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STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-00XX
TELEPHONE (916) 324-2816
FAX (916) 323-3387
www.boe.ca.gov

JOHAN KLEHS
First District, Hayward

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Second District, Stockton

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Third District, Torrance

JOHN CHIANG
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State Controller, Sacramento

JAMES E. SPEED
Executive Director

May 17, 2002

REDACTED TEXT

Re: REDACTED TEXT
Jointly Administered with Bankruptcy Case No. REDACTED TEXT

Dear REDACTED TEXT:

I write in response to Mr. REDACTED TEXT's letter of May 8, 2002 regarding the renewed Notices of State Tax Lien, copies of which were sent to him by the State Board of Equalization on April 25, 2002. Since he requested that the Board communicate with him through his attorneys, I am addressing this letter to you with a copy to Mr. REDACTED TEXT.

Mr. REDACTED TEXT's letter expressed concern that the Board had filed liens against a debtor in bankruptcy and asked that the liens be released. Mr. REDACTED TEXT also called two of the Board's employees about the matter and suggested that litigation could be expected.

The Board regrets any misunderstanding on Mr. REDACTED TEXT's part regarding these Notices, and believes that Mr. REDACTED TEXT may have overlooked the fact that they represent extensions of already existing liens. As the Board's employee informed Mr. REDACTED TEXT during their telephone conversation, an act to maintain or continue the perfection of an interest in property is not a violation of the automatic stay. 11 U.S.C. § 362 (b)(3).

Sincerely,

M. Judith Nelson
Senior Tax Counsel

MJN:ds