

EXECUTIVE OFFICE



BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

EDWARD YEN  
EXECUTIVE OFFICER

COUNTY OF LOS ANGELES  
**EXECUTIVE OFFICE**  
BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 383  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1411 • www.bos.lacounty.gov

MEMBERS OF THE BOARD

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LINDSEY P. HORVATH

JANICE HAHN

KATHRYN BARGER

July 09, 2024

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

20 July 9, 2024

*Edward Yen*  
EDWARD YEN  
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVE THE RECOMMENDATION OF THE HEARING OFFICER TO NOT RESCIND THE SALE OF TAX-DEFAULTED PARCEL ASSESSOR IDENTIFICATION NUMBER (AIN) AIN 4378-002-032 VACANT PROPERTY AT 2451 NALIN DRIVE, LOS ANGELES, CA 90077 (All Districts) (3 Votes)**

**SUBJECT**

The above-referenced parcel of real property was sold in or around April 2023, by the County Treasurer and Tax Collector (TTC) at the 2023 Public Auction of Tax Defaulted Property. Subsequently, Mr. Steven Powers, a potential party of interest, petitioned your Board to request that the sale be rescinded.

Pursuant to California Revenue and Taxation (R&T) Code Section 3731, a hearing was conducted on May 2, 2024, before the appointed Hearing Officer.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve the recommendation in the attached report from the Hearing Officer to not rescind the sale of AIN 4378-002-032.
2. Instruct the Executive Officer to notify the Assessor and the other parties to the sale that the sale will not be rescinded.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approving the recommendation of the Hearing Officer in this matter keeps the County in compliance with the relevant sections of the R&T Code and US Code 11 Section 362.

**Implementation of Strategic Plan Goals**

Your Board's approval of the recommendations will further the County Strategic Plan Goal No. III - Realize Tomorrow's Government Today. Specifically, it will address Strategy III.3 to Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability by providing the petitioners seeking to rescind tax sales with an Executive Officer-appointed Hearing Officer and by avoiding unnecessary and potentially costly legal proceedings.

**FISCAL IMPACT/FINANCING**

No Fiscal Impact.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

California Revenue and Taxation Code Section 3725 provides for a proceeding based on alleged invalidity or irregularity of any proceedings instituted under the chapters governing sale of tax-defaulted property.

The request referenced in this letter meets the statutory guidelines and accordingly required that the Board of Supervisors conduct, or cause to be conducted through an appointed Hearing Officer, a hearing on the matter.

The hearing having been conducted, and a recommendation from the Hearing Officer received, your Board is now required to accept or reject the recommendation.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

No impact.

The Honorable Board of Supervisors

7/9/2024

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Respectfully submitted,

A handwritten signature in cursive script that reads "Edward Yen".

Edward Yen

Executive Officer

EY:dg

Enclosures

c: Chief Executive Officer  
County Counsel Assessor  
Auditor-Controller  
Treasurer and Tax Collector

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June 7, 2024

Edward Yen, Executive Officer  
County of Los Angeles, Board of Supervisors  
500 West Temple Street  
Los Angeles, CA 90012

Dear Mr. Yen:

**Re: HEARING FOR PETITION TO RESCIND AIN 4378-002-032**

The Treasurer and Tax Collector ("TTC") has the power to sell nonresidential commercial property that has been delinquent for three or more years and residential property that has been delinquent for five or more years. Pursuant to Revenue and Taxation Code sections 3725 and 3731, the Board of Supervisors may rescind a tax sale only if there is an invalidity or irregularity in the tax sale process.

**Procedural History:**

Assessor's Identification Number (AIN) 4378-002-032 ("Property") was sold in the April 2023 tax sale. In November 2023, Ali Aalaei, attorney for Steven Powers, VWY Thermal, Inc., and Pierfront Investments, Inc., (collectively the "Petitioners") submitted a written request to the Board of Supervisors to rescind the sale of AIN 4378-002-032. Pursuant to Revenue and Taxation Code Section 3731(b), a hearing to rescind the sale of the property was set for May 2, 2024.

On May 2, 2024, I served as Hearing Officer as authorized on behalf of the Board of Supervisors for a hearing on the Petition to Rescind Sale of Tax-Defaulted Property. Present at the hearing were as follows:

- 1) Petitioner, Steven Powers
- 2) Petitioner's representative, Ali Aalaei, Attorney-at-Law.
- 3) Nancy Ramos, Purchaser at Tax Sale of Property
- 4) Matthew Dill, County Counsel for TTC
- 5) Deondria Barajas, Assistant Treasurer and Tax Collector
- 6) Michael McComas, Assistant Operations Chief, TTC
- 7) Elizabeth Buenrostro Ginsberg, Treasurer Tax Collector

Edward Yen, Executive Officer

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- 8) Nichole Alcaraz, Operations Chief, TTC
- 9) Michael Hahn, Deputy County Counsel
- 10) Nanette Herrera, BOS-Executive Office
- 11) Panik Nazarian, BOS-Executive Office
- 12) Lucia Gonzalez, County Counsel advisor to the Hearing Officer
- 13) Joyce Aiello, County Counsel advisor to the Hearing Officer

### **Evidence Presented:**

As Hearing Officer, I considered the following evidence:

- Mr. Aalaei's Petition to Rescind Sale of Tax-Defaulted Property, with attachments and exhibits.
- TTC's Brief in Opposition to the Petition to Rescind, with exhibits;
- Nancy Ramos' Letter and attachments;
- Testimony of Mr. Steven Powers, the Petitioner, and Mr. Aalaei on behalf of the Petitioner; and Mr. McComas on behalf of TTC.

### **Factual History Based on the Evidence Presented:**

Mr. Powers sold the property in 2013. At the time of the sale, prior year secured property taxes were delinquent. Subsequent to that sale, the property was sold and transferred between entities a number of times. In 2018, the property was transferred to US Realty Holdings, LLC. Because the secured taxes remained outstanding, the Property became tax-defaulted and subject to the TTC's power of sale and was sold at the 2023 County Public Auction held in April 2023.

The TTC utilized a title investigation vendor to identify the names and mailing addresses of persons/entities with record title to the Property and lienholders with a recorded interest in the Property for the purpose of providing legally required notices of the impending Public Auction. The TTC received a parties of interest search report from its vendor ("Title Report"), which captured recorded documents associated with the Property. The Title Report showed US Realty Holdings, LLC, was the sole owner of record of the Property immediately preceding the tax sale, via a grant deed recorded on August 30, 2018. The Title Report also identified Steven Powers as a potential party of interest by virtue of a notice of pending action in Los Angeles County Superior Court Case No. 19STCV40987 recorded on November 25, 2019, ("Lis Pendens").

On or about February 17, 2023, the TTC mailed notices of the auction for the property to US Realty Holdings, LLC, and its agents (collectively "Parties of Interest") and to the counsel/parties specified in the Lis Pendens. The TTC received signed electronic return receipts for the Parties of Interest. On or about March 6 through March 7, 2023, the TTC received notification from the US Postal Service that the notices of auction sent to Steven Powers and ARI Law (counsel for Mr. Powers), were undeliverable. The US Postal Service indicated that the forwarding order for both had expired.

Edward Yen, Executive Officer

June 7, 2024

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**Recommendation**

The evidence demonstrated that the TTC made reasonable efforts to provide all Parties of Interest with notice of the tax delinquency and scheduled tax sale as required by Revenue and Taxation Code section 3701. Petitioner failed to provide a legal basis to rescind the tax sale. Therefore, I recommend the sale of AIN 4378-002-032 remain in place and that the Petitioners' request to rescind the tax sale be denied.

Please let me know if you have any questions.

Sincerely,

*Don Garcia*

Don Garcia  
Hearing Officer

c: Nanette Herrera  
Lucia Gonzalez