

STATE BOARD OF EQUALIZATION

OFFICE CORRESPONDENCE

170.0080

Sacramento
September 28, 1950

Mr. REDACTED TEXT

E. H. Stetson

REDACTED TEXT

Account No. REDACTED TEXT

Your memo of June 1, addressed to Mr. REDACTED TEXT, attention Miss REDACTED TEXT, was referred to me for reply.

It seems that where a third party actually furnishes the money to be used as security for the account of a particular retailer that, as far as we are concerned, the retailer has put up the money. Section 6701 specifically requires that the security shall be returned to the person who deposited this security, in the case of a sale of the security and return of the surplus. We think it is equally true that where the security is returned upon close out that it must be returned to the party who actually deposited it with us, even though a third party may have furnished the money. It is, accordingly, our opinion that the deposit must be returned to the permittee, unless he furnishes an assignment of the deposit to the third party.

EHS:ph