intercepted

by others and it never came to me.

Q: Okay. Now a lot has been made these last two days about the contract of sale that you have told us was on October 1, and we have not provided that to DOR, can you tell me why you haven't provided that to me for me to provide it to them?

A: When I made my timely protest on 12/1/09, in the second or third sentence, I indicated that I was being represented by Mr. Carlos Johnson and when I talked to Mr. Owens briefly on the phone, I indicted to him that since I was represented, we had to have counsel present and that counsel would have any documents that he was needing, the reason being is because the lawsuit I had against Intedge Manufacturing was still in litigation in late 2009 and all those documents were tied up as court evidence and that he would have to ask Mr. Johnson for those documents because my documents had been turned in as evidence in an ongoing litigation. That litigation didn't end until early 2010. From what I gather by looking at the notes here that Mr. Carlos Johnson, my attorney, did in fact call DOR on 12/2/09, talk to Ms. Coggins, and

again the notes are brief, but says he will be assisting Beltram in the case, which means that he obviously told her that he was representing me. That's the same thing I told Mr. Owens when I met with him in February and from my knowledge, there's been no contact to Mr. Johnson. Again, all those documents that I -- that I had as far as the sale, were tied up in litigation.

Q: Okay. Did you -- after you retained me, did you tell both Mr. Johnson and the other attorney ---

A: Larry Flynn.

Q: --- Mr. Flynn, did you give them permission for me to look at your file and then did you ask me to go their -- both of their offices and look through their files for any ---

A: I did.

Q: --- copies?

A: That's correct. That's right.

Q: Do you know -- I mean, do you have any idea why I could not find that file?

A: I don't know.

Q: I mean, are they ---

A: Unless it's still -- unless those documents are

still part of the evidence that went with that trial. I don't know.

Q: Okay.

A: That stuff was -- that was a two-year thing, but I -- I will say that Attorney Larry Flynn, it's been brought up several times, did in fact call DOR on 7/20/05 looking for payoff, penalty waivers. It says the payoff of liens and was referred to Allen and John. I don't know who they are, but I know that no one ever called Mr. Flynn back. The reason Mr. Flynn called is because he was notifying DOR at that date that there was a pending sale of the business and the first thing that was going to go through was all the tangible property, meaning the production equipment that was titled to Intedge Industries and the building that was titled to Upstate Development. So at that point, in 7/20, DOR certainly had an opportunity to object to the transfer of those assets.

Q: Okay. You just got Exhibit -- you received Exhibit Eight, which is the letter and information that the department faxed to me on the afternoon of September 15th. You saw that for the first time yesterday morning because I

didn't get it -- been able to get it to you until Tuesday morning, is that right? That's the ---

A: Actually, I didn't get it until -- I didn't even see the documents after we left Court that day.

Q: Okay.

A: And as I can see here by the ...

Q: Okay. Well, hold on.

A: Go ahead. I'm sorry.

Q: And then on Exhibit Nine, the documents that we got last night, you didn't see those until last night at sometime, correct?

A: 6:00 p.m. Both of these came together on the same email.

Q: Since you've gone through those, you -- what is your impression and what have you learned by -- by examining those documents we just received at the trial?

A: Okay. First of all, I want to make it clear that these documents weren't reviewed by me until -- I'm going -- problem. Okay. Sorry. These documents were not reviewed by me until after dinner last night and I spent most of the night going through this, so I will say that

there's only been a very few hours that I seen these documents, although we've requested these since soon after May of 2013, and as I said in my testimony a few moments ago, I made it very clear up front to you and to Mr. -- Ms. McMahan that was the first attorney on this case that I needed to see that protest letter because that had disappeared from my file, so I was very honest, up front, and that whole protest file was only delivered to us last night, to me sometime later, and we've learned from testimony that for some reason that's -- that those documents were riding in Mr. Owens' car. So what have I learned from it? I've learned that as soon as I got the notice from DOR that they were potentially holding me as responsible, I responded immediately. I sent a lot of documents that came in -- after the first -- when I sent the first batch, which was dated 9/14, I did go see Mr. Carlos Johnson after that because again, all my files were tied up in that court case and the reason I sent the article and so forth in my first, is I wanted DOR to know that there was ongoing litigation and I was limited on to what I had

as far as documents, but when I went and sent my second notice on 12/1/09, I made it very clear that the first thing I needed to do was have assistance from the taxpayers' rights advocate and I was never assisted in any manner until two weeks ago and then Mr. Kimpson put a stop to that. I also indicated that I was being represented by Mr. Carlos Johnson and in my very, very brief meeting with Mr. Owens, I indicated that since I'm represented by counsel, I'm really not in a position to talk to much and I referred all matters of contracts or any other documentation to go get from Mr. Carlos Johnson as per my memo on 12/1, and then it's further backed up that Mr. Johnson did call to confirm that he was working with me as an attorney on 12/2. May I review something else in this document?

Q: Yes. Briefly, yes.

A: I'm very troubled by -- and by the way the other thing that was very complicated is when these documents were sent to me, they were numbered at the bottom, I guess in numeric order as you received them. They came all mumble-jumbled, so I -- I had to take it all

apart and put it together based on chronological order, which again, if that's the way the files are kept at DOR, in scrambled order, I can see why we have some issues today, but to me, when Mr. Flynn called DOR to say there was ---

MS. WOOTEN: Objection, Your Honor. I would ask that counsel ask him a question and the witness not provide a narrative of documents without being asked a specific question from Mr. Greene.

THE COURT: All right.

MR. GREENE: I asked him what his impression was from the documents he got and that's what he's saying.

THE COURT: All right. Overrule the objection. I'm going to let him go ahead and continue. Let's try to be brief?

MR. BELTRAM: And I -- I will keep it very brief.

MR. GREENE: Very briefly. Yes.

THE COURT: A narrative, but ...

A: Your Honor, excuse some verbosity at this point. The problem is that only having seen these 12 or 14 hours ago and spending most of the night pouring through these, I'm still

digesting all this stuff that I just received, which I was hoping to have gotten in June of last year, but anyway. What it does tell me conclusively is that Larry Flynn did call DOR, tell him about a pending sale all the way back to July 20, 2005. The DOR conclusively knew that the business had been sold. I don't think we got a satisfactory answer as to trying to work with new owner and nothing -- it just stopped at that point. So I learned from this that everybody in DOR -- everybody in the world because it was in the newspaper, knew that these -- this company had been sold. There were new owners in town. They took over every piece of the business, whether it's the P.O. Box or whatever, part of the documents that the DOR is looking for don't exist because when you transfer a phone number, when you transfer a website, those are necessarily sale documents. The important thing that was submitted was the deed of the property and the deed of the property, which had the manufacturing -- where somebody could collect receipts and the other thing, and I'll -- I'll stop. The other thing that was interesting is that Mr. Owens, under

examination, said that my bank account was closed in 10/9 -- 10/19/05. They didn't inquire to the bank until 7/28/08, long after they knew the business had been sold.

Q: Okay. I just want to clarify one little thing, you're ---

A: Yes.

Q: --- talking about litigation. You're talking about the litigation that you had with your uncle, Daniel Beltram, with Intedge Manufacturing, is that right?

A: That's right and that's why I submitted that article to Mr. Owens, so he knew that I was very limited on documentation because it was all part of an evidence package.

Q: Okay. Thank you very much. That's all I have, Your Honor.

THE COURT: Thank you, Mr. Greene. Ms. Wooten?

MR. WOOTEN: Yes, Your Honor.

MR. BELTRAM - REBUTTAL BY MS. WOOTEN:

Q: The corporation was still in existence until January 2009 and I'm referring to Intedge Industries, is that correct?

A: It had -- I don't know because this is the first time you showed me this. I know ---

Q: But Intedge was your corporation?
A: Intedge Industries is my corporation. It had no assets after the first of October of 2005. I was dealing with attorneys from both sides and I'm not sure what they proceeded to do after that. I can't speak to that. But the company was out of business totally as of 10/1/05, so even some of the tax filings that Mr. Owens referenced weren't even due until 10/15/05, after everything had been turned over.
Q: You were the president of Intedge Industries, is that correct?
A: President is a title. In statutes if you're talking about withholding agent, financial responsibilities, that part was given up in early 2005.
Q: What was given up in 2005?
A: Financial authority of the company.
Q: The assets ---
A: Okay. Let -- let me start over again. In the beginning of 2005, in return for getting investment by my uncle, which we had it documented about $100,000, I gave up financial control of the business. There were numerous

negotiations based on a number of different things including DOR, which happened talking with and I under earlier testimony, I told you about my conversations and negotiation with GE Capital, the requirement to get current appraisals for property, so then in July, there was actually a de-transfer of the land, the building, and also the manufacturing equipment that was in fact taxed as Intedge Industries. I think we also showed evidence during that time that there were other negotiations about other parcels of land that needed to have other agreements from other parties in order to move forward with the deed and then the ultimate closure of the business on October 1st, but ...

Q: Those things don't formally dissolve the corporation, is that correct?

A: That's correct. But as far as giving up authority of the withholding agents, financial authority of the business, that was ceded to my uncle on appeal from Florida in the first month or so of 2005.

Q: Did you protest Intedge Industries proposed notice of assessment with regard to withholding and sales tax for periods at issue?

A: I -- when I received the responsible party, I ---

Q: No. I'm not referring ---

A: --- protested.

Q: --- I was not referring to the responsible party, I was referring to the assessments made against Intedge Industries from 1999 to 2005, as indicated on Respondent's Exhibit Two.

A: I -- I don't remember that. All I do remember is we went to ...

Q: But you were president at that time, is that correct?

A: I was the president at -- at that time, but I think I've said in testimony that as far as receiving notices and so forth, I was on the road traveling most of the time, was never contacted by a revenue officer directly and I had other people in the company that were handling the accounting of the business.

Q: When did you say that you gave up financial control of the checkbook for Intedge Industries?

A: I'm sorry that's not -- that's not my answer.

Q: I -- I'm asking a question.

A: Okay. The question is, I gave up the check

signing ability -- well, based on approval from others, I was still signing checks up until October of 2005.

Q: So you still had check writing authority until October 2005?

A: I -- I had -- I had the check writing ability based on authority from people from Florida. You've heard my testimony. You've heard Mr. Lawing's testimony on that.

Q: You mentioned Carlos Johnson was your attorney earlier and this is regarding the sale of the corporation?

A: No.

Q: What was his ---

A: No.

Q: --- what was his role as your attorney?

A: Okay. I will -- I will be happy to review that again. I had litigation with my uncle after working there for about two years as a contract person. We had a breach of contract lawsuit. Rolled into that was the fact that they were also considering me as a 1099 employee and yet I met all the requirements as an employee, W2 employee, but they had me as a 1099. I protested that to DOR to get some help. DOR

said they won't -- they didn't have anything to do with misclassification of employees, which is rather shocking, but he was handling my litigation with my uncle, but part of that was all the documents that related to the sale of the business were -- were rolled into that litigation that started in early 2008 and as I indicated earlier, that's when the local newspaper got hold of it and made me aware of a number of things that I checked on.

Q: I may have misunderstood you earlier and I -- I thought that you said Carlos Johnson, did you say Larry Flynn, was he the -- who was the attorney that represented you in the sale of the corporation of Intedge Industries to Intedge Manufacturing?

A: Larry Flynn.

Q: Okay. And tell me again how long this business -- how long your family business lasted? I think you said maybe 1973, is that correct, when it started?

A: No. The business originally started in 1914.

Q: Okay.

A: We moved to a brand new factory building in Woodruff, South Carolina in 1988.

Q: Okay. And you were president up until 2005?
A: That's correct.
Q: And your attorney, Mr. Flynn, represented you in the sale of your family business corporation to your uncle, is that correct?
A: That's correct.
Q: Is he still in business? Is Mr. Flynn still in business?
A: He is.
Q: And you couldn't get copies from Mr. Flynn regarding the sale of your family business that's been in existence since 1914, is that correct?
A: I'm not sure there are any -- you know, the documents again, there was a website, there was some inventory, there was accounts receivable, payables ---
MS. WOOTEN: Your Honor, I would just ask that he say yes or no.
A: --- and I don't know what they had because all this was done by attorneys on both sides and then it all got rolled into a very large litigation with my uncle where all those documents were turned over to there. Part of the problem is reaching back ---

THE COURT: Wait a second, Mr. Beltram.

MR. BELTRAM: Go ahead.

THE COURT: Does that answer your question, Ms. ...

MS. WOOTEN: I was just asking for a yes or no question.

THE COURT: Why don't you restate your question and let's give Mr. Beltram a chance to answer the question?

MS. WOOTEN: Okay.

Q: Is it your testimony that you could not get documents from your attorney, who handled the closing of your family business that's been in existence since 1914 that you could not get those documents from your own attorney?

A: Correct. Correct.

Q: Okay.

MS. WOOTEN: That was my question, Your Honor.

Q: Has the department ever indicated that you did not timely file your protest of the responsible party issue?

A: No, in fact, they said just the opposite. I was very timely.

Q: So that has never been an issue with regard to your protest? We have never -- the department has never said, you were untimely in your -- in

your protest?

A: No. It was just the opposite, it was the timeless of DOR that's the issue here.

Q: What is your authority that Intedge Manufacturing is responsible for liabilities of Intedge Industries?

A: Say that one more time, please?

Q: What is your authority that Intedge Manufacturing is responsible for the liabilities of Intedge Industries?

A: What is my authority?

Q: You -- you stated earlier that Intedge Manufacturing is responsible for those liabilities, I'm asking you what is your basis?

A: Oh, when I read statute it clearly indicates transfer of the majority of an assets of a transferee to a transfer -- from transferor to transferee that the -- that the liens follow the assets and in our case what I did provide to you was the deed that involved land, buildings, and manufacturing production equipment. That was already provided to you numerous times and so my position is that the liens would follow those assets.

MS. WOOTEN: Your Honor, may I approach the witness?

THE COURT: You may.

MS. WOOTEN: Thank you. May I have Respondent's Exhibit Three? Thank you.

Q: I'll hand you this again.

A: Right.

Q: We talked a little bit about this indemnity agreement yesterday, is that correct?

A: Right. I'm glad you brought that up again. Thank you.

Q: What is this agreement?

A: This is an agreement where if any of the assets had been seized by IRS, DOR, or any other vendors, that I would have to make Intedge Manufacturing whole for that loss, since there were never ever any claims against Intedge Manufacturing for any of these things, no money was ever laid out, but I as president, individually, and majority was holding harmless or guaranteeing indemnity to Intedge Manufacturing for anything they would have lost, meaning that if the DOR had gone out and seized a piece of equipment, then I would've had to reimburse Intedge Manufacturing so the parties are myself with Intedge Manufacturing. It doesn't indicate anything about DOR, IRS,

post office ---

Q: Does it indicate ---

A: --- UPS, or anything else.

Q: Does it indicate anything about taxes being due?

A: If anything that would be a claim against Intedge Manufacturing from assets that Intedge Industries had. If any of those claims were made, then I personally would have to make good on it and the reason being because there were no other assets that I had.

Q: Mr. Beltram, if you could just please answer my question. Does it reference taxes due?

A: It does. It references everything that's in ---

Q: Thank you.

A: --- a walk of business. Thank you.

Q: I think that's all, Your Honor. Thank you.

THE COURT: Okay. Mr. Greene, anything in followup from that?

MR. GREENE: No.

THE COURT: All right. Mr. Beltram, thank you very much.

MR. BELTRAM: Thank you.

THE COURT: You can return to your seat. And Mr.

Greene, was there anything -- anyone further you wish to recall or any rebuttal, any further rebuttal?

MR. GREENE: We -- we rest.

THE COURT: Rest. Right. All right. With that, then, we're at that point where closing arguments. Do the parties have any closing arguments they'd like to make?

MR. WOOTEN: Yes, Your Honor, the department would like to make a closing argument.

MR. GREENE: Yes, Your Honor.

THE COURT: Okay. Mr. Greene, sir?

CLOSING STATEMENTS

CLOSING STATEMENT BY MR. GREENE: Thank you, Your Honor. May it please the Court, initially let me thank the Court for it's help in helping us get through the difficult moments in this trial and I would like to take just a few moments to point out what we have shown and what I think we have learned in these last two days. First of all, we have shown some old periods of taxes that DOR is trying to hold Mr. Beltram responsible, but actually the statute of limitation has run on those and he cannot be held responsible. We've also shown that the

withholding and sales tax that he's charged with in 2005 should not be allowed because -- excuse me, because he was not a withholding agent with any duty to withhold taxes. That duty had been transferred to people in the employee of Daniel Beltram and even though he may have signed checks at the direction of Mr. Daniel Beltram's COO, that -- he would not be held responsible for those as in any company, just the simple signing of a check by a clerk does not necessarily mean they're the responsible party. So -- and also in the intervening years, there are several periods when tax liens were not filed until after Mr. Beltram lost the control of his company through at least the middle of 2005 and on up into 2006, some of these liens were -- were filed and there has to be notice, either constructive or an optional notice to the potentially responsible withholding agent for the liability to occur and we think that, that did not happen. He was never -- had a lien filed against him and he was never constructively or actually notified. When these liens were filed against Intedge, he was not there or he had no

control and did not receive these liens. And I believe that we have indeed shown a serious dereliction of duties by DOR and negligence and sloppiness in the way they have handled the entire Intedge and Daniel Beltram case from 2002 forward. They did meet with him in 2002, they entered into an agreement and he thought he -- that Intedge had paid all the taxes. Though, now that wasn't against him, that was against Intedge and -- and the amnesty program and he apparently not all the taxes were paid, but he thought they were, but he cooperated with DOR when the opportunity was there. DOR waited four years after the last tax to be assessed was assessed to even approach about the potential liability. They failed to really followup with him and try to negotiate. We had one letter. It initially indicated several letters. They finally produced this morning or last night, one letter from the revenue officer and -- and apparently there was one short meeting and that was all. The -- they -- and then the department collection side of the department, apparently transferred their file out and sometime in 2010, it wasn't real clear,

to the legal department and as early as in 2011, it was on Mr. Kempson's desk, who I'm assuming has to approve all of those and it sat there until May of 2013 before anything was done. Now of course the statute says it has to be done within nine months, but there's no teeth to the statute because nothing happens, but I guess that's why DOR feels like they can do whatever they want, but they are required by statute to file that determination letter within nine months. Also, I think it's important to note that from 2002 on until 2013, the department cannot show where it ever tried to collect against Intedge Industries or Intedge Manufacturing by either levy, which they do all the time. They levy bank accounts for small business owners. They levy their customers. They didn't do any of that. They have opportunities to start seizure proceedings against assets. They never did that. The law says they can revoke business licenses and I know firsthand from clients that, that has happened many times and if the taxes aren't paid, they can revoke their licenses. Especially with sales tax. None of that was

ever done by either Intedge or Manufacturing -- Intedge Industries or Intedge Manufacturing. I think that is a serious situation and they never pursued any other potentially responsible person in this case. They let it lie four or five years, saw they were running out of time and decided to try to go after somebody and that was Mr. Beltram and then they still were -- were slow and negligent in even pursuing that. So I think all of these and -- and we've learned today that they definitely knew about the new company as far back as 2007 and they chose not to do anything. They knew the assets had been transferred and so for all those reasons, I think they were very, very negligent and the Roddy case just done here last month -- just filed here last month referred to the what is required to give a taxpayer due process of law. One is notice, actual or constructive and some of these -- at least some of these periods Mr. Beltram never received either constructive or actual notice. There is a judicial review and of course that's what we're doing now. But most importantly, a taxpayer is afforded an opportunity to be heard in a meaningful way and

that's where DOR has failed. They have not done this in a meaningful way, so I think they're dereliction of duty in this case and the sloppy handling constitutes -- constitutes what has deprived this taxpayer of his constitutional right to due process of law and an effective opportunity to respond to the allegations. Therefore, I think this is a clear case where all of these tax issues be dismissed against him. Thank you.

THE COURT: Thank you very much, sir.

MS. WOOTEN: Your Honor, may I have one minute before my closing?

THE COURT: You may.

MS. WOOTEN: Thank you.

CLOSING STATEMENT BY MS. WOOTEN: Thank you, Your Honor. In this matter, the department seeks to hold Petitioner, Richard Beltram, personally liable as a withholding agent for the outstanding tax liability of Intedge Industries. Mr. Beltram has tried to bring numerous irrelevant arguments into this matter, but the simple fact of the matter is, Mr. Beltram as president, majority shareholder, had a duty to file those tax returns and pay the

corresponding sales and withholding taxes. Pursuant to 1282010 and 1254195, responsible party is liable for the withholding and sales taxes assessed to the corporation. Specifically, these subsections provide that a withholding agent or responsible party may include an officer or employee of the corporation who is under a duty to remit the taxes of the corporation. The evidence and testimony established that Mr. Beltram, again, as president and majority shareholder of Intedge, had control of the corporation during the relevant tax periods. He had authority to write checks on behalf of the corporation, hire and fire employees, and enter into contractual obligations on behalf of the corporation. Notably, Mr. Beltram signed documents as president of Intedge as late as June and October of 2005. Despite his assertion that he had no knowledge of the operations of the corporation at various times, his argument is without merit. He could not turn a blind eye to his known responsibilities and duties as a -- as a president and essentially lay the blame on someone else, while on the other hand

signing contracts on behalf of the corporation that legally bind it. Mr. Beltram also asserts that the department failed to timely notify him of the assessment pursuant to 125485, however, because his liability is derived from his role in the corporation, notice of the assessment to the corporation constitutes notice of the assessments to him. As stated earlier in the hearing the ALC has rendered two prior decisions on this point, Rollin and Roddy including the timely notice to the corporation as effective notice to the corporate principle with regard to the responsible party cases. Mr. Beltram has also argued that Intedge's liability should be held against the successor corporation, however, these liabilities were assessed against a corporation when Mr. Beltram was responsible at the corporation. It was his duty and responsibility to ensure those taxes were paid prior to the sale of the business. Moreover, Mr. Beltram provided yesterday, despite prior discovery requests, an indemnification agreement holding Intedge Manufacturing harmless for any outstanding taxes by Intedge Industries prior to the date

of this agreement. While this contract provides liabilities between the two parties, it provides further evidence of the department's position, which relies upon statutes that Mr. Beltram is liable for the taxes occurred under his watch as president and majority shareholder of the corporation. With regard to the 10-year lien enforcement, at this point, the 10 years are only running against Intedge Industries. Once the proposed notice was sent to Intedge and there was no protest of the period -- of the assessment, the lien was filed. Because it did -- excuse me, because Mr. Beltram protested the department's proposed notice of assessment, he does not have a final assessment in this case and the 10-year statute is not running against him as a responsible party at this time. And just ---

THE COURT: Okay. I want to ask a question about that. So is it the department's position that if y'all wanted to wait another eight or 10 more years, then you could come against Mr. Beltram for this? There's no absolute -- you don't have any -- there's no limitation on when you can -- you can wait until 2075, if Mr.

Beltram is still alive and you can some against him for these because you didn't -- because you didn't file anything against him, you didn't file a lien against him, it was against the corporation and the corporation's limitation ran, but it's forever for Mr. Beltram? Is that the department's position?

MS. WOOTEN: Well, the department understands the Court's question. That could lead, you know, we would obviously not seek to hold somebody responsible 30 years after the tax liens had been issued. With regard to the responsible party statute, there is no time limitation in the statute and the department is following the statutory guidelines.

THE COURT: Thank you.

MS. WOOTEN: And with regard to the department not issuing the department determination within nine months, we acknowledge that we did not do that, however, pursuant to 126450, Mr. Beltram was permitted to file a request for contested case hearing administrative law court. He did not do so. Mr. Beltram cannot complain of any perceived unfairness when he had the statutory remedy available to him, but chose not to

exercise that right. And also the department would just like to reiterate as discussed yesterday under the statutes and case law, attorney fees are not available to Mr. Beltram in this matter. Finally, just accordingly, pursuant to 1282010 and 1245195, Mr. Beltram is the corporate officer with a duty to remit the withholding and sales taxes of Intedge Industries and the department respectfully requests that the Court uphold its determination.

THE COURT: Thank you, Ms. Wooten. Any rebuttal?

MR. GREENE: Yes, Your Honor. Just very, very short. If I can read my writing.

THE COURT: I have that problem some times.

REBUTTAL BY MR. GREENE: The -- counsel said that -- indicated that if he was president and chief major shareholder that automatically make him a responsible party. I beg to differ either from the case law from their own statutes that there's more to the investigation than that. They have to be -- have a duty to withhold taxes and that's what we're saying. He -- he has in name, he was still president until October '05. He was a figurehead president

under the control of Daniel Beltram, who had come in, poured money into it, bought out all of the assets and the property back in July and -- and finally got around to just taking over the entire company. He was a figurehead during that time and by signing the indemnity agreement that indemnity agreement was not directly related to any sales contract. It was related to anything and everything that Daniel Beltram had obtained from January of '05 forward until they finally switched over the website, the phone number, and all those things and again, he signed that. Of course he did as president at Daniel Beltram's direction. He directed him -- he was in control even for that and so that has to do with that and then, so he -- so he did sign the contract as a -- as a figurehead and so my position still remains that -- that they cannot go after this man indefinitely and just make up their own minds when they want to do it. He -- he filed his protest and he understood then that there would be meaningful conversations and negotiations and that DOR would have to do something else, which in fact they were told they had to do.

When they didn't do it, he's not a lawyer and he -- he didn't know whether he should come and file something in the administrative law court or anything anywhere else. He was waiting on DOR to take the next step, which they never did until three-and-a-half years later and they did file the determination letter then he did what he was supposed to do and file for this hearing.

THE COURT: Thank you very much, Mr. Greene. Ladies and gentleman, thank you very much for both of your presentations. I think I have everything I need. I'll be running through everything. I would like to ask the parties about proposed orders in this matter. If I would ask you to get those to me, what would be a reasonable amount of time that you thought you might be able to produce something for me and Mr. Greene, I know you have -- you have two motions that are really kind of outstanding at this point, the motion for attorney fees, which I'll address that and then also the motion for cost for yesterday. I believe you made that motion yesterday. I deferred ruling on both of those motions. I don't need an order on that. I just

am talking about the -- the substance of it.

MR. GREENE: I would like two to three weeks if I could.

THE COURT: And that -- I was thinking at least 30 days. I -- I don't know.

MR. GREENE: Yeah. That would be perfect.

MS. WOOTEN: The department would like to have the transcript before preparing ---

THE COURT: I thought you probably would want to get the transcript.

MS. WOOTEN: So whenever -- however long it would take the -- to get the transcript, maybe 30 days after that.

THE COURT: If that's acceptable to the parties, why don't we say 30 days from the date of the transcript -- that you receive the transcript orders and if -- if you need a little bit more time after that, just contact me and I'm certainly willing to work with you on that.

MS. WOOTEN: Thank you.

MR. GREENE: Thank you, Your Honor.

THE COURT: Thank you both. Thank everyone. All right Adjourned.

MADAME COURT REPORTER: All rise.

(There being nothing further, the hearing adjourned

at 3:17 p.m.)

CERTIFICATE

This is to certify that the within hearing consisting of two hundred fifty-eight (258) pages, is a true and correct transcript of the testimony given by said witnesses after being duly sworn; said hearing was reported by the method of Stenomask with Backup.

I further certify that I am neither employed by nor related to any of the parties in this matter or their counsel; nor do I have any interest, financial or otherwise, in the outcome of same.

IN WITNESS WHEREOF I have hereunto set my hand and seal on October 6, 2014.

Carla S. Dominick
Court Reporter

Notary Public for South Carolina
My Commission Expires: 3/13/2022

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DEP 111[1] OF REVENUE

NO mi..: TAX LIEN

W-131-F
(Rev. 2112109)
2048

VD/Suffix' c2:1249-000
Tax Type; EkirLOYER WITHHOLDING TAX

M FiGIRC
INTENIE INDUSTRIES INC
rN IT ▪ [1]fIUSTRIES INC

V 29388 0959

County: SPARTANBURG
Contact Number. (803) 898-5611
FEI/SSN: XXXXX0400
Tax Lien Number: 3-50368302-2
File Number: 25237982
Date of Notice: 08/13101
Period Covered: 09/99 - 09/99
Tax Amount Due: 2,519.14
Penalty Amount: 277.08
Interest Amount: 422.03
Court Costa: 185.91
Total Amount Due: 3,384.16

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File Number: 25237982
Oats of Notice: 08/13/01
Period Covered: 09/99 -09/99
FEI/SSN: XXXXXO400
SID/Suffix: 1523249-000

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COURT COSTS: 165.91
TOTAL 3,384.16

AMOUNT ENCLOSED: 000U04

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STATE Or r'IITH CAROLINA
DEP /1TM' T OF REVENUE

NOT1CE 1 TAX LIEN

W-131-F
(Rev. 2/12109)
2048

Sin/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOt DING TAX

M RGRC
INTEO(W INDUSTRIES INC
INTt "'DUSTRIES INC

v"'r`r • SC 29388-0989

County: SPARTANBUFIG
Contact Number (803) 898-5e11
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Tax Lion Number: 3-50385821-9
Ale Number: 25237982
Date of Notice: 11/13/01
Period Covered: 03/01 • 03101
Tax Amount Due: 4,860.71
Penally Amount. 283.10
Interest Amount: 203,35
Court Costs: 261.38
Total Amount Due: 5,388.52

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Tax Lien Number: 3-50385821-9
File Number: 25237932
Date of Notice: 11/13/01
Period Covered: 0301 - 03/01
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5,127.18
COURT COSTS: 261.36
TOTAL: 5,388.52

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NOT1C :1 OF TAX LIEN

W-131-F
(Pre. 2112f09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
iNTEDnq INDUSTRIES INC
INTE liDUSTRIES INC
Pc' 7 • I
V " r SC 29388-0969

County	**SPAFiTANBURG**
Contact Number:	(803) 898-5811
FEI/SSN:	**XXXXX0400**
Tax Uen Number:	3-50390243-0
Flte Number:	**25237982**
Date of Notice:	02/25/02
Period Covered:	06/01 - 08/01
Tax Amount Due:	4,302.30
Penalty Amount:	172.08
Interest Amount	194.12
Court Costa:	238.43
Total Amount Due:	4,906.93

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Fits Number: 25237982
Date of Notice: 02/25/02
Period Covered: 015!01 - 08/01
FEI/SSN: XXXXX0400
SIC/Suffix: 1523249-000

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	4,868.50
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AMOUNT ENCLOSED:	00060

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NOTICE)F TAX LIEN

W-131-F
(Rev. 2/1209)
2048

siorsurt,x; 1523249000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGF INDUSTRIES INC
INTF[O] ' ` /OUSTRIES INC
Pr)
[c] C 29388.0969

County: SPARTANBURG
Contact Number: (803) 898-5611
FEI/SSN:)000(X0400
Tax Use *Number:* 3-50850728-2
Flits Number: 25237982
Date of Notice: 10/07/06
Period Covered: 03103 - 03/05
Tax Amount Due: 4,041.85
Penally Amount: 121.23
Interest Amount: 145.13
Court Costs: 225.41
Tohd Amount Due: 4,533.62

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File Number: 25237982
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NOTtC)i: TAX LIEN

W-131-F
(Rev. 2/12/09)
2049

SID/Suffix: 15232[4]9-000
Tax Type: EMPLOYER WITHHOLDING TAX

M FIGRC
INTEDnE INDUSTRIES INC
INTrh-r.r "OUSTRIES INC
r
V r SC 29388-0969

County. SPARTAN6URG
Contact Number: (803) [89]8'56[11]
FELISSN: XXXXX0400
Tax Lien Plumber: 3-50577657.3
File Number: 25237992
Date of Notice: 09/07/04
Period Covered: 09103 - 09103
Tax Amount Due: 4,259.28
Penalty Amount: 234.19
Interest Amount: 169,87
Court Costs: 243.12
Tots/ **Amount Due:** 4,905.48

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T--1 t.[1]▫ i **Number:** ▶ **3-50577657'3**
F1's Nit—ber: **25237992**
Date of Notice: **09/07/04**
Period Covered: **09/03** - 09/03
FEI/SSN• XXXXX0400
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	Pr% ALT/	INTEREST	TOTAL
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4,662.34
CC" riT COSTS: **243.12**
Tr" 1.: 4,905,45

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SI "ni ITH CAROUNA
DEPAiq r..`11 OF REVENUE

NOTIC C r TAX LIEN

W-131-F
(Rev. 2112109)
2048

SID/Suffix- 1523249 000'
Tax Type: EMPLOYER WITHHOLDING TAX

M PGRC
INTEDriF INDUSTRIES INC
lllT' " 'DLISTRIES INC
F
r SC 29388-0969

County: SPARTANBURG
Contact Number (803) 898-5611
FEVSSN: XXXXX0400
Tax Lien Number: 3-50604626-6
Re Number: 25237982
Date of Notice: 02/16/05
Period Covered: 12/03 - 03/04
Tax Amount Due: 7,452.58
Penalty Amount 468.67
Interest Amount 360.90
Come Costs: 424.11
rotas Amount Due: 8,706.26

A to lien has been tiled with the Clerk of Court / Ron' f Deeds in your county -f residence and/or other counties as allowed by law. Additiona3y, your salary, wages, c- qa•oos or other tundv • be levied by serving a Notice to Withhold on nnoloyer and a 20⁶/0 coltect'on lee ad ⁴--1 to the amount dug I"•+1 on Part 1E1, Section 64.14 of the 2002-2(v⁻¹ • • ..ofrnc Doi T'ris lien has been record⁻4 against any bank *arm -19,* stocks receivable and property (real - This lien is subinct 'n e'iblication on our In'n⁻net site wvAv.actax.org or other public⁻ thirty days.

This darna-' " yment is not epplicat⁻'m 'u a ^ t ' `tarsi ruhtcy prr' os under Title 11 of the US Code.
Any rnnnlati be sought in accordance v to pro. - lie 11.
Corrrtete titer , --*Ion blow and return with your p⁻ yr-rt. If you have already made payment, please provide copies of ca•v:eligi ch⁻ -'1) and suppeirt dncument(s) to the "Idr' c below. You may submil oarnerit electronically by going to the agency's w'-mite al www.sarx.org. cl'ck on the liek I^ EPay. EPay will allow yr-•/ to provide payment by credit card (M tam' nrCard or by ofcnt•nrk; w'ov1ra".⁻⁰ "rr'"' lr•m v"uir bank a crri t.-

ı⁻' niow with paym-i-

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PO POY •
CO1 ' ı ▪▪

TRX t. 'lumber: 0 3-50604526-5
25237082
Date of Notice: 02/16/05
Period Covered: 121'03 - 03104
FEI/SSN. X)00tX0400
sm,-; 1523249-000

INTEDGE ' INC

TaX T' • ri. kyri-s-nr.tnt y
DIST r "ErEIV!f"V
Car ▪▪▪ ' .:l -1 ▪▪▪Fil ACZC:c:7..5fTn

			TAX	PENALTv	INTEREST	TOTAL
0S-	r:	'1273997:) P	Ir.	-n	274.n	204.80	4,403.21
08⁻'1	r. l'r	r.27 irinnn.;	1r. • - .1!		/34	156.10	3,878.94

8,282.15
cCo l ⁷1T C⁶r= TS. 424,11
TOT IL: 8,706.26

AMOu), r • C.LOSED: 000

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DEP RI, '1 'rT OF REVENUE

NOM nF TAX LIEN

W-131-F
(Rev. 2/12,176)
2048

SU/Suffix: [11]222[4]9-000
'Tax Type: EMPLOYER WITHHOLDING TAX

nonc
I '47Fnro¯ **INDUSTRIES INC**
rr n **"r1USTRIES INC**
r.
¯**C 29358-0969**

County: SPARTANBURG
Contact Number; (503) 898-5611
FEI/SSN: X X)00t0400
Tax Lien Number: 3.50619243-7
File Number. 25237982
Date of Nodc-ix: 05/23/05
Parted Covernd. 06/04 -06/04
Tax Amount DIG: 2,568.25
Penalty Amotirt 141.13
Interest Amount- 122.19
rt Costs: 151.48
T P1 **Amount Dui: 2,981.05**

A tax lien has been Vied with the Clerk of Coon / Ron nr of Deeds in your county rogifia•rq **and/or other counties as allows-1 by law. Additionally, your salary, weries, cc ~roittsiorts or other funds may** br rr''''ed **by serving a Notice to Withheld on vm.i• :1'...oloyer and a 20% collection fee to the amount due blend rr IB, Sinn 64.14 of the 2002-2-v" **nre** R,11. **lien has been re-^r-lnef** against any bank a-ro--•A, -• **receivable and property (real n- ti** ytit **n. This lien Is suni•ct to publication on our Irtemnt ¯ww.attax.org or other** public hirty days.

This dnr¬'' ' **vrrient is not** applIcah'^ **ynu v** n bant rt!pfcy cr- **.e4s nnifr... Title 11 of the US Code.**
Any r¬;;;,,, ll h' sought in arcntnn *RCP With* tin, - fie Title 11.

COr'□ "□ -'[1] 13<fow **and return with your p•** ft you **have already made payment, please provide copies**
01 Cry' □ vi and stinPrirt drvnirnon1(•) '0 ihe '~14 below. You may submlf **rayrnart electronically by going to**
the age Wn' to ril www.sctax.org, click on the 1;1'[4] **EPay EPay will allow yni. to orovIde payment by credit card**
A t ,r *by* aiA/71...r1.1 - IfoimAc• **bank am'- .n•**

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PO r... ¯ ¯
COI '

INTErinr •

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F117 :	2c237982
Der of llottr.-:	05/23105
Period Cover:;'	08/04 - 08/1:14
FEltSgrkl-	XXXXX0400
r;	1523201-000

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Piz: nrcr c r; T !

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0811'9	":,•114r•-1P7-1 ¯1 • '	141 1□	122.19	**2,829.57**

2,829.57
Cn'snT **rrr TS.** **151.48**
To Al.. **2,981.05**

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STATE Jr ca,I 'iii CAROLINA
DEPARTMV'T OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Aw. 2/12/09)
2048

SIC' "-'uffix; 1r.7324P-000
Tax Tyr.ie: VIRLOYEFI WITHHOLDING TAX

Count': **sr .** iTANBUFIG
Contact Numt-' – **(803) 898-5811**
FEVSSN: **XXXXX0400**
Tex Lien Number: **3.50830255-2**
Ms Number: **25237982**
Oats of Notice: **OEV03/05**
Period Covered: **09/04 • 09/04**
Tax Amount Dun: **3,995.31**
Penalty Amount: **199.72**
Interest Amour" **187.28**
Costs: **229.12**
Tr' "motir't .^: **4,811.43**

1.4 PGRC
tin-Epor *44Di'STRIESiNC*
I r r 'OUSTRIES INC
t' ii -
'=C 29388-0069

A tax lien has teen I:led with the Clerk of Court I RegIst" -' **reeds** In your courh/ end/or c"1" r **counties as allowad** by law. Adrli!lonally, your salary. •ri9es, corn" •inhs or oiler funds maY 1-...ted **by ser a Notice** to Withheld on y •• "nloyer and a **20"/4 collection tee aci4 4** In the amount duo hasnd nn **r -1 IS, Sec' ^1 84.14 of the** *R. TU IS* lien has bean row' " n' **Wrist eny** bank a-rrui-•-i, · ; receive' zr and **property** (real r [redacted] vn. Thi[redacted]ien Is sub* • • **r. bilcarion on our Intem:tt si•—•vretsctxx.org or other** thirty days.

This •yment is not applical-'—' •- cl I ban •uolcy r' ' • n'e 11 of the US Code.
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of cr• riqt rtndaupprirt rine:lieu:inapt In the adflinne slow. You may si rimy-T-: *RcIronleluy by going to
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'-nr* r."urr •befr•y wi91 NIr"

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PO		F11: ;	**; ; v.17982**
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		Parted CrvOrwl.	**09/04 - 09/04**
WIEN - **S INC**		**FEI N:**	**XYXXX0400**
			15:3249-000

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D'					
Cr	EFI	**- AX**	**rictilt**	cr:T	**TOTAL**
0[redacted]	[redacted]	31			4,382.31

TOT	**4,382.31**
r.r7' 'n" CO' T:	**229.12**
7''	**4,811.43**

A-T-4'' n e gn u:24.:

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STAi[c]Or `[r]olT[L]1 CAROLINA
T OF REVENUE

NOT1CL TAX LIEN

W-131-F
(Rev. 2/12109)
2048

Stn"-'utflr: 1• 732[1]9-000
TI' Type: 'PLOVER WIT141-10LIDING TAX

M Pr;Ftc
INTEP-[T]tc 'ttrIUSTAIES INC
TIUSTAIES INC
r
IC 29388-0969

Couroy: Sr firANBURG
Co•• Nurnt i r. **(603) 898-5611**
FEYSSN: XXXXX0400
Tax Lien Number: 3-50838181-6
Fife Number: 25237982
Date of Node[T]: 09106/05
Period CoverPf1: 12/04 - 12/04
Tax Amount Due: 3,753.26
Penalty Arnotint 131.35
Intere=1Amouro: 131.07
210.78
Tn' t 'mount rum: 4,226,46

A lair 'len *has* beam filed with the Clerk of Court / **Reg** allow=d by fay• Additionally, *your* salary. Wegeg, *cr* With'-'d on -[T]•nloyer and a 20% collection fee (**real -** pubtt- vem '— This Ii'"' is sub] t thirty **days.**

'eir rt 11[0]3-AS in **your** court? ^' •nsIder and/or .)ther counties as *inns* **or other hod? r^r he** In•"d by snr,ng **a Notice** to a' [n]•' to the Amount due t:[m]" ▾▾ rn [T]1 18, Secr• n **64.14 of the** [T]rosi any bank a-[r].- *si•* ' q **receivable and property** r.rhtication on *our int --ant Rt "^ww.sctair_org or* **other**

This r' • •:rhretfit Is not applIcat"1 . [T]11 .ta
Any= [T]tee ••I be sro!ght In [D]r.r.rr1[m]r.[0] • •ft, rin. n^
Co-•• t*• bAlow and return with **your p[T]** rm't. ii you have already **m-Pre pay[T] - please nrovide copies**
ot - ' And suprAl Orvvirrentel) to the = qr•[T]qc t"[9]40W. You may -.Etyma -Iectrorfrr'ty **by going to**
the v[O]-eitA at wvAr.sciar.orri, click on the IF ' to zray. EPay will allow provi fr **payment by credit card**
(MAT.- - •"•••4 r,. 'orr? 1 elr glen'-nrde. 'Oct kt•RtvirRwal **g"[T]rn** your bank prr•'i•ri'

bero·rs.to'cy unr•• vitta 11 of the US **Code.**
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T•vt' '•Irnt **1** **"-c0639161-6**
't **25237982**
D4t• **09138/06**
pgrirvi *r* • vererf: **12/04 - 12/04**
XXXXX0400
1523249-000

Pt" '&1[1]	It	FrST	**TOTAL**
131		31.07	**4,015.68**

4,015.68
210.78
4,226.46

T'I '9T TS:
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W-1[2]'

•vi'nr.r:V1

Ap.1091.[O] -.Los'-

i. "r SOWN cAttot.14A
[CEP.' rP.T OF REVENUE

NOT1C.: (IF: TAX LIEN

W-131-F
(Roy. 2/12/09)
2048

SID"C'uffir: 15232 ° .000
Tar Tyrs3: Elo.srLr.YER WITHHOLD NG TAX

t4 RCIFIC
INTrr r• Rini ISTFUES INC
'rnISTRIES INC

a 29388-OrA9

Couny: PTANSURG
Contr•ct No iro oar: (803) 898-5611
FE VS SN: XXXXX0400
Tor Lien l'o•orns--or; 3-50700405-9
File Psumb•or: 25237982
Date of Notice: 03/08/08
Period Coy-wrest: 06/05 - 08105
Tax Amount Due: 3,724.96
Penalty Arnnunt: loise
Interest Am sunt: 171.17
-o•rt Costs: 212.28
of ...I "Mor tl'Uo 4,257.37

A 1.nv 'Inn *hes been* Ind with the Clerk of Court / Peg !ter of Deeds in your tour— ohd/o4 'that counties as alter f by low. Ar[4,4]itionally, your solary, wages, cr-nmIssinns or other funds -- tu2 -. by -1 -oing a Notice to ri" o oloyer and a 20% collection fen added to the amount due I -1 c rcl le, S.coion 64.14 of the "n , "n I n *has benn* rry orda-1 against any bank Arr s and properly (rest r• 1 you •1. This lien Is *s.* to publicalion on our ;•tr rnt • wvrw.sctxx.orgi or other pub11- =fly days.

This r yrnent i3 not applicpo Am o •••" 'ought In qr.rnrenner. bankn'plcy r- -u7s r•^•'-' T' 11 of the US Code. 'o Tide 11.

below and return wish your r -- If you have atrsadv r-- ron.se provide copies
ol r suor-1 tr c) to ltiq -.19 below. You may wth-r *name* *mctrnni_ally* by Irina to
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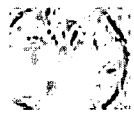
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INTE IS' - INC FEV"".rzt XXXXX0400
r t 523249-000

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Oc! 55420 • 2 1 .98 t t 4,045.11

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Cr TS. 212.26
TO ". 4,257.37

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r 104 rrH CAROLINA
r r•T OF REVENUE

TAX LIEN

W-131-F
(Rev. 2/12f09)
2049

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E'lrl...ON'F.R WITHHOLDING TAX

nrwic
INTrilr.[r] /STnIES INC
r isTPIES INC

r 2nJE18-re,[1]69

County: SPAnT AM:WAG
Cord110t thin& (803) 898-5611
FEIGSN.: XXXXX0400
Tax Lien Nurnbrrx: 3-50720549-7
Ala Number: 25237082
Data of NOM4h: 07/05106
Period *Covere-i* 09/05 - 0945
Tax Amount Pop! 4.320.00
Penalty Amount: 1.774.40
Interest Amoun' 238.06
r.:osts: 326.52
To a risnord 6,656.98

A tax t'en hnqn filed with the Cleric of Court / by in"•. ArlfMir.:+nally, your satary, wages, - Withhold or • rloyer and a 2074 collection fe" 2007•¯ -- ¯r C0f[1] ""c in has been ,- (rnil ' -au - 1, Thia lien is of ir`y day,.

•'·[r] of Deeds In your co:-'! 'nd/nr other counties as rhioris or other funds - !- 'ed by perving a Notice to to the amount due h-- • •1 on r 1 18, SJ:ictIon 84.14 of the goeinril any bank ac-¯¯ str ' rrce'vnble and property nublication on our ir'"""*Pt 31'• --rv.actax.org or other

Thus r ·'..*",i-re is not appiloe. a if you - Ary ;--+ ir.tght i^t acrrir•[1].- -Ice with • • - "-- '--'ow and return with your r 01 r' *nr* qupp"-1 [rinr,1•-.ritfr)] to it[0] the' 1 v c •• ire tit •p",vvijir Lofe citck on the -. - A1 1-s• •

n ha ·tritnicy n• ^s urhrr a 11 of the US Code. 11.

If you have a'ready r"de pay¯ -- •. rrr Rse provide copies •r^q below. You may sul·— roy•n entrrnically by going to 'o r_Pay. EPay will a prove - payrnont by credit card trnre tir bank srf -

vl below with p .yr :

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	Parlor' r.-hvered.	09/05 -09!05
TP' ro r y		XXXXX0400
		15232:0-000
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C CR r r-n	T[1] X PE [11]41.[7]	TOTAL
0 92	'.00	6,330.48

	6,330.46
Ts:	326.52
T11 IS	5,856.98

At" [-11•]. "';LO [N]

L[1] O O 4

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s-. - r r c srlIfn4 r%nom*,
Fri · - -"7 OF IV:VENUE

NOM . OF TAX LIEN

W-131-F
(Ray.2/12/00)
2048

1 23241 1 (.X10
Tex T r'1PLC'YER WITHHOLDING TA X

rGRC
1NNISTRIES INC
r 'Pr ,ISTRIES INC

r-r 293813-096P

County:	sr [IT iNBURG
Contact	(803) 898-5811
FEYSSN:	)0000(0400
Tax Lien 7 4 .r-1-.1r:	3-50782228-3
File Numb"-:	25237982
Data of Notke:	12/14/C6
Period Covered:	12/05 - 12/05
Tax Amount Dun:	634.35
Penalty Amount:	31.71
Interest Amount	41.74
*Thud Costa:	45.39
Total Amount 1 1	753.19

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*Withlv-Iti ift^* O-'-loyer and a 20% collection ten • ed to the amount dun hee•Nd - 1 18, Section 54.14 of the
gin. !inn has been r— • (nr1 egainst any bank acc^i•ntc. rocei••able and property
(rent • YOU n. This lien is sit. 'n publication on our in" trirtt ···/,Lv.actax.ory rit other
pub" "toy days.

This fIn^ °errant Is not applicat '' • .1 ' r ^cis 1I~• " a 11 of the P'5 Code.
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the N. v's 'spa trevrw.actror.orrr Clir* nn the I' ' EF0v. EPay will eiow you to prmt onyrient by credit card
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Sr.? r rev t --ft, t. 3-507 6 22213-3
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Period Covn•t"": 12105 - 12/05
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NOTICI it TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

F:1 ..rtly, 1 c"r24 ci 001
TAX

F.' oraRC
INTcr:• MI/ST·O1ES INC

"[T]: 21186-0969

County:	=r' RTA F 1B UFFG
Cone r Ft -r:	(803) 898-5811
FEtiS	XXXXXO400
Tax t t^n rum	3-50719459-7
File 1'..rnt..917,	04231820
net of fie tfr ^:	08/21/08
Peri& Covert	09/05 - 09!05
Tax Amount Due:	1,500.00
Penalty Amount	950.00
Intereitt Arnntinr:	6529
Costs:	125.78
i ntr.? A mrrore mrso	2,672.05

A tov ha• titNJ with the Ctprk of Court / Reg' o' rr:PrAP 11 your .ricr'..)r other counties 83 Or- I by Me' -foonty. your sa F y, vmoes, 1-1' other Fur—— e ·ti by :·ring a Notice to Withhettd and a 2+YY... cottp;tirrn lee "d In ti a ?mount dr. ¯ ," I • 1 15. ="':lion 64.14 of the 2007•" " •-^e ' ". TMIS Ilan has bc.en rer. 'nine'? any bank ¯ — ¯ .q rmni....abla and property (real - you own, This lien is sushi ' .~1i-at on on our in' -At ww_sctsx.org or other pub" it•iny days.

This r'- ,-f/n1 is not applici' 'a If r ^.¯s I toy' • • T"'s 11 of to r 5 Code.
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T4[7]^[7] rnd return with your pr .11.r.t. If have RIMPrht r^^ a r 'r', &nese provider:00es
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Period CoYerr-[4],	09/05 -09/05
INTFr	XXXXYr lrv)
	152374r-Y1
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C' r.h • TE	
C S5·-7	TOTAL
3	2,535.29
	2,535.29
;7	13F.76
	7[7]:'.05

r- 1356

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

PROPOSED ASSESSMENT RESPONSIBLE PARTY

FS-118
INN. 2/24/09}
2113

B ti--):;L— S0643

NOTICE DATE, 09/022009.
FILE NUMBER; 25237982

GRE

BELTRAM RICHARD 5
725 BLACK WOLF RUN
SPARTANBURG SC 29306

SSN: XXX-XX.3546

The records of tne Department of Revenue indicate there is an outstanding balance *for* employer withholding *tax* debt in the amount of 579,454.02 for INTEDGE INDUSTRIES INC.

Section 12-8-20T0 provides that the Department at Revenue can Impose personal ano individual Debility on a withholding agent when a corporation *or* partnership does riot pay its employer withholding taxes. Section 12.8-2010 defines 'withholding agent• to include 'any appropriate Officer or employee of the corporation or a member or employee of a partnership.

You have been identified as a 'withholding agent against whom the Department can impose personal liability for the debt n of the above entity. *if* you disagree with the Department of Revenue, you may appeal by sending a wreten protest within . ninety (90) days of the dale of this Proposed Assessment. The protest must contain certain information as noted In the Appeal Procedure section on the back of this notice. in Iddition, yoU are requested to provide information as to who is the appropriate officer, employee or member of the above entity. Otherwise, en assessment will be Issued against you a personalty for the tax due plus all applicable penaliris aqd inierest. A list of the liabilities kit enclosed.

For additional information or to make arrangements for payment, contact the number listed below.

THIS NOTICE IS NOT A DEMAND FOR PAYMENT IF YOU ARE CURRENTLY IN BANKRUPTCY PROCEEDINGS UNDER TITLE 11 OF THE U.S. CODE. ANY MONIES DUE WILL HE Souoi-cr 14 ACCORDANCE WITH PROV1SIOKS OF TITLE 11.

BRUCE OWENS
GREENVILLE
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Detach and ratan with payment to: South Caroling Department of Revenue, PO Box 125, Columbia SC 27T14.

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CASE NUU92i XXX-XX-3546

AMOUNT CuE: 570,404.02

RECEIVABLE NUMBER: IP 1-04 58 1 5 7 8 0

AMOUNT ENCLOSED: IP _____

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Taxpayers' Bill Of Rights

C•367 (Roy. 6/17/11) 5318

- **You have the right 10 apply for assistance from the Taxpayer Rights' Advocate within the Department of Revenue The advocate or his designee is responsible for facilitating resolution of taxpayer complaints and problems**
- **You have the right to request and receive forms, instructions and other written materials in plain, easy-to-understand language**
- **You have the right to prompt, courteous service from us in all your dealings with the Department of Revenue.**
- **You have the right to request *and* receive written information guides, which explain in simple *and* nontechnical language, appeal procedures and your remedies as a taxpayer.**
- **You have the right to receive notices which contain descriptions of the basis for and identification of amounts of any tax, interest and penalties due**

Under the provisions of Section 12-4-340 of the 1976 code of laws, any outstanding liabilities due and owing to South Carolina Department of Revenue for more than 6 months may be assigned to a private collection agency for collecting actions.

Forms by Fax 1-800-768-3876 Internet www.sctax.org Automated Refund Info: (803) 898-5300

Taxpayer Service Centers

The South Carolina Department of Revenue is ready to assist you at 7 locations around the stale. You will find the address, telephone numbers and counties served for each location listed below.

Columbia Main Office:
301 Gervais Street
P.O. Box 125
Columbia, SC 29214
Phone: 803-898-5000
Fax: 803-898-5822

Charleston Service Center:
One South Park Circle
Suite 100
Charleston, SC 29407
Phone: 843-852-3600
Fax: 843-556-1780

Florence Service Center
1452 West Evans Street
P O. Box 5418
Florence, SC 29502
Phone: 843-661-4850
Fax: 843-662-4876

Greenville Service Center:
545 *N* Pleasanlburg Dr
Suite 300
Greenville, SC 29607
Phone. 864-241-1200
Fax' 864-232-5008

Market Pointe Service Center:
300-B Outlet Pointe Blvd.
P.O. Box 21587
Columbia, SC 29221
Phone: 803-898-5200
Fax: 803-896-0020

Myrtle Beach Office:
1330 Howard Parkway
Myrtle Beach, SC 29577
Phone: 843-839-2960
Fax: 843-839-2964

Rock Hill Service Center
Business and Technology Center
454 South Anderson Road
Suite 202
P.O. Box 12099
Rock Hill, SC 29731
Phone: 803-324-7641
Fax: 803-324-8289

COLUMBIA	CHARLESTON	GREENVILLE	FLORENCE	MYRTLE BEACH	ROCK HILL
Aiken	**Beaufort**	**Abbeville**	**Chesterfield**	Georgetown	Cherokee
Allendale	**Berkeley**	**Anderson**	**Clarendon**	Harry	**Chester**
Bamberg	**Charleston**	**Greenville**	**Darlington**		**Fairfield**
Barnwell	**Collelon**	**Laurens**	**Dillon**		**Kershaw**
Calhoun	**Dorchester**	**Oconee**	Florence		**Lancaster**
Edgefield	Hampton	Pickens	Lee		**York**
Greenwood	Jasper	Spartanburg	Marion		
Lexington		Union	Marlboro		
McCormick			Sumter		
Newberry			W:Iliamsburg		
Orangeburg					
Richland					
Saluda					

6118101C

NOTE.

STATE OF SOUTH CAROLINA)

COLVIN OF SPARTANBURG)

For value, the undersigned, jointly and severally, promise(s) to pay to the order of Daniel G. %Bram, the principal sum of One Hundred Thousaml Five Ikindred Seventeen and 501100 Dollars ($100,517.50), with interest at seven percent (7%) thereon, payable on demand.

This obligation is secured by a validly executed Security Agreement upon certain personal property, all the terms covenants, conditions and provisions of which Security Agreement are hereby made a part of this note to the saute extent and with the same effect as if Wily set forth herein.

Presentment fur payment and protest and notice of protest of this instrument and all defenses on the ground of emension or extensions of time for payment in whole or in part are waived by the parties hereto,

Default in any scheduled principal or interest payment shall mature the unpaid balance, at the option of the holder, but failure to declare maturity for any one or more such defaults shall not be deemed a waiver of holder's right to invoke this acceleration clause upon any subsequent default. In case of suit or collection by attorney or litigation involving this debt or any security therefore reasonable requiring employment of counsel to protect or enforce any right or remedy of the holder, t agree to pay a reasonable Mime 's fee of not less than ten per cent.

Pres,dent (SEAL)

TnAT C25/

3 'F^{t-}i -TAIL

DATE:hme 6 2005

PETITIONER'S EtHIBIT 3

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DEE-2005-35893
Recorded 3 Pages on 7/1512005 i 1:05:00 AM
Recording F DO' $10 00 Documentary Stamps: 52.1382.50
Office of Register of Deeds. Spartanburg. S.C.
Stephen Ford, Register

Prepared by and Return to:
Hanover Title Agency
409 Magnolia Street
Spartanburg, SC 79303
File: 32467PM

STATE OF SOUTH CAROLINA)

WARRANTY DEED

COUNTY OF SPARTANBURG)

KNOW ALL MEN BY THESE PRESENTS, that Upstate Development Properties, Inc. in consideration of SEVEN HUNDRED TWENTY FIVE THOUSAND and 00/100 DOLLARS (5725,000.00), the receipt of which is hereby acknowledged, have granted, bargained, sold, and released, and by these presents do grant, bargain, sell and release unto Daniel G. Beltram, his heirs and assigns, the following described property, in fee simple, to-wit:

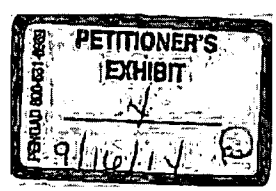
All that piece, parcel or tract of land, with all improvements thereon, situate, lying *and* being in the State of South Carolina, the County of Spartanburg, containing15.017 acres, located on Road S 42-86, Chumley Road and McKinney Blvd., and being shown and delineated on a plat of survey for Upstate Development Properties, Inc., Woodruff Corporate Park, dated June 6, 1988 by Lavender, Smith & Associates, Inc., and more recently shown on a plat of survey for Upstate Development Properties, Inc., Woodruff Corporate Park, dated February 20, 1997 and recorded in Plat Book 136, at Page 844, in the Office of the Register of Deeds for Spartanburg County, South Carolina.

ALSO: A right of ingress over, along and through that certain 66 foot roadway designated as McKinney Blvd. On the plat of survey for Upstate Development Properties, Inc., Woodruff Corporate Park, dated June 6, 1988, by Lavender, Smith & Associates, Inc., and said plat dated February 20,1997 recorded in Plat Book 136, at page 844, providing ingress and egress on the above-described property to the road known as Chumley Road.

This being the same property conveyed to Upstate Development Properties, Inc. by deed of J.R. W., a Partnership, dated June 14, 1988 and-recorded. June 15, 1988 in Deed Book 54-H, at Page 747, in the Office of the Register of Deeds for Spartanburg County, South Carolina.

GRANTEE'S ADDRESS: 6800 North Florida Avenue
Tanipa, FL 33604

Tax Map Reference 4-43-00-007.04



TOGETHER with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining.

TO HAVE AND TO HOLD all and singular the premises before mentioned unto the Daniel G. Beltram, and the Grantce's(s') heirs or successors and assigns, forever. And, that Upstate Development Properties, Inc. hereby bind their heirs or successors, executors and administrators to warrant and forever defend all and singular said premises unto the Daniel G. Beltram, and his heirs or successors and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS MY/OUR HAND AND SEAL this 14th day of July, 2005.

SIGNED, SEALED DEL RED
IN THE PRESENCE OF:

1st Witness (Signature)

2nd Witness (

UPSTATE DEVELOPMENT PROPER ilLES, INC.

By _____
Richard S. Beltram

STATE OF SOUTH CAROLINA)

INDIVIDUAL ACKNOWLEDGMENT

COUNTY OF SPARTANBURG)

PERSONALLY APPEARED before me, the undersigned witness, and made oath that he/she saw the within named Upstate Development Properties, Inc. , sign, seal and as their act and deed deliver the within written Warranty Deed; and that he/she with the other witness subscribed above witnessed the execution thereof.

Witness (Not Notary)

WITNESS MY HAND AND OFFICIAL SEAL this 14th da of July, 2005.

Notary Public

My Co sion Expires: _____

STATE OF SOUTH CAROLINA) DEEM 3 - M PG 10 2

AFFIDAVIT

COUNTY OF SPARTANBURG)

PERSONALLY appeared before me the undersigned, who being duty sworn, deposes and says:

I. Property located at 1875 Chumley Road, Woodruff, SC 29388, bearing Spartanburg County Tax Map Number 4-43-00-007.04, was transferred by Upstate Development Properties, lnc.to D.Q. Investments LLC, or its assiguson July 14, 2005.

2. The transaction was (check one):

❑ an arm's length real property transaction and the sales price paid or to be paid in money or money's worth was 5725,000.00*.

❑ not an arm's length real property transaction and the fair market value of the property is _____.

3. The above transaction is exempt, or partially exempt, from the recording fee as set forth in S. C. Code Ann.§ 12-24-10 *et.* seq. because the deed is: _____

1. As required by Code Section 12-24-70,1state that I am a res e person who was connected with the transaction as Seller(s) of the property.

2. I further understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Responsi e Person Conn = cted with the Transaction

SWORN to before me this
14th day of July, 2005.

Notary Public for S.C.

My Coti4Mission Expires: a3--Az--/',G

gfee is based on the real property's value. Value means the realty's fair market value. In arm's length real r'perty transactions, this value is the sales price to be paid in money or money's worth (e,g, stocks, personal gEZ 1 rerol, other ieartilorgiveness of debt, mortgages assumed or placed our thiriciliy ez 11 kisaction) However, a deduction is allowed from this value for the amount of any lien or encumbrance Existing oraand, tenement, or realty before the transfer and remaining on it after the transfer. File #32467PM

STATE OF SOUTH CAROLINA)
) OPTION TO PURCHASE
COUNTY OF SPARTANBURG)

Rich's father

The parties hereto, Daniel G. Beltram, the Buyer, and J. Richard Beltram and Irma S. Beltram, the Sellers; in consideration of Ten Dollars ($10.00) in hand paid by the Buyer to the Sellers, the receipt and sufficiency the parties acknowledge; the parties agree, as follows:

KNOW ALL MEN BY THESE PRESENTS, that J. Richard Beltram and Irma S. Beltram, the Sellers, herein do grant Daniel G. Beltram, the Buyer, his heirs and assigns, an option to purchase real property, described as:

> All that improved lot of land, being 11 acres, shown and described on the attached Exhibit.

The option price shall be Thirty Five Thousand Dollars ($35,000.00) which can be paid in cash or the valuable assumption of existing indebtedness on said property. This option shall expire and all monies forfeited on the first day of October, 2007.

IN WITNESS WHEREOF, this Option to Purchase has been duly executed by the parties.

Witnesses:

Seller(s)

J. R. Beltram

Irma S. Beltram

Purchaser(s)

Daniel G. Beltram

PETITIONER'S EXHIBIT 5 9/16/14

STATE OF SOUTH CAROLINA)
: PROBATE
COUNTY OF SPARTANBURG)

Personally appeared before me the undersigned witness _____, who, together with the other witness _____, made oath that they saw the within named _____, sign, seal and as his/her act and deed deliver the within document and that they as subscribed above, witnessed the execution thereof.

SWORN TO before me this
4 day of March
2005.

_____ (SEAL)
Notary Public for S.C.
My Commission Expires: 05-02-15

EXHIBIT A

All that tract or parcel of land in the County of Spartanburg, State of South Carolina, containing 11.00 acres, shown and delineated on plat of survey for J.R. and I.S. Beltram, dated October 19, 1987, by Lavender, Smith & Associates, Inc. and being more fully and particularly described as beginning at an iron pin on the eastern side of the Frontage Road accompanying Interstate Highway 26 and more fully described by finding the beginning point as starting at the southern boundary of the Duke Power Company right-of-way and running thence a radius 5879.59 with an arc length of 19.08 feet to a concrete monument, thence S 6-13-32 E 47.21 feet to an iron pin which is the beginning corner and running thence N 78-23-42 E 757.32 feet to an iron pin; thence S 6-13-32 E 671.23 feet to an iron pin; thence S 83-47-31 W 754 feet to an iron pin on the eastern edge of said Frontage Road; thence along and with said Frontage Road N 6-12-29 W 50.72 feet to a concrete monument; thence N 6-13-32 W 549.28 feet to the point of beginning.

This is a portion of the property conveyed to J.R.W., a Partnership by Ronald Vance Lanford and AnnMyrl L. Gibert by deed to be recorded herewith and a portion of the property conveyed to J.R.W., a Partnership by Nancy Ouzts Demo by deed to be recorded herewith..

A portion of this property is subject to a mortgage in favorof Ronald Vance Lanford and AnnMyrl L. Gibert in the original sum of $99,582.00 to be recorded herewith, and a mortgage to First Union National Bank of South Carolina in the amount of $50,000.00 to be recorded herewith. Grantor represents that it will cause the payment in full of such mortgage indebtedness at a request of grantee.

This being the same property conveyed to J. Richard Beltram and Irma S. Beltram by deed of J. R. W., a Partnership, recorded October 23, 1987 in Deed Book 53-R, at Page 548, ROD for Spartanburg County, South Carolina.

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

CONTRACTOR AGREEMENT

THIS AGREEMENT dated October 1, 2005, between Intelligent Manufacturing Systems, Inc. (the "Employer") and Russell E. Bathe (the "Contractor"), agree to the following:

1. EMPLOYMENT: The Employer employs the Contractor and the Contractor accepts employment upon the terms and conditions of this Agreement.

2. TERM: The term of this Agreement shall begin on October 1, 2005 and shall terminate March 31, 2006. This Agreement shall be automatically extended for successive six (6) months terms, unless the Employer shall notify the Contractor of its intention not to renew.

3. COMPENSATION: For all services rendered by the Contractor, the Employer shall pay the Contractor as follows:

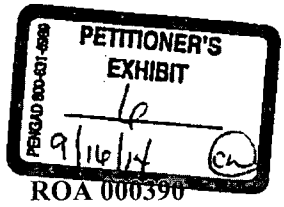
   a. Ten Thousand ($10,000.00) Dollars per month. Contractor shall make all of his own withholdings and tax filings.

   b. Reimbursement for Contractor's health insurance, cellular telephone, reasonable expenses for business travel (on standard forms). Reimbursement to be made during the month after the expenses are incurred.

4. DUTIES: The Contractor is engaged primarily as a consultant/manager. The precise services of the Contractor may be extended or curtailed by the Employer from time to time. The Contractor will aide and assist in an orderly transition of business from Intedge Industries to Intedge Manufacturing. The Contractor will report directly to the COO of the Employer. The Employer will review the Contractor's activities on a monthly basis.

5. EXTENT OF SERVICES: The Contractor shall devote his entire time, attention and energies to the Employer's business and shall not during the term of this Agreement be engaged in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage. However, the Contractor may invest his assets in such form or manner as will not require his services in the operations of the affairs of the corporation in which such investments are made.

6. TERMINATION WITHOUT CAUSE: Without cause, the Contractor may terminate this Agreement, at any time, upon thirty (30) days notice to the Employer. In such event, the Contractor, if requested by the Employer, shall



10. WAIVER OF BREACH: The waiver by the Employer of a breach of any provision of this Agreement by the Contractor shall not be construed as a waiver of any subsequent breach by the Contractor. No waiver shall be valid unless in writing and signed by an authorized officer of the Employer.

11. ASSIGNMENT: The Contractor acknowledges that the services to be rendered by him are unique and personal. Accordingly, the Contractor may not assign any of his rights or delegate any of his duties or obligations under this Agreement. The rights and obligations of the Contractor under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Employer.

12. ENTIRE AGREEMENT: This Agreement contains the entire understanding of the parties. It may not be changed orally but by an agreement in writing signed by the party against whom enforcement of any waiver, charge, modification, extension, or discharge is sought.

13. RENEWAL: This Agreement will be renewed at the decision of the Employer on or before March 31, 2006. Considering at that time the financial health and stability of the Company together with the success of the Employer's objectives.

IN WITNESS WHEREOF, we have set forth our hands and seals this 15 day of October, 2005.

WITNESSES:

EMPLOYER:

Intedge Manufacturing, Inc

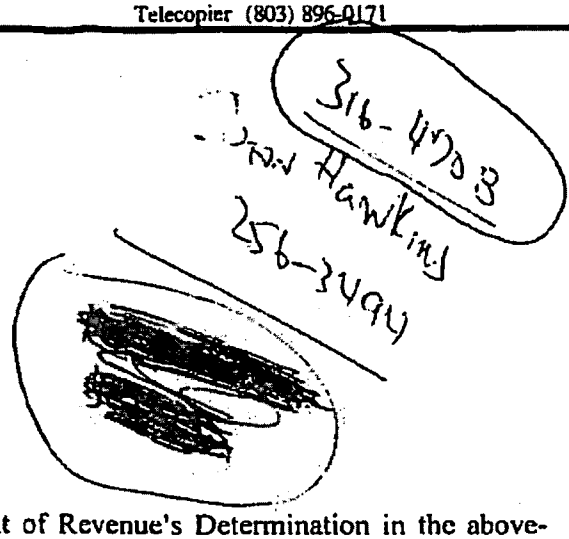
BY: Daniel H. Beltram

ITS: President

CONTRACTOR:

S/S 135-38-3546

State of South Carolina
Department of Revenue
Office of General Counsel for Litigation
300A Outlet Point Blvd., (29210); P.O. Box 12265, Columbia, South Carolina 29211
Telephone (803) 898-5130 Telecopier (803) 896-0171



May 1, 2013

Richard S. Beltram
725 Black Wolf Run
Spartanburg, SC 29306

Re Department Determination
Richard S. Beltram

Dear Mr. Beltram:

Enclosed is the South Carolina Department of Revenue's Determination in the above-referenced matter. If you disagree with the Determination, you may request a contested case hearing before an Administrative Law Judge. If you choose to pursue such remedy, you must do so within thirty (30) days of the date of this letter. If you fail to respond within this time limitation, you will lose your right to appeal the Department Determination and your protest will be ended. Should you desire a contested case hearing, you must complete the enclosed request form and mail it, along with a $150.00 filing fee, to the Administrative Law Court at the address stated on the form's instruction sheet.

The Administrative Law Court rules require that you also send me a copy of your request. My address is as follows: PO Box 12265, Columbia, SC 29211.

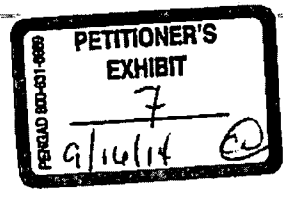
If you would like to pay your liability, please mail your payment to my attention at the Office of General Counsel for Litigation, PO Box 12265, Columbia, SC 29211

OFFICE OF GENERAL COUNSEL FOR LITIGATION

Carol I. McMahan
Counsel for Litigation

CIM/lbc

Enclosures



DEPARTMENT DETERMINATION

Taxpayer:

Richard S. Beltram
725 Black Wolf Run
Spartanburg, SC 29306

Periods Involved:

September 1999 through September 2005

Matters in Dispute:

1. Is Richard S. Beltram (Beltram or taxpayer) the responsible party for sales and employee withholding taxes, penalties, and interest of Intedge Industries, Inc. (Intedge) for the periods September 1999 through December 2005?

2. If the taxpayer is the responsible party for the liability noted above, is the liability barred by the ten year lien expiration period?

Sales Tax	$ 1,500.00
W/H Tax	$ 41,196.13
Penalty*	$ 22,102.32
Interest*	$ 25,905.84
Total	$ 90,704.29

*Interest and penalties are through April 30, 2013 and continue to accrue until this matter is resolved.

Determinations:

1. The taxpayer is the responsible party for payment of the withholding and sales taxes, and penalties and interest thereon of Intedge for the periods referenced above.

2. The taxpayer's liability for the sales and withholding taxes as a responsible person is not barred by the ten year lien expiration period.

Relevant Facts:

1. Richard S. Beltram was the Chief Financial Officer (CFO) of Intedge Industries, Inc., as well as the principal shareholder. He submitted quarterly South Carolina withholding tax returns (Forms WH-1605) on behalf of the corporation for the quarters ending September 1999 through December, 2005. Each return was timely filed (with the exception of the WH-1605 for the period ending September

30, 2005 which Intedge failed to file) and showed withholding tax due and duly deposited or paid to the Department of Revenue (Department) (see Exhibit 1). Also, in 1988, the Department issued Intedge a Retail Sales Tax License. Intedge held this license until 2005.

2. The Department's records indicated, however, that Intedge failed to pay over or deposit all of the withholding taxes that it had shown and reported on its withholding returns for the periods referenced above. The Department subsequently issued Proposed Notices of Assessment and assessments for these unpaid withholding taxes, ultimately resulting in the filing of tax liens for each period noted on Exhibit 1. Such assessments were made by the Department within three years of the day the tax was due without penalty. Such taxes, penalties, and interest remain unpaid to the date of this determination.

3. In 2002, Mr. Beltram and his accountant, Terry Lawing, met with Revenue Officers at the Department. At that time Mr. Beltram, on behalf of Intedge, requested to pay the delinquent withholding taxes due at that time under "Amnesty." Payment of the delinquent taxes under this program would have permitted Intedge to pay the delinquent taxes without any penalty and paying half the interest that had accrued since the due date of the returns. However, Intedge failed to remit the delinquent taxes due as required under the program.

4. In addition to the delinquent withholding taxes, Intedge failed to file its quarterly sales tax return (Form ST-3) for the period July – September 2005. After the initial proposed notice of assessment, the Department issued an assessment for the sales tax, penalties, and interest (see Exhibit 1). This assessment ultimately resulted in the filing of a tax lien. To date, the sales tax, penalties, and interest have not been paid nor a return filed.

5. On September 2, 2009, the Department issued Form FS-118, Proposed Assessment to Responsible Party, to Richard S. Beltram seeking the outstanding withholding tax amounts, sales tax, penalties, and interest owed by Intedge for the periods September 1999 through September 2005.

6. On December 1, 2009, Mr. Beltram filed a timely protest contesting his personal liability for the withholding and sales tax assessments, penalties, and interest issued to Intedge. He argues that the liability for the delinquent amounts due rests with the successor corporation, Intedge Manufacturing, Inc., and/or his uncle, Daniel Beltram. He also maintains that the liability for the taxes is beyond the applicable statute of limitations.

Analysis:

1. **The taxpayer is the responsible party for payment of the withholding and sales taxes, and penalties and interest thereon of Intedge for the applicable periods.**

S.C. Code Ann. § 12-8-2010 (2000) provides for a responsible party's liability for withholding taxes as follows:

> (A) A withholding agent **who fails to withhold or pay to the department an amount required by this chapter is personally and individually liable for the amount of tax not withheld or paid.**
>
> * * *
>
> (D) For purposes of this section, the term **"withholding agent" includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.**

(Emphasis added).

Similarly, as to the responsibility for sales taxes, S.C. Code Ann. § 12-54-195 (Supp. 2012) provides:

> (A) As used in this section, **"responsible person" includes any officer, partner, or employee of the taxpayer who has a duty to pay to the department any state or local sales tax due by the taxpayer or use tax required or authorized to be collected by the retailer pursuant to Chapter 36** of this title or with respect to any local sales and use tax collected by the department on behalf of a political subdivision of the State.
>
> (B) If a retailer adds and collects a state or local sales tax as permitted by Section 12-36-940, or collects a state or local use tax from the purchaser as required by Section 12-36-1350, **but the retailer fails to remit the tax collected to the department, then a responsible person may be held liable, individually and personally, for the tax collected but not remitted to the department, along with penalties and interest from the date the tax was due.** The tax, penalties, and interest are not collectible from the retailer to the extent the tax, penalties, and interest imposed by this subsection are collected from a responsible person.

(Emphasis added).

Intedge as a corporation required to withhold income taxes on employee wages, is a "withholding agent"[1] upon which liability for the failure to remit withholding taxes is imposed within the meaning of § 12-8-2010(A). Moreover, personal and individual liability for the failure to remit taxes is imposed upon an officer or employee of a corporation under a duty to remit the tax. As the CFO and principal shareholder of Intedge from 1973 to a date in 2005, Mr. Beltram was under a duty to file tax returns and pay withholding taxes.[2] Similarly, as a retailer with a retail license issued by the

---

[1]S.C. Code Ann. § 12-8-520(A) (2000), provides: "[a]n employer paying wages at the rate of eight hundred dollars or more a year to an employee shall withhold income tax for that employee . . . ." To that end, the South Carolina income tax withholding laws apply to any ". . . person located, doing business, or having gross income in this State and an employer having an employee earning income within the State . . . ." S.C. Code Ann. § 12-8-510 (2000).

"Employer" is defined at S.C. Code Ann. § 12-8-10(4) (2000) as "the person for whom an individual performs or performed a service, of whatever nature, as the employee of the person."

During the periods September 1999 through September 2005, Intedge located and doing business in Woodruff, South Carolina, was an employer subject to South Carolina withholding laws with the responsibility of withholding income taxes from its employees. Intedge was also a "withholding agent" within the meaning of § 12-8-10(2), which provides that the term "withholding agent" means "a person required to withhold income taxes under the provisions of this chapter."

As required under these statutes, Intedge filed withholding tax returns for the periods as noted on Exhibit 1. Although Intedge represented to the Department that it had deposited the withholding taxes due to the Department, it did not appropriately deposit the withheld taxes. Further, although Intedge reported the withholding taxes for its employees on the WH-1605, the taxes shown thereon were not paid or deposited as required by law. As such, pursuant to S.C. Code Ann. § 12-54-85 (2000), the Department assessed these delinquent withholding taxes, penalties, and interest for the periods at issue against Intedge.

[2]The Vermont Supreme Court in Rock v. Department of Taxes, 742 A.2d 1211 (1999), has addressed the legal standard to be used in determining whether a corporate officer or employee has the duty to pay withholding taxes. In rejecting the taxpayer's argument that he could only be found to have a duty to pay withholding taxes if the corporation had specifically assigned such a duty to him in the corporate bylaws or director's resolutions, the Vermont court adopted a standard requiring the evaluation of three factors: 1) the "person's position within the power structure of the corporation," 2) "the authority of the officer or employee as established by the articles of incorporation, bylaws, or employment contract," and 3) "whether the person actually exercised control over the finances of the business." Id., at 1218 (quoting Department of State Revenue v. Safayan, 654 N.E.2d 270 (Ind. 1995). The taxpayer here clearly meets at least two of the

Department, Intedge was responsible for filing sales tax returns and paying the appropriate tax it collected from its customers. Mr. Beltran, by virtue of his role as an officer and shareholder of the corporation under a duty to file and remit sales taxes, was a responsible person for purposes of sales tax liability under § 12-54-195 and therefore must assume personal liability for the failure to pay the same.

As a withholding agent, Mr. Beltram is liable for the withholding taxes that were not remitted to the Department to the same extent as Intedge. The withholding taxes were timely assessed against the corporation as set forth on Exhibit 1. As an officer of the corporation responsible for such matters, Mr. Beltram became personally and individually liable for the delinquent taxes as a result of these assessments. The sales taxes were also timely assessed against Intedge (Exhibit I) and, as provided by § 12-54-195, Mr. Beltram, as the responsible corporate officer, is liable for such taxes, penalties, and interest thereon.

Inasmuch as Mr. Beltram's liability is derived from his role in the corporation, notice of the assessment to the corporation constituted notice of assessment to him. The notice of assessment was issued to the corporation as the withholding agent and as the retailer in a timely manner ("within three years of the date the return was filed or due to be filed" § 12-54-85). Section 12-8-2010(D) expands the definition of "withholding agent" to include a corporate officer responsible for withholding taxes. Similarly, § 12-54-195 expands the liability for the sales tax to the responsible officer, employee. As such, any notice issued to the corporation as a withholding agent, by definition, is also issued to the corporate officer with responsibility for these matters because of the failure to remit withholding taxes. Moreover, under the responsible party provisions of § 12-8-2010, and by extension, § 12-54-195, there is no requirement that the corporate officer or other responsible party be put on notice by separate assessments.

The South Carolina Administrative Law Court (ALC) upheld the Department's position in a similar case, Rowland v. S.C. Department of Revenue, 2008 WL 3863554. Citing the Indiana case of Ball v. Indiana Department of Revenue, 563 N.E.2d 522 (1990), the ALC observed:

> The Ball court emphasized that separate and additional notice to the responsible officer of the corporation is not required where there is timely notice to the corporation of the assessment because the statute is, ipso facto, sufficient notice to the responsible officer that a duty exists to remit the tax fund held in trust. 563 N.E.2d at 524 (citing Van

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factors as he was the CFO and principal shareholder of the corporation and thus occupied a position within the power structure of the corporation. Further, although he failed to remit the taxes shown to be due on many of the returns, Mr. Beltran exercised control over the finances of the corporation by remitting a portion of the taxes due on some of the WH-1605 returns.

Orman v. State, 416 N.E.2d 1301 (1981)).

> The court further held that where the Indiana Department of Revenue fully complies with I.C. 6-8.1-5-1 and provides the corporation with notice of the assessment, personal notice to the responsible officer then in charge is not required. The court explained that such notice to the corporation satisfies the due process requirement of notice and opportunity to be heard in that it is reasonably calculated to afford the responsible officer actual notice of the corporation's potential liability and his own potential liability. 563 N.E.2d at 524.

Here, as a corporate officer with the duty to remit withholding taxes as well as sales and use taxes, Mr. Beltram was privy to the notices of assessment issued to Intedge. Under the rationale employed by the Indiana Court in Ball and adopted in Rowland, the assessments issued to Intedge constituted assessments on the taxpayer as a withholding agent. Moreover, if there were any doubt as to Mr. Beltram's notice with regard to such delinquencies, such doubt is dispelled by his 2002 meeting with the Department where he was seeking to pay the delinquent taxes accrued at that time under the "Amnesty" program available at that time. Again, Mr. Beltram failed to follow through and pay such taxes.

The fact that the Department issued the taxpayer a "Notice of Proposed Assessment – Responsible Party" does not undermine the conclusion that the notices of assessments issued as set forth on Exhibit I were sufficient for both the corporation and the responsible corporate officer. The assessments are final, the withholding taxes were not remitted to the Department as required by statute, and are now due and owed to the state. They represent liabilities which, in and of themselves, cannot be challenged on any substantive grounds. The "Responsible Party" notice to Mr. Beltram is in the nature of a collection mechanism. The liability of some corporate officer responsible for the collection and remittance of withholding taxes has already been established.[3] As the

[3]At the issuance of each of the assessments set forth in Exhibit I, Intedge and Mr. Beltram had an opportunity to provide evidence that the proper amount of withholding taxes had, in fact, been deposited with the state. Yet the Department received no responses. Additionally, Intedge and Mr. Beltram had the opportunity to defray the interest and penalties that had also been assessed by paying the taxes due within the state's "Amnesty" period. Again the taxpayer failed to make payment or provide any information to the Department that the taxes had, in fact, been paid. See, Nesseibeth v. Zaino, 784 N.E.2d 93, 96 (2003) ("When considering derivative personal liability . . . we are concerned only with the liability of the person assessed. The assessment made against the corporation . . . is not at issue when considering a derivative assessment because "once the derivative assessment becomes conclusive by the failure to present objections thereto the officer is bound by the oscitancy of his corporation [citations omitted].").

corporate officer identified by the Department, Mr. Beltram can deflect liability only by showing that he was not a responsible corporate officer. The "Responsible Party" notice does nothing more than afford Mr. Beltram this limited opportunity.[4]

Using the same rationale, any defense raised by Mr. Beltram that the Department failed to assess taxes against him within the applicable three year limitations period under § 12-54-85 must also fail. The reasoning employed by the Ball court to reject that taxpayer's limitations argument is instructive:

> Appellant next contends that the collection of the tax claim was barred by the statute of limitations . . . . I.C. 6-2-1 17 (since repealed and replaced by I.C. 6-8.1-5-2) provided that if the Department discovered that a taxpayer had failed to remit taxes due, it could issue to the taxpayer a notice of proposed assessment at any time within three years after the time when the annual return covering such gross income was filed. In this instance, the Department promptly issued a notice of proposed assessment informing the Huddle Corporation that it had failed to remit certain taxes due. Over the course of the next three years, the Department sent many other timely notices of proposed assessments to Huddle. These notices to Huddle constituted notice to appellant as a responsible officer for Huddle.
>
> As a responsible officer, appellant is responsible for remitting these taxes held in trust for the State and thus is assumed to be aware of his personal liability and privy to any notices of assessment to the corporation. Appellant acknowledged that he was fully aware of Huddle's tax problems, and he further admitted that as the responsible officer for Huddle he knew that eventually he would be personally liable. The fact that the Department did not attempt to send a notice of assessment directly to appellant until late 1978 is of no consequence because timely notice to Huddle tolled the statute of limitations with respect to

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[4]Also see Prescott v. State Tax Assessor, 721 A.2d 169 (1998), "[O]nce it is determined that there is a proper assessment, it is the assessed person's burden to show he is not a responsible person, Vinick v. Comm. of IRS, 110 F.3d 168 (1st Cir. 1997)". As the court further noted: "[w]e give the term "responsible" a broad interpretation [internal citations omitted]. The determination of responsibility is a matter of status, duty and authority." As noted above, the taxpayer here meets all three criteria established by case law.

> appellant. Thus, the collection of these trust tax delinquencies was not barred by the statute of limitations.

Ball, 563 N.E.2d at 525-526. See also, Hunt v. Indiana Department of Revenue, 790 N.E.2d 630 (Ind. Tax Ct. 2003).

Moreover, South Carolina provides a "fraudulent intent" exception to the limitations period at § 12-54-85(C)(2): "Section 12-54-85. Time limitation for assessment of taxes or fees; exceptions. * * * (C) Taxes may be determined and assessed after the thirty six month limitation if: * * * (2) . . . there is fraudulent intent to evade the taxes."

Here, the evidence points to Mr. Beltram having "a fraudulent intent to evade the taxes" as contemplated by subsection (C)(2). Withholding taxes are withheld from employees' pay and thereafter deposited with the state government. To the extent an employer withholds money from his employees but fails to remit the money so withheld to the Department, that money becomes available to be diverted by the employer for purposes not consistent with its lawful obligations (similarly, as to the sales and use tax withheld).

S. C. Code Ann. § 12-8-2030 (2000) creates a special trust relationship between the withholding agent and the state for amounts withheld from employees:

> An amount withheld under this chapter must be held in trust for the State and is a lien against all property, both real and personal, tangible and intangible, of the withholding agent. The lien becomes effective after it has been properly recorded in the county where the withholding agent's business is located.

"A trust is an arrangement whereby property is transferred to another with the intent that it be administered by the trustee for the benefit of the transferor or a third party." [citations omitted] As such, it is a "fiduciary relationship . . . which arises as a result of a manifestation to create it." State v. Parris, 353 S.C. 582, 578 S.E.2d 736, 740 (Ct. App. 2003) (quoting Restatement (Second) of Trusts, § 2 (1959)).

In the instant situation, the trust arrangement between the withholding agent and the state is created by statute. The wages paid by Intedge are owed to its employees for services performed. Intedge, as a withholding agent, is charged by law with the duty of withholding a portion of those wages as taxes. The agents are further charged with the responsibility of retaining these collected monies in trust for the benefit of the state (third party) and remitting said sums at specified times to the Department. With regard to their withholding related duties, therefore, the withholding agents have a fiduciary relationship with the State of South Carolina.

As fiduciaries, the withholding agents were bound to exercise a standard of care over the property entrusted to them, i.e., to withhold income taxes and to remit said taxes to the state as required by the statute. Here, Intedge and its corporate officer, although having

withheld the taxes from employees, failed to remit the correct amount of withholding taxes to the Department. Further, given that the withholding taxes have still not been paid, the withholding agent presumably diverted the monies to other uses. The fiduciary duties owed to the state have therefore been breached. The breach of a fiduciary duty may give rise to fraud. See Designer Show Rooms, Inc. v. Kelly, 304 S.C. 478, 405 S.E.2d 417 (Ct. App. 1991) ("The fraud appearing of record in this case was constructive fraud arising from Kelly-Scott's breach of a fiduciary duty it owed Designer Showrooms."). The failure of Mr. Beltram, as withholding agent, to remit the funds held in trust for the state, constitutes competent evidence of a fraudulent intent to evade taxes. Furthermore, Mr. Beltram acknowledged such taxes were owed to the state when he met with Department agents and sought to pay such taxes during the "Amnesty" period in 2002.

It should be further noted that for all periods set forth on Exhibit 1, the taxpayer filed the WH-1605 returns reporting that all of the taxes noted thereon had been deposited with the state for that reporting period. These returns were false, as the withholding taxes noted had not been paid to the state in their entirety. As such, Mr. Beltram, as a corporate officer withholding agent, may be assessed for such taxes beyond the normal three year time limitation pursuant to § 12-54-85(C)(2).

As a further defense to the assessments, the taxpayer maintains that Intedge was sold to Intedge Manufacturing, Inc. and his uncle, Daniel Beltram, in 2005 so that any liability for the delinquent taxes, penalties, and interest became the liability of the successor corporation under S.C. Code Ann. § 12-54-124 (Supp. 2003). This section provides:

> In the case of the transfer of a majority of the assets of a business, other than cash, whether through sale, gift, devise, inheritance, liquidation, distribution, merger, consolidation, corporate reorganization, lease or otherwise, any tax generated by the business which was due on or before the date of any part of the transfer constitutes a lien against the assets in the hands of a purchaser, or any other transferee, until the taxes are paid. Whether a majority of the assets have been transferred is determined by the fair market value of the assets transferred, and not by the number of assets transferred. The department may not issue a license to continue the business to the transferee until all taxes due the State have been settled and paid and may revoke a license issued to the business in violation of this section.
>
> This section does not apply if the purchaser receives a certificate of compliance from the department stating that all tax returns have been filed and all taxes generated by the business have been paid. The certificate of compliance is

> valid if it is obtained no more than thirty days before the sale or transfer.

Although it is true that the above referenced section provides for a "transferee" liability under circumstances where "substantially" all of the corporate assets have been sold, here, despite repeated requests by the Department, no documents of sale have ever been provided. In the absence of any documents of sale there is no relief for the taxpayer under this provision.[5]

2. **The taxpayer's liability for the sales and withholding taxes as a responsible person is not barred by the ten year lien expiration period.**

In applying a statutory provision "words should be given their plain and ordinary meaning, without resort to subtle or forced construction to limit or expand the statute's operation." Sloan v. S.C. Bd. of Physical Therapy Exam'rs, 370 S.C. 452, 469, 636 S.E.2d 598, 607 (2006).

Accordingly, § 12-8-2030:

> An amount withheld under this chapter must be held in trust for the State and is a **lien against all property, both real and personal, tangible and intangible, of the withholding agent.** The lien becomes effective after it has been properly recorded in the county where the withholding agent's business is located.

(Emphasis added).

S.C. Code Ann. § 12-54-120 (2000) provides:

> (A)(1) If a person liable to pay a tax neglects or refuses to pay it after demand, the amount of the tax, including interest, additional tax, addition to tax, or assessable penalty, plus accrued costs, is a lien in favor of the Department of Revenue on all property and rights to property, real or personal, tangible or intangible, belonging to the person.
>
> (2) This lien:

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[5]Even if Mr. Beltram were to provide evidence that substantially all the assets of the corporation were sold, it does not necessarily lead to the conclusion that he is absolved of liability for delinquent sales and withholding taxes as a responsible party. Section 12-54-124 only provides that liens securing tax debts follow the "the assets in the hands of a purchaser, or any other transferee, until the taxes are paid." The section does not relieve any responsible party, or the selling corporation, for that matter, of liability for the tax debt.

(a) is referred to as a "tax lien";

(b) is effective on the date of the assessment of the tax;

(c) allows an authorized agent of the department to seize, levy on, and sell the property of the person for the payment of the amount due, with added penalties, interest, and costs of executing on the lien, and to pay the money collected to the department;

(d) extends to bank deposits, choses in action, and all other property incapable of manual levy or delivery; and

(e) continues for ten years from the date of filing.

(3) "Demand", as used in this section, means an assessment by the department.

(Emphasis added).

Based on the plain language of the foregoing statutes, the withholding tax liens set forth on Exhibit 1 for Intedge's delinquent withholding taxes became effective upon the filing of same in Spartanburg County by operation of law (the specific language of § 12-8-2030). Although § 12-8-2030 does not provide a limitations period for such lien, § 12-54-120 goes on to provide the "tax" lien continues for a ten year period "from the date of filing." As to Intedge, therefore, any tax lien that has been filed for ten years has expired and the associated taxes, interest, penalties, and costs are no longer collectible against the company.

they want both ways

This rationale does not apply, however, to Mr. Beltram as a responsible person. No liens have yet to be filed against him so no liens have yet to reach their ten year expiration date. The entire tax liability – first sought to be imposed against a responsible party in September 2009 - is therefore collectible against Mr. Beltram. Any lien filed against him at the resolution of this protest will thus have a collectible life of ten years from the date of filing.[6]

May 1, 2013

[6]Although it is acknowledged that Mr. Beltram's liability for the tax debt as a responsible party is derivative of Intedge's tax liability, it simply does not follow that Beltram's liability should be extinguished at the expiration of the ten year period for the liens against the corporation. Inasmuch as the tax liens were filed against Intedge, the Department had no ability to enforce those liens against Mr. Beltram.

NOTICE SENT TO: (ENTITY OR INDIVIDUAL)	Period Covered	TYPE OF NOTICE	DATE SENT	Where Tax Reported If Any	Type of Tax	TAX SHOWN ON RETURN	TAX NOT DEPOSITED OR PAID TO DEPARTMENT	PENALTY	INTEREST	COSTS	TOTAL	LIEN
Intedge Industries Inc.	Sep-99	PNOA	3/29/2001	Return	Empl With	$7,758.45	2519.14	113.36	164.49		2796.99	
Intedge Industries Inc.	Sep-99	Assmt	5/15/2001	Return	Empl With		2519.14	239.31	368.22		3126.67	
Intedge Industries Inc.	Sep-99	Tax Lien	8/13/2001	Return	Empl With		2519.14	277.08	422.03	165.91	3384.16	Y
Intedge Industries Inc.	Mar-01	PNOA	6/27/2001	Return	Empl With	$4,660.71	4660.71	146.60	62.72		4870.03	
Intedge Industries Inc.	Mar-01	Assmt	8/14/2001	Return	Empl With		4660.71	193.20	119.21		4973.12	
Intedge Industries Inc.	Mar-01	Tax Lien	11/13/2001	Return	Empl With		4660.71	263.10	203.35	261.36	5388.52	Y
Intedge Industries Inc.	Jun-01	PNOA	10/10/2001	Return	Empl With	$5,739.11	4302.30	43.02	50.62		4395.94	
Intedge Industries Inc.	Jun-01	Assmt	11/27/2001	Return	Empl With		4302.30	107.55	128.10		4537.95	
Intedge Industries Inc.	Jun-01	Tax Lien	2/25/2002	Return	Empl With		4302.30	172.08	194.12	238.43	4906.93	Y
Intedge Industries Inc.	Mar-03	Return	4/30/2003	Return	Empl With	$3,787.41	1867.85					
Intedge Industries Inc.	Mar-03	PNOA	7/29/2003	Return	Empl With		1867.85	18.67	15.67		1902.19	
Intedge Industries Inc.	Mar-03	Assmt	9/15/2003	Return	Empl With		1867.85	46.68	39.56		1954.09	
Intedge Industries Inc.	Mar-03	Tax Lien	10/7/2005	Return	Empl With		1867.85		17.48	225.41	242.89	Y (includes 3/03 and 3/05)
Intedge Industries Inc.	Sep-03	Return	10/31/2003	Return	Empl With	$4,258.28	4258.28					

Intedge Industries Inc.	Sep-03 PNOA	2/17/2004 Return	Empl With		4258.28	63.87	43.11		4365.26	
Intedge Industries Inc.	Sep-03 Assmt	5/18/2004 Return	Empl With		4258.28	170.32	125.57		4554.17	
Intedge Industries Inc.	Sep-03 Tax Lien	9/7/2004 Return	Empl With		4258.28	234.19	169.87	243.12	4905.46	Y
Intedge Industries Inc.	Dec-03 Return	2/28/2004 Return	Empl With	$3,923.79	3923.79					
Intedge Industries Inc.	Dec-03 PNOA	7/30/2004 Return	Empl With		3923.79	58.85	29.92		4012.56	
Intedge Industries Inc.	Dec-03 Assmt	10/29/2004 Return	Empl With		3923.79	196.18	136.99		4256.96	
Intedge Industries Inc.	Dec-03 Tax Lien	2/16/2005 Return	Empl With		3923.79	274.62	204.80	424.11	4827.32	Y (includes 12/03 and 3/04)
Intedge Industries Inc.	Mar-04 Return	4/30/2004 Return	Empl With	$4,044.90	3528.79					
Intedge Industries Inc.	Mar-04 PNOA	7/30/2004 Return	Empl With		3528.79	35.28	29.53		3593.60	
Intedge Industries Inc.	Mar-04 Assmt	10/29/2004 Return	Empl With		3528.79	123.49	95.57		3747.85	
Intedge Industries Inc.	Mar-04 Tax Lien	2/16/2005 Return	Empl With		3528.79	194.05	156.10		3878.94	Y (includes 12/03 and 3/04)
Intedge Industries Inc.	Jun-04 Return	7/31/2004 Return	Empl With	$3,673.30	2566.25					

Intedge Industries Inc.	Jun-04 PNOA	11/1/2004 Return	Empl With		2566.25	38.49	28.12		2632.86	
Intedge Industries Inc.	Jun-04 Assmt	2/1/2005 Return	Empl With		2566.25	89.81	71.06		2727.12	N
Intedge Industries Inc.	Jun-04 Tax Lien	5/23/2005 Return	Empl With		2566.25	141.13	122.19	151.48	2981.05	Y
Intedge Industries Inc.	Sep-04 Return	10/31/2004 Return	Empl With	$4,711.65	3995.31					
Intedge Industries Inc.	Sep-04 PNOA	1/14/2005 Return	Empl With		3995.31	59.92	50.57		4105.80	N
Intedge Industries Inc.	Sep-04 Assmt	4/15/2005 Return	Empl With		3995.31	119.84	103.56		4218.71	N
Intedge Industries Inc.	Sep-04 Tax Lien	8/3/2005 Return	Empl With		3995.31	199.72	187.28	229.12	4611.43	Y
Intedge Industries Inc.	Dec-04 Return	2/28/2005 Return	Empl With	$3,753.26	3753.26					
Intedge Industries Inc.	Dec-04 PNOA	5/5/2005 Return	Empl With		3753.26	37.53	34.60		3825.39	
Intedge Industries Inc.	Dec-04 Assmt	8/3/2005 Return	Empl With		3753.26	112.59	111.96		3977.81	
Intedge Industries Inc.	Dec-04 Tax Lien	9/6/2005 Return	Empl With		3753.26	131.35	131.07	210.78	4226.46	Y
Intedge Industries Inc.	Mar-05 Return	4/30/2005 Return	Empl With	$4,041.85	4041.85					
Intedge Industries Inc.	Mar-05 PNOA	6/1/2005 Return	Empl With		4041.85	40.41	40.73		4122.99	
Intedge Industries Inc.	Mar-05 Assmt	8/31/2005 Return	Empl With		4041.85	101.03	102.94		4245.82	
Intedge Industries Inc.	Mar-05 Tax Lien	10/7/2005 Return	Empl With		4041.85	121.23	127.65		4290.73	Y (includes 3/03 and 3/05)
Intedge Industries Inc.	Jun-05 Return	7/31/2005 Return	Empl With	$3,724.96	3724.96					

Intedge Industries Inc.	Jun-05 PNOA	11/4/2005	Return	Empl With		3724.96	37.24	37.54		3799.74	
Intedge Industries Inc.	Jun-05 Assmt	2/3/2006	Return	Empl With		3724.96	130.36	148.08		4003.40	
Intedge Industries Inc.	Jun-05 Tax Lien	3/6/2006	Return	Empl With		3724.96	148.98	171.17	212.26	4257.37	Y
Intedge Industries Inc.	Sep-05 Return		Non Filer Office Aud Adj	Empl With							
Intedge Industries Inc.	Sep-05 PNOA	2/13/2006	Office Aud	Empl With		4320.00	1450.40	100.56		5870.96	
Intedge Industries Inc.	Sep-05 Assmt	6/5/2006	Office Aud	Empl With		4320.00	1752.80	205.21		6278.01	
Intedge Industries Inc.	Sep-05 Tax Lien**	7/5/2006	Office Aud	Empl With		4236.18	1774.40	236.06	326.52	6656.98	Y
Intedge Industries Inc.	Dec-05 Return	2/28/2006	Return	Empl With	$634.35						
Intedge Industries Inc.	Dec-05 PNOA	8/14/2006	Return	Empl With		634.35	6.34	7.46		648.15	
Intedge Industries Inc.	Dec-05 Assmt	11/14/2006	Return	Empl With		634.35	28.54	37.16		700.05	
Intedge Industries Inc.	Dec-05 Tax Lien	12/14/2006	Return	Empl With		634.35	31.71	41.74	45.39	753.19	Y
Intedge Industries Inc.	Sep-05 PNOA	1/30/2006	Delq Est	Sales		1500.00	912.50	38.15		2450.65	
Intedge Industries Inc.	Sep-05 Assmt	5/22/2006	Delq Est	Sales		1500.00	942.50	74.56		2517.06	
Intedge Industries Inc.	Sep-05 Tax Lien	6/21/2006	Delq Est	Sales		1500.00	950.00	85.29	136.76	2672.05	Y
Richard S Beltram	Sep-99 to Dec-05 listed above	PNOA Resp Par	9/2/2009	Return (see above)	Empl With	41196.13	20552.32	25198.92		86947.37	
Richard S Beltram	Sep-05 listed above	PNOA Resp Par	9/2/2009	Delq Est (see above)	Sales	1500.00	1550.00	706.92		3756.92	

	** Office Audit Adjusted this based on the subject year end return filed.	
Legend: Date Sent Column for returns listed is the postmark date		$634.35

State of South Carolina
Department of Revenue
Office of General Counsel, Tax & Regulatory Services
300A Outlet Pointe Blvd. (29210); P.O. Box 12265, Columbia, South Carolina 29211
Telephone (803) 898-5130 Telecopier (803) 896-0171

VIA ELECTRONIC MAIL

September 15, 2014

David B. Greene, Esquire
The Greene Law Firm, P.A.
11 McGee Street
Greenville, SC 29601
david@davidgreeneattorney.com

Re: Richard Beltram v. South Carolina Department of Revenue
Docket No. 13-ALJ-17-0244-CC

Dear David:

Recently, you made a specific request for any evidence that notices issued by the Department in this case had been sent by certified mail. We have made an exhaustive search and there is no "green card" suggesting that certified mail was used. As we have stated on several occasions, applicable South Carolina law does not require the use of certified mail. Nevertheless, I am attaching records (11 pages) from the Department's "Automated Collections System" pertaining to this file that show comments entered by collection personnel. On October 8, 2001, there is an entry that "final notice mailed to Cola for certificate of mailing." While we don't believe this has anything to do with certified mail and instead, appears to be related to service of a rule to show cause, because of your specific inquiry, I wanted to provide this information. I did not become aware of this information until this morning.

Do not hesitate to contact me if you would like to discuss.

Yours truly,

OFFICE OF GENERAL COUNSEL, TAX & REGULATORY SERVICES

Nicole M. Wooten
Counsel for Litigation

Enclosures

PETITIONER'S EXHIBIT 8 9/17/14

000001

11:54:47 Mon Aug 31, 2009

TXNCL105 SCDOR - AUTOMATED COLLECTION SYSTEM 08/31/09
NEXT: COMMENTS 11:54

KEY#: [redacted] TXPR NAME: INTEDGE INDUSTRIES INC
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO	DATE	TIME	USERID	D/F/U
00005	01/12/06	13:06:30	BRUCES	03 W 03

POST TO DEBTORS CORNER

NO	DATE	TIME	USERID	D/F/U
00004	07/20/05	11:55:38	HGB	02 W 09

ATTY LARRY FLYNN CALLED RE PAYOFF OR POSSIBLE PEN WAIVER. GAVE HIM PA
YOFF OF LIENS AND REFERRED TO ALLEN OR JOHN FOR PEN WAIVER.

NO	DATE	TIME	USERID	D/F/U
00003	10/08/01	15:20:08	BRUCES	03 W 03

FINAL NOTICE MAILED TO COLA FOR CERTIFICATE OF MAILING

DC905411-I PREVIOUS PAGE DISPLAYED
1-HLP 2-DL 3=ANS 4=NXT 5=BSY 6=NOA 7=PB 8=PF 9=INS 10=RM 11-DS 12=OFF

00000 2

11:54:52 Mon Aug 31, 2009

TXSCL106 SCDOR - AUTOMATED COLLECTION SYSTEM 08/31/09
NEXT: COMMENTS 11:54

KEY#: [redacted] TXPR NAME: INTEDGE INDUSTRIES INC
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO	DATE	TIME	USERID	D/F/U
00002	09/06/01	13:31:53	JOHNWR	03 E 06

ISSUED RULE TO P\O SHERIFF TO SERVE ON ABOVE DATE

NO	DATE	TIME	USERID	D/F/U
00001	08/31/01	08:53:33	BRUCES	03 W 03

PLEASE RULE DUE TO EWH OUTSTANDING LIABILITY

DC905273-I LAST PAGE
1-HLP 2-DL 3-ANS 4-NXT 5-BSY 6-NOA 7=PB 8=PF 9=INS 10=RM 11=DS 12=OFF

11:54:21 Mon Aug 31, 2009

TXMCLI06 SCDOR - AUTOMATED COLLECTION SYSTEM 09/31/09
NEXT: COMMENTS 11:54

KEY#: [redacted] TXPR NAME: INTEDGE INDUSTRIES INC
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO	DATE	TIME	USERID	D/F/U
00011	08/07/09	09:18:13	COGGINL	03 W 04

LETT SENT REF TAXES: SALES, WITH HOLDING, COR 1999 TO 2005

NO	DATE	TIME	USERID	D/F/U
00010	07/28/08	11:35:02	BRUCES	03 W 03

ACCT CLSD FIRST NAT'L BK AS OF 10/19/05

NO	DATE	TIME	USERID	D/F/U
00009	03/20/07	07:16:58	BRUCEO	03 W 04

RETURNED TO RO FOR DISPOSITIONN

DC905366-I SCREEN DISPLAYED FOR COMMENTS
1=HLP 2=DL 3=ANS 4=NXT 5=BSY 6=NOA 7=PB 8=PF 9=INS 10=RM 11=DS 12=OFF

11:54:40 Mon Aug 31, 2009

TXMCLI06
NEXT:

SCDOR - AUTOMATED COLLECTION SYSTEM
COMMENTS

03/31/09
11:54

KEY#: [redacted]

TXPR NAME: INTEDGE INDUSTRIES INC
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO	DATE	TIME	USERID	D/F/U
00008	03/12/07	10:15:34	BRUCES	03 W 03

TRYING TO WORK WITH NEW OWNER TO DETERMINE RESP PARTY ON DEBTS

NO	DATE	TIME	USERID	D/F/U
00007	03/12/07	10:14:40	BRUCES	03 W 03

BUSINESS SOLD TO A FLA BASED ENTITY, NO RETAIL SALES NOW AT LOCATION

NO	DATE	TIME	USERID	D/F/U
00006	01/12/06	13:07:19	BRUCES	03 W 03

T/P DID NOT COMPLY WITH PPA, SALES TAX IS MINIMAL. T/P WILL NOT RETURN PHONE CALLS

DC905410-I NEXT PAGE DISPLAYED
1-HLP 2=DL 3=ANS 4=NXT 5=BSY 6=NOA 7=PB 8=PF 9=INS 10=RM 11=DS 12-OFF

12:25:26 Friday, September 12, 2014

TXMCL106 SCDOR - AUTOMATED COLLECTION SYSTEM 09/12/11
NEXT: COMMENTS 12:25

KEY#: [redacted] TXPR NAME: BELTRAM RICHARD S
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO	DATE	TIME	USERID	D/F/U
00002	09/10/09	12:05:16	BRUCEO	02 W 00

phone call → TC FROM RICK BELTRAM, WHO RO ASSESSED AS REPSON PARTY, HIS#864-590 7723;
HIS THEORY IS WHEN BUS WAS SOLD (HE SAYS ASSETS OF INTEDGE INDUS INC..

NO	DATE	TIME	USERID	D/F/U
00001	09/08/09	16:01:31	BRUCEO	02 W 00

RET'D CALL TO RICK BELTRAM ON CELL#864-[redacted]-7723 RE:FILE#25237982-
VOICE MAIL ANSWERED, LMTC

DC905273-I LAST PAGE VIEW
1=HLP 2=DL 3=ANS 4=NXT 5=BSY 6=NOA 7=PB 8=PF 9=INS 10=RM 11=DS 12=OFF

000006

12:25:30 Friday, September 12, 2014

TXNCL106 SCDOR - AUTOMATED COLLECTION SYSTEM 09/12/14
NEXT: COMMENTS 12:25

KEY#: [redacted] TXPR NAME: BELTRAM RICHARD S
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO DATE TIME USERID D/F/U
00005 09/10/09 12:08:27 BRUCEO 02 W 00
CONT...IN THE NAME OF INTEDGE MFG FOR THE SAME LIAB'S WE ARE NOW
ASSESSING HIM FOR PERSONALLY;TOLD HIM TO SEND WRITTEN STATEMENT...
NO DATE TIME USERID D/F/U
00004 09/10/09 12:07:51 BRUCEO 02 W 00
CONT...LIABILITIES AND HE HAS A QUOTE FROM DANNY BRAZELE,CURRENT
AFFAIRS SPOKESMAN FOR DOR STATING THIS...AND DOR ISSUED LIENS..
NO DATE TIME USERID D/F/U
00003 09/10/09 12:06:30 BRUCEO 02 W 00
CONT...WERE SOLD IN 2005 TO INTEDGE MFG(OWNED BY HIS UNCLE,DANIEL
BELTRAM,AND CURRENTLY IN OPERATION)THEY ASSUMED RESPON FOR ANY...

DC905411-I PREVIOUS PAGE DISPLAYED VIEW
1=HLP 2=DL 3=ANS 4=NXT 5=BSY 6=NOA 7=PB 8=PF 9=INS 10=RM 11=DS 12=OFF

12:25:37 Friday, September 12, 2014

TXMCL106 SCDOR - AUTOMATED COLLECTION SYSTEM 09/12/14
NEXT: COMMENTS 12:26

KEY#: [redacted] TXPR NAME: BELTRAM RICHARD S
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO	DATE	TIME	USERID	D/F/U
00008	12/01/09	15:47:21	BRUCEO	02 W 00

REC'D FAX ON 12/1/09 FROM RICHARD "RICK" BELTRAM STATING PROPOSED ASSESSMENT IN HIS NAME ARE IN ERROR AND THAT BASED ON "OUR BRIEF...

NO	DATE	TIME	USERID	D/F/U
00007	09/10/09	12:10:47	BRUCEO	02 W 00

ORIGINAL CASE#1523249

NO	DATE	TIME	USERID	D/F/U
00006	09/10/09	12:09:41	BRUCEO	02 W 00

CONT...OF HIS POSITION AS PER THE PROPOSED NOTICE WITH ATTACHMENTS SUCH AS THE SALES AGREEMENT AND WE WOULD LOOK AT HIS POSITION

DC905411-I PREVIOUS PAGE DISPLAYED VIEW
1=HLP 2=DL 3=ANS 4=NXT 5=BSY 6=NOA 7=PB 8=PF 9=INS 10=RM 11=DS 12=OFF

000008

TXHCL106 SCDOR - AUTOMATED COLLECTION SYSTEM 09/12/14
NEXT: COMMENTS 12:25

KEY#: [redacted] TXPR NAME: BELTRAM RICHARD S
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO	DATE	TIME	USERID	D/F/U
00011	12/02/09	16:17:39	COGGINL	03 W 04

TC FROM CARLOS JOHNSON, ATTORNEY, HE WILL BE ASSISTING BELTRAM IN CASE

NO	DATE	TIME	USERID	D/F/U
00010	12/01/09	15:49:15	BRUCEO	02 W 00

CONT...PLACED GAINST THE RESPONSIBLE PARTIES (INTEDGE MANUFACTURING AND DANIEL G BELTRAM)."

NO	DATE	TIME	USERID	D/F/U
00009	12/01/09	15:48:35	BRUCEO	02 W 00

CONT...PHONE CONVERSATION ON 9/14/09, IT WAS CLEAR THAT I AM NOT THE RESPONSIBLE PARTY."..."IT ALSO APPEARS A TAX LIEN HAS ALREADY BEEN...

DC905411-I PREVIOUS PAGE DISPLAYED VIEW
1=HLP 2=DL 3=ANS 4=NXT 5=BSY 6=NOA 7=PB 8=PF 9=INS 10=RM 11=DS 12=OFF

12:25:53 Friday, September 12, 2014

TXMCL106 SCDOR - AUTOMATED COLLECTION SYSTEM 09/12/14
NEXT: COMMENTS 12:26

KEY#: [redacted] TXPR NAME: BELTRAM RICHARD S
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO	DATE	TIME	USERID	D/F/U
00014	01/25/10	10:48:37	BRUCEO	02 W 00

RICHARD BELTRAM CALLED,ASKED FOR COPY OF CID 6 TAX APPEAL PROCEDURES WHICH HE STATED WAS NOT ENCLOSED AS NOTED IN MY LTT;MAILING COPY TO...

NO	DATE	TIME	USERID	D/F/U
00013	01/21/10	14:21:12	BRUCEO	02 W 00

CONT...INTEDGE INDUSTRIES & INTEDGE MANUFACTURING(OR DANIEL BELTRAM); STATED NO TX LIENS ISSUED AGAINST INTEDGE MANUFACTURING OR D BELTRAM

NO	DATE	TIME	USERID	D/F/U
00012	01/21/10	14:19:18	BRUCEO	02 W 00

LTT ISSUED 1/21/2010 TO TP QUESTIONING IF HE WOULD DESIRE A CONFERENCE TO DISCUSS THE ISSUES,ALSO ASKED FOR COPY OF SALES CONTRACT BETWEEN...

VIEW

DC905411-I PREVIOUS PAGE DISPLAYED
1=HLP 2=DL 3=ANS 4=NXT 5=BSY 6=NOA 7=PB 8=PF 9=INS 10=RM 11=DS 12=OFF

12:26:01 Friday, September 12, 2014

TXMCL106 SCDOR - AUTOMATED COLLECTION SYSTEM 09/12/14
NEXT: COMMENTS 12:26

KEY#: [redacted] TXPR NAME: BELTRAM RICHARD S
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO DATE TIME USERID D/F/U
00017 01/25/10 10:52:33 BRUCEO 02 W 00
CONT...FOR WHICH HE IS NOW BEING ASSESSED

NO DATE TIME USERID D/F/U
00016 01/25/10 10:52:19 BRUCEO 02 W 00
CONT.... TO DAVID BELTRAM (HIS UNCLE) AND HE AGAIN STATES LIENS FILED IN SPBURG COUNTY BY DOR AGAINST INTEDGE MFG WHICH REPRESENT THE LIAB'S
NO DATE TIME USERID D/F/U
00015 01/25/10 10:49:53 BRUCEO 02 W 00
CONT..HIS HM H/A;HE ALSO STATES INTEDGE'S BLDG WAS LOCATED IN SPBURG COUNTY,TITLED IN NAME UPSTATE DEVELOPMENT PROPERTIES,SOLD IN JULY2005

DC905411-I PREVIOUS PAGE DISPLAYED VIEW
1=HLP 2=DL 3=ANS 4=NXT 5=BSY 6=NOA 7=PB 8=PF 9=INS 10=RM 11=DS 12=OFF

00061

12:26:21 Friday, September 12, 2014

TXMCL106 SCDOR - AUTOMATED COLLECTION SYSTEM 09/12/14
NEXT: COMMENTS 12:26

KEY#: [redacted] TXPR NAME: BELTRAM RICHARD S
CURRENT COMMENTS:

HISTORICAL COMMENTS:

NO	DATE	TIME	USERID	D/F/U
00020	11/02/11	12:33:03	BRUCEO	02 W 00

CONT...MILTON KIMPSON

NO	DATE	TIME	USERID	D/F/U
00019	11/02/11	12:32:44	BRUCEO	02 W 00

CAROL MCMAHAN HAD ADVISED IN MAR2001 THAT DEPT DETERMINATION PREPARED
YEAR/ CONTACTED WANDA GRUBB AND SHE STATES "DD" BEING REVIEWED BY...

NO	DATE	TIME	USERID	D/F/U
00018	03/01/10	14:49:59	BRUCEO	02 W 00

MET W/ RICHARD BELTRAM AND RO SHERIFF IN GVILL OFF 2/12/10;PREPARING
WRITE UP OF ISSUES OF APPEAL PROVIDED BY TP

DC905411-I PREVIOUS PAGE DISPLAYED VIEW
1=HLP 2=DL 3=ANS 4=NXT 5=BSY 6=NOA 7=PB 8=PF 9=INS 10=RM 11=DS 12=OFF

00001 2

South Carolina Department Of Revenue
211 Century Drive Suite 210 B
Greenville, SC 29607

January 21, 2010

Mr. Richard S. Beltram
725 Black Wolf Run
Spartanburg, SC 29306

Re: Proposed Responsible Party Assessment
Form FS-118 dated 9/2/09
Employer withholding file #25237982 (Intedge Industries Inc.)

Proposed Responsible Party Assessment
Form FS-119 dated 9/2/09
Sales & use tax file #0-4231620 (Intedge Industries Inc.)

Dear Mr. Beltram:

This letter is in response to your faxed correspondence of 9/14/09 and 12/01/09 received in our Greenville Regional office appealing the Department of Revenue's proposed assessments of intent to impose personal and individual liability on you for unpaid employer withholding tax liabilities and sales & use tax obligations of your former business, Intedge Industries, Inc.

During our prior telephone conversation you stated that Intedge Manufacturing and Daniel Beltram were responsible for the unpaid taxes included in the proposed assessments by virtue of their purchase of the assets of Intedge Industries Inc. in mid to late 2005. Further, in your faxed letter of 12/01/09 you repeated your belief that Intedge Manufacutring and Daniel Beltram were responsible and that "it also appears clear that a tax lien has already been placed against..." them. However, I do not find record of any tax liens issued or outstanding by the S C Department of Revenue against either of these parties for the unpaid liabilities included in the proposed assessments.

Certainly, we would review the terms of the sales transaction if you would care to provide a copy of the completed contract of sale which transferred ownership as well as any other information you think pertinent.

If you desire a conference in order to discuss the facts and issues of this matter or to afford you the opportunity to present additional information you wish considered, please contact me to schedule a conference by calling our Greenville office at (864) 241-1200 ext 127. After the conference, if your protest is not resolved or should you fail to request a conference, your file will be transferred to the Department's Office of General Counsel for Litigation.

I have also attached the Department's publication CID-6 Tax Appeal Procedures for your review. Thank you.

Yours truly,

PETITIONER'S EXHIBIT 9

J. Bruce Owens
Revenue Manager
Greenville Regional Office
S C Department of Revenue
(864) 241-1200 ext 127

000042

12-01-09

MEMO TO: SCDOR
Att: Mr. Bruce Owens
From: Richard S. Beltram (Rick)
RE: Files #25237982 and #04231620

Based on your correspondence dated 09/02/09 (received 09/05/09), I would like to request the assistance of the Taxpayer Rights' Advocate. I have carefully reviewed your mailing to me and the Rights provided by SC Law. I have also have had consultation with my attorney, Mr. Carlos Johnson. As a result, any action taken by you will result in irreparable damage to me.
Please forward to me any forms or documentation that is afforded by law to be received by myself.
I believe that any proposed assessment to me is in error and will require further review.
In our brief phone conversation on 09/14/09, it was clear that I am not the responsible party for your proposed actions. It also appears clear that a tax lien has already been placed against the responsible parties (Intedge Manufacturing and Daniel G. Beltram).
Please contact via phone (864-590-7723) or e-mail: rickbeltram@charter.net or mail: 725 Black Wolf Run, Spartanburg, SC 29306.
Thank you for your anticipated prompt and courteous response.

Via fax
1-864-232-5008

CC: Mr. Carlos Johnson, Esq.

000050

9/14/2009

MEMO TO: Mr. Bruce Owens (SCDOR)
Greenville , SC

From: Richard S. Beltram (864- 590 - 7725)

RE: File 25237982 and 04231620

My intention is to file a protest with your office prior to the 90 period of time. I appreciate the time that you took to discuss your notice sent to me (received on 09/05/09).

I do ask you to provide me with the filing of a tax lien under the name of:
INTEDGE MAUFACTURING, INC.
(approx March 2008)

I also have submitted a news article that appeared in the SHJ in 2008.

Thank you.

Via fax
1-864-232-5008

8 pgs

back to article

GoUpstate.com

Printed on page C1

GOP chairman Beltram suing ex-employer

By Trevor Anderson
trevor.anderson@shj.com

Published: Friday, April 4, 2008 at 3:15 a.m.

As chairman of the Spartanburg County Republican Party, Rick Beltram is no stranger to a fight. But his latest has nothing to do with politics. Instead, Beltram is suing his former employer, the Spartanburg-based family business started by his grandfather in 1914.

Beltram's suit, filed in U.S. District Court, names Intedge Manufacturing Inc. and Daniel Beltram, Beltram's uncle, as defendants, claiming they breached a contract, committed "tortious" acts, failed to return personal property and properly compensate him and misreported profits over a two-year period while he was serving as a consultant for the company.

Intedge Industries was founded by Quirino Beltram in 1914. Rick Beltram was president and chief shareholder of the company from 1973 until October 2005 when he sold it to his uncle and the name was changed to Intedge Manufacturing.

The lawsuit states that after the ownership of the company changed hands, Beltram signed an employment agreement to stay on as a consultant, manage a portion of the company's sales and represent the company in meetings with outside sales representatives.

"It was a family business, and I wanted to continue on, hoping at the end of the day they would fulfill all contractual agreements," Beltram said.

The term of the employment agreement, according to the suit, was from Oct. 1, 2005, to March 31, 2006. It contained a provision that Beltram would report directly to his uncle, and the company could extend or curtail his services at any time.

The lawsuit claims Beltram renewed the agreement on March 24, 2006, for a term ending March 31, 2007.

In August 2006, Intedge's vice president of operations Xio Polewaski was assigned as Beltram's supervisor, despite the second agreement's proviso that he would report to his uncle. At the time, Polewaski placed a restriction on company travel, banning Beltram from making any sales trips.

In November, Beltram used a company credit card to purchase airline tickets for a sales trip to New York, which he later repaid with a personal check. According to the lawsuit, Polewaski terminated Beltram on grounds that the trip violated the company restriction on travel, but Beltram said not to go would have meant breaking his original agreement with the company.

"It is part and parcel of the job for any good manager to travel and meet with key customers," Beltram said. "If you don't have the tools, you can't do the job."

Intedge manufactures and distributes food service equipment including textiles, small wares, baking supplies, timers, thermometers and utensils.

The lawsuit also claims that, during the two years Beltram was a consultant, the company cut his monthly commission from $7,000 to $5,000 and misrepresented its earnings to make the amount even lower.

Danny Brazell, a spokesman for the S.C. Department of Revenue, said a state tax lien was placed on Intedge last month in the amount of $93,151 for outstanding corporate, sales and employer withholding taxes.

Beltram said he had nothing to do with the tax issue.

"There was a lot of sloppiness, and I feel I was in a precarious situation and put in the middle of people who were doing things the wrong way," Beltram said. "I kept telling them, if you're not dotting your I's and crossing your T's, then something will happen. I had nothing to do with that."

In a counterclaim filed in federal court, Intedge's attorneys denied the allegations and said Beltram was an "independent contractor," meaning he was not entitled to charge travel expenses to the company.

Beltram said that, in addition to the employment agreement, his uncle asked him to sign a "non-compete" form stating he worked solely for Intedge and could not work for another company in the industry for up to one year after he left.

"The understanding they had was that (Beltram) was an employee of the company," said Carlos Johnson, Beltram's attorney. "From what I understand, that was the procedure for sales travel. There was never anything in writing, but it remained in line with the company's course of dealings."

After his dismissal, Beltram said he was not allowed to retrieve any of his personal items from his office and storage closets at Intedge, including his wife's diamond

000053

engagement ring, computer files and frequent flyer records.

Beltram said he went to Intedge three times after he was terminated to recover his personal property, each time accompanied by a Spartanburg County sheriff's deputy, and each time was asked to leave by a company representative.

The lawsuit claims Beltram is entitled to all of his personal property, $45,000 in unpaid commissions and compensation for other negligent business practices and attorney's fees.

Beltram said before filing the lawsuit he offered to settle out of court for $500,000, but the offer was rejected.

Daniel Beltram, who also owns Florida-based Beltram Food Service Group, declined to comment, saying it was "inappropriate" because the lawsuit was in its "early stages."

His attorney, Thomas Stephenson, called the lawsuit "frivolous."

"Rick was an independent contractor, and as such, (Daniel Beltram) was perfectly within his right to terminate him," Stephenson said. "The company was basically broke when he sold it. Dan bought the assets of the company, started running it and gave Rick a job out of the goodness of his heart, and now he's filing a lawsuit."

Stephenson said Rick Beltram was twice allowed to remove personal property from his office the day he was fired, and everything that wasn't removed was boxed up and delivered to him.

"I think Rick's claims are totally meritless," Stephenson said.

Rick Beltram said he recently contacted the U.S. Equal Employment Opportunity Commission and plans to amend the lawsuit by adding an age-discrimination claim.

Stephenson said the EEOC has already dismissed the discrimination claim. A document the commission sent to Rick Beltram said it was "unable to conclude that the information obtained establishes violations of statutes."

Johnson said the claims made in the lawsuit will be "supported by the evidence" when the parties involved eventually meet in court.

This story appeared in print on page C1

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

PROPOSED ASSESSMENT RESPONSIBLE PARTY

FS-118
(Rev. 2/24/09)
2113

F) 864-232-5003

NOTICE DATE: 09/02/2009
FILE NUMBER: 25237982

GRE

BELTRAM RICHARD S
725 BLACK WOLF RUN
SPARTANBURG SC 29306

SSN: XXX-XX-3546

The records of the Department of Revenue indicate there is an outstanding balance for employer withholding tax debt in the amount of $79,494.02 for INTEDGE INDUSTRIES INC.

Section 12-8-2010 provides that the Department of Revenue can impose personal and individual liability on a withholding agent when a corporation or partnership does not pay its employer withholding taxes. Section 12-8-2010 defines "withholding agent" to include any appropriate officer or employee of the corporation or a member or employee of a partnership.

TXPREC374 13

You have been identified as a "withholding agent" against whom the Department can impose personal liability for the debt of the above entity. If you disagree with the Department of Revenue, you may appeal by sending a written protest within ninety (90) days of the date of this Proposed Assessment. The protest must contain certain information as noted in the Appeal Procedure section on the back of this notice. In addition, you are requested to provide information as to who is the appropriate officer, employee or member of the above entity. Otherwise, an assessment will be issued against you personally for the tax due plus all applicable penalties and interest. A list of the liabilities is enclosed.

For additional information or to make arrangements for payment, contact the number listed below.

THIS NOTICE IS NOT A DEMAND FOR PAYMENT IF YOU ARE CURRENTLY IN BANKRUPTCY PROCEEDINGS UNDER TITLE 11 OF THE U.S. CODE. ANY MONIES DUE WILL BE SOUGHT IN ACCORDANCE WITH PROVISIONS OF TITLE 11.

BRUCE OWENS
GREENVILLE
864 241-1200

detach here

Detach and return with payment to: **South Carolina Department of Revenue, PO Box 125, Columbia SC 29214.**

DELINQUENT ACCOUNT FOR:
BELTRAM RICHARD S

CASE NUMBER: XXX-XX-3546

AMOUNT DUE: $79,494.02

RECEIVABLE NUMBER: ▶ 1-04861579-0

AMOUNT ENCLOSED: ▶ _____

000055

21131024 1048615780 0000799402

0

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

LIABILITIES

FILE NUMBER: 25237982

NOTICE DATE: 09/02/2009

INTEDGE INDUSTRIES INC
BELTRAM RICHARD S

SSN: XXX-XX-3546

TAX TYPE	PERIOD COVERED	RECEIVABLE NUMBER	TAX DUE	PENALTY DUE	INTEREST DUE	TOTAL DUE
140826EWH	03-2003	1-04861578-0	.00	.00	22.64	22.64
140826EWH	06-2004	1-04861582-7	2,566.25	1,154.75	991.41	4,712.41
140826EWH	09-2004	1-04861583-4	3,995.31	1,797.58	1,483.45	7,276.34
140826EWH	06-2001	1-04861577-3	4,302.30	1,935.96	2,714.99	8,953.25
140826EWH	12-2005	1-04861570-4 ✓	634.35	263.19	168.92	1,066.46
140826EWH	03-2001	1-04861576-6	2,230.81	1,469.57	2,039.08	5,739.46
140826EWH	09-2003	1-04861579-7	4,258.28	1,916.15	1,839.76	8,014.19
140826EWH	03-2004	1-04861581-0	3,528.79	1,587.76	1,420.97	6,537.52
140826EWH	06-2005	1-04861569-8 ✓	3,724.96	1,676.01	1,179.29	6,580.26
140826EWH	03-2005	1-04861567-4	4,041.85	1,818.40	1,360.67	7,220.92
140826EWH	09-2005	1-04861568-1 ✓	4,236.18	3,101.46	1,305.83	8,643.47
140826EWH	12-2003	1-04861580-3	3,923.79	1,765.33	1,621.93	7,311.05
140826EWH	12-2004	1-04861584-1	3,753.26	1,669.92	1,309.80	6,732.98
140826EWH	09-1999	1-04861575-9	.00	310.51	372.56	683.07

1999 - 2004 Not received by DOR

INTEDGE INDS.
(RS Beltram)
Found control of
Check book in 2005

GRAND TOTAL AMT $79,494.02

000056

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

PROPOSED ASSESSMENT RESPONSIBLE PARTY

FS-119
(Rev 2-24-09)
2114

NOTICE DATE: 09/02/2009
FILE NUMBER: 04231620

GNE

BELTRAM RICHARD S
725 BLACK WOLF RUN
SPARTANBURG SC 29306

SSN: XXX-XX-3546

The records of the Department of Revenue show an outstanding balance due for state or local sales or use tax debt in the amount of $3,482.69 for INTEDGE.

Section 12-54-195 provides that the Department of Revenue can hold a responsible person liable, individually and personally, for taxes collected and not remitted to the department along with penalties and interest from the date the tax was due. Section 12-54-195 defines "responsible person" to include any officer, partner, or employee of the taxpayer who has a duty to pay to the department any state or local sales tax due by the taxpayer or use tax required or authorized to be collected by the retailer pursuant to Chapter 36 of this title or with respect to any local sales and use tax collected by the department on behalf of a political subdivision of the State.

TXPRC374 9

You have been identified as a "responsible person" against whom the Department can impose personal liability for the debt of the above entity. If you disagree with the Department of Revenue, you may appeal by sending a written protest within ninety (90) days of the date of this Proposed Assessment. The protest must contain certain information as noted in the Appeal Procedure section on the back of this notice. In addition, you are requested to provide information as to who is the appropriate officer, employee or member of the above entity. Otherwise, an assessment will be issued against you personally for the tax due plus all applicable penalties and interest. A list of the liabilities is enclosed.

For additional information or to make arrangements for payment, contact the number listed below.

THIS NOTICE IS NOT A DEMAND FOR PAYMENT IF YOU ARE CURRENTLY IN BANKRUPTCY PROCEEDINGS UNDER TITLE 11 OF THE U.S. CODE. ANY MONIES DUE WILL BE SOUGHT IN ACCORDANCE WITH THE PROVISIONS OF TITLE 11.

BRUCE OWENS GREENVILLE 864 241-1200

detach here

Detach and return with payment to: **South Carolina Department of Revenue, PO Box 125, Columbia SC 29214.**

DELINQUENT ACCOUNT FOR:
BELTRAM RICHARD S

RECEIVABLE NUMBER: ➤ 1-04861574-2

CASE NUMBER: XXX-XX-3546

AMOUNT ENCLOSED: ➤ _____

AMOUNT DUE: $3,482.69

000057

2 1 1 4 1 0 2 4 1 0 4 8 6 1 5 7 4 2 0 0 0 0 3 4 8 2 6 9

2

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

LIABILITIES

FILE NUMBER: 04231620

NOTICE DATE: 09/02/2009

INTEDGE
BELTRAM RICHARD S

SSN: XXX-XX-3546

TAX TYPE	PERIOD COVERED	RECEIVABLE NUMBER	TAX DUE	PENALTY DUE	INTEREST DUE	TOTAL DUE
143721SAL	09-2005	1-04861574-2 ✓	1,500.00	1,535.00	447.69	3,482.69

No sales

Jim Klemm

D.D NOT F.I.F 10/2008

GRAND TOTAL AMT $3,482.69

000058

[illegible] AUTOMATED RECEIVABLES MANAGEMENT SYSTEM DATE: 09 19 06
USER ID: RECEIVABLE INQUIRY (1) TIME: 16:12:25
ADMIN (GEN ACCESS) THIS UPDATE: 09 02 11 BY: BRC002
TYPE: 1 RECV NO: 02740009 CHK DGT: 7 WARR#: 3 306041326 5 PRIM WARR CNTY: 42
FEI/SSN: [redacted]0400 F NAME: INTEDGE INDUSTRIES INC
FEI/SSN: DBA/JNT: INTEDGE INDUSTRIES INC
SID/SFX: [redacted] 000 FILE NO: 25237982 1 YR: PCVD: 03 31 04 ADDL OWN: N
RECV STAG: 30 WARRANT G/L: 1 4 0809 EMP WH
RECV TYPE: 05 TIMELY FILED BALANCE DUE CID: N PSTMK DT: 04 30 04
REASON CD: 04 NO REMITTANCE ADJ IND: FTF DT:
RECV STAT: TAX DUE DT: 04 30 04 ADJ/WTHDRW: PRPSD/LETTER DT:
BKPT STAT: PETIT DT: ACS IND: Y ASMT DT: 10 29 04
BKPT TYPE: PROJ CODE: PYMT AGRMNT: N LEGAL LIEN DT:
TOP IND: NULLA BONA DT: 05 04 11 LEVY?: N LIEN DT: 02 16 05
AMNESTY: 20 PCT ADDL: Y 705.75 CONV DT:

	ORIG AMOUNT	ADJUSTMENTS	WITHDRAWALS	PAYMENTS	BALANCE
TAX:	3,528.79				3,528.79
PEN:	123.49	1,464.27			1,587.76
INT:	95.57	2,229.13			2,323.70
CST:		193.95			193.95
TOT:	3,747.85	3,886.35			7,634.20

DC903238 INQUIRY SUCCESSFULLY COMPLETED

PF1=INQ PF2=CHG PF7=PREV PF8=NEXT PF10=EXIT PF13=RECV2 PF14=RECV3 PF15=TRANH
PF16=ADJ/WTH PF17=HOT KEY PF18=PSI PF20=PYMT COUPON PF21=ERRORS PF22=BTR

000459

AUTOMATED RECEIVABLES MANAGEMENT SYSTEM
RECEIVABLE INQUIRY (1)

TYPE: 1 RECV NO: 02337168 CHK DGT: 5
NAME: INTEDGE INDUSTRIES INC
DBA/2ND: INTEDGE INDUSTRIES INC
SID/SFX: [redacted]0 FILE NO: 25237982 1 YR: PCVD: 03 31 03 ADDL OWN: N
RECV STAG: 30 WARRANT G/L: 1 4 0800 EMP WH
RECV TYPE: 05 TIMELY FILED BALANCE DUE CID: N PSTMK DT: 04 30 03
REASON CD: 04 NO REMITTANCE ADJ IND: FTF DT:
RECV STAT: TAX DUE DT: 04 30 03 ADJ/WTHDRW: PRPSD/LETTER DT:
BKPT STAT: PETIT DT: ACS IND: Y ASMT DT: 09 15 03
BKPT TYPE: PROJ CODE: PYMT AGRMNT: N LEGAL LIEN DT:
TOP IND: NULLA BONA DT: 05 04 11 LEVY?: N LIEN DT: 10 07 05
AMNESTY: 20 PCT ADDL: CONV DT:

	ORIG AMOUNT	ADJUSTMENTS	WITHDRAWALS	PAYMENTS	BALANCE
TAX:	1,867.85			1,867.85	.00
PEN:	46.68	9.33		56.01	.00
INT:	33.56	17.45		30.23	26.78
CST:		10.87			10.87
TOT:	1,954.09	37.65		1,954.09	37.65

DC903238 INQUIRY SUCCESSFULLY COMPLETED
PF1=INQ PF3=DIS PF7=PREV PF8=NEXT PF12=EXIT PF13=RECV2 PF14=RECV3 PF15=TRANH
PF16=ADJ/WTH PF17=HOT KEY PF18=P&I PF20=PYMT COUPON PF21=ERRORS PF22=BTR

000060

INFR2010.RC010 AUTOMATED RECEIVABLES MANAGEMENT SYSTEM DATE: 09 16 04
NEXT PESP: RECEIVABLE INQUIRY (1) TIME: 15:17:20
(ARMS GEN ASSESS) THIS UPDATE: 09 02 14 BY: BRC002

TYPE: 1 RECV NO: 02557934 CHK DGT: 8 WARR#: 3 30577657 3 PRIM WARR CNTY: 42
TEI/SSN: [redacted]0400 F NAME: INTEDGE INDUSTRIES INC
FEI/SSN: DBA/JNT: INTEDGE INDUSTRIES INC
SID/SEX: [redacted] 000 FILE NO: 25237992 1 YR: RCVD: 09 30 03 ADDL OWN: N
RECV STAG: 30 WARRANT G/L: 1 4 0809 ENF WH
RECV TYPE: 05 TIMELY FILED BALANCE DUE CID: N PSTMK DT: 10 31 03
REASON CD: 04 NO REMITTANCE ADJ IND: FTF DT:
RECV STAT: TAX DUE DT: 10 31 03 ADJ/WTHDRW: PRPSD/LETTER DT:
BKPT STAT: PETIT DT: ACS IND: P ASMT DT: 05 18 04
BKPT TYPE: PROJ CODE: PYMT AGRMNT: LEGAL LIEN DT:
TOP IND: NULLA BONA DT: 05 04 11 LEVY?: LIEN DT: 09 07 04
AMNESTY: 20 PCT ADDL: Y 851.65 CONV DT:

	ORIG AMOUNT	ADJUSTMENTS	WITHDRAWALS	PAYMENTS	BALANCE
TAX:	4,258.23				4,258.23
PEN:	170.32	1,745.83			1,916.15
INT:	125.57	2,826.33			2,951.90
CST:		243.12			243.12
TOT:	4,554.17	4,815.29			9,369.45

DC903238 INQUIRY SUCCESSFULLY COMPLETED
PF1=INQ PF3=CHG PF7=PREV PF8=NEXT PF12=EXIT PF13=RECV2 PF14=RECV3 PF15=TRANH
PF16=ADJ/WTH PF17=HOT KEY PF18=P&I PF20=PYMT COUPON PF21=ERRORS PF22=BTR

Printed: Tuesday, December 28, 2004

TMP2017.RDO10 AUTOMATED RECEIVABLES MANAGEMENT SYSTEM DATE: 09 16 14
NEXT RESP: RECEIVABLE INQUIRY (1) TIME: 15:17:38
(CAPNS GEN ACCESS) THIS UPDATE: 00 02 11 BY: ARC002
TYPE: 1 RECV NO: 02739970 CHK DGT: 8 WARR#: 3 20001626 5 FROM WARR CNTR: 12
FEI/SSN: [redacted]0100 F NAME: INTEDGE INDUSTRIES INC
FEI/SSN: DBA/ENT: INCEDGE INDUSTRIES INC
SID/SEX: [redacted]000 FILE NO: 25237992 1 YR: RCVD: 12 31 03 ADDL CMN: N
RECV STAG: 30 WARRANT G/L: 1 4 0800 EMP NM
RECV TYPE: 05 TIMELY FILED BALANCE DUE CID: N PSTMK DT: 02 28 04
REASON CD: 04 NO REMITTANCE ADJ IND: FTF DT:
RECV STAT: TAX DUE DT: 01 31 04 ADJ/WTHDRW: PRPSD/LETTER DT:
BKPT STAT: SETIT DT: ACS IND: Y ASMT DT: 10 29 04
BKPT TYPE: PROJ CODE: PYMT AGRMNT: N LEGAL LIEN DT:
TOP IND: NULLA BONA DT: 05 04 11 LEVY?: N LIEN DT: 02 16 05
AMNESTY: 20 PCT ADDL: Y 784.75 CONV DT:

	ORIG AMOUNT	ADJUSTMENTS	WITHDRAWALS	PAYMENTS	BALANCE
TAX:	3,923.79				3,923.79
PEN:	196.18	1,569.15			1,765.33
INT:	136.30	2,496.31			2,633.30
CST:		230.16			230.16
TOT:	4,256.96	4,295.62			8,552.58

DC903238 INQUIRY SUCCESSFULLY COMPLETED
PF1=INQ PF2=CHG PF3=PREV PF8=NEXT PF12=EXIT PF13=RECV2 PF14=RECV3 PF15=TRANH
PF16=ADJ/WTH PF17=HOT KEY PF18=P&I PF20=PYMT COUPON PF21=ERRORS PF22=BTR

000062

AUTOMATED RECEIVABLES MANAGEMENT SYSTEM
RECEIVABLE INQUIRY (1)

TYPE: 1 RECV NO: 02845687 CHK DGT: 1
FEI/ACCN: [redacted]0409 F
FEI/SSN:
SID/SEX: [redacted] 000 FILE NO: 25237382 1 YR:
RECV STAG: 30 WARRANT
RECV TYPE: 05 TIMELY FILED BALANCE DUE
REASON CD: 01 NO REMITTANCE
RECV STAT: TAX DUE DT: 07 31 04
BKPT STAT: PETIT DT:
BKPT TYPE: PROJ CODE:
TOP IND: NULLA BONA DT: 05 04 11
AMNESTY: 20 PCT ADDL: Y

NAME: INTEDGE INDUSTRIES INC
DBA/UNIT: INTEDGE INDUSTRIES INC
PCVD: 06 30 04 ADDL CMN: N
G/L: 1 4 0809 EMP WH
CID: N PSTMK DT: 07 31 04
ADJ IND: FTF DT:
ADJ/WTHDRW: PREPSD/LETTER DT:
ACS IND: Y ASMT DT: 02 01 05
PYMT AGRMNT: N LEGAL LIEN DT:
LEVY?: N LIEN DT: 05 23 05
513.26 CONV DT:

	ORIG AMOUNT	ADJUSTMENTS	WITHDRAWALS	PAYMENTS	BALANCE
TAX:	2,566.25				2,566.25
PEN:	89.81	1,064.94			1,154.75
INT:	71.06	1,569.15			1,640.21
CST:		151.48			151.48
TOT:	2,727.12	2,785.57			5,512.69

DC903238 INQUIRY SUCCESSFULLY COMPLETED
PF1=INQ PF3=CHG PF7=PREV PF8=NEXT PF13=EXIT PF14=RECV2 PF15=RECV3 PF15=TRANH
PF16=ADJ/WTH PF17=HOT KEY PF18=P&I PF20=PYMT COUPON PF21=ERRORS PF22=BTR

000063

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INFO040:BAD40          AUTOMATED RECEIVABLES MANAGEMENT SYSTEM          DATE: 09 16 14
NEXT KEEP:                      RECEIVABLE INQUIRY (1)                  TIME: 16:17:19
(AFMS GEN ADDRESS)     THIS UPDATE: 09 02 11  BY: BPC002
 TYPE: 1 RECV NO: 02899137     CHK DGT: 4 WARR#: 3 50630236 2 PRIM WARR CNTY: 42
 FEI/SSN:  0430  F              NAME: INTEDGE INDUSTRIES INC
 FEI/SSN:                      DBA/JNT: INTEDGE INDUSTRIES INC
 SID/SFX:  000 FILE NO: 25237962 1  YR:       RCVD: 09 30 04  ADDL CMN: N
RECV STAG: 30 WARRANT                          G/L: 1 4 0809       EMP WH
RECV TYPE: 05 TIMELY FILED BALANCE DUE         CID: N          PSTMK DT: 10 31 04
REASON CD: 04 NO REMITTANCE                 ADJ IND:              FTF DT:
RECV STAT:      TAX DUE DT: 10 31 04   ADJ/WTHDRW:     SRPSD/LETTER DT:
BKPT STAT:        PETIT DT:                ACS IND: Y          ASMT DT: 04 14 05
BKPT TYPE:       PROJ CODE:             PYMT AGRMNT: N    LEGAL LIEN DT:
  TOP IND:      NULLA BONA DT: 05 04 11      LEVY?: N          LIEN DT: 08 03 05
  AMNESTY:     20 EQT ADDL: Y          799.06                 CONV DT:
        ORIG AMOUNT     ADJUSTMENTS     WITHDRAWALS       PAYMENTS          BALANCE
TAX:       3,995.31                                                        3,995.31
PEN:         119.84        1,677.74                                         1,797.58
INT:         103.56        2,379.04                                         2,482.60
CST:                         229.12                                           229.12
TOT:       4,218.71        4,285.90                                         8,504.61
DC903238 INQUIRY SUCCESSFULLY COMPLETED
PF1=HLP2 PF3=CHG PF7=PREV PF8=NEXT PF12=EXIT PF13=RECV2 PF14=RECV3 PF15=TRANH
PF16=ADJ/WTH PF17=HOT KEY PF18=P&I PF20=PYMT COUPON   PF21=ERRORS  PF22=BTR
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TXFRC010.SCA/BA AUTOMATED RECEIVABLES MANAGEMENT SYSTEM DATE: 07 16 14
USER: PEGP RECEIVABLE INQUIRY (1) TIME: 15:17:49
(APMS GEN ASSESS) THIS UPDATE: 09 03 14 BY: BRC002
TYPE: 1 RECV NO: 03004382 CHK DGT: 7 MARF#: 3 90839161 6 PRIM MARF CNTY: 42
FEI/SSN: [redacted]0400 F NAME: INTEDGE INDUSTRIES INC
FEI/SSN: DBA/ENT: INTEDGE INDUSTRIES INC
SID/SFX: [redacted]000 FILE NO: 25237082 1 YR: PCVD: 12 31 04 ADDL CNN: N
RECV STAG: 30 WARRANT G/L: 1 1 0200 EMP MH
RECV TYPE: 05 TIMELY FILED BALANCE DUE CID: N PSTMK DT: 02 28 05
REASON CD: 04 NO REMITTANCE ADJ IND: FTF DT:
PECV STAT: TAX DUE DT: 01 31 05 ADJ/WTHDRW: PRPSD/LETTER DT:
BKPT STAT: PETIT DT: ACS IND: Y ASMT DT: 08 03 05
BKPT TYPE: PROJ CODE: PYMT AGRMNT: N LEGAL LIEN DT:
TOP IND: NULLA BONA DT: 05 04 11 LEVY?: N LIEN DT: 09 06 05
AMNESTY: 20 PCT ADDL: Y 750.65 CONV DT:

	ORIG AMOUNT	ADJUSTMENTS	WITHDRAWALS	PAYMENTS	BALANCE
TAX:	3,753.26				3,753.26
PEN:	112.59	1,557.33			1,669.92
INT:	111.96	2,121.25			2,233.21
CST:		210.78			210.78
TOT:	3,977.81	3,889.36			7,867.17

DC903238 INQUIRY SUCCESSFULLY COMPLETED
PF1=INQ PF3=CHG PF7=PREV PF8=NEXT PF12=EXIT PF13=RECV2 PF14=RECV3 PF15=TRANH
PF16=ADJ/WTH PF17=HOT KEY PF18=P&I PF20=PYMT COUPON PF21=ERRORS PF22=BTR

000065

Friday, September 16, 2011

DXF2000.BC010 AUTOMATED RECEIVABLES MANAGEMENT SYSTEM DATE: 09 16 11
PRINT READY: RECEIVABLE INQUIRY (1) TIME: 15:47:29
(ASMS GEN ADDRSS) THIS UPDATE: 09 02 11 BY: SPC002

TYPE: 1 RECV NO: 03035124 CHK DGT: 5 WARR#: 3 50660728 2 PRIM WARR CNTY: 42
FEI/SSN: [redacted]0100 F NAME: INTEDGE INDUSTRIES INC
FEI/SSN: DBA/JNT: INTEDGE INDUSTRIES INC
SID/SEX: [redacted] 000 FILE NO: 25237382 1 YR: PCVD: 03 31 05 ADDL CMN: N
RECV STAG: 30 WARRANT G/L: 1 4 0800 EMP WH
RECV TYPE: 05 TIMELY FILED BALANCE DUE CID: N PSTMK DT: 04 30 05
REASON CD: 04 NO REMITTANCE ADJ IND: FTF DT:
RECV STAT: TAX DUE DT: 04 30 05 ADJ/WTHDRW: PRPSD/LETTER DT:
BKPT STAT: PETIT DT: ACS IND: Y ASMT DT: 09 31 05
BKPT TYPE: PROJ CODE: PYMT AGRMNT: N LEGAL LIEN DT:
TOP IND: NULLA BONA DT: 05 04 11 LEVY?: N LIEN DT: 10 07 05
AMNESTY: 20 PCT ADDL: Y 808.37 CONV DT:

	ORIG AMOUNT	ADJUSTMENTS	WITHDRAWALS	PAYMENTS	BALANCE
TAX:	4,041.85				4,041.85
PEN:	101.03	1,717.37			1,818.40
INT:	102.94	2,242.99			2,345.93
CST:		214.54			214.54
TOT:	4,245.82	4,174.90			8,420.72

DC903238 INQUIRY SUCCESSFULLY COMPLETED
PF1=INQ PF3=CHG PF7=PREV PF8=NEXT PF12=EXIT PF13=RECV2 PF14=RECV3 PF15=TRANH
PF16=ADJ/WTH PF17=HOT KEY PF18=P&I PF20=PYMT COUPON PF21=ERRORS PF22=BTR

AUTOMATED RECEIVABLES MANAGEMENT SYSTEM
RECEIVABLE INQUIRY (1)

TYPE: 1 RECV NO: 03255420 CHK DGT: 0 NAME: INTEDGE INDUSTRIES INC
DBA/JNT: INTEDGE INDUSTRIES INC
RECV STAG: 30 WARRANT
RECV TYPE: 05 TIMELY FILED BALANCE DUE
REASON CD: 04 NO REMITTANCE
TAX DUE DT: 07 31 05
PETIT DT:
PROJ CODE:
NULLA BONA DT: 05 04 11
20 PCT ADDL: Y
714.39

	ORIG AMOUNT	ADJUSTMENTS	WITHDRAWALS	PAYMENTS	BALANCE
TAX:	3,724.96				3,724.96
PEN:	130.36	1,545.65			1,676.01
INT:	148.08	1,925.62			2,073.70
CST:		212.26			212.26
TOT:	4,003.40	3,683.53			7,686.93

DC90323B INQUIRY SUCCESSFULLY COMPLETED
PF1=INQ PF3=CHG PF7=PREV PF8=NEXT PF12=EXIT PF13=RECV2 PF14=RECV3 PF15=TPAYH
PF16=ADJ/WDH PF17=HOT KEY PF18=P&I PF20=PYMT COUPON PF21=ERRORS PF22=BTR

000067

[illegible] Tuesday, September 26, 2006

AUTOMATED RECEIVABLES MANAGEMENT SYSTEM
RECEIVABLE INQUIRY (1)

[illegible] THIS UPDATE: 99 02 24 BY: BPC002

TYPE: 1 RECV NO: 03172992 CHK DGT: 6 WARR#: 3 50750510 / PRIM WARR ENTITY: 42
FEI/SSN: [redacted]0403 F NAME: INTEDGE INDUSTRIES INC
REI/SSN: DBA/UNIT: INTEDGE INDUSTRIES INC
SID/SFX: [redacted] 000 FILE NO: 25237982 1 YR: POVD: 09 30 05 ADDL OWN: N
RECV STAT: 30 WARRANT G/L: 1 4 0800 EMP NH
RECV TYPE: 98 FAILURE TO FILE CID: N POSTMK DT:
REASON CD: 13 QUARTERLY RECONCILIATION ADJ IND: FTF DT: 12 28 05
RECV STAT: TAX DUE DT: 10 31 05 ADJ/WITHDRW: Y PERSD/LETTER DT: 02 13 06
BKPT STAT: PETIT DT: ACS IND: Y ASMT DT: 06 05 06
BKPT TYPE: PROJ CODE: PYMT AGRMNT: N LEGAL LIEN DT:
TOP IND: NULLA BONA DT: 05 04 11 LEVY?: N LIEN DT: 07 05 06
AMNESTY: 20 PCT ADDL: Y 817.23 CONF DT:

	ORIG AMOUNT	ADJUSTMENTS	WITHDRAWALS	PAYMENTS	BALANCE
TAX:		4,236.18			4,236.18
PEN:		3,165.00			3,165.00
INT:		2,316.55			2,316.55
CST:		326.52			326.52
TOT:		10,044.25			10,044.25

DC903238 INQUIRY SUCCESSFULLY COMPLETED
PF1=IND2 PF2=CHG PF7=PREV PF8=NEXT PF12=EXIT PF13=RECV2 PF14=RECV3 PF15=TRANS
PF16=ADJ/WTH PF17=HOT KEY PF18=PAY PF20=PYMT COUPON PF21=ERRORS PF22=BTR

000069

Exhibit "Ten" to Declaration of [illegible] in Support of Motion for Summary Judgment

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COPR2210/A0040          AUTOMATED RECEIVABLES MANAGEMENT SYSTEM          DATE: 03 15 11
USER PROF:                      RECEIVABLE INQUIRY (1)                   TIME: 15:11:05
(ARMS GEN ASSESS)     THIS UPDATE: 03 02 11  BY: BRC032
 TYPE: 1 RECV NO: 03556195     CHK DGT: 6 WAFF#: 5 807621224 3 PRIN NAME CNTY: 42
 FEI/SSN: [redacted]0400 F          NAME: INTEDGE INDUSTRIES INC
 FEI/SSN:                      DBA/AKT: INTEDGE INDUSTRIES INC
 SID/SFX: [redacted]000 FILE NO: 25237982 1  YR:    PCVD: 12 31 05  ADDL OWN: N
RECV STAG: 30 WARRANT                          O/L: 1 4 0800       EMP NM
RECV TYPE: 05 TIMELY FILED BALANCE DUE         CID: N          PSTMK DT: 02 28 06
REASON CD: 04 NO REMITTANCE                 ADJ IND:            FTF DT:
PRJV STAT:      TAX DUE DT: 02 28 06   ADJ/WITHDRW:     PRPSD/LETTER DT:
BKPT STAT:        PETIT DT:               ACS IND: Y          ASMT DT: 11 14 06
BKPT TYPE:       PROJ CODE:           PYMT AGRMNT: N     LEGAL LIEN DT:
  TOP IND:     NULLA BONA DT: 05 04 11     LEVY?: N          LIEN DT: 12 14 06
  AMNESTY:    20 PCT ADDL: Y          126.87                 CONV DT:
        ORIG AMOUNT    ADJUSTMENTS    WITHDRAWALS       PAYMENTS          BALANCE
TAX:         634.35                                                        634.35
PEN:          28.51          256.84                                       285.38
INT:          37.16          278.23                                       315.39
CST:                          45.39                                        45.39
TOT:         700.05          580.46                                     1,280.51
DC903238 INQUIRY SUCCESSFULLY COMPLETED
PF1=INQ PF3=CHG PF7=PREV PF8=NEXT PF12=EXIT PF13=RECV2 PF14=RECV3 PF15=TRANH
PF16=ADJ/WTH PF17=HOT KEY PF19=P&I PF20=PYMT COUPON   PF21=ERRORS  PF22=BIR
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000169

AUTOMATED RECEIVABLES MANAGEMENT SYSTEM

RECEIVABLE INQUIRY (1)

(ARMS GEN ASSESS) THIS UPDATE: 09 22 11 BY: SSC092

TYPE: 1 RECV NO: 03166508 CHK DGT: 4 WARR#: 3 30/13:59 / PRIM WARR CNTY: 42

FEI/SSN: [redacted]0100 F NAME: INTEDGE INDUSTRIES INC

FEI/SSN: DBA/UNIT: INTEDGE

SID/SFX: [redacted]001 FILE NO: 04231620 7 YR: PCVD: 09 30 05 ADDL CNN: N

RECV STAT: 30 WARRANT G/L: 1 4 3701 SALES

RECV TYPE: 98 FAILURE TO FILE CID: N PSTMK DT:

REASON CD: 18 RETURN NOT FILED ADJ IND: FTF DT: 12 16 05

RECV STAT: TAX DUE DT: 10 20 05 ADJ/WTHDRW: PRPSD/LETTER DT: 01 30 06

BKPT STAT: PETIT DT: ACS IND: Y ASMT DT: 05 22 06

BKPT TYPE: PROJ CODE: PYMT AGRMNT: N LEGAL LIEN DT:

TOP IND: NULLA BONA DT: 05 04 11 LEVY?: N LIEN DT: 06 21 06

AMNESTY: 20 PCT ADDL: Y 300.00 CONV DT:

	ORIG AMOUNT	ADJUSTMENTS	WITHDRAWALS	PAYMENTS	BALANCE
TAX:		1,500.00			1,500.00
PEN:		1,550.00			1,550.00
INT:		802.89			802.89
CST:		136.76			136.76
TOT:		3,989.65			3,989.65

DC903238 INQUIRY SUCCESSFULLY COMPLETED

PF1=INQ PF3=CHG PF7=PREV PF8=NEXT PF12=EXIT PF13=RECV2 PF14=RECV3 PF15=TRANH

PF16=ADJ/WTH PF17=HOT KEY PF18=P&I PF20=PYMT COUPON PF21=ERRORS PF22=BTR

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

PROPOSED ASSESSMENT RESPONSIBLE PARTY

FS-118
(Rev. 2/24/09)
2113

F) 864-232-5008

NOTICE DATE: 09/02/2009
FILE NUMBER: 25237982

GRE

BELTRAM RICHARD S
725 BLACK WOLF RUN
SPARTANBURG SC 29306

SSN: XXX-XX-3546

The records of the Department of Revenue indicate there is an outstanding balance for employer withholding tax debt in the amount of $79,494.02 for INTEDGE INDUSTRIES INC.

Section 12-8-2010 provides that the Department of Revenue can impose personal and individual liability on a withholding agent when a corporation or partnership does not pay its employer withholding taxes. Section 12-8-2010 defines "withholding agent" to include any appropriate officer or employee of the corporation or a member or employee of a partnership.

You have been identified as a "withholding agent" against whom the Department can impose personal liability for the debt of the above entity. If you disagree with the Department of Revenue, you may appeal by sending a written protest within ninety (90) days of the date of this Proposed Assessment. The protest must contain certain information as noted in the Appeal Procedure section on the back of this notice. In addition, you are requested to provide information as to who is the appropriate officer, employee or member of the above entity. Otherwise, an assessment will be issued against you personally for the tax due plus all applicable penalties and interest. A list of the liabilities is enclosed.

TXPRC374 13

For additional information or to make arrangements for payment, contact the number listed below.

THIS NOTICE IS NOT A DEMAND FOR PAYMENT IF YOU ARE CURRENTLY IN BANKRUPTCY PROCEEDINGS UNDER TITLE 11 OF THE U.S. CODE. ANY MONIES DUE WILL BE SOUGHT IN ACCORDANCE WITH PROVISIONS OF TITLE 11.

BRUCE OWENS
GREENVILLE
864 241-1200

detach here

Detach and return with payment to: **South Carolina Department of Revenue, PO Box 125, Columbia SC 29214.**

DELINQUENT ACCOUNT FOR:
BELTRAM RICHARD S

RECEIVABLE NUMBER: ▶ 1-04861578-0

CASE NUMBER: XXX-XX-3546

AMOUNT ENCLOSED: ▶ _____

AMOUNT DUE: $79,494.02

RESPONDENT'S EXHIBIT

Page 01 of 02

21131024 1048615780 00007949402

000091

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

LIABILITIES

FILE NUMBER: 25237982

NOTICE DATE: 09/02/2009

INTEDGE INDUSTRIES INC
BELTRAM RICHARD S

SSN: XXX-XX-3546

TAX TYPE	PERIOD COVERED	RECEIVABLE NUMBER	TAX DUE	PENALTY DUE	INTEREST DUE	TOTAL DUE
140826EWH	03-2003	1-04861578-0	.00	.00	22.64	22.64
140826EWH	06-2004	1-04861582-7	2,586.25	1,154.75	991.41	4,712.41
140826EWH	09-2004	1-04861583-4	3,995.31	1,797.58	1,483.45	7,276.34
140826EWH	06-2001	1-04861577-3	4,302.30	1,935.86	2,714.99	8,953.25
140826EWH	12-2005	1-04861570-4	634.35	263.19	168.92	1,066.46
140826EWH	03-2001	1-04861576-6	2,230.61	1,469.57	2,039.08	5,739.46
140826EWH	09-2003	1-04861579-7	4,258.28	1,916.15	1,839.76	8,014.19
140826EWH	03-2004	1-04861581-0	3,528.79	1,587.76	1,420.97	6,537.52
140826EWH	06-2005	1-04861569-8	3,724.96	1,676.01	1,179.29	6,580.26
140826EWH	03-2005	1-04861567-4	4,041.85	1,818.40	1,360.67	7,220.92
140826EWH	09-2005	1-04861568-1	4,236.18	3,101.46	1,305.83	8,643.47
140826EWH	12-2003	1-04861580-3	3,923.79	1,765.33	1,621.93	7,311.05
140826EWH	12-2004	1-04861584-1	3,753.26	1,669.92	1,309.80	6,732.98
140826EWH	09-1999	1-04861575-9	.00	310.51	372.56	683.07

(1999 - 2004 Not received by Beltram)

Intedge Ind.
(RS Beltram)
Closed control of
check book mid-2005

GRAND TOTAL AMT $79,494.02

000002

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-01510975-9

File Number: 25237982-1
Date of Notice: 05/15/01
Legal Tax Lien Date: 06/14/01
Period Ended: 09/99

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 06/14/01 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

KPRC018 1

Tax Amount Due:	2,519.14
Penalty Amount:	239.31
Interest Amount:	368.22
Total Amount Due:	3,126.67

Tax Due Date: 10/31/99

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF NO REMITTANCE
8649699501 SC293880000
PMRK: 10/31/99 QTR
TIMELY FILED BALANCE DUE - NO REMIT

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

detach here

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1015109759
File Number: 25237982-1
Legal Tax Lien Date: 06/14/01
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 09/99
TOTAL AMT DUE: ▶ 3,126.67

Tax Type: EMPLOYER WITHHOLDING TAX

Date: Amount Enclosed: ▶

60131026 1015109759 00000312667

2 000003

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50366302-2
File Number:	25237982
Date of Notice:	08/13/01
Period Covered:	09/99 - 09/99
Tax Amount Due:	2,519.14
Penalty Amount:	277.08
Interest Amount:	422.03
Court Costs:	165.91
Total Amount Due:	3,384.16

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

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---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50366302-2
File Number:	25237982
Date of Notice:	08/13/01
Period Covered:	09/99 - 09/99
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	09/99	01510975-9	05-15-01	2,519.14	277.08	422.03	3,218.25

SUBTOTAL:	3,218.25
COURT COSTS:	165.91
TOTAL:	3,384.16
AMOUNT ENCLOSED: ▶	000000

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-01607588-0

File Number: 25237982-1
Date of Notice: 08/14/01
Legal Tax Lien Date: 09/13/01
Period Ended: 03/01

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 09/13/01 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

PRC018 2

Tax Amount Due:	4,660.71
Penalty Amount:	193.20
Interest Amount:	119.21
Total Amount Due:	4,973.12

Tax Due Date: 04/30/01

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF
8649699601 PMRK: 04/30/01 QTR
TIMELY FILED BALANCE DUE - NO REMIT

NO REMITTANCE
SC293880000

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detach here

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1016075880
File Number: 25237982-1
Legal Tax Lien Date: 09/13/01
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 03/01
TOTAL AMT DUE: ▶ 4,973.12

Tax Type: EMPLOYER WITHHOLDING TAX

Date: Amount Enclosed: ▶

60131026 1016075880 00000497312

6

000003

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50385821-9
File Number:	25237982
Date of Notice:	11/13/01
Period Covered:	03/01 - 03/01
Tax Amount Due:	4,660.71
Penalty Amount:	263.10
Interest Amount:	203.35
Court Costs:	261.36
Total Amount Due:	5,388.52

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

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---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50385821-9
File Number:	25237982
Date of Notice:	11/13/01
Period Covered:	03/01 - 03/01
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	03/01	01607588-0	08-14-01	4,660.71	263.10	203.35	5,127.16

SUBTOTAL:	5,127.16
COURT COSTS:	261.36
TOTAL:	5,388.52

AMOUNT ENCLOSED: ▶ ~~00000~~

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-01693422-4

File Number: 25237982-1
Date of Notice: 11/27/01
Legal Tax Lien Date: 12/27/01
Period Ended: 06/01

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 12/27/01 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

3 RC018

Tax Amount Due:	4,302.30
Penalty Amount:	107.55
Interest Amount:	128.10
Total Amount Due:	4,537.95

Tax Due Date: 07/31/01

TIMELY FILED BALANCE DUE — NO REMITTANCE
221 HWY NORTH — WOODRUFF — SC293880000
8649699601 — PMRK: 07/31/01 — QTR
TIMELY FILED BALANCE DUE - NO REMIT

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1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1016934224
File Number: 25237982-1
Legal Tax Lien Date: 12/27/01
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 06/01
TOTAL AMT DUE: ▶ 4,537.95

Tax Type: EMPLOYER WITHHOLDING TAX

Date: _____ Amount Enclosed: ▶ _____

60131026 1016934224 00000453795

7

000007

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50399243-0
File Number:	25237982
Date of Notice:	02/25/02
Period Covered:	06/01 - 06/01
Tax Amount Due:	4,302.30
Penalty Amount:	172.08
Interest Amount:	194.12
Court Costs:	238.43
Total Amount Due:	4,906.93

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

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---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50399243-0
File Number:	25237982
Date of Notice:	02/25/02
Period Covered:	06/01 - 06/01
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	06/01	01693422-4	11-27-01	4,302.30	172.08	194.12	4,668.50

SUBTOTAL:	4,668.50
COURT COSTS:	238.43
TOTAL:	4,906.93

AMOUNT ENCLOSED: ▶ _____

DLN: 3681324111

2003001
3129

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

QUARTERLY TAX RETURN

WH-1605
(Rev. 9/8/02)
3129

INTEDGE INDUSTRIES INC
PO BOX 999
WOODRUFF SC 29388-0999

SC WITHHOLDING NO: 25237962-1
FEI NO: 221010400

PERIOD COVERED: JAN-MAR 2003
DUE ON OR BEFORE: APR 30 2003

FOR OFFICE USE ONLY

Use black or blue ink ONLY.
(For instructions, see back of form)
TeleFile using your telephone by calling 803-898-5918.

QUARTERLY SC STATE INCOME TAX INFORMATION:

1. Total SC state income tax withheld from all sources	$	3787 41
2. SC state income tax deposits or payments	$	3787 41
3. SC REFUND (If line 2 is greater than line 1, enter difference and skip to line 7.) REFUND	$	0 00
4. SC TAX DUE (If line 2 is less than line 1, enter difference.)	$	0 00
5. Penalty _____ and interest due _____	$	0 00
6. Net SC state income tax, penalty, and interest due (line 4 plus line 5)	$	0 00

NOTE: A "zero" return MUST BE filed if no SC state income tax has been withheld during the quarter to prevent a delinquent notice.

14-0300

FEDERAL INFORMATION:

Monthly Summary of FEDERAL Tax Liability.*		
7. (a) First month FEDERAL liability	$	7926 15
(b) Second month FEDERAL liability	$	7623 71
(c) Third month FEDERAL liability	$	12103 71

* Monthly and Semi-weekly depositors: Complete Lines 7(a) through 7(c).

NOTE: FEDERAL TAX INFORMATION IS USED TO DETERMINE STATE PAYMENT DUE DATES.

For Field Use Only

ATTACH CHECK HERE

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

Preparer's name and phone number

When signing this form, it is important that the information contained in your report be correct and complete. To wilfully furnish a false or fraudulent statement to the Department is a crime.

Sign Here Signature [signature] Name Terry L. Lawson Date 4/22/03

Telephone (864) 427-8109 Title Controller

Mail to: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

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1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-02337168-5

File Number: 25237982-1
Date of Notice: 09/15/03
Legal Tax Lien Date: 10/15/03
Period Ended: 03/03

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 10/15/03 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

PRC018 4

Tax Amount Due:	1,867.85
Penalty Amount:	46.68
Interest Amount:	39.56
Total Amount Due:	1,954.09

Tax Due Date: 04/30/03

TIMELY FILED BALANCE DUE NO REMITTANCE
221 HWY NORTH WOODRUFF SC293880000
8649699601 PMRK: 04/30/03 QTR
TIMELY FILED BALANCE DUE - NO REMIT

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1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1023371685
File Number: 25237982-1
Legal Tax Lien Date: 10/15/03
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 03/03
TOTAL AMT DUE: ▶ 1,954.09

Tax Type: EMPLOYER WITHHOLDING TAX

Date: Amount Enclosed: ▶

60131026 1023371685 00000195409 6

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50650728-2
File Number:	25237982
Date of Notice:	10/07/05
Period Covered:	03/03 - 03/05
Tax Amount Due:	4,041.85
Penalty Amount:	121.23
Interest Amount:	145.13
Court Costs:	225.41
Total Amount Due:	4,533.62

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

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---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50650728-2
File Number:	25237982
Date of Notice:	10/07/05
Period Covered:	03/03 - 03/05
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	03/03	02337168-5	09-15-03			17.48	17.48
0809	03/05	03035124-5	08-31-05	4,041.85	121.23	127.65	4,290.73

SUBTOTAL:	4,308.21
COURT COSTS:	225.41
TOTAL:	4,533.62

AMOUNT ENCLOSED: ▶ _____

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W-131-F TXPRC030 11

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TXFRC040.RC040      AUTOMATED RECEIVABLES MANAGEMENT SYSTEM      DATE: 05 24 10
NEXT RESP:                  RECEIVABLE INQUIRY (1)               TIME:  7:45:02
 (ARMS GEN ASSESS)    THIS UPDATE: 05 03 10  BY: BRC092
 TYPE: 1 RECV NO: 02337168    CHK DGT: 5 WARR#: 3 50650728 2 PRIM WARR CNTY: 42
 FEI/SSN: 221010400  F          NAME: INTEDGE INDUSTRIES INC
 FEI/SSN:                    DBA/JNT: INTEDGE INDUSTRIES INC
 SID/SPX: 1523249 000 FILE NO: 25237982 1  YR:      PCVD: 03 31 03  ADDL OWN: N
RECV STAG: 30 WARRANT                        G/L: 1 4 0809      EMP WH
RECV TYPE: 05 TIMELY FILED BALANCE DUE       CID: N          PSTMK DT: 04 30 03
REASON CD: 04 NO REMITTANCE               ADJ IND:             FTF DT:
RECV STAT:     TAX DUE DT: 04 30 03   ADJ/WTHDRW:    PRPSD/LETTER DT:
BKPT STAT:       PETIT DT:              ACS IND: Y          ASMT DT: 09 15 03
BKPT TYPE:      PROJ CODE:           PYMT AGRMNT: N    LEGAL LIEN DT:
  TOP IND:     NULLA BONA DT:             LEVY?: N          LIEN DT: 10 07 05
  AMNESTY:    20 PCT ADDL:                                  CONV DT:
        ORIG AMOUNT    ADJUSTMENTS    WITHDRAWALS       PAYMENTS         BALANCE
TAX:       1,867.85                                    1,867.85              .00
PEN:          46.68           9.33                        56.01              .00
INT:          39.56          13.93                        30.23            23.26
CST:                         10.87                                         10.87
TOT:       1,954.09          34.13                     1,954.09            34.13
DC903238 INQUIRY SUCCESSFULLY COMPLETED
 PF1=INQ  PF3=CHG  PF7=PREV  PF8=NEXT     PF12=EXIT  PF13=RECV2   PF14=RECV3
PF15=TRANH  PF16=ADJ/WTH    PF17=HOT KEY   PF18=P&I   PF21=ERRORS  PF22=BTR
```

DLN: 46804018

2003001

3129

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

QUARTERLY TAX RETURN

WH-1605
(Rev. 9/8/02)
3129

4680 4018

INTERGR INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

SC WITHHOLDING NO: 25237982-1
PERIOD COVERED: JUL-SEP 2003

FEI NO: 221010400
DUE ON OR BEFORE: OCT 31 2003

FOR OFFICE USE ONLY

Use black or blue ink ONLY.
(For instructions, see back of form)
TeleFile using your telephone by calling 803-898-5919.

QUARTERLY SC STATE INCOME TAX INFORMATION:

1. Total SC state income tax withheld from all sources	$	4258 28
2. SC state income tax deposits or payments	$	4258 28
3. SC REFUND (If line 2 is greater than line 1, enter difference and skip to line 7.) REFUND	$	0 00
4. SC TAX DUE (If line 2 is less than line 1, enter difference.)	$	0 00
5. Penalty _____ and interest due _____	$	0 00
6. Net SC state income tax, penalty, and interest due (line 4 plus line 5)	$	0 00

NOTE: A "zero" return MUST BE filed if no SC state income tax has been withheld during the quarter to prevent a delinquent notice.

14-0609

FEDERAL INFORMATION:

Monthly Summary of FEDERAL Tax Liability.*		
7. (a) First month FEDERAL liability	$	13314
(b) Second month FEDERAL liability	$	10892 43
(c) Third month FEDERAL liability	$	7807 84

* Monthly and Semi-weekly depositors: Complete Lines 7(a) through 7(c).

NOTE: FEDERAL TAX INFORMATION IS USED TO DETERMINE STATE PAYMENT DUE DATES.

For Field Use Only

ATTACH CHECK HERE

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

Preparer's name and phone number

When signing this form, it is important that the information contained in your report be correct and complete. To wilfully furnish a false or fraudulent statement to the Department is a crime.

Sign Here Signature [signature] Name Teddy L. Lawson Date 10/25/03

Telephone (864) 969-9601 Title ACCounting

Mail to: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

000013

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 898-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-02557934-8

File Number: 25237982-1
Date of Notice: 05/18/04
Legal Tax Lien Date: 06/17/04
Period Ended: 09/03

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 06/17/04 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

PRC018 5

Tax Amount Due:	4,258.28
Penalty Amount:	170.32
Interest Amount:	125.57
Total Amount Due:	4,554.17

Tax Due Date: 10/31/03

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF
8649699601 PMRK: 10/31/03 QTR
TIMELY FILED BALANCE DUE - NO REMIT

NO REMITTANCE
SC293880000

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

detach here

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1025579348
File Number: 25237982-1
Legal Tax Lien Date: 06/17/04
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 09/03
TOTAL AMT DUE: ▶ 4,554.17

Tax Type: EMPLOYER WITHHOLDING TAX

Date: Amount Enclosed: ▶

60131026 1025579348 00000455417

9

00001

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50577657-3
File Number:	25237982
Date of Notice:	09/07/04
Period Covered:	09/03 - 09/03
Tax Amount Due:	4,258.28
Penalty Amount:	234.19
Interest Amount:	169.87
Court Costs:	243.12
Total Amount Due:	4,905.46

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org**, click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50577657-3
File Number:	25237982
Date of Notice:	09/07/04
Period Covered:	09/03 - 09/03
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	09/03	02557934-8	05-18-04	4,258.28	234.19	169.87	4,662.34

SUBTOTAL:	4,662.34
COURT COSTS:	243.12
TOTAL:	4,905.46

AMOUNT ENCLOSED: ▶ 0000

W-131-F TXPRC030 4

ROA 000457

DLN: 4088 4562

2003001
3131

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
FOURTH QUARTER/ANNUAL RECONCILIATION OF INCOME TAX WITHHELD

WH-1606
(Rev. 9/8/02)
3131

4688 6420 2003

Mail To: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

SC WITHHOLDING NO	PERIOD COVERED
25237982-1	OCT-DEC 2003
221010400	FEB 28 2004
FEI NO.	DUE ON OR BEFORE

FOR OFFICE USE ONLY

Use black or blue ink ONLY.
(For instructions, see back of form)
TeleFile using your telephone by calling 803-898-5916.

4TH QUARTER SC STATE INCOME TAX INFORMATION ONLY:

1. Total SC state income tax withheld from all sources	$	3928 79
2. SC state income tax deposits or payments	$	3923 79
3. SC REFUND (If line 2 is greater than line 1, enter difference and skip to line 7.) REFUND	$	
4. SC TAX DUE (If line 2 is less than line 1, enter difference.)	$	
5. Penalty _____ and interest due _____	$	
6. Net SC state income tax, penalty, and interest due (line 4 plus line 5)	$	

NOTE: A "zero" return MUST BE filed if no SC state income tax has been withheld during the quarter to prevent a delinquent notice.

14-0809

FEDERAL INFORMATION:

Monthly Summary of FEDERAL Tax Liability.*		
7. (a) First month FEDERAL liability	$	8151 20
(b) Second month FEDERAL liability	$	7867 56
(c) Third month FEDERAL liability	$	7535 54

* Monthly and Semi-weekly depositors: Complete Lines 7(a) through 7(c).

NOTE: FEDERAL TAX INFORMATION IS USED TO DETERMINE STATE PAYMENT DUE DATES.

ANNUAL SC STATE RECONCILIATION INFORMATION

8. Complete Annual Recap on back and enter here. (Total SC state income tax withheld from all sources)	$	15579 56
9. Total SC wages reported from W-2's.	$	419877 42
10. Number of wage and tax statements. W-2's and (1099's with state tax withheld) See instructions on back.		34

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

For Field Use Only

Preparer's name and phone number _____

When signing this form, it is important that the information contained in your report be correct and complete. To willfully furnish a false or fraudulent statement to the Department is a crime.

ATTACH CHECK HERE

Sign Here — Signature [signature] Name Tiffany L. Lowery Date 1/28/04

Telephone (864) 969-9601 Title Accountant

00001

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-02739970-8

File Number: 25237982-1
Date of Notice: 10/29/04
Legal Tax Lien Date: 11/28/04
Period Ended: 12/03

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 11/28/04 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

Tax Amount Due:	3,923.79
Penalty Amount:	196.18
Interest Amount:	136.99
Total Amount Due:	4,256.96

Tax Due Date: 01/31/04

PRC018 6

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF NO REMITTANCE
8649699601 PMRK: 02/26/04 QTR SC293880000
TIMELY FILED BALANCE DUE - NO REMIT

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

detach here

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1027399708
File Number: 25237982-1
Legal Tax Lien Date: 11/28/04
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 12/03
TOTAL AMT DUE: ▶ 4,256.96

Tax Type: EMPLOYER WITHHOLDING TAX

Date: Amount Enclosed: ▶

60131026 1027399708 000004256⁹⁶

0
00001

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50604526-5
File Number:	25237982
Date of Notice:	02/16/05
Period Covered:	12/03 - 03/04
Tax Amount Due:	7,452.58
Penalty Amount:	468.67
Interest Amount:	360.90
Court Costs:	424.11
Total Amount Due:	8,706.26

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our Internet site **www.sctax.org or other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org**, click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50604526-5
File Number:	25237982
Date of Notice:	02/16/05
Period Covered:	12/03 - 03/04
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	12/03	02739970-8	10-29-04	3,923.79	274.62	204.80	4,403.21
0809	03/04	02740009-7	10-29-04	3,528.79	194.05	156.10	3,878.94

SUBTOTAL: 8,282.15
COURT COSTS: 424.11
TOTAL: 8,706.26

AMOUNT ENCLOSED: ▶ _____

00007

DLN: 46811139

2004001
3129

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

SC EMPLOYER WITHHOLDING QUARTERLY TAX RETURN

WH-1605
(Rev. 6/4/03)
3129

INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

SC WITHHOLDING NO. 23237962-1
FEI NO. 221010400

PERIOD COVERED
JAN-MAR 2004

DUE ON OR BEFORE
APR 30 2004

FOR OFFICE USE ONLY

☐ If change of address, check here.
Use black or blue ink ONLY.

(For instructions, see back of form)

NOTE: A "zero" return MUST BE filed if no SC state income tax has been withheld during the quarter to prevent a delinquent notice. Do not enter negative numbers.

QUARTERLY SC STATE INCOME TAX INFORMATION:

1. Total SC state income tax withheld from all sources	$	4044 90
2. SC state income tax deposits or payments	$	4044 90
3. SC REFUND (If line 2 is greater than line 1, enter difference.) REFUND	$	0 00
4. SC TAX DUE (If line 2 is less than line 1, enter difference.)	$	0 00
5. Penalty _____ and Interest due _____	$	0 00
6. Net SC state income tax, penalty, and interest due (line 4 plus line 5)	$	0 00

14-0909

If line 6 is zero, you can file this return using your phone by calling 803-898-5919.

If you owe SC state income tax on line 6, you can pay by credit card or electronic funds withdrawal on DORePAY at www.sctax.org.

For Field Use Only

ATTACH CHECK HERE

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

Preparer's name and phone number

When signing this form, it is important that the information contained in your report be correct and complete. To willfully furnish a false or fraudulent statement to the Department is a crime.

Sign Here Signature _____ Name Terry L. Lawing Date 4/20/04

Telephone (864) 969-9601 Title Accountant

Mail to: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

00001

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-02740009-7

File Number: 25237982-1
Date of Notice: 10/29/04
Legal Tax Lien Date: 11/28/04
Period Ended: 03/04

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 11/28/04 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

Tax Amount Due:	3,528.79
Penalty Amount:	123.49
Interest Amount:	95.57
Total Amount Due:	3,747.85

Tax Due Date: 04/30/04

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF NO REMITTANCE
8649699601 SC293680000
PMRK: 04/30/04 QTR
TIMELY FILED BALANCE DUE - NO REMIT

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

detach here

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1027400097
File Number: 25237982-1
Legal Tax Lien Date: 11/28/04
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 03/04
TOTAL AMT DUE: ▶ 3,747.85

Tax Type: EMPLOYER WITHHOLDING TAX

Date:

Amount Enclosed: ▶

60131026 1027400097 00000374785

7
000003

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County: SPARTANBURG
Contact Number: (803) 898-5611
FEI/SSN: XXXXX0400
Tax Lien Number: 3-50604526-5
File Number: 25237982
Date of Notice: 02/16/05
Period Covered: 12/03 - 03/04
Tax Amount Due: 7,452.58
Penalty Amount: 468.67
Interest Amount: 360.90
Court Costs: 424.11
Total Amount Due: 8,706.26

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org**, click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶ 3-50604526-5
File Number: 25237982
Date of Notice: 02/16/05
Period Covered: 12/03 - 03/04
FEI/SSN: XXXXX0400
SID/Suffix: 1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	12/03	02739970-8	10-29-04	3,923.79	274.62	204.80	4,403.21
0809	03/04	02740009-7	10-29-04	3,528.79	194.05	156.10	3,878.94

SUBTOTAL: 8,282.15
COURT COSTS: 424.11
TOTAL: 8,706.26

AMOUNT ENCLOSED: ▶ 00002

DLN: 56879053

2004001

3129

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

SC EMPLOYER WITHHOLDING QUARTERLY TAX RETURN

WH-1605
(Rev. 9/4/03)
3129

INTERFACE INDUSTRIES INC
PO BOX 969
DUNCAN SC 29334-0969

SC WITHHOLDING NO. 25237662-1

PERIOD COVERED APR-JUN 2004

FEI NO. 221010400

DUE ON OR BEFORE JUL 31 2004

FOR OFFICE USE ONLY

☐ If change of address, check here.
Use black or blue ink ONLY.

(For instructions, see back of form)

NOTE: A "zero" return MUST BE filed if no SC state income tax has been withheld during the quarter to prevent a delinquent notice. Do not enter negative numbers.

QUARTERLY SC STATE INCOME TAX INFORMATION:

1. Total SC state income tax withheld from all sources	$	3673 30
2. SC state income tax deposits or payments	$	3673 30
3. SC REFUND (If line 2 is greater than line 1, enter difference.) REFUND	$	0 00
4. SC TAX DUE (If line 2 is less than line 1, enter difference.)	$	0 00
5. Penalty _____ and interest due _____	$	0 00
6. Net SC state income tax, penalty, and interest due (line 4 plus line 5)	$	0 00

14-0909

If line 6 is zero, you can file this return using your phone by calling 803-896-5918.

If you owe SC state income tax on line 6, you can pay by credit card or electronic funds withdrawal on DORePAY at www.sctax.org.

For Field Use Only

ATTACH CHECK HERE

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

Preparer's name and phone number

When signing this form, it is important that the information contained in your report be correct and complete. To wilfully furnish a false or fraudulent statement to the Department is a crime.

Sign Here Signature Terry L Lowery Name Terry L Lowery Date 7/27/04

Telephone (864) 969-9681 Title Accountant

Mail to: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

000002

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-02845687-1

File Number: 25237982-1
Date of Notice: 02/01/05
Legal Tax Lien Date: 03/03/05
Period Ended: 06/04

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 03/03/05 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

Tax Amount Due:	2,566.25
Penalty Amount:	89.81
Interest Amount:	71.06
Total Amount Due:	2,727.12

Tax Due Date: 07/31/04

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF NO REMITTANCE
8649699501 SC293880000
PMRK: 07/31/04 QTR
TIMELY FILED BALANCE DUE - NO REMIT

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

detach here

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1028456871
File Number: 25237982-1
Legal Tax Lien Date: 03/03/05
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 06/04
TOTAL AMT DUE: ▶ 2,727.12

Tax Type: EMPLOYER WITHHOLDING TAX

Date:

Amount Enclosed: ▶

60131026 1028456871 00000272712

7

000023

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50619243-7
File Number:	25237982
Date of Notice:	05/23/05
Period Covered:	06/04 - 06/04
Tax Amount Due:	2,566.25
Penalty Amount:	141.13
Interest Amount:	122.19
Court Costs:	151.48
Total Amount Due:	2,981.05

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org**, click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50619243-7
File Number:	25237982
Date of Notice:	05/23/05
Period Covered:	06/04 - 06/04
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	06/04	02845687-1	02-01-05	2,566.25	141.13	122.19	2,829.57

SUBTOTAL:	2,829.57
COURT COSTS:	151.48
TOTAL:	2,981.05

AMOUNT ENCLOSED: ▶ _____

2004001

3129

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

SC EMPLOYER WITHHOLDING QUARTERLY TAX RETURN

WH-1605
(Rev. 9/4/03)
3129

INTEDGE INDUSTRIES INC
PO BOX 989
WOODRUFF SC 29388-0989

SC WITHHOLDING NO.	PERIOD COVERED
28237982-1	JUL-SEP 2004
221010400	OCT 31 2004
FEI NO.	DUE ON OR BEFORE

FOR OFFICE USE ONLY

56632908

☐ If change of address, check here.
Use black or blue ink ONLY.

(For instructions, see back of form)

NOTE: A "zero" return MUST BE filed if no SC state income tax has been withheld during the quarter to prevent a delinquent notice. Do not enter negative numbers.

QUARTERLY SC STATE INCOME TAX INFORMATION:

1. Total SC state income tax withheld from all sources	▶ $	47 11 65
2. SC state income tax deposits or payments	▶ $	47 11 65
3. SC REFUND (If line 2 is greater than line 1, enter difference) REFUND	▶ $	0 00
4. SC TAX DUE (If line 2 is less than line 1, enter difference.)	▶ $	0 00
5. Penalty _____ and interest due _____	▶ $	0 00
6. Net SC state income tax, penalty, and interest due (line 4 plus line 5)	▶ $	0 00

14-0909

If line 6 is zero, you can file this return using your phone by calling 803-898-5919.

If you owe SC state income tax on line 6, you can pay by credit card or electronic funds withdrawal on DORePAY at www.sctax.org.

For Field Use Only

ATTACH CHECK HERE

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

Preparer's name and phone number

When signing this form, it is important that the information contained in your report be correct and complete. To wilfully furnish a false or fraudulent statement to the Department is a crime.

Sign Here Signature _____ Name Terry L. Lawing Date 10/22/04

Telephone (864) 476-5601 Title Accountant

Mail to: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

000025

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-02899137-4

File Number: 25237982-1
Date of Notice: 04/14/05
Legal Tax Lien Date: 05/14/05
Period Ended: 09/04

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 05/14/05 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

Tax Amount Due:	3,995.31
Penalty Amount:	119.84
Interest Amount:	103.56
Total Amount Due:	4,218.71

Tax Due Date: 10/31/04

PRC018 9

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF NO REMITTANCE
8649699601 SC293880000
PMRK: 10/31/04 QTR
TIMELY FILED BALANCE DUE - NO REMIT

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

detach here

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1028991374
File Number: 25237982-1
Legal Tax Lien Date: 05/14/05
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 09/04
TOTAL AMT DUE: ▶ 4,218.71

Tax Type: EMPLOYER WITHHOLDING TAX

Date: Amount Enclosed: ▶

60131026 1028991374 00000421871

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000027

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50630256-2
File Number:	25237982
Date of Notice:	08/03/05
Period Covered:	09/04 - 09/04
Tax Amount Due:	3,995.31
Penalty Amount:	199.72
Interest Amount:	187.28
Court Costs:	229.12
Total Amount Due:	4,611.43

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org** or **other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org**, click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50630256-2
File Number:	25237982
Date of Notice:	08/03/05
Period Covered:	09/04 - 09/04
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	09/04	02899137-4	04-14-05	3,995.31	199.72	187.28	4,382.31

SUBTOTAL:	4,382.31
COURT COSTS:	229.12
TOTAL:	4,611.43

AMOUNT ENCLOSED: ▶ 000U2[illegible]

W-131-F TXPRC030 7

DLN: 56883114

2004001

3131

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

SC EMPLOYER WITHHOLDING FOURTH QUARTER/ANNUAL RECONCILIATION

WH-1606
(Rev. 9/4/03)
3131

Mail To: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

SC WITHHOLDING NO.	PERIOD COVERED
25237982-1	OCT-DEC 2004
221010400	FEB 28 2005
FEI NO.	DUE ON OR BEFORE

FOR OFFICE USE ONLY

☐ If change of address, check here.
Use black or blue ink ONLY. (For instructions, see back of form)

NOTE: A "zero" return MUST BE filed if no SC state income tax has been withheld during the quarter to prevent a delinquent notice. Do not enter negative numbers.

4TH QUARTER SC STATE INCOME TAX INFORMATION ONLY:

1. Total SC state income tax withheld from all sources	$	3753.26
2. SC state income tax deposits or payments	$	3753.26
3. SC REFUND (If line 2 is greater than line 1, enter difference.) REFUND	$	0.00
4. SC TAX DUE (If line 2 is less than line 1, enter difference.)	$	0.00
5. Penalty _____ and interest due _____	$	0.00
6. Net SC state income tax, penalty, and interest due (line 4 plus line 5)	$	0.00

14-0909

If line 6 is zero, you can file this return using your telephone by calling 803-898-5919.

If you owe SC state income tax on line 6, you can pay by credit card or electronic funds withdrawal on DORePAY at www.actax.org.

ANNUAL SC STATE RECONCILIATION INFORMATION

7. Recap of South Carolina tax withheld by quarter.

JAN - MAR	4094.90	JUL - SEP	4711.65
APR - JUN	3675.80	OCT - DEC	3753.26

8. Total SC state income tax WITHHELD from all quarters reported from W-2's. (This should equal the total of line 7.)	$	16183.11
9. Total SC WAGES reported from W-2's	$	461842.41
10. Number of wage and tax statements W-2's and (1099's with state tax withheld) See instructions on back.		34

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

Preparer's name and phone number Tommy L. Canning 864 427-8809

For Field Use Only

ATTACH CHECK HERE

When signing this form, it is important that the information contained in your report be correct and complete. To wilfully furnish a false or fraudulent statement to the Department is a crime.

Sign Here Signature _____ Name Tommy L. Canning Date 1/26/05

Telephone (864) 969-9601 Title Accounting

00002

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-03004382-7

File Number: 25237982-1
Date of Notice: 08/03/05
Legal Tax Lien Date: 09/02/05
Period Ended: 12/04

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 09/02/05 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

Tax Amount Due:	3,753.26
Penalty Amount:	112.59
Interest Amount:	111.96
Total Amount Due:	3,977.81

Tax Due Date: 01/31/05

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF NO REMITTANCE
8649699601 SC293880000
PMRK: 02/28/05 QTR
TIMELY FILED BALANCE DUE - NO REMIT

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

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1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1030043827
File Number: 25237982-1
Legal Tax Lien Date: 09/02/05
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 12/04
TOTAL AMT DUE: ▶ 3,977.81

Tax Type: EMPLOYER WITHHOLDING TAX

Date:

Amount Enclosed: ▶

60131026 1030043827 00000397781

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50639161-6
File Number:	25237982
Date of Notice:	09/06/05
Period Covered:	12/04 - 12/04
Tax Amount Due:	3,753.26
Penalty Amount:	131.35
Interest Amount:	131.07
Court Costs:	210.78
Total Amount Due:	4,226.46

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org,** click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50639161-6
File Number:	25237982
Date of Notice:	09/06/05
Period Covered:	12/04 - 12/04
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	12/04	03004382-7	08-03-05	3,753.26	131.35	131.07	4,015.68

SUBTOTAL:	4,015.68
COURT COSTS:	210.78
TOTAL:	4,226.46

AMOUNT ENCLOSED: ▶ 00007

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

SC WITHHOLDING QUARTERLY TAX RETURN

WH-1605
(Rev. 8/10/04)
3129

INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

SC WITHHOLDING NO. 25237982-1
QUARTER JAN-MAR 2005
FEI NO. 221010400
DUE ON OR BEFORE APR 30 2005
FOR OFFICE USE ONLY

Use black or blue ink ONLY.

(For instructions, see back of form)

NOTE: A "zero" return MUST BE filed if no SC state income tax has been withheld during the quarter to prevent a delinquent notice. Do not enter negative numbers.

QUARTERLY SC STATE INCOME TAX INFORMATION:

1.	Total **SC state income tax withheld** from all sources	4041 85
2.	SC state income tax deposits or payments	4041 85
3.	**SC REFUND** (If line 2 is greater than line 1, enter difference.) **REFUND**	0
4.	**SC TAX DUE** (If line 2 is less than line 1, enter difference.)	0
5.	Penalty _____ and interest due _____	0
6.	Net SC state income tax, penalty, and interest due (line 4 plus line 5)	0

14-0809

If line 6 is zero, you can file this return using your phone by calling **803-898-5818.**

If you owe SC state income tax on line 6, you can pay by credit card or electronic funds withdrawal on DORePAY at www.sctax.org.

For Field Use Only

CLIP CHECK HERE

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

Preparer's name and phone number

When signing this form, it is important that the information contained in your report be correct and complete. To wilfully furnish a false or fraudulent statement to the Department is a crime.

Sign Here Signature _____ Name Terry L. Lawing Date 4/19/05

Telephone (864) 969 9601 Title ACCOUNTANT

Mail to: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

31291511 252379821 0305

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000037

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-03035124-5

File Number: 25237982-1
Date of Notice: 08/31/05
Legal Tax Lien Date: 09/30/05
Period Ended: 03/05

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 09/30/05 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

XPRC016 17

Tax Amount Due:	4,041.85
Penalty Amount:	101.03
Interest Amount:	102.94
Total Amount Due:	4,245.82

Tax Due Date: 04/30/05

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF NO REMITTANCE
8649699601 SC293880000
PMRK: 04/30/05 QTR
TIMELY FILED BALANCE DUE - NO REMIT

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

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1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1030351245
File Number: 25237982-1
Legal Tax Lien Date: 09/30/05
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 03/05
TOTAL AMT DUE: ▶ 4,245.82

Tax Type: EMPLOYER WITHHOLDING TAX

Date:

Amount Enclosed: ▶

60131026 1030351245 00000424582

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00003

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50650728-2
File Number:	25237982
Date of Notice:	10/07/05
Period Covered:	03/03 - 03/05
Tax Amount Due:	4,041.85
Penalty Amount:	121.23
Interest Amount:	145.13
Court Costs:	225.41
Total Amount Due:	4,533.62

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org**, click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50650728-2
File Number:	25237982
Date of Notice:	10/07/05
Period Covered:	03/03 - 03/05
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	03/03	02337168-5	09-15-03			17.48	17.48
0809	03/05	03035124-5	08-31-05	4,041.85	121.23	127.65	4,290.73

SUBTOTAL:	4,308.21
COURT COSTS:	225.41
TOTAL:	4,533.62

AMOUNT ENCLOSED: $

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

SC WITHHOLDING QUARTERLY TAX RETURN

WH-1605
(Rev. 8/10/04)
3129

INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

SC WITHHOLDING NO. 252379821-1
QUARTER APR-JUN 2005
FEI NO. 221010400
DUE ON OR BEFORE JUL 31 20[redacted]
FOR OFFICE USE ONLY

Use black or blue ink ONLY.

(For instructions, see back of form)

NOTE: A "zero" return MUST BE filed if no SC state income tax has been withheld during the quarter to prevent a delinquent notice. Do not enter negative numbers.

QUARTERLY SC STATE INCOME TAX INFORMATION:

1.	Total SC state income tax withheld from all sources	3724 96
2.	SC state income tax deposits or payments	3724 96
3.	SC REFUND (If line 2 is greater than line 1, enter difference.) REFUND	0
4.	SC TAX DUE (If line 2 is less than line 1, enter difference.)	0
5.	Penalty _____ and interest due _____	0
6.	Net SC state income tax, penalty, and interest due (line 4 plus line 5)	0

14-0809

If line 6 is zero, you can file this return using your phone by calling 803-898-5919.

If you owe SC state income tax on line 6, you can pay by credit card or electronic funds withdrawal on DORePAY.at www.sctax.org.

For Postal Use Only

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

Preparer's name and phone number

When signing this form, it is important that the information contained in your report be correct and complete. To willfully furnish a false or fraudulent statement to the Department is a crime.

Sign Here Signature [signature] Name Terry L. Conway Date 7/28/05
Telephone (864) 969-9601 Title Accounting

Mail to: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

CLIP CHECK HERE

31291511 252379821 0605

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ROA 000476

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-03255420-0

File Number: 25237982-1
Date of Notice: 02/03/06
Legal Tax Lien Date: 03/05/06
Period Ended: 06/05

140809
20
XPRC018

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 03/05/06 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

Tax Amount Due:	3,724.96
Penalty Amount:	130.36
Interest Amount:	148.08
Total Amount Due:	4,003.40

Tax Due Date: 07/31/05

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF NO REMITTANCE
8649699601 SC293880000
PMRK: 07/31/05 QTR
TIMELY FILED BALANCE DUE - NO REMIT

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

detach here

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1032554200
File Number: 25237982-1
Legal Tax Lien Date: 03/05/06
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 06/05
TOTAL AMT DUE: ▶ 4,003.40

Tax Type: EMPLOYER WITHHOLDING TAX

Date:

Amount Enclosed: ▶

60131026 1032554200 00000400340

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50700406-9
File Number:	25237982
Date of Notice:	03/06/06
Period Covered:	06/05 - 06/05
Tax Amount Due:	3,724.96
Penalty Amount:	148.98
Interest Amount:	171.17
Court Costs:	212.26
Total Amount Due:	4,257.37

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org**, click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50700406-9
File Number:	25237982
Date of Notice:	03/06/06
Period Covered:	06/05 - 06/05
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	06/05	03255420-0	02-03-06	3,724.96	148.98	171.17	4,045.11

SUBTOTAL: 4,045.11
COURT COSTS: 212.26
TOTAL: 4,257.37

AMOUNT ENCLOSED: ▶ 000[illegible]7

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

SC WITHHOLDING QUARTERLY TAX RETURN

WH-1605
(Rev. 8/31/05)
3129

INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

SC WITHHOLDING NO.	QUARTER
25237982-1	JUL-SEP 2005
FEI NO.	DUE ON OR BEFORE
22-1010400	OCT 31 2005

Use black or blue ink ONLY.

FOR OFFICE USE ONLY

NOTE: A return MUST BE filed even if no SC state income tax has been withheld during the quarter to prevent a delinquent notice. Do not enter negative numbers.

QUARTERLY SC STATE INCOME TAX INFORMATION:

1. Quarterly SC state income tax withheld (all sources)	1.	4891.00
2. SC state income tax deposits or payments.	2.	654.82
3. SC REFUND (if line 2 is greater than line 1, enter difference.) REFUND	3.	
4. SC TAX DUE (if line 2 is less than line 1, enter difference.)	4.	4236.18
5. Penalty _____ and interest due _____	5.	
6. Net SC state income tax, penalty, and interest due (line 4 plus line 5)	6.	4236.18

14-0809

If line 6 is zero, you can E-file or TeleFile this return.

057

If you owe SC state income tax on line 6, you can pay by credit card or electronic funds withdrawal on DORePAY at www.sctax.org.

PER 1606

For Field Use Only

CLIP CHECK HERE

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

Preparer's name and phone number

When signing this form, it is important that the information contained in your report be correct and complete. To wilfully furnish a false or fraudulent statement to the Department is a crime.

Sign Here Signature _____ Name _____ Date 1 1

Telephone (___) _____ Title _____

Mail to: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

PROPOSED ASSESSMENT

C-293
(Rev. 2/24/09)
6242

Contact: CONTACT CENTER
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 898-5672
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Bill Number: 1-03172992-6

File Number: 25237982-1
Date of Notice: 02/13/06
Period Ended: 09/05

140809

Our records indicate you have an outstanding tax liability for the reason(s) and amount described herein. You may appeal this proposed assessment by submitting a written protest within ninety (90) days from the date of this notice. Forms are available at the SC Department of Revenue or the website at www.sctax.org. You must make payment or file an appeal by 05/14/06 to avoid collection action. Penalty and interest will continue to accrue until paid in full. If additional information is required, call the contact number listed above.

Tax Amount Due:	4,320.00	("based on estimate", if applicable)	Tax Due Date: 10/31/05
Penalty Amount:	1,450.40		
Interest Amount:	100.56		
Total Amount Due:	5,870.96		

3445 3

FAILURE TO FILE QUARTERLY RECONCILIATION
221 HWY NORTH, WOODRUFF, SC 29388-0000
(864)969-9601

QTR

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

detach here

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Bill Number: ▶ 1-03172992-6
File Number: 25237982-1
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 09/05

TOTAL AMT DUE: ▶ 5,870.96

Tax Type: EMPLOYER WITHHOLDING TAX

Date: _____

Amount Enclosed: ▶ _____

62421029 1031729926 00000587096

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-03172992-6

File Number: 25237982-1
Date of Notice: 06/05/06
Legal Tax Lien Date: 07/05/06
Period Ended: 09/05

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 07/05/06 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

19

Tax Amount Due:	4,320.00	("based on estimate", if applicable)	Tax Due Date: 10/31/05
Penalty Amount:	1,752.80		
Interest Amount:	205.21		
Total Amount Due:	6,278.01		

FXPRC018

FAILURE TO FILE
221 HWY NORTH, WOODRUFF, SC 29388-0000
(864)969-9601

QUARTERLY RECONCILIATION

QTR

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1031729926
File Number: 25237982-1
Legal Tax Lien Date: 07/05/06
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 09/05
TOTAL AMT DUE: ▶ 6,278.01

Tax Type: EMPLOYER WITHHOLDING TAX

Date:

Amount Enclosed: ▶

60131026 1031729926 00000627801

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50720549-7
File Number:	25237982
Date of Notice:	07/05/06
Period Covered:	09/05 - 09/05
Tax Amount Due:	4,320.00
Penalty Amount:	1,774.40
Interest Amount:	236.06
Court Costs:	326.52
Total Amount Due:	6,656.98

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org**, click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50720549-7
File Number:	25237982
Date of Notice:	07/05/06
Period Covered:	09/05 - 09/05
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	09/05	03172992-6	06-05-06	4,320.00	1,774.40	236.06	6,330.46

SUBTOTAL:	6,330.46
COURT COSTS:	326.52
TOTAL:	6,656.98

AMOUNT ENCLOSED: ▶ 00004

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

SC WITHHOLDING AMENDED FOURTH QUARTER/ANNUAL RECONCILIATION

Only Use This Form If You Are Reporting A Change To A Previously Filed Return.

WH-1606A
(Rev. 8/10/04)
3338

Mail To: South Carolina Department of Revenue, Withholding, Columbia SC 29214-0004

INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

SC WITHHOLDING NO. 25237982-1
FEI NO. 221010400
QUARTER OCT-DEC 2005
DUE ON OR BEFORE FEB 28 2006
FOR OFFICE USE ONLY 66544100

Use black or blue ink ONLY. (For instructions, see back of form)
Do not enter negative numbers.
You **CANNOT** use TeleFile to file an amended return.

AMENDED 4TH QUARTER SC STATE INCOME TAX INFORMATION ONLY:

1. Total **SC state income tax withheld** from all sources	634	35
2. SC state income tax deposits or payments	634	35
3. SC **REFUND** (If line 2 is greater than line 1, enter difference.) **REFUND**	0	00
4. SC **TAX DUE** (If line 2 is less than line 1, enter difference.)	0	00
5. Penalty _____ and interest due _____	0	00
6. Net SC state income tax, penalty, and interest due (line 4 plus line 5)	0	00

14-0809

ANNUAL SC STATE RECONCILIATION INFORMATION

7. Recap of South Carolina tax withheld by quarter.

JAN - MAR 4041.85 JUL - SEP 4851.00
APR - JUN 3729.96 OCT - DEC 634.35

8. Total SC state income tax **WITHHELD** from all quarters reported from W-2's and 1099's. **(This should equal the total of line 7.)** 13292 35

9. Total **SC WAGES** from W-2's and 1099 income. 377405 73

10. Number of wage and tax statements. W-2's and (1099's with state tax withheld) See instructions on back. 48

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. ☐ Yes ☐ No

For Field Use Only

Preparer's name and phone number _____

When signing this form, it is important that the information contained in your report be correct and complete. To willfully furnish a false or fraudulent statement to the Department is a crime.

Sign Here Signature _____ Name Terry L. Lowry Date 1/29/06
Telephone (864) 427-5109 Title Accountant

CLIP CHECK HERE

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: EMPLOYER WITHHOLDING
SID\Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

Contact Number: (803) 896-1450
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-03556185-6

File Number: 25237982-1
Date of Notice: 11/14/06
Legal Tax Lien Date: 12/14/06
Period Ended: 12/05

140809

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 12/14/06 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

21

TXPRC018

Tax Amount Due:	634.35
Penalty Amount:	28.54
Interest Amount:	37.16
Total Amount Due:	700.05

Tax Due Date: 02/28/06

TIMELY FILED BALANCE DUE
221 HWY NORTH WOODRUFF NO REMITTANCE
8649699601 SC29388
PMRK: 02/28/06 QTR CL 09/30/05
TIMELY FILED BALANCE DUE - NO REMIT

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

..... detach here .....

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1035561856
File Number: 25237982-1
Legal Tax Lien Date: 12/14/06
SID/Suffix: 1523249-000
FEI/SSN: XXXXX0400
Period Ended: 12/05
TOTAL AMT DUE: ▶ 700.05

Tax Type: EMPLOYER WITHHOLDING TAX

Date:..... Amount Enclosed: ▶.....

60131026 1035561856 00000070005

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-000
Tax Type: EMPLOYER WITHHOLDING TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE INDUSTRIES INC
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50762228-3
File Number:	25237982
Date of Notice:	12/14/06
Period Covered:	12/05 - 12/05
Tax Amount Due:	634.35
Penalty Amount:	31.71
Interest Amount:	41.74
Court Costs:	45.39
Total Amount Due:	753.19

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org** or other **publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org**, click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE INDUSTRIES INC

Tax Lien Number: ▶	3-50762228-3
File Number:	25237982
Date of Notice:	12/14/06
Period Covered:	12/05 - 12/05
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-000

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	12/05	03556185-6	11-14-06	634.35	31.71	41.74	707.80

SUBTOTAL:	707.80
COURT COSTS:	45.39
TOTAL:	753.19

AMOUNT ENCLOSED: $000143

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

PROPOSED ASSESSMENT RESPONSIBLE PARTY

FS-119
(Rev. 2/24/09)
2114

NOTICE DATE: 09/02/2009
FILE NUMBER: 04231620

GRE

BELTRAM RICHARD S
725 BLACK WOLF RUN
SPARTANBURG SC 29306

SSN: XXX-XX-3546

The records of the Department of Revenue show an outstanding balance due for state or local sales or use tax debt in the amount of $3,482.69 for INTEDGE.

Section 12-54-195 provides that the Department of Revenue can hold a responsible person liable, individually and personally, for taxes collected and not remitted to the department along with penalties and interest from the date the tax was due. Section 12-54-195 defines "responsible person" to include any officer, partner, or employee of the taxpayer who has a duty to pay to the department any state or local sales tax due by the taxpayer or use tax required or authorized to be collected by the retailer pursuant to Chapter 36 of this title or with respect to any local sales and use tax collected by the department on behalf of a political subdivision of the State.

TXPRC374 9

You have been identified as a "responsible person" against whom the Department can impose personal liability for the debt of the above entity. If you disagree with the Department of Revenue, you may appeal by sending a written protest within ninety (90) days of the date of this Proposed Assessment. The protest must contain certain information as noted in the Appeal Procedure section on the back of this notice. In addition, you are requested to provide information as to who is the appropriate officer, employee or member of the above entity. Otherwise, an assessment will be issued against you personally for the tax due plus all applicable penalties and interest. A list of the liabilities is enclosed.

For additional information or to make arrangements for payment, contact the number listed below.

THIS NOTICE IS NOT A DEMAND FOR PAYMENT IF YOU ARE CURRENTLY IN BANKRUPTCY PROCEEDINGS UNDER TITLE 11 OF THE U.S. CODE. ANY MONIES DUE WILL BE SOUGHT IN ACCORDANCE WITH THE PROVISIONS OF TITLE 11.

BRUCE OWENS GREENVILLE 864 241-1200

detach here

Detach and return with payment to: **South Carolina Department of Revenue, PO Box 125, Columbia SC 29214.**

DELINQUENT ACCOUNT FOR:
BELTRAM RICHARD S

RECEIVABLE NUMBER: ▶ 1-04861574-2

CASE NUMBER: XXX-XX-3546

AMOUNT ENCLOSED: ▶ _____

AMOUNT DUE: $3,482.69

21141023 1048615742 00000348269

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000042

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

LIABILITIES

FILE NUMBER: 04231620

NOTICE DATE: 09/02/2009

INTEDGE
BELTRAM RICHARD S

SSN: XXX-XX-3546

TAX TYPE	PERIOD COVERED	RECEIVABLE NUMBER	TAX DUE	PENALTY DUE	INTEREST DUE	TOTAL DUE
143721SAL	09-2005	1-04861574-2 ✓	1,500.00	1,535.00	447.69	3,482.69

No Sale

Jim Reemts
D.D NOT File 10/2005

GRAND TOTAL AMT $3,482.69

000045

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

PROPOSED ASSESSMENT

C-293
(Rev. 2/24/09)
6242

Contact: CONTACT CENTER
SID\Suffix: 1523249-001
Tax Type: SALES TAX

Contact Number: (803) 898-5672
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE
PO BOX 969
WOODRUFF SC 29388-0969

Bill Number: 1-03166508-4

File Number: 04231620-7
Date of Notice: 01/30/06
Period Ended: 09/05

143701

Our records indicate you have an outstanding tax liability for the reason(s) and amount described herein. You may appeal this proposed assessment by submitting a written protest within ninety (90) days from the date of this notice. Forms are available at the SC Department of Revenue or the website at www.sctax.org. You must make payment or file an appeal by 04/30/06 to avoid collection action. Penalty and interest will continue to accrue until paid in full. If additional information is required, call the contact number listed above.

Tax Amount Due:	1,500.00	("based on estimate", if applicable)	
Penalty Amount:	912.50		Tax Due Date: 10/20/05
Interest Amount:	38.15		
Total Amount Due:	2,450.65		

2445 2

FAILURE TO FILE — RETURN NOT FILED
1875 CHUMLEY RD, WOODRUFF, SC 29388-8561
(864)969-9601

QTR

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

detach here

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Bill Number: ▶ 1-03166508-4
File Number: 04231620-7
SID/Suffix: 1523249-001
FEI/SSN: XXXXX0400
Period Ended: 09/05

TOTAL AMT DUE: ▶ 2,450.65

Tax Type: SALES TAX

Date: _____

Amount Enclosed: ▶ _____

62421029 1031665084 0000024506 5

8

00004

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

Contact: SALES TAX
SID\Suffix: 1523249-001
Tax Type: SALES TAX

Contact Number: (803) 896-1420
FEI/SSN: XXXXX0400

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE
PO BOX 969
WOODRUFF SC 29388-0969

Receivable Number: 1-03166508-4

File Number: 04231620-7
Date of Notice: 05/22/06
Legal Tax Lien Date: 06/21/06
Period Ended: 09/05

143701

Our records indicate you have an outstanding tax liability for the reason and amount described below. You must make full payment by 06/21/06 to avoid collection action and the filing of a tax lien which will affect your credit rating. Penalty and interest will continue to accrue until paid in full and a 20% collection fee may be added based on Chapter 55 of Title 12 of the SC Code. If additional information is required, call the contact number listed above.

18

PRC018

Tax Amount Due:	1,500.00	("based on estimate", if applicable)	Tax Due Date: 10/20/05
Penalty Amount:	942.50		
Interest Amount:	74.56		
Total Amount Due:	2,517.06		

FAILURE TO FILE
1875 CHUMLEY RD, WOODRUFF, SC 29388-8561
(864)969-9601

RETURN NOT FILED

QTR CL 09/30/05

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

detach here

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ASSESSMENT

C-133
(Rev. 2/24/09)
6013

SC DEPT OF REVENUE
NOA
COLUMBIA SC 29214-0030

INTEDGE INDUSTRIES INC

Receivable Number: ▶ 1031665084
File Number: 04231620-7
Legal Tax Lien Date: 06/21/06
SID/Suffix: 1523249-001
FEI/SSN: XXXXX0400
Period Ended: 09/05
TOTAL AMT DUE: ▶ 2,517.06

Tax Type: SALES TAX

Date:

Amount Enclosed: ▶

60131026 1031665084 00000251706

8

000047

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NOTICE OF TAX LIEN

W-131-F
(Rev. 2/12/09)
2048

SID/Suffix: 1523249-001
Tax Type: SALES TAX

M RGRC
INTEDGE INDUSTRIES INC
INTEDGE
PO BOX 969
WOODRUFF SC 29388-0969

County:	SPARTANBURG
Contact Number:	(803) 898-5611
FEI/SSN:	XXXXX0400
Tax Lien Number:	3-50719459-7
File Number:	04231620
Date of Notice:	06/21/06
Period Covered:	09/05 - 09/05
Tax Amount Due:	1,500.00
Penalty Amount:	950.00
Interest Amount:	85.29
Court Costs:	136.76
Total Amount Due:	2,672.05

A tax lien has been filed with the Clerk of Court / Register of Deeds in your county of residence and/or other counties as allowed by law. Additionally, your salary, wages, commissions or other funds may be levied by serving a Notice to Withhold on your employer and a 20% collection fee added to the amount due based on Part IB, Section 64.14 of the 2002-2003 Appropriations Bill. This lien has been recorded against any bank accounts, stocks receivable and property (real or personal) which you own. This lien is subject to publication on our internet site **www.sctax.org or other publications** in (30) thirty days.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.

Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at **www.sctax.org**, click on the link to EPay. EPay will allow you to provide payment by credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.

---------- Cut here and return coupon below with payment. ----------

SC DEPT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

INTEDGE

Tax Lien Number: ▶	3-50719459-7
File Number:	04231620
Date of Notice:	06/21/06
Period Covered:	09/05 - 09/05
FEI/SSN:	XXXXX0400
SID/Suffix:	1523249-001

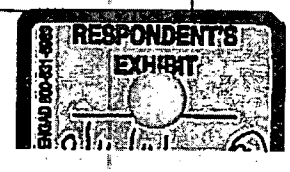
Tax Type: SALES TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
3701	09/05	03166508-4	05-22-06	1,500.00	950.00	85.29	2,535.29

SUBTOTAL:	2,535.29
COURT COSTS:	136.76
TOTAL:	2,672.05
AMOUNT ENCLOSED: ▶	00004

NOTICE SENT TO: (ENTITY OR INDIVIDUAL)	Period Covered	TYPE OF NOTICE	DATE SENT	Where Tax Reported If Any	Type of Tax	TAX SHOWN ON RETURN	TAX NOT DEPOSITED OR PAID TO DEPARTMENT	PENALTY	INTEREST	COSTS	TOTAL	LIEN
Intedge Industries Inc.	Sep-99	PNOA	3/29/2001	Return	Empl With	$7,758.45	2519.14	113.36	164.49		2796.99	
Intedge Industries Inc.	Sep-99	Assmt	5/15/2001	Return	Empl With		2519.14	239.31	368.22		3126.67	
Intedge Industries Inc.	Sep-99	Tax Lien	8/13/2001	Return	Empl With		2519.14	277.08	422.03	165.91	3384.16	Y
Intedge Industries Inc.	Mar-01	PNOA	6/27/2001	Return	Empl With	$4,660.71	4660.71	146.60	62.72		4870.03	
Intedge Industries Inc.	Mar-01	Assmt	8/14/2001	Return	Empl With		4660.71	193.20	119.21		4973.12	
Intedge Industries Inc.	Mar-01	Tax Lien	11/13/2001	Return	Empl With		4660.71	263.10	203.35	261.36	5388.52	Y
Intedge Industries Inc.	Jun-01	PNOA	10/10/2001	Return	Empl With	$5,739.11	4302.30	43.02	50.62		4395.94	
Intedge Industries Inc.	Jun-01	Assmt	11/27/2001	Return	Empl With		4302.30	107.55	128.10		4537.95	
Intedge Industries Inc.	Jun-01	Tax Lien	2/25/2002	Return	Empl With		4302.30	172.08	194.12	238.43	4906.93	Y
Intedge Industries Inc.	Mar-03	Return	4/30/2003	Return	Empl With	$3,787.41	1867.85					
Intedge Industries Inc.	Mar-03	PNOA	7/29/2003	Return	Empl With		1867.85	18.67	15.67		1902.19	
Intedge Industries Inc.	Mar-03	Assmt	9/15/2003	Return	Empl With		1867.85	46.68	39.56		1954.09	
Intedge Industries Inc.	Mar-03	Tax Lien	10/7/2005	Return	Empl With		1867.85		17.48	225.41	242.89	Y (includes 3/03 and 3/05)
Intedge Industries Inc.	Sep-03	Return	10/31/2003	Return	Empl With	$4,258.28	4258.28					

ROA 000491



Intedge Industries Inc.	Sep-03 PNOA	2/17/2004 Return	Empl With		4258.28	63.87	43.11		4365.26	
Intedge Industries Inc.	Sep-03 Assmt	5/18/2004 Return	Empl With		4258.28	170.32	125.57		4554.17	
Intedge Industries Inc.	Sep-03 Tax Lien	9/7/2004 Return	Empl With		4258.28	234.19	169.87	243.12	4905.46	Y
Intedge Industries Inc.	Dec-03 Return	2/28/2004 Return	Empl With	$3,923.79	3923.79					
Intedge Industries Inc.	Dec-03 PNOA	7/30/2004 Return	Empl With		3923.79	58.85	29.92		4012.56	
Intedge Industries Inc.	Dec-03 Assmt	10/29/2004 Return	Empl With		3923.79	196.18	136.99		4256.96	
Intedge Industries Inc.	Dec-03 Tax Lien	2/16/2005 Return	Empl With		3923.79	274.62	204.80	424.11	4827.32	Y (includes 12/03 and 3/04)
Intedge Industries Inc.	Mar-04 Return	4/30/2004 Return	Empl With	$4,044.90	3528.79					
Intedge Industries Inc.	Mar-04 PNOA	7/30/2004 Return	Empl With		3528.79	35.28	29.53		3593.60	
Intedge Industries Inc.	Mar-04 Assmt	10/29/2004 Return	Empl With		3528.79	123.49	95.57		3747.85	
Intedge Industries Inc.	Mar-04 Tax Lien	2/16/2005 Return	Empl With		3528.79	194.05	156.10		3878.94	Y (includes 12/03 and 3/04)
Intedge Industries Inc.	Jun-04 Return	7/31/2004 Return	Empl With	$3,673.30	2566.25					

ROA 000492

Intedge Industries Inc.	Jun-04 PNOA	11/1/2004 Return	Empl With		2566.25	38.49	28.12		2632.86	
Intedge Industries Inc.	Jun-04 Assmt	2/1/2005 Return	Empl With		2566.25	89.81	71.06		2727.12	N
Intedge Industries Inc.	Jun-04 Tax Lien	5/23/2005 Return	Empl With		2566.25	141.13	122.19	151.48	2981.05	Y
Intedge Industries Inc.	Sep-04 Return	10/31/2004 Return	Empl With	$4,711.65	3995.31					
Intedge Industries Inc.	Sep-04 PNOA	1/14/2005 Return	Empl With		3995.31	59.92	50.57		4105.80	N
Intedge Industries Inc.	Sep-04 Assmt	4/15/2005 Return	Empl With		3995.31	119.84	103.56		4218.71	N
Intedge Industries Inc.	Sep-04 Tax Lien	8/3/2005 Return	Empl With		3995.31	199.72	187.28	229.12	4611.43	Y
Intedge Industries Inc.	Dec-04 Return	2/28/2005 Return	Empl With	$3,753.26	3753.26					
Intedge Industries Inc.	Dec-04 PNOA	5/5/2005 Return	Empl With		3753.26	37.53	34.60		3825.39	
Intedge Industries Inc.	Dec-04 Assmt	8/3/2005 Return	Empl With		3753.26	112.59	111.96		3977.81	
Intedge Industries Inc.	Dec-04 Tax Lien	9/6/2005 Return	Empl With		3753.26	131.35	131.07	210.78	4226.46	Y
Intedge Industries Inc.	Mar-05 Return	4/30/2005 Return	Empl With	$4,041.85	4041.85					
Intedge Industries Inc.	Mar-05 PNOA	6/1/2005 Return	Empl With		4041.85	40.41	40.73		4122.99	
Intedge Industries Inc.	Mar-05 Assmt	8/31/2005 Return	Empl With		4041.85	101.03	102.94		4245.82	
Intedge Industries Inc.	Mar-05 Tax Lien	10/7/2005 Return	Empl With		4041.85	121.23	127.65		4290.73	Y (includes 3/03 and 3/05)
Intedge Industries Inc.	Jun-05 Return	7/31/2005 Return	Empl With	$3,724.96	3724.96					

ROA 000493

Intedge Industries Inc.	Jun-05 PNOA	11/4/2005	Return	Empl With		3724.96	37.24	37.54		3799.74
Intedge Industries Inc.	Jun-05 Assmt	2/3/2006	Return	Empl With		3724.96	130.36	148.08		4003.40
Intedge Industries Inc.	Jun-05 Tax Lien	3/6/2006	Return	Empl With		3724.96	148.98	171.17	212.26	4257.37 Y
Intedge Industries Inc.	Sep-05 Return		Non Filer Office Aud Adj	Empl With						
Intedge Industries Inc.	Sep-05 PNOA	2/13/2006	Office Aud	Empl With		4320.00	1450.40	100.56		5870.96
Intedge Industries Inc.	Sep-05 Assmt	6/5/2006	Office Aud	Empl With		4320.00	1752.80	205.21		6278.01
Intedge Industries Inc.	Sep-05 Tax Lien**	7/5/2006	Office Aud	Empl With		4236.18	1774.40	236.06	326.52	6656.98 Y
Intedge Industries Inc.	Dec-05 Return	2/28/2006	Return	Empl With	$634.35					
Intedge Industries Inc.	Dec-05 PNOA	8/14/2006	Return	Empl With		634.35	6.34	7.46		648.15
Intedge Industries Inc.	Dec-05 Assmt	11/14/2006	Return	Empl With		634.35	28.54	37.16		700.05
Intedge Industries Inc.	Dec-05 Tax Lien	12/14/2006	Return	Empl With		634.35	31.71	41.74	45.39	753.19 Y
Intedge Industries Inc.	Sep-05 PNOA	1/30/2006	Delq Est	Sales		1500.00	912.50	38.15		2450.65
Intedge Industries Inc.	Sep-05 Assmt	5/22/2006	Delq Est	Sales		1500.00	942.50	74.56		2517.06
Intedge Industries Inc.	Sep-05 Tax Lien	6/21/2006	Delq Est	Sales		1500.00	950.00	85.29	136.76	2672.05 Y
Richard S Beltram	Sep-99 to Dec-05 listed above	PNOA Resp Par	9/2/2009	Return (see above)	Empl With	41196.13	20552.32	25198.92		86947.37
Richard S Beltram	Sep-05 listed above	PNOA Resp Par	9/2/2009	Delq Est (see above)	Sales	1500.00	1550.00	706.92		3756.92

ROA 000494

** Office Audit Adjusted this based on the subject year end return filed.

Legend: Date Sent Column for returns listed is the postmark date

$634.35

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

GUARANTEE
AND
INDEMNITY AGREEMENT

Guarantor: Richard S. Beltram, individually and as majority shareholder; and Richard S. Beltram as President of Intedge Industries, Inc., Post Office Box 969, Woodruff, SC 29388

Purchaser: Intedge Manufacturing, Inc.
6800 Florida Avenue
Tampa, FL 38604

AMOUNT OF GUARANTEE AND INDEMNITY: The amount of this Guarantee and Indemnification is unlimited.

INDEBTEDNESS GUARANTEED: The indebtedness as guaranteed by this Guarantee includes any and all amounts which are deemed due or such amounts as attach to assets purchased under the Sale and Purchase Agreement executed prior to this Agreement. This indebtedness includes and relates to any and all of Guarantor's liabilities, judgements, obligations, debts, taxes due, in the most comprehensive sense; absolute or contingent, joint or several, which may become a lien or attach the asset transferred by Bill of Sale and Sale and Purchase Agreement. The guaranteed amount also includes costs and attorney's fees as may become due under the indemnification provision of said purchase agreement.

DURATION OF GUARANTEE AND INDEBTEDNESS: This Guarantee and Indemnity will take effect on execution and will continue in full force and effect until such a time as all liabilities and potential claims are expired or otherwise banned by statute.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES: Guarantor represents and warrants that: a) No representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; b) The Purchaser's acquisition of the assets is good and sufficient consideration for this Guaranty; c) Guarantor has full power and authority to enter into the Agreement; d) Guarantor will not sell, lease, assign, hypothecate, or otherwise dispose of all or substantially all of Guarantor's assets or interests therein without the consent of the Purchaser; e) Guarantor gives this warranty in order to induce the Purchaser to acquire assets; f) the Guarantor represents and warrants the assets are sold for good and sufficient consideration; and g) Guarantor acknowledges that the Purchaser would not purchase the assets without the Guaranty of the majority of shareholder of the Seller, Intedge Industries, Inc.

PURCHASER'S WAIVERS: Purchaser shall not be deemed to have waived any right created hereunder unless such waiver is given in writing and signed by the Purchaser.

SUCCESSORS AND ASSIGNS: Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefits of the parties, their successors and assigns.

WAIVE JURY: Purchaser and Guarantor hereby waive the right to any jury trial in any action, proceeding or counterclaim brought by either Purchaser or Guarantor against the other.

CONSTRUCTION WITH OTHER GUARANTIES: No guaranty hereafter executed and delivered with respect to any liability, obligation or debt of Borrower to Purchaser shall be construed or deemed (i) to limit, restrict or otherwise adversely affect any security interest or

RESPONDENT'S EXHIBIT 3

other interest in property, or any other right, power or remedy, granted to or vested in Lender under or pursuant to either this Guaranty or any related document, or (ii) to alter or amend this Guaranty, or (iii) to be, or to give rise to, any waiver by Lender of any right under this Guaranty, unless such guaranty, or another written instrument signed by Lender, so provides by express reference to this Guaranty.

In addition, this Guaranty shall not be construed or deemed (a) to limit, restrict or otherwise adversely affect any security interest or other interest in property, or any other right, power or remedy, granted to or vested in Lender under or pursuant to any guaranty now existing with respect to any liability, obligation, or debt of Borrower to Purchaser, or (b) to alter or amend any such guaranty, or (c) to be, or to give rise to, any waiver by Purchaser of any right under any such guaranty.

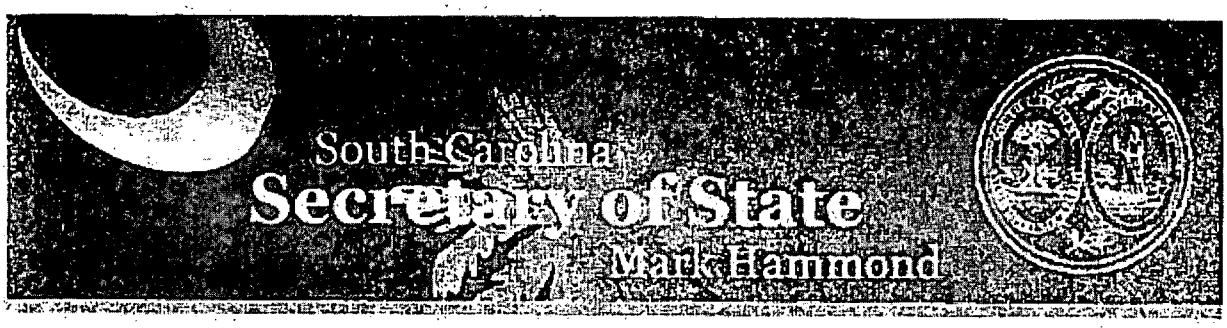
EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OR THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO PURCHASER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY PURCHASER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED October 18th, 2005.

GUARANTOR:

RICHARD S. BELTRAM, INDIVIDUALLY

RICHARD S. BELTRAM, AS MAJORITY SHAREHOLDER OF INTEDGE INDUSTRIES, INC.

RICHARD S. BELTRAM, AS PRESIDENT OF INTEDGE INDUSTRIES, INC.



INTEDGE INDUSTRIES INC.

Note: This online database was last updated on 9/16/2014 6:01:38 PM.
See our Disclaimer.

DOMESTIC / FOREIGN:	Foreign
STATUS:	Forfeiture
STATE OF INCORPORATION / ORGANIZATION:	NEW JERSEY Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME:	LAWRENCE E FLYNN JR
ADDRESS:	421 MARION AVE
CITY:	SPARTANBURG
STATE:	SC
ZIP:	29306
SECOND ADDRESS:	
FILE DATE:	02/23/1988
EFFECTIVE DATE:	02/23/1988
DISSOLVED DATE:	01/16/2009



Corporation History Records

CODE	FILE DATE	COMMENT	Document
Forfeiture	01/16/2009	SCBOS FILING: ADMINISTRATIVE DISSOLUTION #2	
Agent	10/12/2001	CH AGT ADD	Image
Agent	05/01/1995	CH AGT/ADD FR-JAMES G LONG	Image
Authority	02/23/1988	AUTHORITY	Film

Disclaimer: The South Carolina Secretary of State's Business Filings database is provided as a convenience to our customers to research information on business entities filed with our office. Updates are uploaded every 48 hours. Users are advised that the Secretary of State, the State of South Carolina or any agency, officer or employee of the State of South Carolina does not guarantee the accuracy, reliability or timeliness of such information, as it is the responsibility of the business entity to inform the Secretary of State of any updated information. While every effort is made to insure the reliability of this information, portions may be

Incorrect or not current. Any person or entity who relies on information obtained from this database does so at his own risk.

Physical Address: Edgar Brown Building - 1205 Pendleton Street Suite 525 Columbia, SC 29201
Mailing Address: SC Secretary of State's Office 1205 Pendleton Street Suite 525 Columbia, SC 29201

State of South Carolina
Department of Revenue
Office of General Counsel, Tax & Regulatory Services
300A Outlet Pointe Blvd. (29210); P.O. Box 12265, Columbia, South Carolina 29211
Telephone (803) 898-5130 Telecopier (803) 896-0171

VIA ELECTRONIC MAIL

September 16, 2014

David B. Greene, Esquire
11 McGee Street
Greenville, SC 29601

Re: Richard Beltram v. South Carolina Department of Revenue
Docket No. 13-ALJ-17-0244-CC

Dear David:

Thank you for coming to the Department this afternoon to retrieve documents Bates-stamped 49–70 pertaining to this case. As discussed, I am also attaching a document entitled "Appeal/Protest Information Sheet" (stamped 71-74) which is dated February 18, 2010. This is a document prepared by Bruce Owens which serves as a transmittal sheet to the Office of General Counsel for Litigation. Once a taxpayer files a protest in response to a Notice of Proposed Assessment, the file is sent to Litigation for the issuance of a Department Determination. The Appeal/Protest Information Sheet has not been previously provided because it is protected from disclosure by the attorney client privilege. Nevertheless, without waiving our attorney-client privilege or any other applicable privilege with regard to this document or any other information, we are electing to disclose the Appeal/Protest Information Sheet. In the file, this document was stapled to the top of the protest information we gave you this afternoon.

There are three other computer records from the Automated Receivables Management System that could not be retrieved tonight that hopefully will be available in the morning or early afternoon when we resume trial.

Do not hesitate to contact me at 803-898-5131 or Nicole Wooten at 803-898-1826 if you would like to discuss. My email address is KimpsoM@sctax.org.

Yours truly,

OFFICE OF GENERAL COUNSEL, TAX & REGULATORY SERVICES

Milton G. Kimpson
General Counsel for Litigation

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM THE ADMINISTRATIVE LAW COURT

Phillip Lenski, Administrative Law Judge

RECEIVED
AUG 06 2018
SC Court of Appeals

Case No. 2017-000968

Richard Beltram, ... Appellant-Respondent.

v.

South Carolina Department of Revenue, ... Respondent-Appellant.

CERTIFICATE OF COUNSEL

Pursuant to Rule 210(g), SCACR, the undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material. The undersigned has conferred with and confirmed the contents of this Record on Appeal with counsel for Cross-Appellant South Carolina Department of Revenue.

THE WARD LAW FIRM, P.A.
Attorneys for Appellant

Ginger D. Goforth
P.O. Box 5663
Spartanburg, SC 29304
(864) 591-2344
(864) 585-3090 (fax)
ggoforth@wardfirm.com

July 27, 2018