

RE: THE CORPORATIONS

1. Truth Enterprises - see attached detailed report prepared by Tim. We understand you do not want us to proceed on this; these are our thoughts based on what we think needs to be done and our reactions; to the report from Evelyn's mother, copy of which also is attached with sections marked in yellow that we question.
2. P.T. - We have reinstated the resale no. with the Bd of Equalization as directed. Information returns for 1974, 1975 and 1976 have been taken to Bentzman to be completed and filed with Franchise Tax Board as directed. Letter received from Franchise Tax Board saying P.T. considered under umbrella of denomination and therefore not necessary to file 1977 information return.
3. Apostolic - All IRS and FTB taxes including penalties have been paid. Before Ed went over, someone here filed for tax clearance certificate with Franchise Tax Board as first step in dissolution of corporation process, and we have received official tax clearance through 12/15/77. So, we could proceed from there to dissolve corporation officially, or we could let it lapse, or...
  - a. Does dissolution of corporation automatically lead to audit? If so, maybe it would be better to keep paying annual \$200 to Franchise Tax Board for State tax, to avoid audit. But, since the Franchise Tax Board, Audit Division, issued the tax clearance through 12/15/77, does this clearance mean that it represents the extent of any audit we would have gone through?
  - b. Robin has been holding 3 cashiers checks (2 of Bank of Montreal and 1 of B of A) payable to Apostolic Corp. dated July, Sept. & Dec. 1977. If we cash these, will it show that AC is still active? Should we leave them alone?
4. Action Equality, Inc. and Peoples Forum, Inc. - Both are nonprofit corps and therefore require annual info returns but no tax. Do we lapse or officially dissolve?
5. Attached is a sample 1998 Annual Information Statement, and attached is 1977 Franchise Tax Board booklet of tax forms and instructions received for Apostolic Corp.

B5e(1)

There are several possibilities for dealing with the structure of operating our printing equipment here. They are listed below with some of the advantages and disadvantages.

1. Operate as is (Truth Enterprises dba Valley Publishing Co.)

Problems: a. we paid approximately \$5000.00 in business taxes to the state for the privilege of doing business last year. The amount of commercial work we presently do, comes nowhere near recovering this expense, as most of the jobs are done on a cost basis.

b. Separate insurance for the press equipment (would) run in about \$3000.00

c. We supposedly are doing business out of Redwood Valley. Our resale license lists the center as our business address. We no longer own the center and have no address or listing there. Anyone who looked at our receipts for material purchases would find that all our transactions are carried out in SF.

#### Good Points

a. as a privately owned corporation not associated with the church, we are not liable for jeopardizing the churches tax exemption by doing political printing for friends, such as the dilemma of black politics.

2/ Peoples Temple dba Valley Publishing Co. - this would be the situation where Peoples Temple owns the equipment and is licensed to do business as Valley Publishing Co. for profit.

Problems a. We are still liable for quarterly tax returns and the OSHA regulations that govern businesses. It means we could be inspected for health and safety requirements in our shop.  
b. Bensman says that any political printing could jeopardize our tax exemption for PT.  
c. Filing a dba in Redwood Valley rather than SF would pose problems, as we have no office or equipment there if anyone was to inspect the premises. Also our receipts for resale purchases are all based out of SF. Filing the dba in SF would leave the Temple here open for health and safety inspection and zoning violations.

B5e(1a)

2. PT dba VPC (cont.)

Good Points - a. we could do commercial printing, (but nothing political)  
b. the amount of tax we paid on a yearly basis would be substantially less than for Truth Enterprises. This is because the major volume of our work is done for ourselves. We do not pay taxes on the labor involved in this work only the materials. With truth ent. we pay tax on both materials and labor.

*OK Gene*  
3. Peoples Temple as an implant shop. - this situation involves owning the equipment ourselves and using it to do our own printing and nothing else. We do not need to file for a business license to do this.

Problems a. we could no longer do political printing for our friends  
b. cannot purchase materials without paying resale tax

Good Points  
a. we do not have to pay any business taxes or file quarterly returns. (  
b. we are not open to OSHA inspections. *not true!*  
c. our insurance can be carried on the churches policy at cheaper rates.

The instructions we received from Tish about what to do with Truth Enterprises were contradictory. In one section we are told to dissolve Truth and have the equipment donated to the Temple, and later we are to file for a dba in Ukiah and tell them that we don't have the equipment and don't know what Chaikin did with it. Adding to this confusion, the equipment has been officially donated to PT and as of Jan. 1 has been insured on PT's regular policy with Mayfield. The story that Tish has instructed us to give to the tax board is a highly unlikely one. We are to tell them we don't know who has the equipment but we still do business commercially by having the printing done by other printers. All we do is take orders and buy paper. And this whole operation is being carried out by Bonnie Beck in the empty Redwood Valley Church. This seems like a dangerous game to play since we are dealing with PT now and not a separate corporation. And for all this cover-up work what are we to gain? We leave ourselves the privilege to do commercial printing, but we do little of that anyway.

If we do not file to do business as anybody, we can still operate the equipment as an in-house shop. Many groups, schools, businesses,

*BSe (1b)*

even other churches do this same thing. We have to pay the taxes on the materials we use when we buy them, but we would end up having to pay the manyway. And as an inplant shop we would not have to pay business taxes. It would definitely save us at least several thousand dollars. Since we are not a business OSHA is not going to be interested in our operation. Tish seems to think that if we don't have a resale number we can't buy at wholesale prices. But that is not true. Most of our suppliers would sell to us anyway, it is the quantity of purchase they are interested in basically. And we would have to change our accounts with these suppliers anyway if we dissolved Truth Enterprises, and open up new ones for Peoples Temple.

Therefore we are proposing to do plan three. Bensman, the tax attorney has approved of this kind of operation. He had hesitations about doing any political printing. But that could be to our advantage. We wouldn't have to do any work for anybody else and would have a good excuse. Community work for PR could still be done, we could even do Goodlett's printing. We will just have them make their checks out to PT in the amount of the cost of materials and not give out any invoices that would substantiate a sale. And most importantly we would be saved the hassle of dealing with the tax people.

Unless you have any objections we will proceed with dissolving Truth Enterprises, which can be done simply enough by filing the proper forms.

We are currently operating Truth Enterprises out of Peoples Temple (SF). The equipment is owned by the Temple & Truth is using it. We are reporting on our quarterly returns that our place of business is 2411 Egan Rd, F.O. That is now owned by someone else. This doesn't sound like it must legitimize business structure, and I don't know how long we will get away with it.

B5e (1c)

To: June Crym  
from: tl  
Response to portions of law ofc reports...

Report #7 -- 12/22/77

Item 1-Tell H. to go ahead and list sale of house. The \$15,000 gain is not a problem. He was not working, lived with friends much of time, \$7500 becomes taxable. He is allowed up to 50% as a gift to ch. or \$3750..  $\frac{1}{4}$  of total income. This leaves \$3750 taxable.. With his wife, L., himself and children as deductions, there should be no tax.

Do not feel Ed advised him incorrectly. The treas. can verify he in fact turned over check intact; that he had signed the deed many months before; at that time title transferred..and he subsequently acted as agent for ch and turned over all the mohies-- but if he is not comfortable with the facts, he can set up a taxable situation though will owe no tax.

Item 2- Do get the reports filed for '77 on T. along with the \$15 for reinstatement. You should have Don B's wife take in a letter to man at St Bd in Ukiah advising of corp. lapse 12/31/77... and ask for Ed's deposit refund of \$250 in Bof A in Ukiah..

Take copy of letter of donation of assets and equip, not detailed, signed by Ed and as documented in the minutes of the org. of which you are Treasurer... Thereafter, include this equip on the insurance of that corporation. I would check with the ins. agent on this -- how to include, as you recommended, preferably without cost.. but do insure for fire damage, water damage and vandalism, etc. If cost is additional, be sure to clear with Hill before going ahead.

Using the valley name of the T. corporation (as it commonly goes by now) register a dba --as you have done for the company that Jack and Betty operate and process checks for... Don's wife will be handling this in valley and working from the structure next door to where Dale used to live where the parking lot is...

Don's wife can apply for a sales tax permit for your corporation (of which you are treasurer) under that dba...the common name for the business Marylou's husband operates--the corporate name will no longer exist as it is lapsing... but do retain the other name, it will be needed to hold the accounts open.

Don's wife can say just as it is: Ed signed his business over to your corporation; she will be handling the sales from there; we are getting the work that Kathy and Tim used to do done by various outside plants now, since Ed not there to operate the equipment any more.. Ed no longer has it and she does not know what he did with it.. ?? but we are keeping the business.. will be buying our own paper to save \$\$\$ and will have some sales.. The new permit will need the same wording that the one for T. had...the old corp., to cover what we purchase. Then -- keep a list of all that is bought each month without sales tax, and charge use tax on it..What you sell to the men with a similar business to Jean B. that Tim runs.. is not a problem. Register that as sales.. but you make no profit on that as we sell it to him at cost.. so is not a tax issue for your corp.

You must maintain a resale # in order to get the discounts at the big suppliers. Their licenses do not allow to sell retail in many cases. Had trouble establishing credit-let's don't change it.

B5e (ld)

Rpt 7-Item 2a: This is vitamin acct. We are holding open in case want to get more thru our wholesale contacts. Must pay USE tax on anything we buy, but we report that ourselves on our monthly report. DO NOT CANCEL THIS RESALE #... On the report say "nothing to report" and sign it as bookkeeper... Add note saying we intend to begin sales within next few months --as indeed we may. Then he won't wonder about it.

Item 3-- Filing error is term commonly used. They only have alternative of telling you that you erred, or charging you with a crime, which has to be proved... Since most people pay and let it go by default, they pick up a lot of cash by disallowing the itemized deductions and computing for standard deductions for all..

The computer time was planned for this back in 60's.. was to cover 75-80% of returns by 77 -- so feel the percentages are just hitting us...

All forms received for those down here should be sent on to me immediately --with copy of returns if possible. If people are not in same financial category as yourself..you were one of the first, you recall--under Helen and Maxine -- then they will have to handle it themselves. We will furnish a letter acknowledging that what they say is approximately true according to our recollection, provided of course that it does meet with your recollection... cannot exactly verify prior 5/76 since do not have the records.. Chaikin says you have such a letter on file. Of course for later periods, you can verify by the exact records.

PAY NOTHING UNLESS INSTRUCTED FROM HERE. Probability is there is no liability on part of person if they have no income. There should be no crime involved, as long as they file. VERIFY this with the tax person in the office of the person you are presently consulting in Ed's capacity...

Cleve's pension is a DISABILITY PENSION..He retired due to heart failure and was quite disabled -- so drew pension early. It is not taxable.. tell whoever is asking this fact and report back to me on it. If Harold listed such on 76 returns --then he should not have done it.. IS NOT TAXABLE.

Item 3c-No need to do anything on this. Let the corporation lapse. The taxes are all paid, there are no more assets. DB told me about the slight problem you had, but that is not an issue... Under no circumstances should you be consulting anyone on this account.. It cost us enough when we had it. Consultants charge \$5--and the less we let them involve in what is not their business, the better and cheaper for all of us..

*Bentzman  
doing this...*

3c-199B-Need copy of last return filed..Need copy of letter sent you from Calif. Fr Tx Bd in August 78.. listing the missing returns.. If you do not have these--as secty, have J. contact them requesting photocopies (small cost). She can explain the records stolen..need copies for your tax person to handle it..the people then handling are no longer with us...and only copies were stolen with records. We must file these returns soon as possible..If you have the info, then rush down in next batch coming to dad--but put to my attention.

Items 3c-paragraphs 3 and 4: as long as not foundation, can just let them lapse. we have not used them. The paragraph 4 item is not publ b: that corporation --but by the one you sign for as Treas..  
~~XXXXXXXX~~ I am in accord with Ed to let them lapse.

B5a(1a)

Ofc Report #8-

Item 2-Irene had no employees the quarters in question. On the 941 just say "nothing to report" and H. can sign it as bookkeeper. They were phasing out patients for the sale in April and had no need of employees.. a note along with the 941's can explain this. A bookkeeper can sign this return-- I have done so for years. *Am sending this form to you to do w/ it yes.*

Report #9-Item 1- see earlier reference in this enclosure.. Include with insurance on the other 3 buildings..owned by your corporation.. be sure these stay insured unless sold; then, in the selling cancel only the applicable portion to the building sold.. be sure you clarify this with a WRITTEN notice to agent, and send with return receipt requested, and list the receipt # on letter -- and save the signed receipt and staple to your file copy of letter sent.. Of course you would likely do this anyway, but you are so busy I mention it only in passing.

1a & 1b-- answered already; refer to that.

1c-No. Do not list as a business. It is our eq and we print our church matters on it. Don't say what that printing includes.. Unrelated business income only ~~xx~~ there if we "have" business income. What we sell the other person you mention is at cost so we make no profit-thus there is no income. HOWEVER, the sales are handled as I have instructed. There is a very good reason to get the permit out of the locale I have instructed -- believe me. Also, we must have the permit for the locale in which the sales are made, and this is in the other location--where Don's wife is and where Maureen's sister used to work...

If you have any more questions -- phrase them carefully..and send on down.

The Report # and item # is very good system.

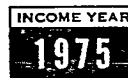
~~QUERY-FROM-HERE~~ Please Cancel--will send separate inquiry on this.

Looking forward to seeing all soon -- tl

B5e(14)



CALIFORNIA



## EXEMPT ORGANIZATION ANNUAL INFORMATION STATEMENT

For calendar year 1975 or fiscal year begun \_\_\_\_\_, 1975, and ended \_\_\_\_\_, 1976

Indicate address change on label.

PLEASE AFFIX PREADDRESSED LABEL, PRINT OR TYPE

## DO NOT USE THESE SPACES

SERIAL NO.

CY

CA

A

CC

CORPORATE OR ORGANIZATION NO.

FEDERAL EMPLOYER IDENTIFICATION NO.

## COMPLETE ONLY ONE OF THE FOLLOWING APPLICABLE PARTS

(SEE INSTRUCTIONS ON REVERSE)

## PART I. All churches, apostolic organizations and religious orders with exclusively religious activities complete this part. (See Instruction A.)

1. Indicate the various sources of this organization's receipts by approximate percentage of each item.
- |  |         |
|--|---------|
| a. Contributions, gifts, or grants   | _____ % |
| b. Income from debt-financed property (rental, lease, dividends, interest, etc.) | _____ % |
| c. Other rental or lease income  | _____ % |
| d. Other income (describe) _____   | _____ % |
2. Is this a group report filed on behalf of affiliated churches? ☐ Yes ☐ No If "Yes," see Instruction B.

PART II. Organizations controlled by State or Public Body, check box ☐. (See Instruction A (5)).PART III. Other exempt organizations with gross receipts \$5,000 or less complete the following:  
(See Instruction A (3) and F.)

- a. Total gross receipts \$ \_\_\_\_\_
- b. Total assets. (Fair Market Value) at end of year \$ \_\_\_\_\_

## TO BE COMPLETED BY ALL ORGANIZATIONS

- a. Describe primary and secondary activities (attach separate sheet if needed).
1. \_\_\_\_\_
2. \_\_\_\_\_
- b. If exempt under Section 23701d, have you during the year (1) attempted to influence any national, state, or local legislation, or (2) participated or intervened in any political campaign? (See Instruction F for definitions).
- ☐ Yes ☐ No If "Yes," attach a detailed description of such activities and copies of any materials published in connection with such activities.
- c. Check form(s) filed for current year: Federal ☐ 990 ☐ 990T ☐ 1120; State ☐ 109

Under penalties of perjury, I declare that I have examined this statement, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

|      |  |         |                       |
|------|--|---------|-----------------------|
| Date | Signature of officer                                     | Title   | State in which signed |
| Date | Signature of individual or firm preparing this statement | Address |                       |

MAIL STATEMENT TO FRANCHISE TAX BOARD, SACRAMENTO, CALIFORNIA 95857

B5e(19)



TO DAROLYN LAYTON

THIS IS THE CORPORATION REPORT; ATTACHED  
TO IT IS A COPY OF EVELYNS MOTHERS REPORT  
WHICH WE UNDERSTAND WAS SENT OVER AT THE  
LAST MINUTE WITH <sup>OT</sup>CONSULTATION WITH OTHERS.  
I HAVE MARKED IN YELLOW ON THAT REPORT  
THOSE PARTS WE QUESTION. THE COVER SHEET  
IS SELF EXPLANATORY.

I HAVE ATTACHED A SAMPLE INFORMATION  
RETURN AND THE CURRENT 1977 FRANCHISE  
TAX BOARD BOOKLET SENT TO US TO FILE  
FOR APOSTOLIC CORP. TO THIS SET ONLY.

TERRY HAS A COPY OF THIS REPORT ALSO.

DONE  
2/12/78

35e(14)/

# CORPORATION TAX FORMS AND INSTRUCTIONS

BULK RATE  
U. S. POSTAGE PAID  
SACRAMENTO, CALIF.  
PERMIT No. 312

D-7640140 AC5\*\*

A 01 02/23/76

APOSTOLIC CORPORATION

P O BX 15156  
SN FRANCISCO CA 94115

1  
9  
7  
7

Please remove the preaddressed label and attach it to the return filed. If the return is prepared by someone other than the taxpayer, please be sure that the preaddressed label is used.



## STATE OF CALIFORNIA

### IMPORTANT

The Form 100, Corporation Franchise or Income Tax Return, included in this booklet replaces the following tax return forms used in previous years.

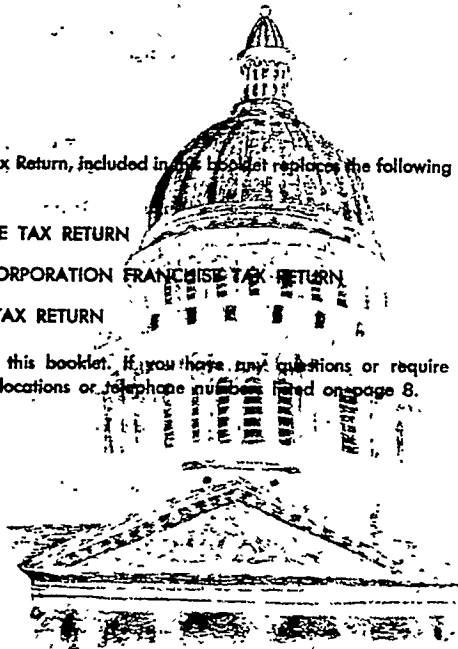
FORM 100 CORPORATION FRANCHISE TAX RETURN

FORM 100BF BANK AND FINANCIAL CORPORATION FRANCHISE TAX RETURN

FORM 200 CORPORATION INCOME TAX RETURN

Please file your return on the form provided in this booklet. If you have any questions or require additional forms, contact this Department at the locations or telephone numbers listed on page 8.

- SOLAR ENERGY TAX CREDIT  
(See instructions, page 5)
- WATER EQUIPMENT TAX CREDIT  
(See instructions, page 5)



B5C (12)

dup. cc for Carolyn Layton

from June, Tim Clancy, &  
Jean Brown

RE: THE CORPORATIONS

1. Truth Enterprises - see attached detailed report prepared by Tim. We understand you do not want us to proceed on this; these are our thoughts based on what we think needs to be done and our reactions to the report from Evelyn's mother, copy of which also is attached with sections marked in yellow that we question.
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  - a. Does dissolution of corporation automatically lead to audit? If so, maybe it would be better to keep paying annual \$200 to Franchise Tax Board for State tax, to avoid audit. But, since the Franchise Tax Board, Audit Division, issued the tax clearance through 12/15/77, does this clearance mean that it represents the extent of any audit we would have gone through? *no audit To June*
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4. Action Equality, Inc. and Peoples Forum, Inc. - Both are nonprofit corps and therefore require annual info returns but no tax. Do we lapse or officially dissolve? *lapse 3/4/78 To June*
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B5e(2)

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Good Points

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B5e (2a)

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*K  
dd  
Sarah* *3/4/78  
to file*  
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B5e (2h)

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B5c (2d)

Rpt 7-Item 2a: This is vitamin acct. We are holding open in case want to get more thru our wholesale contacts. Must pay USE tax on anything we buy, but we report that ourselves on our monthly report. DO NOT CANCEL THIS RESALE #... On the report say "nothing to report" and sign it as bookkeeper...Add note saying we intend to begin sales within next few months --as indeed we may. Then he won't wonder about it.

Item 3-- Filing error is term commonly used. They only have alternative of telling you that you erred, or charging you with a crime, which has to be proved... Since most people pay and let it go by default, they pick up a lot of cash by disallowing the itemized deductions and computing for standard deductions for all..

The computer time was planned for this back in 60's.. was to cover 75-80% of returns by 77 -- so feel the percentages are just hitting us...

All forms received for those down here should be sent on to me immediately --with copy of returns if possible. If people are not in same financial category as yourself..you were one of the first, you recall--under Helen and Maxine -- then they will have to handle it themselves. We will furnish a letter acknowledging that what they say is approximately true according to our recollection, provided of course that it does meet with your recollection... cannot exactly verify prior 5/76 since do not have the records.. Chaikin says you have such a letter on file. Of course for later periods, you can verify by the exact records.

PAY NOTHING UNLESS INSTRUCTED FROM HERE. Probability is there is no liability on part of person if they have no income. There should be no crime involved, as long as they file. VERIFY this with the tax person in the office of the person you are presently consulting in Ed's capacity...

Cleve's pension is a DISABILITY PENSION..He retired due to heart failure and was quite disabled -- so drew pension early. It is not taxable.. tell whoever is asking this fact and report back to me on it. If Harold listed such on 76 returns --then he should not have done it.. IS NOT TAXABLE.

Item 3c-No need to do anything on this. Let the corporation lapse. The taxes are all paid, there are no more assets. DB told me about the slight problem you had, but that is not an issue.. Under no ~~circumstances should you be consulting anyone on this account..~~ It cost us enough when we had it. Consultants charge \$--and the less we let them involve in what is not their business, the better and cheaper for all of us..

*Bentzman doing this* { 3c-199B-Need copy of last return filed..Need copy of letter sent you from Calif. Fr Tx Bd in August 76.. listing the missing returns.. If you do not have these--as secty, have J. contact them requesting photocopies (small cost). She can explain the records stolen..need copies for your tax person to handle it..the people then handling are no longer with us...and only copies were stolen with records. We must file these returns soon as possible..If you have the info, then rush down in next batch coming to dad--but put to my attention.

Items 3c-paragraphs 3 and 4: as long as not foundation, can just let them lapse. we have not used them. The paragraph 4 item is not publ b- that corporation --but by the one you sign for as Treas..  
~~XXXXXXXX~~ I am in accord with Ed to let them lapse.

B5e (2e)



Ofc Report #8-

Item 2-Irene had no employees the quarters in question. On the 941 just say "nothing to report" and H. can sign it as bookkeeper. They were phasing out patients for the sale in April and had no need of employees.. a note along with the 941's can explain this. A bookkeeper can sign this return-- I have done so for years. *Am sending this form to you to do up taxes.*

Report #9-Item 1- see earlier reference in this enclosure.. Include with insurance on the other 3 buildings..owned by your corporation.. be sure these stay insured unless sold; then, in the selling cancel only the applicable portion to the building sold.. be sure you clarify this with a WRITTEN notice to agent, and send with return receipt requested, and list the receipt # on letter -- and save the signed receipt and staple to your file copy of letter sent.. Of course you would likely do this anyway, but you are so busy I mention it only in passing.

1a & 1b-- answered already; refer to that.

1c-No. Do not list as a business. It is our eq and we print our church matters on it. Don't say what that printing includes.. Unrelated business income only ~~xx~~ there if we "hav" business income. What we sell the other person you mention is at cost so we make no profit-thus there is no income. HOWEVER, the sales are handled as I have instructed. There is a very good reason to get the permit out of the locale I have instructed -- believe me. Also, we must have the permit for the locale in which the sales are made, and this is in the other location--where Don's wife is and where Maureen's sister used to work...

If you have any more questions -- phrase them carefully..and send on down.  
The Report # and item # is very good system.

~~QUERY-FROM-HARRIS~~-PleaseCancel--will send separate inquiry on this.

Looking forward to seeing all soon -- tl

B5e (24)

Law Office Report No. 14 February 12, 1978

✓ CC: Terry Buford  
from June, Tim Clancy, &  
Jean Brown

RE: THE CORPORATIONS

1. Truth Enterprises - see attached detailed report prepared by Tim. We understand you do not want us to proceed on this; these are our thoughts based on what we think needs to be done and our reactions to the report from Evelyn's mother, copy of which also is attached with sections marked in yellow that we question.
2. P.T. - We have reinstated the resale no. with the Bd of Equalization as directed. Information returns for 1974, 1975 and 1976 have been taken to Bentzman to be completed and filed with Franchise Tax Board as directed. Letter received from Franchise Tax Board saying P.T. considered under umbrella of denomination and therefore not necessary to file 1977 information return.
3. Apostolic - All IRS and FTB taxes including penalties have been paid. Before Ed went over, someone here filed for tax clearance certificate with Franchise Tax Board as first step in dissolution of corporation process, and we have received official tax clearance through 12/15/77. So, we could proceed from there to dissolve corporation officially, or we could let it lapse, or...
  - a. Does dissolution of corporation automatically lead to audit? If so, maybe it would be better to keep paying annual \$200 to Franchise Tax Board for State tax, to avoid audit. But, since the Franchise Tax Board, Audit Division, issued the tax clearance through 12/15/77, does this clearance mean that it represents the extent of any audit we would have gone through?
  - b. Robin has been holding 3 cashiers checks (2 of Bank of Montreal and 1 of B of A) payable to Apostolic Corp. dated July, Sept. & Dec. 1977. If we cash these, will it show that AC is still active? Should we leave them alone?
4. Action Equality, Inc. and Peoples Forum, Inc. - Both are nonprofit corps and therefore require annual info returns but no tax. Do we lapse or officially dissolve?
5. Attached is a sample 1998 Annual Information Statement, and attached is 1977 Franchise Tax Board booklet of tax forms and instructions received for Apostolic Corp.

B5e (3)

There are several possibilities for dealing with the structure of operating our printing equipment here. They are listed below with some of the advantages and disadvantages.

1. Operate as is (Truth Enterprises dba Valley Publishing Co.)

- Problems:
- a. we paid approximately \$5000.00 in business taxes to the state for the privilege of doing business last year. The amount of commercial work we presently do, comes nowhere near recovering this expense, as most of the jobs are done on a cost basis.
  - b. Separate insurance for the press equipment (would) run in about \$3000.00
  - c. We supposedly are doing business out of Redwood Valley. Our resale license lists the center as our business address. We no longer own the center and have no address or listing there. Anyone who looked at our receipts for material purchases would find that all our transactions are carried out in SF.

Good Points

- a. as a privately owned corporation not associated with the church, we are not liable for jeopardizing the church's tax exemption by doing political printing for friends, such as the dilemma of black politics.

2/ Peoples Temple dba Valley Publishing Co. - this would be the situation where Peoples Temple owns the equipment and is licensed to do business as Valley Publishing Co. for profit.

- Problems
- a. We are still liable for quarterly tax returns and the OSHA regulations that govern businesses. It means we could be inspected for health and safety requirements in our shop.
  - b. Bensman says that any political printing could jeopardize our tax exemption for PT.
  - c. Filing a dba in Redwood Valley rather than SF would pose problems, as we have not office or equipment there if anyone was to inspect the premises. Also our receipts for resale purchases are all based out of SF. Filing the dba in SF would leave the Temple here open for health and safety inspection and zoning violations.

B5e(3a)

2. PT dba VPC (Cont)

Good Points - a. we could do commercial printing, (but nothing political)  
b. the amount of tax we paid on a yearly basis would be substantially less than for Truth Enterprises. This is because the major volume of our work is done for ourselves. We do not pay taxes on the labor involved in this work only the materials. With truth ent. we pay tax on both materials and labor.

3. Peoples Temple as an implant shop. - this situation involves owning the equipment ourselves and using it to do our own printing and nothing else. We do not need to file for a business license to do this.

Problems a. we could no longer do political printing for our friends  
b. cannot purchase materials without paying resale tax

Good Points

- a. we do not have to pay any business taxes or file quarterly returns. (
- b. we are not open to OSHA inspections.
- c. our insurance can be carried on the churches policy at cheaper rates.

The instructions we received from Tish about what to do with Truth Enterprises were contradictory. In one section we are told to dissolve Truth and have the equipment donated to the Temple, and later we are to file for a dba in Ukiah and tell them that we don't have the equipment and don't know what Chaikin did with it. Adding to this confusion, the equipment has been officially donated to PT and as of Jan. 1 has been insured on PT's regular policy with Mayfield. The story that Tish has instructed us to give to the tax board is a highly unlikely one. We are to tell them we don't know who has the equipment but we still do business commercially by having the printing done by other printers. All we do is take orders and buy paper. And this whole operation is being carried out by Bonnie Beck in the empty Redwood Valley Church. This seems like a dangerous game to play since we are dealing with PT now and not a separate corporation. And for all this cover-up work what are we to gain? We leave ourselves the privilege to do commercial printing, but we do little of that anyway.

If we do not file to do business as anybody, we can still operate the equipment as an in-house shop. Many groups, schools, businesses,

B5e(3A)

even other churches do this same thing. We have to pay the taxes on the materials we use when we buy them, but we would end up having to pay the manyway. And as an inplant shop we would not have to pay business taxes. It would definitely save us at least several thousand dollars. Since we are not a business OSHA is not going to be interested in our operation. Tish seems to think that if we don't have a resale number we can't buy at wholesale prices. But that is not true. Most of our suppliers would sell to us anyway, it is the quantity of purchase they are interested in basically. And we would have to change our accounts with these suppliers anyway if we dissolved Truth Enterprises, and open up new ones for Peoples Temple.

Therefore we are proposing to do plan three. Bensman, the tax attorney has approved of this kind of operation. He had hesitations about doing any political printing. But that could be to our advantage. We wouldn't have to do any work for anybody else and would have a good excuse. Community work for PR could still be done, we could even do Goodlett's printing. We will just have them make their checks out to PT in the amount of the cost of materials and not give out any invoices that would substantiate a sale. And most importantly we would be saved the hassle of dealing with the tax people.

Unless you have any objections we will proceed with dissolving Truth Enterprises, which can be done simply enough by filing the proper forms.

We are currently operating Truth Enterprises out of Peoples Temple (SF). The equipment is owned by the Temple & Truth is using it. We are reporting on our quarterly returns that our place of business is 2461 East Rd, F.J. That is now owned by someone else. This doesn't sound like the most legitimate business structure, and I don't know how long we will get away with it.

B5e (3/11/73)

To: June Crym  
from: tl  
Response to portions of law ofc reports...

Report #7 -- 12/22/77

Item 1-Tell H. to go ahead and list sale of house. The \$15,000 gain is not a problem. He was not working, lived with friends much of time, \$7500 becomes taxable. He is allowed up to 50% as a gift to ch. or \$3750... 1/4 of total income. This leaves \$3750 taxable.. With his wife, L., himself and children as deductions, there should be no tax.

- Do not feel Ed advised him incorrectly. The treas. can verify he in fact turned over check intact; that he had signed the deed many months before; at that time title transferred..and he subsequently acted as agent for ch and turned over all the monies-- but if he is not comfortable with the facts, he can set up a taxable situation though will owe no tax.

Item 2- Do get the reports filed for 77 on T. along with the \$15 for reinstatement. You should have Don B's wife take in a letter to man at St Bd in Ukiah advising of corp. lapse 12/31/77... and ask for Ed's deposit refund of \$250 in Bof A in Ukiah..

Take copy of letter of donation of assets and equip, not detailed, signed by Ed and as documented in the minutes of the org. of which you are Treasurer... Thereafter, include this equip on the insurance of that corporation. I would check with the ins. agent on this -- how to include, as you recommended, preferably without cost... but do insure for fire damage, water damage and vandalism, etc. If cost is additional, be sure to clear with Hill before going ahead.

Using the valley name of the T. corporation (as it commonly goes by now) register a dba --as you have done for the company that Jack and Betty operate and process checks for... ~~Don's wife will be handling this in valley and working from the structure next door to where Dale used to live where the parking lot is...~~

Don's wife can apply for a sales tax permit for your corporation (of which you are treasurer) under that dba...the common name for the business Marylou's husband operates--the corporate name will no longer exist as it is lapsing... but do retain the other name, it will be needed to hold the accounts open.

~~Don's wife can say just as it is: Ed signed his business over to your corporation; she will be handling the sales from there; we are getting the work that Kathy and Tim used to do done by various outside plants now, since Ed not there to operate the equipment any more..~~ ~~no longer has it and she does not know what he did with it..~~ ~~we are keeping the business..~~ ~~will be buying our own paper to save \$\$\$ and will have some sales..~~ The new permit will need the same wording that the one for T. had...the old corp., to cover what we purchase. Then -- keep a list of all that is bought each month without sales tax, and charge use tax on it..What you sell to the men with a similar business to Jean B. that Tim runs.. is not a problem. Register that as sales.. but you make no profit on that as we sell it to him at cost.. so is not a tax issue for your corp.

~~You must maintain a resale # in order to get the discounts at the suppliers. Their licenses do not allow to sell retail in many cases. Had trouble establishing credit-let's don't change it.~~

B5e (3d)

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*B5e (3e)*

Ofc Report #8-

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Looking forward to seeing all soon -- tl

735e(34)