

**Summary of New Litigation Received
Revenue Legal Counsel, Department of Finance and Administration**

Plaintiff: Flakeboard America Limited Attorney: Malcolm Bobo
Defendant: Richard Weiss, Director of DFA Attorney: Kendall Sample
Court: Hot Spring County Circuit Docket #: 30 CV 11-200-1
Relief Sought: Refund of approximately \$20,000 in tax that the taxpayer paid when it purchased the property that it now claims is exempt from tax.
Issue: Whether certain property, specifically refiner plates, purchased by plaintiff for use in the manufacture of medium density fiberboard (MDF) is exempt as machinery and equipment used in manufacturing.
Case History: Complaint filed in November 2011. Answer filed.
Current Status: Case is in discovery stage.

Plaintiff: L. A. Darling Company Attorney: Mark Mayfield
Defendant: Richard Weiss Attorney: Will Keadle
Court: Greene County Circuit Docket #: CV 2012-173(PH)
Relief Sought: Refund of tax that plaintiff paid for the purchase of certain property and for labor services
Issue: Whether the exemption from tax for machinery and equipment used in manufacturing applies to certain purchases of property and labor services made by the taxpayer and whether the taxpayer followed the statutory method by which a direct pay taxpayer may obtain a refund of tax that the taxpayer paid to a vendor and also remitted directly to the state for the same transaction
Case History: Complaint served on DFA on September 21, 2012
Current Status: Answer will be timely filed.

Status of Previously Reported Litigation
Revenue Legal Counsel, Department of Finance and Administration

Plaintiff:	Theresa Holbrook	Attorney: James A. Streett
Defendant:	Healthport, Inc. Richard Weiss	Attorney: B. J. Walker Attorney: Joel DiPippa
Court:	Pope County Circuit	Docket #: CV 20-10-588
Relief Sought:	Declaratory judgment regarding whether sales tax is due on the charge to a patient for copying and providing paper copies of medical records in preparation for, or in connection with, litigation	
Issue:	Whether the charge for medical records is subject to sales tax as the sale of tangible personal property	
Case History:	Complaint originally filed by Holbrook against Healthport alleging that Healthport illegally collected sales tax on the sales of medical records. Healthport filed a third party complaint against DFA for a declaratory judgment on the issue of the taxability of the sales of the records. Holbrook then amended her complaint to plead a claim for illegal exaction against DFA. DFA filed a motion to dismiss. Holbrook dismissed the claim for illegal exaction, leaving only the declaratory judgment pending against DFA. The circuit ruled held that the charge for the medical records is subject to sales tax. The plaintiff appealed.	
Current Status:	The appellant filed its brief in August. The appellees filed their briefs in September. The appellant's reply brief will be due in October. The case is currently docketed in the Arkansas Court of Appeals, Case No. CA12-457.	

Status of Closed Litigation
Revenue Legal Counsel, Department of Finance and Administration

Plaintiff:	The Home Depot U.S.A., LLC	Attorney:	Michael O. Parker
Defendant:	Richard Weiss	Attorney:	Susan Nichols
Court:	Pulaski County Circuit Court	Docket #:	CV09-5348
Relief Sought:	Refund of tax paid in the amount of \$798,532.46		
Issue:	Whether plaintiff is entitled to a bad-debt refund of sales taxes paid on transactions involving a private-label credit card serviced and administered by finance companies that are unrelated to the plaintiff.		
Case History:	Complaint filed July 29, 2009; answer filed August 17, 2009		
Status:	Plaintiff filed a motion to dismiss. The motion was granted and the case was dismissed in September 2012.		