

— Stock Cert. ^{Checking}
W. S. E Bonds ^{acc.}
Redwood Empire
Bank book O.L.

A-35-a

/ A.X

LEGAL ISSUES

Although there are several areas of concern that may be commented upon in the course of this outline, by far the greatest concern is with issues that relate to taxation. In this field the critical question is whether our exemption can be successfully attacked. If so, then there issues of tax evasion, failure to keep or to produce records, officers and directors liabilities and others that can be raised. Some of these are substantial crimes with penalties ranging to \$10,000 and/or 5 years. As sub issues are the following: can the exemption be attacked separately from the denominational exemption? If so, can the obligation to pay tax be applied retroactively? Can the obligation to keep records, file returns be applied retroactively? Whose obligation would it be to comply, the then officers and directors or those in office at the time of the revocation? Is it possible to charge evasion in a situation such as ours? What would I.R.S. have to prove? Do they need access to our records for such purpose? What is the likelihood that they would try such a prosecution? Have they ever done it? What procedures would they have to go through in order to revoke the exemption, assess a tax due, demand payment and file a lien or seize property? How long would it take? What delaying tactics are available? What are our rights? Can criminal penalties be applied in a situation where there is a retroactive application of the tax law? (We know that civil penalties can be applied retroactively - they did so to Hargis) Is there any practical way that we can prevent I.R.S. seizure in the event that they revoke? Form another Church and donate our remaining assets to it?

This is an area that few people know anything about. Even the so-called tax experts know little about the application of the church rules. The only persons who would have enough familiarity with the laws and I.R.S. procedures to handle these questions with any reasonable semblance of accuracy would be a person who had spent some years as an attorney for the I.R.S. in their Exempt Organization section, and so would be familiar with the course of their procedures, the laws, and the areas where they had succeeded or failed in the past. I feel that it would be a disservice to our

~~A-35~~ A-35-a-6a

Community, and grossly irresponsible for any of us, in our ignorance to give opinions in these areas which might be acted upon to our subsequent detriment. I feel that the experience with A. C. should be a warning in that area, even though we were relying on the advice of local counsel who we believed to have more expertise than most other so called "experts" in this area.

We have real need of the best advice obtainable on this subject. If we have no really strong risk of exemption loss, then it would seem that we might go somewhat slower on the sale of the property and not be in the position of giving them away on the theory that anything now is better than nothing later. It might also be more feasible to continue to operate a very limited church structure here so long as it continued to be economically worthwhile; we might also consider some profitable investments that under our present constraints are just not available to us. (See other memo). On the other hand, if we do have a serious problem, then we might consider bending more efforts to attempt to protect our situation, according to the legal advice that we receive.

We are attaching code provisions and regulations that hypothetically present potential problems. One thing to keep in mind is that the pursuit of any inquiry is discretionary, at several stages, and is grounded in what looks curious, not in what actually is there (or not there) as is the case with us. Thus, at any number of points along the way, the special agent or investigator can decide to drop the matter. However, there are no firm guidelines for this: it is as much a matter of personal opinion or local policy as anything else. However, it should be noted that IRS has shown a distinct aversion in recent years to the so called "new religions". We are enclosing a book that gives an overview of procedures.

To reiterate: it would appear that the central question is can they go after us on the basis that we are not tax exempt, and thus raise the whole gamut of subsequent issues, both criminal and civil? In passing, IRS Reg. 6001-1 seems to require that organizations exempt under §501(a) such as one of ours ARE required to keep a specified set of records, notwithstanding Georges advice to the

A-35-a-16

contrary, which has apparently been followed.

We recognize that these pages do not represent an analysis of the statutes etc. but we feel that no meaningful legal opinion or information can be obtained that way because so much is a matter of conflicting legal case law and of administrative procedures, even the experts and the IRS people say that they don't know what some of the laws and regulations in this area mean. We feel that lining out some of the possibly relevant issues, and pointing out the possibly relevant statutes etc. is about as much as can be done based on our level of skill and information. We also think that if George gives you the impression otherwise, he is full of crap; he is no better equipped to give a legal opinion on this. It would be the grossest kind of deception for us to talk with "knowledge" or even engage in guesswork about an area that is acknowledged as murky by the "experts".

FINAL NOTE: There is some doubt that criminal penalties could be imposed retroactively, (i.e. if it were determined that for specific past years we were not tax exempt). Civil penalties, yes... but there could be a real due process question if they said we were not tax exempt for certain years and that therefore any activity that we engaged in for those years would have been an attempt to evade taxes and subject to criminal penalties. However, if they required that tax returns be filed for those years, on the basis of their determination that we were not in fact tax exempt for that period of time, and we did not do so. then it is probable that they could go after us on a present failure to comply with our obligation to file the returns. Lack of willfulness is a defense that could be raised, as well as mistake of law, because the law is so uncertain with respect to the bases for a termination of tax exemption.

E&D

A-35-a-1c

TO GENE CHAIKIN
REGARDING: LYNETTA'S FUNDS

I AM NOT SURE I FULLY UNDERSTOOD YOUR WRITE UP, BUT WHAT I THINK JJ HAD IN MIND WAS TO TRY TO CREATE ACCOUNTS AS GIFTS TO EACH ONE OF THE GRANDCHILDREN, AND PERHAPS OTHER INDIVIDUALS AS WELL.

FOR EXAMPLE COULD SOMETHING LIKE THIS BE DONE?

\$20,000 to each of the grandchildren plus perhaps John and Kimo? If this were done who would pay tax on the things? In other words what would Lynetta pay taxes on, and what would each of the recipients of the gift pay taxes on? Who would formally have the responsibility for the accounts? And how would they be done?

I think he may have had in mind to just leave the various accounts in savings for a long while to accumulate interest at this point. That way we also would not be telling the boys much, if anything about the accounts at this point, if ever. It would not be so much that he wants them to have the accounts, but to avoid inheritance tax and perhaps they would not have to pay anything on interest earned because they don't have any income.

Give me your ideas on how this would be possible please, fairly rapidly as I know we are loosing interest on the check just sitting as it is now.

CL

A-35-a-2

41 89-4286-2018

① Total \$100,000 rounded off
 = 6 gifts of 20,000 ea.

	120,000
	- 30,000 excl.
	- 19,000 excl.
	\$ 72,000 Taxable

Tax is \$7,125 + 28% over 100k or \$9,645 GIFT TAX
The children pay tax on the income

② Total \$120,000
 6 A/c of \$20,000 ea "in trust for"
 This requires no accounting but does
 require payment of Estate Tax

Lynette Tom. in trust for
 James as Trustee, D.

Estate	120,000
Exclusion	60,000
Taxable Est.	60,000

\$7,000 + 25% over 50,000 or \$2,500 = \$9,500 Tax

We can avoid the tax by:

1. Making gifts in an amount not in excess of \$30,000 + 3,000 per donee
2. making donations to tax exempt agency (church).

~~and~~ all together to sum of \$60,000
 3) making rest in "in trust for" a/c for balance
 17-35-a-3a

This will avoid tax on gifts (tho
a return must be filed, and
just the estate below 60,000 so no federal
estate tax payable

for example:

Gifts of \$8,000 for each of 6 children
= \$48,000

Gift of \$12,000 to the Church

also of \$10,000 for each of 6 children
"by other means" - - - -

NO TAX

n 8 gifts of \$6,750 each = 54,000
Gift of 6,000 to Ch. = 6,000
8 w/e "in trust" of 7,500 ea. = 60,000

120,000

TO MILDRED FIRST

Law Office Report #39

July 8, 1978

from June

page 1

TAXES FOR TISH AND HAROLD

*CO
be
40
100*

Attached notices have been received in the mail, being passed on to you:

1. Ray and Agnes Jones, re 1973 return - see the bottom where it says that the period for claiming an overpayment appears to have expired before received your claim. We will notify you if your claim is disallowed. Does this mean that Ray and Agnes may not get their refunds because it's so late in filing? See attached Section 1645 of IRS Master Tax Guide:
2. Guy and Beverly Mitchell - verification of social security number or name.
We are getting a bunch of these this year - is this something new??
3. Still waiting for tax returns back from you on Barbara Hoyer, Carol & Richmond Stahl, Tim and Mary Lou Clancy, others.
For awhile there I was getting taxes regularly but have not recently. Meanwhile, we are still waiting on W-2's, have received none.
4. Kris Kice - She needs to reduce the amount of taxes taken out of her salary per month. Her check fluctuates, depending on the amount of hours she works; she's been working a lot of overtime and will continue to, doing about one or two double shifts per week. She would be getting more money from this if they didn't take out so much taxes. SO, since she now only claims herself as a dependent, can she claim Tom Kice and Tommy as dependents? Can this be done by making out monthly checks to them as proof of support? Sending those checks over for cashing there? Or could she set up some kind of direct deposit system so the money would go direct to GT? She would like an answer right away because she's putting in a lot of extra hours and as of how the money is wasted because it goes right back to the employer in taxes. See attached copies of the most recent checks she's earned which show deduction of taxes, ~~xxx~~ and her own explanation. BARBARA HOYER IS ALSO BRINGING A COPY OF THIS WITH HER: HOPEFULLY BETWEEN BARBARA AND THIS REPORT, KRIS WILL GET AN ANSWER SOON.

A-35-a-4

Department of the Treasury
Internal Revenue
Service Center

FRESNO, CA 93888

6273 12

DB

7825

FOREST R & AGNES P JONES
PO BOX 15156
SAN FRANCISCO CA 94115

Date of This Notice
JULY 3, 1978

Social Security Number

402-52-8880

DB

Document Locator Number

94211-147-08316-8

Form Number Year Ended

1040

DEC. 31, 1973

If you inquire about
your account, please
refer to these num-
bers or attach this
notice

Correction to Arithmetic

In checking the arithmetic on your income tax return, we had to make corrections for the reasons shown below. The amount refunded to you, which is shown on the right, will not be delayed by this corrective action.

EITHER YOU DID NOT FIGURE THE GENERAL TAX CREDIT ON LINE 17c, OR YOU MADE AN ERROR FIGURING IT.

144

N433

Tax Statement

Total Tax on Return	\$ 298.00
Less IRA Excise Taxes on Return00
Balance of Tax on Return..\$	298.00
Correct Balance of Tax on Return	\$ 508.16
Tax Withheld	898.00-
Estimated Tax Credits00
Other Credits00
Payments00
Payments Applied to IRA Excise Taxes00
Plus Penalty *00
Plus Interest *00
You Overpaid IRS	389.84
Amount Being Credited to Your Estimated Tax00
Amount to be Refunded to You, if You Owe No Other Taxes * *	\$ 389.84

(Any interest due you will be added)

*See these code numbers on the back for an explanation of penalty or interest charges

THE PERIOD FOR CLAIMING AN OVERPAYMENT APPEARS TO HAVE EXPIRED BEFORE WE RECEIVED YOUR CLAIM. WE WILL NOTIFY YOU IF YOUR CLAIM IS DISALLOWED.

** Since we maintain your individual account separate from your individual retirement account, (IRA), you may receive another notification from us about your IRA excise taxes.

Form 4085 Part 1 (REV. 8-77)

A-35-a-5

distrain or a proceeding in court for collection has expired. (Reg. § 301.6512-1.)¹⁶

1645. **Limitations on Credit or Refund.** In all cases in which the taxpayer is required to file a return, the Commissioner cannot allow a refund or credit unless a proper *refund claim* is filed within three years from the time the return was filed or within two years from the time the tax was paid, whichever expires the later, or if no return was filed by the taxpayer, within two years from the time the tax was paid. For this purpose, a return filed before the due date is treated as filed on the due date. Claim for refund or credit of an overpayment of any tax which is required to be paid by means of a stamp is not timely unless filed by the taxpayer within three years from the time the tax was paid. (Reg. § 301.6511(a)-1.)¹⁷

If the claim relates to deductibility of bad debts or worthless securities, the period is seven years instead of three years; if it relates to the credit for foreign taxes, the period is 10 years. If the claim relates to a net operating loss carryback, capital loss carryback, work incentive program credit carryback, new jobs credit carryback, or investment credit carryback, the period is that period which ends with the expiration of the 15th day of the 40th month (or 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss (or unused credit) if such period ends later than the regular three-year period. And to the extent that an overpayment is due to an investment credit carryback or work incentive program carryback arising from a carryback of a net operating loss or capital loss from a later year, the refund claim can be filed through the 15th day of the 40th month (or 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss or capital loss, if such period ends later than the regular three-year period. (Code Sec. 6511, Reg. §§ 301.6511(d)-1—301.6511(d)-4.)¹⁸

1646. **Interest on Refund Claim.** Interest is allowed on a refund from the date of overpayment to a date preceding the date of the refund check by not more than 30 days. However, no interest is allowed on a refund made within 45 days from the due date of the return (disregarding extensions of time for filing). Nor is any interest paid in the case of a return filed after the due date where the refund is made within 45 days after the return was filed (Code Sec. 6611(b), (e)).¹⁹

1647. **Amendment of Refund Claim.** A timely claim for refund based upon one or more specific grounds may not be amended to include other and different grounds after the statute of limitations has expired.²⁰

1648. **Suit for Recovery of Overpayment.** A taxpayer is denied the right to pay an asserted additional tax and sue in court for a refund if he has appealed to the Tax Court from a deficiency finding. His recourse after an adverse decision of the Tax Court is to appeal to a proper Court of Appeals.

After the Commissioner rejects a refund claim, suit can be maintained in the Court of Claims or a District Court (§ 1661, 1662). Filing a proper claim for refund or credit is a condition precedent to a suit for recovery of overpaid taxes (Code Sec. 7422(a), (c)).²¹

If, prior to hearing a taxpayer's refund suit brought in a District Court or the Court of Claims, a notice of deficiency is issued on the subject matter of the taxpayer's suit, the proceedings in the suit will be stayed during the period of time in which the taxpayer can file a petition with the Tax Court, and for 60 days thereafter. If the taxpayer files a petition with the Tax Court, then the District Court or the Court of Claims loses

References are to paragraphs of the 1978 Standard Federal Tax Reports.

¶ 1645

¶ 5475

¶ 5467

¶ 5470-5472A

¶ 5512

¶ 5408.06

¶ 5780

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Department of the Treasury
Internal Revenue
Service Center

FRESNO, CA 93888

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GUY & BEVERLY MITCHELL
PO BOX 15156
SAN FRANCISCO CA 94115

Date of This Notice
JULY 3, 1978

Social Security Number on Return
588-98-1750*

Document Locator Number
94209-126-36389-8

Form Number Year Ended
1040A DEC. 31, 1977

◀ If you inquire about your account, please refer to these numbers.

VERIFICATION OF YOUR SOCIAL SECURITY NUMBER OR NAME

2 R

We are unable to complete the processing of your income tax return for the above year because the social security number or last name on it is different from our records. Please supply the information requested below. If you filed a joint return, give information for the first person named above. Please reply soon, as it will take several weeks to make corrections, to issue any refund to you, or to credit your account. An addressed envelope is enclosed for your convenience. Thank you for your cooperation.

2 588981750*

94 MITC R 77

SOCIAL SECURITY NUMBER

Please print in dark ink or use typewriter.

PLEASE REPLY TO THIS NOTICE IMMEDIATELY	1	FULL NAME	(First)	(Middle, or initial—if none, draw line—)	(Last)		
	2	NAME AS SHOWN ON YOUR LAST SOCIAL SECURITY CARD. IF UNKNOWN, YOUR NAME AT BIRTH	(First)	(Middle, or initial—if none, draw line—)	(Last)		
	3	DATE OF BIRTH	(Month)	(Day)	(Year)	4 BIRTH DATE PREVIOUSLY REPORTED (If different from item 3)	
	5	PLACE OF BIRTH	(City)	(County)	(State)	6 SEX <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	
	7	MOTHER'S FULL NAME AT HER BIRTH (Her maiden name)				8 FATHER'S FULL NAME (Regardless of whether living or dead)	
	9	WHERE AND WHEN DID YOU GET YOUR FIRST SOCIAL SECURITY CARD?		(State)	(Year)		
	10	YOUR PRESENT MAILING ADDRESS	(Number and Street, Apt. No., P.O. Box, or Rural Route)	(City)	(State)	(ZIP Code)	
	11	TODAY'S DATE					
	12	TELEPHONE NUMBER				13 Sign YOUR NAME HERE (Do not print)	
	NOTICE Whoever, with intent to falsify his or someone else's true identity, willfully furnishes or causes to be furnished false information in applying for a social security number is subject to a fine of not more than \$1,000 or imprisonment for up to 1 year, or both.						

T588981750 77 2

Form 3912 (Rev. 10-76)

A-35-a-7

PERIOD ENDING	DEPT. NO.	EMPLOYEE NO.	EMPLOYEE NAME	SOCIAL SECURITY NO.	GROSS EARNINGS
15/20/78	8730-02	04078	CHRISTINE KICE	286-48-0314	393.75
RATE	9.8438	PER HOUR	JOB CODE JC3AC-00		
EARNINGS		HOURS	AMOUNT	DEDUCTIONS	AMOUNT
REGULAR		40.00	393.75		

	GROSS	F.I.C.A.	STATE	S.D.I.	FED. WITH.	TOTAL TAXES	74.48
CURRENT	393.75	23.82	5.48	3.94	41.24	NET PAY	319.27
PERIOD DATE	393.75	23.82	5.48	3.94	41.24		

STATEMENT OF EARNINGS AND DEDUCTIONS

MOUNT ZION HOSPITAL AND MEDICAL CENTER

PERIOD ENDING	DEPT. NO.	EMPLOYEE NO.	EMPLOYEE NAME	SOCIAL SECURITY NO.	GROSS EARNINGS
5/17/78	8730-02	04078	CHRISTINE KICE	286-48-0314	810.18
RATE	9.8438	PER HOUR	JOB CODE J03AC-00		
EARNINGS		HOURS	AMOUNT	DEDUCTIONS	AMOUNT
REGULAR		80.00	787.50		
PREMIUM		32.00	22.68		

	GROSS	F.I.C.A.	STATE	S.D.I.	FED. WITH.	TOTAL TAXES	222.19
CURRENT	810.18	49.01	26.51	8.11	138.56	NET PAY	587.99
PERIOD DATE	2067.65	125.09	62.25	20.68	333.35		

STATEMENT OF EARNINGS AND DEDUCTIONS

MOUNT ZION HOSPITAL AND MEDICAL CENTER

PERIOD ENDING	DEPT. NO.	EMPLOYEE NO.	EMPLOYEE NAME	SOCIAL SECURITY NO.	GROSS EARNINGS
11/01/78	8730-02	04078	CHRISTINE KICE	286-48-0314	663.72
RATE	9.8438	PER HOUR	JOB CODE JC3AC-00		
EARNINGS		HOURS	AMOUNT	DEDUCTIONS	AMOUNT
REGULAR		72.00	708.75		
OVERTIME		4.00	59.06		
DOUBLETIME		3.00	59.06		
PREMIUM		51.99	36.85		

	GROSS	F.I.C.A.	STATE	S.D.I.	FED. WITH.	TOTAL TAXES	244.73
CURRENT	663.72	52.20	35.28	8.02	157.50	NET PAY	419.02
PERIOD DATE	1257.47	76.00	35.74	12.57	164.76		

STATEMENT OF EARNINGS AND DEDUCTIONS

MOUNT ZION HOSPITAL AND MEDICAL CENTER

PERIOD ENDING	DEPT. NO.	EMPLOYEE NO.	EMPLOYEE NAME	SOCIAL SECURITY NO.	GROSS EARNINGS
07/01/78	8730-02	04078	CHRISTINE KICE	286-48-0314	1197.72
RATE	9.8438	PER HOUR	JOB CODE JC3AC-00		
EARNINGS		HOURS	AMOUNT	DEDUCTIONS	AMOUNT
REGULAR		80.00	757.50	CNA DUES	9.05
OVERTIME		12.00	177.15		
DOUBLETIME		7.75	152.58		
PREMIUM		113.50	80.45		

A-35-a-2a

	GROSS	F.I.C.A.	STATE	S.D.I.	FED. WITH.	TOTAL TAXES	409.39
CURRENT	1197.72	72.46	59.58	11.97	265.38	NET PAY	719.28
PERIOD DATE	1197.72	147.55	121.63	32.65	558.73		

TO: Terry Buford

7/8/78

FROM: Chris Kice

Re: taxes - need to reduce amt. of taxes taken out of my salary per month.

Started work @ Mt. Zion ^{HOSPITAL} on 5/15/78 occupation: Registered Nurse

FROM 5/15/78 - 7/01/78 make 3265.37 gross

2305.56 net

950.76 taxes

I claim only myself as a dependent.

Questions:

- 1) Can I claim Tom Kice ^{or} Tommy as dependents?
- 2) Can this be done by making out monthly checks to them as proof of support?
- 3) Please ~~write~~ be specific about your answers & necessary details.

A-35-a-86

Public Utilities Commission
 STATE OF CALIFORNIA
 TRANSPORTATION DIVISION—TARIFF AND LICENSE BRANCH
 SAN FRANCISCO, CALIF.

IF YOU TELEPHONE,
 CALL 557-1909
 (AREA CODE 415)

LEONS TRUCKING
 Leon Ferry
 P.O. Box 466
 Redwood Valley, CA 95470

File T- 66061
 Dec. No. No Fund
 Date 7-3-78

SUBJECT: Your report of GROSS OPERATING REVENUE for the 2nd quarter
 of 1978

Report received without remittance of:

RATE FUND FEES		UNIFORM BUSINESS LICENSE TAX	
3/10 of 1% of \$ <u>No Operation</u>		1/10 of 1% of \$ <u>No Operation</u>	
Quarterly fee	<u>10.00</u>	Penalty	_____
Penalty	_____	TOTAL . . . \$	_____
TOTAL . . . \$	<u>10.00</u>	TOTAL DUE \$	<u>10.00</u>

Report received with incomplete information:

- (a) Amount of Gross Operating Revenue . \$ _____ (State exact amounts)
- (b) Amount of Subhaul Revenue \$ _____
- (c) _____
- (d) _____

Signature on report indicated change in status of your operations

PLEASE NOTE: As long as the Highway Contract Carrier Permit remains in your name in active status, the liability for the quarterly fee will continue.

PLEASE NOTE:
 Quarterly Fee due whether operations conducted or not
 Quarterly Fee due during Suspension period
 Quarterly Fee NOT paid by principal carriers

PUBLIC UTILITIES COMMISSION
 By James K. Gibson
 JAMES K. GIBSON, DIRECTOR
 TRANSPORTATION DIVISION

Reply: _____

Date _____ [SIGNED] _____
PL 659 (REV. 8-77)

A-35-a-9

PT 89-4286-2018

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)
TELEPHONE: (916) 445-7732



GEORGE F. REILLY
First District, San Francisco
SRS SANKEY
Second District, San Diego
WILLIAM H. BENNETT
Third District, San Rafael
RICHARD NEVINS
Fourth District, Pasadena
KENNETH CORY
Controller, Sacramento

DOUGLAS D BELL
Executive Secretary

June 6, 1978

Truth Enterprises Inc.
P. O. Box 192
Redwood Valley, CA 95470

IN REPLY REFER TO:
SR-JHE-27-642379
Period: 4th Qtr., 1977

Your return for this period shows the following, which requires further explanation:

JAM:fa

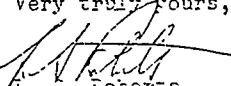
18a. Amount of San Francisco Bay Area Rapid Transit District Tax (From Line A9 Column A of Schedule A) \$59.19

The remittance with your return was at 6 $\frac{1}{2}$ % of taxable sales. Since your business address is not located in a Transit District, it appears excess tax may have been paid. However, if excess tax was collected, the Law requires that the excess be returned to customers and evidence of the refund retained in your records. Your signed request for refund under the foregoing conditions may be made on the extra copy of this letter. If you are unable to refund to customers, the excess tax collected is payable to the Board.

If you have transactions in the transit district, please complete Schedule A of future returns.

Approval of your return has been withheld pending receipt of your explanation. Please return a copy of this letter with your reply.

Very truly yours,


L. S. Roberts
Principal Compliance Supervisor

BT-303 Rev. 18 (7-77)

A-35-a-10

Internal Revenue Service
District Director

Department of the Treasury

Date: June 8, 1976

Person to Contact:
BI 7820177

Contact Telephone Number:
556-1790

Office Address:
OFFICE BRANCH
450 GOLDEN GATE AVENUE
BOX 36320

Tax Form(s): SAN FRANCISCO, CALIFORNIA 94109
1120S

Tax Period(s):

7512 - 7712

~~57113~~
▷ Truth Enterprises Inc
PO Box 975
San Francisco, Ca 94101

We have been unable to reach you by telephone to discuss filing the tax returns indicated above.

It is important that you contact our office as soon as possible between the hours of 8:30 a.m. and 4:00 p.m. We can be reached at the above number.

It will not be necessary for you to call if you file the required forms at the address shown above within 10 days.

If we do not hear from you or receive the returns, it will be necessary for a field representative to contact you at your residence or place of business.

Sincerely yours,

Mrs. C. Turner
556-3116

6/20/76 Called + left message

6/21/76 returns not filed

Francis Nettle 556-3116

identifying num-
ber needed

106

P.O. Box 975
San Francisco CA 94101

March 31, 1978

Internal Revenue Service
5045 East Butler Avenue
Fresno, California 93888

Re: 89061753
Ltr 282C U 0188
Truth Enterprises, Inc.

Dear Sirs:

Attached is a copy of your letter of March 1, 1978 in which you refer to our letter. We do not understand to which letter you refer, as no one here can recall sending any letter of inquiry to you. We would appreciate your sending us a copy of the letter to which you refer, so that we might better understand the reason for your response concerning our 1975 return.

Sincerely,

A-85-a-12

Internal Revenue Service

Department of the Treasury

5045 EAST BUTLER AVENUE
FRESNO, CA 93888

Date

Internal Revenue

MAR. 01, 1978

89061753
LTR 282C U 0185

TRUTH ENTERPRISES INC
PO BOX 975
SAN FRANCISCO, CA 94101

EMPLOYEE IDENTIFICATION NUMBER: 94-2187644

DEAR TAXPAYER,

THANK YOU FOR YOUR LETTER. WE HAVE MADE A THOROUGH SEARCH BUT CANNOT FIND YOUR ORIGINAL RETURN, FORM 1120S, FOR THE TAX PERIOD ENDED DEC. 31, 1976. IF WE HAVE MISPLACED IT, WE APOLOGIZE FOR THE INCONVENIENCE THIS CAUSES YOU.

WE MUST ASK YOU TO FILE A SECOND RETURN. PLEASE PREPARE AND SIGN IT JUST AS YOU DID THE FIRST, AND ATTACH COPIES OF ANY SCHEDULES OR DOCUMENTS YOU INCLUDED WITH THE ORIGINAL. A PREADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE.

THANK YOU FOR YOUR COOPERATION.

SINCERELY YOURS,

Ruth Haber

CHIEF, CORRESPONDENCE SECTION

ENCLOSURES:
FORMS 1120S
ENVELOPE

A-35-a-13

Declaration and Acknowledgment of Gifts
I, the undersigned, hereinafter referred to as donor,
first met Jim Jones and Marceline Jones of Redwood
Valley, California, hereinafter referred to as donees, in
August 1968.

From that time until the present I have
periodically made irrevocable cash gifts out
of my personal funds to Jim Jones and Marceline
Jones. These gifts were made out of love and
affection for each of them and in the deep
knowledge and belief that such gifts would and
will be used as they see fit for humanitarian
good.

No tax deductions were claimed by me of any
of these gifts, and no restrictions were put
on the use of these funds by said donees.

The total amount of these gifts by me
to said donees has exceeded twenty thousand
dollars (\$20,000.00). These gifts were spread
out so that during no calendar year did the
amount of such gifts exceed \$3,000 per donee.

I declare under penalty of perjury that the
foregoing is true and correct.

Donor Mrs. Linda Sharon Arns

Witness

Carol A. Stahl

We the undersigned, are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones of Redwood Valley, California hereafter referred to as donees, in

From that time until the present we have periodically made irrevocable cash gifts out of our Community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection to each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that on a calendar year did the amount of such gifts exceed \$3,000 per donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct.

Eddie Kutulas
Denny Kutulas

Witness: Carol A. Stahl

~~Eddie Kutulas~~

We, the undersigned, are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones of Redwood Valley, California hereinafter referred to as donees, in September 1969.

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were put on or claimed by us of any of these gifts and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed (\$3,000.00) three thousand dollars per donee, from either of us.

I declare under penalty of perjury that the foregoing is true and correct.

Rebecca M. Mittle - wife
Elmer J. Mittle - husband

Witness: Carol A. Stahl

Declaration and acknowledgment of gifts

We, the undersigned, are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones of Redwood Valley, California, herein after referred to as donees, in _____ 19__

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said Jones has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000 per donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct.

Therese Bean
Jack H. Bean

Witness: Carol A. Stahl

DECLARATION & SUBSCRIPTION

We, the undersigned, on husband and wife were referred to herein as donors, we first met Jim Jones and Marceline Jones of Redwood Valley, California, hereinafter referred to as donees, in February, 1970.

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge & belief that such gifts would and will be used as they see fit for humanitarian purposes.

No tax deductions were claimed by us of any of these gifts and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during any one year did the amount of such gifts exceed 3,000.00 ~~dollars~~ from either of us.

I declare under penalty of perjury that the foregoing is true and correct.

Richard R. [Signature]

Witness: Carol A. Stahl

Declaration and Acknowledgment of Gifts

We, the undersigned, are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones of Palwood Valley, California herein after referred to as donees, in August 1959.

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000 per donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct.

Barbara J. Corbett
wife
Richard W. Corbett
husband

Witness Cecil A. Stahl

A-35-a-19

Declaration and Acknowledgment of Gifts

We, the undersigned, are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones of Redwood Valley, California herein after referred to as donees, in August 1959.

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000 per donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct.

Barbara J. Corbett
wife
Richard W. Corbett
husband

A-35-a-20

Declaration and Acknowledgment of Gifts

We, the undersigned are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones of Redwood Valley, California herein after referred to as donees, in January 1965 -

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00) these gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000 per donee from either one of us.

I declare under penalty of Perjury that the foregoing is true and correct.

Alvin Swinney
Alvin Swinney

Witness: Carol A. Stahl

89-4286-2018

Declaration And Acknowledgment of Gifts

We, the undersigned, are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones of Redwood Valley Calif. & herein after referred to as donees, in Jan. 1964.

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty-thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000.00 per donee from either of us.

I declare under penalty of perjury that the foregoing is true and correct.

James P. Pugh
Eva H. Pugh

Witness: Carol A. Stahl

Declaration and Acknowledgment of Gifts

We, the undersigned, are husband and wife and are referred to herein as donors. We first Jim Jones and Marceline Jones of Redwood Valley, Calif., hereinafter referred to as donees, in June, 1968.

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000.00 per donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct.

wife - Carol A. Stahl

Husband - Alfred R. Stahl

Witness: Kimberly O. Stahl

A-35-a-23

We, the undersigned, are husband and wife and are referred to herein as donee. We first met Jim Jones and Marge Jones of Redwood Valley, California, hereinafter referred to as donees, in April, 1970

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marge Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000.00 per donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct.

Claire E. Janace
(wife)

Richard Janace
(husband)

Carol A. Stahl
(witness)

Declaration and Acknowledgment of Gifts

We, the undersigned, are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones of Redwood Valley, California, hereinafter referred to as donees, in December 1969.

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000.00 per donee from either one of us.

A-35-a-25a

I declare under penalty of perjury that the foregoing is true and correct.

Grace L. Stoen

Timothy O. Stoen

Witness: Carol A. Stohl

A-35-a-256

Declaration and Acknowledgment of gifts

We, the undersigned, are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones, of Redwood Valley, Calif. herein referred to as donees, in July, 1969.

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$5,000 per donee from either one of us.

I declare under penalty of perjury that the foregoing is true & correct.

Witness: Carol W. Stahl A-35-a-26a
Jonathan L. Ingram

Declaration and Acknowledgment of gifts

We, the undersigned, are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones, of Redwood Valley, Calif. herein referred to as Joneses, in July, 1969.

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$5,000 per donee from either one of us.

I declare under penalty of perjury that the foregoing is true & correct.

Witness: Janet L. Jones Janet L. Jones
A-35-a-166

Declaration and Acknowledgment of Gifts

I, the undersigned, hereinafter referred to as donor, first met Jim Jones and Marceline Jones of Redwood Valley, California, hereinafter referred to as donees, in August, 1967.

From that time until the present I have periodically made irrevocable cash gifts out of my personal funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by me of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by me to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gift exceed \$3,000 per donee.

I declare under penalty of perjury that the foregoing is true and correct.

Witness: Carol M. Hall

A-35-a-27

Declaration and Acknowledgement of Gifts

I, the undersigned, hereinafter referred to as donor, first met Jim Jones and Marceline Jones of Redwood Valley, California, hereinafter referred to as donees, in July 1959

From that time until the present I have periodically made irrevocable cash gifts out of my personal funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by me of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by me to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000 per donee.

I declare under penalty of perjury that the foregoing is true and correct.

Stephen M Addison

Witness: Carol A. Stahl

Declaration and Acknowledgment of Gifts

We, the undersigned, are husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones of Redwood Valley, California, hereinafter referred to as donees, in January, 1970.

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000 per donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct.

Bonnie Beck
WIFE
George Donald Beck Jr.
HUSBAND

Witness: Carol A. Stahl

Declaration and Acknowledgment of Gifts

I, the undersigned, hereinafter referred to as donor, first met Jim Jones and Marcelline Jones of Redwood Valley, California, hereinafter referred to as donees, in February 1971.

From that time until the present I have periodically made irrevocable cash gifts out of my personal funds to Jim Jones and Marcelline Jones these gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by me of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by me to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000 per donee.

I declare under penalty of perjury that the foregoing is true and correct.

Gene S. Crym

Witness: Carol A. Stahl

Declaration and Acknowledgment of Gift
I, the undersigned, hereinafter referred to as donor,
first met Jim Conis and Marceline Gores of Round
Valley, California, hereinafter referred to as donees, on
February, 1970

From that time until the present I have periodically
made irrevocable cash gifts out of my personal funds, to
Jim Conis and Marceline Gores. These gifts were made out
of love and affection for each of them and in the deep conviction
and belief that such gifts would and will be used as
they see fit for humanitarian good.

No tax deductions were claimed by me of any of these
gifts and no restrictions were put on the use of the funds
by said donees.

The total amount of these gifts by me to said donees
exceeded twenty thousand dollars (\$20,000.00). These
gifts were spread out so that during no calendar
year did the amount of such gifts exceed \$3,000.00
per donee.

I declare under penalty of perjury that the foregoing
is true and correct.

Laura P. Goren

Witness: Carol A. Stahl

DECLARATION AND ACKNOWLEDGMENT OF GIFTS

I, the undersigned, hereinafter referred to as donor, first met Jim Jones and Marceline Jones of Redwood Valley, California, hereinafter referred to as donees, in January, 1971.

From that time until the present I have periodically made irrevocable cash gifts out of my personal funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by me of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by me to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000 per donee.

I declare under penalty of perjury that the foregoing is true and correct.

Jean Forrester Brown
[Donor]

Witness: Carol A. Stahl

Declaration and Acknowledgment of Gifts

I, the undersigned, hereinafter referred to as donor, first met Jim Jones and Marceline Jones of Redwood Valley, California, hereinafter referred to as donees, in July, 1969.

From that time until the present I have periodically made irrevocable cash gifts out of my personal funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by me of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by me to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no quarter calendar year did the amount of such gifts exceed \$5,000 per donee.

I declare under penalty of perjury that the foregoing is true and correct.

James R. Randolph

Witness: Carol A. Stahl

Declaration and Acknowledgement of Gifts

We, the undersigned, the husband and wife and are referred to herein as donors. We first met Jim Jones and Marceline Jones of Redwood Valley California herein after referred to as donees, in May, 1954

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000 ~~00~~) these gifts were spread out so that during no calendar year did the amount of such gifts exceed three thousand dollars (\$3,000 ~~00~~) per donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct.

Rosabell James
Archie J. James

Witness: Carol A. Stahl

We the undersigned Husband
and wife and are referred to
as donors. We first met
Jim Jones and Maude Jones
hereafter referred to as donors in
April 1961

From that time until
present we have periodically
made such gifts out of community
property funds Jim Jones & Maude
Jones. These gifts were made
for each of them and in deep
belief that gifts would and will be
used as they see fit for humanitarian
need.

No Tax Deductions are claimed
by us of any of these gifts and no
restrictions were put on the use of
these funds by said donors.

The total amount of these gifts
by us to said donors has exceeded
twenty thousand (20,000). These gifts
were spread out so that during
no calendar year did the amount
of such gifts exceed 3,000 per
done from either of us.

I Declare personally
of perjury that the foregoing is
true and correct
Patty Cartmell

Walter Cartmell A-35-a-35

We, the undersigned, are husband and wife, are referred to herein as donors. We first met Jim Jones and Marceline Jones herein after referred to as donees, in May 1968

From that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Jim Jones and Marceline Jones. These gifts were made out of love and affection for each of them, and in the deep knowledge and belief that such gifts would and will be used as they see fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donees.

The total amount of these gifts by us to said donees has exceeded twenty thousand dollars (\$20,000.00). These gifts were spread out so that during no calendar year did the amount of such gifts exceed \$3,000 per donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct.

James L. J.

James L. J.

A-35-a-36

Declaration and Acknowledgment of Gifts

We, the undersigned, are husband and wife and are referred to herein as donors. We first met Carolyn M. Layton of Ukiah California here in office referred to as donee, in January 1965 - from that time until the present we have periodically made irrevocable cash gifts out of our community property funds to Carolyn M. Layton these gifts were made out of love and affection for her and in the deep knowledge and belief that such gifts would and will be used as she sees fit for humanitarian good.

No tax deductions were claimed by us of any of these gifts, and no restrictions were put on the use of these funds by said donee.

The total amount of these gifts by us to said donee has exceeded Twelve Thousand Five Hundred dollars (\$12,500⁰⁰) These gifts were spread out so that during no calendar year did the amount of our gifts exceed \$3,000⁰⁰ to said donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct -

Clare Swinney

Clare Swinney

Witness: Carol A. Stahl

Declaration And Acknowledgment of Gifts

We, the undersigned, are husband and wife. And as is referred to herein as donors. We first met Carolyn M. Layton of Ukiah California, hereinafter referred to as donee, in June 1969.

From that time until the present we have periodically made irrevocable Cash Gifts out of our Community Property funds to Carolyn M. Layton. These Gifts were made out of love and affection for her and in the deep knowledge and belief that such Gifts were and would be used as she sees fit for humanitarian good.

No tax deductions were claimed by us of any of these Gifts, and no restrictions were put on the use of these funds by said donee.

The total amount of these Gifts by us to said donee has exceeded twelve thousand five hundred dollars (\$12,500.00). These Gifts were spread out so that during no calendar year did the amount of such Gifts exceed \$3,000.00 to said donee from either one of us.

I declare under penalty of perjury that the foregoing is true and correct.

James R. Pugh
Eva H. Pugh

Witness: Carol A. Stahl

89-4286-2018