

SECTION I, TAXES

1. We have to know if the trusts that were set up by TOS and Ed years back to which certain members were assigned and \$ placed in their name there still exist, and if so, who back here has to itemize the interests accumulated on those trusts on their 1977 tax returns. Those of us who remember having been on those trusts do not know how to do our taxes this year, because of this unknown factor. Ben Bowers has to know this one also before he can file.
2. Re Evelyn's mother's report that came over radio via Mildred 3/25, Section 1:
 - a. Ginny Cheek plans to do her own taxes for 1977, including the rest home on Road I. Her case is complicated by the fact that all of her 1977 restx home and personal records were stolen from her 998 Divisadero apartment and she is now writing for bank statements, 1976 tax returns, State records on patients, etc.
 - b. Alice Ingram is going to do hers here, WILL NOT send it overseas and also is one of those who needs to know if she is still in a trust.
 - c. Janaro - 1977 records were taken by HAROLD, we are checking for more but Bonnie, Claire, and Betty have the same opinion that Harold took these records with him. Records previous to 1977 have to be kept here because the ranch is being audited and Bonnie is working on recaps; the old recaps including depreciation schedules and stuff like that do not come up accurate after Bonnie has studied them. She also showed the depreciation schedule form a previous year to her mother who is an accountant, who immediately recognized that the depreciation schedule was wrong, but recommended that Bonnie not change it, just let it remain the same since IRS has not questioned it. I do not know the year this is; I bring this up because of the confusion which apparently exists in the books after having been worked on by Evelyn's mother and Harold and others. If you want for Bonnie not to do this work, tell us, but it would not seem practical since the audit information is due in June.
 - d. Swaney, Swinney and Wotherspoon are on their way with this report in 2 duffel bags, but we found no 1977 records - where are they? Ask Harold, or did Evelyn's mother take them over originally???????? Also included Relics and Things, P.T. Vitamins, P.T. Co-Op, Breidenbach Whispering Pines. The only records left that we know about are Truth, Valley, Apostolic, BusGarage, and needs .
3. Ben Bowers - Refer to Law Office Report #23, Item 16: I talked with Bonnie - she does not think we should give him specific receipts for room and board, which he is asking for from January thru April 1977 as it is not a legitimate deduction, and would get us in trouble since he was not an employee of ours at a rest home, we had no employees. I suggested we give him a donation letter for the full amount he needs to itemize, \$3400, the usual letter re stolen records, stating we believe he gave \$3400. He made ~~\$16,000~~ \$16,000 during 1977, and though 10% is the rule of thumb we have followed, it is not illegal

B-4a (97)

SECTION II, PEOPLE

not mine

L. Arletha Arnold - she is not a citizen, and is working on getting her citizenship, which she has to have before she can get a passport. I referred her to the Chinatown office of the San Francisco Neighborhood Legal Assistance Foundation because I used to work there and they are specialists in immigration work because of the Chinese aliens coming in and leaving the country. They are helping her; and I check with her about every 2 weeks or so to see what's new. Today she said that the Immigration department has asked for a statement by her husband (who is Jessemere Hix Harris's son) saying he is married to her, lives at..., and has known her for such a time. She also has had to get other affidavits of people who have known her for a certain amount of years. She's on AFDC and so there is an automatic welfare check by the immigration department. That is going on now. She has not told SFNLA yet but for a while last year she was collecting both AFDC and SSI, which apparently is illegal. What really happened was that her mother in San Bernardino used the money and she never saw it, but the immigration dept won't listen to that most likely if they discover it. Vivian G is going to check at her job to see how far back they will check on Arletha. Phyllis H tells me that if everything goes all right with the immigration and Arletha gets her citizenship then passport should come within about 3-4 months after that. So it will be awhile yet.

2. David Smith - See Law Office Report #22, Item 6. He wants Chaikin to draw up a power of attorney for him so he can appoint his sister or brother to act on his behalf in the property thing. But his request on this seems to fluctuate back and forth, and now he's written a note to council as follows: "My sister called me long distance to request my vote relative to my 1/5 interest in the Smith Family Estate. In the event of a \$75,000 cash sale, may I accept 29% of this year and 71% in January 1979 to save on income taxes? If I vote to receive 100% cash this year, and the other parties vote 29%, 71%, an arbitrator may be required costing at least \$100 per day for the donation of the arbitration." Personally, I would like to ignore this -- I don't trust his asking us what he should do with his money in view of his behavior on the radio earlier this month, I think he should make up his own mind and know he is making it up. About the money, that is. Perhaps we could have Bonnie talk to him about his taxes, if he is really worried about them. She might be able to convince him to go over, ... but I guess not, since he won't even listen to Jim.

pleasant 73's, folks

B-4a (98)

TO: CAROLYN LAYTON

Law office report #24 March 27, 1978

page 1 from June

SECTION I, TAXES

1. We have to know if the trusts that were set up by TOS and Ed years back to which certain members were assigned and \$ placed in their name there still exist, and if so, who back here has to itemize the interests accumulated on those trusts on their 1977 tax returns. Those of us who remember having been on those trusts do not know how to do our taxes this year, because of this unknown factor. Ben Bowers has to know this one also before he can file.
2. Re Evelyn's mother's report that came over radio via Mildred 3/25, Section 1:
- a. Ginny Cheek plans to do her own taxes for 1977, including the rest home on Road I. Her case is complicated by the fact that all of her 1977 restx home and personal records were stolen from her 998 Divisadero apartment and she is now writing for bank statements, 1976 tax returns, State records on patients, etc.
 - b. Alice Ingram is going to do hers here, WILL NOT send it overseas and also is one of those who needs to know if she is still in a trust.
 - c. Janaro - 1977 records were taken by HAROLD, we are checking for more but Bonnie, Claire, and Betty have the same opinion that Harold took these records with him. Records previous to 1977 have to be kept here because the ranch is being audited and Bonnie is working on recaps; the old recaps including depreciation schedules and stuff like that do not come up accurate after Bonnie has studied them. She also showed the depreciation schedule form a previous year to her mother who is an accountant, who immediately recognized that the depreciation schedule was wrong, but recommended that Bonnie not change it, just let it remain the same since IRS has not questioned it. I do not know the year this is; I bring this up because of the confusion which apparently exists in the books after having been worked on by Evelyn's mother and Harold and others. If you want for Bonnie not to do this work, tell us, but it would not seem practical since the audit information is due in June.
 - d. Swaney, Swinney and Wotherspoon are on their way with this report in 2 duffel bags, but we found no 1977 records - where are they? Ask Harold, or did Evelyn's mother take them over originally???????? Also included Relics and Things, P.T. Vitamins, P.T. Co-Op, Breidenbach Whispering Pines. The only records left that we know about are Truth, Valley, Apostolic, Bus Garage, and needs .
3. Ben Bowers - Refer to Law Office Report #23, Item 16: I talked with Bonnie - she does not think we should give him specific receipts for room and board, which he is asking for from January through April 1977 as it is not a legitimate deduction and would get us in trouble since he was not an employee of ours at a rest home, we had no employees. I suggested we give him a donation letter for the full amount he needs to itemize, \$3400, the usual letter re stolen records, stating we believe he gave \$3400. He made \$16,000 during 1977, and though 10% is the rule of thumb we have followed, it is not illegal.

B-4 a (99)

to itemize more. See Master Tax Guide, attached. (up to 50%)

An isolated case might not be so bad and would appease Ben.

4. Attached with this report for your reference is U.S. Master Tax Guide for 1978, CCH version. We know Harold took one with him, we assume Evelyn's mother has one too, but this one is sent for Mildred and Julia to look at in addition to Evelyn's mother. Following are section numbers in it which Bonnie, Jean B and I think you should consult if you haven't already in relation to our tax problems with unrelated business income, foreign filing dates, corporations, etc. so we can understand better on the radio... If you refer to this on the radio, you might consider referring to the number opposite the section number rather than the actual section number; we can consult this report. Those monitoring our radio could easily understand a section number, so the number in front of it would be better....

<u>Referral No.</u>	<u>Section No. in Tax Guide</u>	<u>Referral No.</u>	<u>Section No.</u>
1.	501	33.	717
2.	502	34.	724
3.	502D	35.	1138
4.	503	36.	1139
5.	503A	37.	1401A
6.	504	38.	1403
7.	504A	39.	1414
8.	505	40.	1425
9.	506	41.	1427
10.	506A	42.	1431
11.	506B	43.	1435
12.	506C	44.	1601
13.	506D	45.	1608
14.	506E	46.	1612
15.	506F	47.	1613
16.	506G	48.	1614
17.	507	49.	1615
18.	508	50.	1616
19.	509	51.	1617
20.	510	52.	1618
21.	511	53.	1620
22.	512	54.	1621
23.	513	55.	1622
24.	514	56.	1623
25.	515	57.	1624
26.	516	58.	1625
27.	517	59.	1626
28.	518	60.	1627
29.	519	61.	1638
30.	520	62.	1640
31.	521	63.	1655
32.	522		

B-4a (100)

SECTION II, PEOPLE

1. Arletha Arnold - she is not a citizen, and is working on getting her citizenship, which she has to have before she can get a passport. I referred her to the Chinatown office of the San Francisco Neighborhood Legal Assistance Foundation because I used to work there and they are specialists in immigration work because of the Chinese aliens coming in and leaving the country. They are helping her; and I check with her about every 2 weeks or so to see what's new. Today she said that the immigration department has asked for a statement by her husband (who is Jessemerie ~~Hix~~ Harris's son) saying he is married to her, lives at..., and has known her for such a time. She also has had to get other affidavits of people who have known her for a certain amount of years. She's on AFDC and so there is an automatic welfare check by the immigration department. That is going on now. She has not told SFNLAF yet but for a while last year she was collecting both AFDC and SSI, which apparently is illegal. What really happened was that her mother in San Bernardino used the money and she never saw it, but the immigration dept wont listen to that most likely if they discover it. Vivian G is going to check at her job to see how far back they will check on Arletha. Phyllis H tells me that if everything goes all right with the immigration and Arletha gets her citizenship then passport should come within about 3-4 months after that. So it will be awhile yet.

2. David Smith - See Law Office Report #22, Item 6. He wants Chaikin to draw up a power of attorney for him so he can appoint his sister or brother to act on his behalf in the property thing. But his request on this seems to fluctuate back and forth, and now he's written a note to council as follows: "My sister called me long distance to request my vote relative to my 1/5 interest in the Smith Family Estate. In the event of a \$75,000 cash sale, may I accept 29% of this year and 71% in January 1979 to save on income taxes? If I vote to receive 100% cash this year, and the other parties vote 29%, 71%, an arbitrator may be required costing at least \$100 per day for the donation of the arbitration." Personally, I would like to ignore this -- I don't trust his asking us what he should do with his money in view of his behavior on the radio earlier this month. I think he should make up his own mind and know he is making it up. About the money, that is. Perhaps we could have Bonnie talk to him about his taxes, if he is really worried about them. She might be able to convince him to go over, ... but I guess not, since he won't even listen to Jim.

ε

pleasant 73's, folks

Yes - especially on the other side, with Vivian St. H

B-4a (101)

TO JUNE CRYM --In re tax requests for information

REPORT #24

1) Does not! Not for 2 years or more last past. Was donated to church 2 years ago entirely and with no exceptions including all interest..

2) a-okay to put in for an extension. NO ON HER DOING HER OWN TAXES. Harold and I are in agreement totally. We would rather do the value judgments and we know the policy. Have her collect all material, put down what she thinks should be the figures and send them on to us with names of patients and amounts as she recalls..

check out
b-Is Not. Since WHEN "will not send it over?" Tell her to send hers --moreso--since she is notorious for her bad paper work. (BUFORD: TELL DAD ON THIS. ALICE IS WORST OF ALL ON PAPERWORK. SHE CAN BURY HERSELF..THE MORE REASON WE SHOULD DO THE RETURNS..AT LEAST IT WILL BE "REASONABLE" IF WE DO THEM...tish)

c-(BUFORD, THIS IS MOST SERIOUS..PLEASE TELL DAD AND ASK THAT HE DEMAND IT BE SENT... Bonnie has no knowledge of what is involved. It could throw us into immediate audit.. P. T., I mean..and could bring about attachment on our bank accounts, locking buildings and that whole line of harrassment..)

TELL THEM: RETAIN THE PAID BILLS AND CANCELED CHECKS THERE. SEND TISH "ALL" OF THE ORIGINAL BOOKKEEPING RECORDS..RICHARD WOULD RATHER MAKE CORRESPOND WITH THEM ON THE MATTER, AND RETURN WHATEVER IS NEEDED..
(we will dole it out, get extensions if possible and make up lies and excuses --which we can do via correspondence..can't do it in person).. HE FEELS NO ONE THERE REALLY KNOWS THE FACTS, AND WILL JUST MISCONSTRUE TISH, HAROLD AND CHAIKIN ALL AGREE. HE ESPECIALLY NEEDS THE ORIGINAL PAPERS IN THE GOLD BOOK, THE INCOME BOOK. SEND THIS INTACT..NO NEED TO KEEP A COPY OF THAT SINCE HE KNOWS WHAT IS AND IS NOT THERE--AND WILL ADD FROM HIS DEPOSIT BOOK WHAT IS NEEDED..WILL HAVE TO BE DECIPHERED.. HE WILL SEND BACK THE DETAILED COPY TO THEM...

BUFORD(THOSE RETURNS WERE DONE BY ELLEN AND HAROLD: THEY APPARENTLY MAY HAVE BOTCHED THE INCOME UP..I WANT TO CHANGE RECORDS TO COMPLY WITH RETURN.. AND DO "NOT" WANT ANY OF THE OLD PAPERWORK LEFT THERE!!!) Claire can, in June apply for further extension on grounds Richard is out of country--IS DONE ALL THE TIME.. JUST TELL BONNIE TO BACK OUT OF IT AND LEAVE IT ALONE..THAT IS A MUST!!!

(By Bonnie showing her mother those records, an outside EXPERT WITNESS has seen them... IRS already checked out and approved 72, 73 and 74...and may have looked at 75...audited and approved my figures.. am not inclined to let someone mess us at this point..could re-open the prior years.

Is damnably dumb and egotistical of Bonnie to think her mother so "trustworthy" --she knows we can trust NO OUTSIDERS... "especially relatives!" Where in hell is she coming from?

She said depreciation is off--it is not. We took double declining balance and then switched to straight line when it was appropriate.. federal allows 200% Double declining balance and state only allows 150% as I recall--we took the legal maximum and then changed to straight line in the year it would equalize.. a common practice by CPA's..

d. WHERE ARE THE OTHER 2 duffle bags of stuff?

B-4a (102)

TELL CLAIRE TO FILE FOR AN EXTENSION ON THE 14th AND CERTIFY IT... on grounds her husband is away on business, which he is, and he will send them the signed request for extension. HAVE HER FILE IT IF HIS PAPER DOES NOT REACH THERE IN TIME! Be sure to certify it, and save the receipt.

THANKYOU, YES..WE WOULD LIKE BONNIE "NOT" TO DO ANYMORE ON THIS. IT IS NOT PRACTICAL..

d. Swaney --we have it all.

Wotherspoon --do not have income May thru Oct; no bank statements; nor do we have the August and ?Sept Cash expenditures, though we have Oct, Nov and Dec of these cash expenditures... Place sold in October.

Swinney-- Need Nov & Dec expense detail (cash & checks)
Dec checks tubbs, deposit record & bank statement
date checking acct was closed
YE

Paragraph 2d-line 4--Nothing involved on these; no unrelated business income involved: co-op made no profit, was cash exchange; rest are okay.. on next line.

Then on line 6, next to last item, WE NEED THE MATERIAL TO DO THE RETURN. PLEASE DO NOT TRY TO FILE IT..File for extension by whoever is signing checks..that person is the secretary...It is an 1120S and we need the state and federal forms...your extension should be on proper form; no taxes will be owed since it ran at a loss, that is why he closed it down at end of the year.. or whenever it was...will have to ask him... Ed that is..

EN RE JUNE'S NOTE ON PINK PAPER..Tell her Chaikin and Tisha are well aware of the reference she made in the book. Our decision stands and she should leave it alone. ((BUFORD: IN MY OPINION BONNIE SHOULD BE BROUGHT OVER IMMEDIATELY AS POSSIBLE..)) ((she has consorted with her mother on this and she may well know it is unrelated business income..I'd tell her dad had revelation of danger to her and get her ass over here.))

Paragraph 2d line 7--1st item..get those records to me immediately, in full, as instructed --please, I need them for other information. ((LIE.. I WANT THEM THE HELL OUT OF THERE!!!))..last item on this line is not separate, is part of the church acct..just an expensé dept. on the main books.. these records were stolen thru I think May 76..

3) WHERE IS BONNIE BETTING HER ADVICE: IS SHE CONSULTING WITH HER ON BEN BOWERS CASE TOO??? Agreed with tactics..w5 "believe" he gave that amt., we know he was a large giver; our records were stolen. That is all we can say. Would put us in role of collecting rents, unrelated business income...we did not

Report #24, page 3; 27-3-78

2. Terry--I see a lot involved in this one. SHOULD BE A CONFERENCE ON THIS.--tl There are a couple of ways we can go on it. Basically, I would FIND a way to scare his ass down here: have some of Chris' friends lurk around and watch him...have some threatening calls come in..but that might also scare him home to Colorado...it could backfire..needs a conference. IF HE WERE HERE, he'd help us get the \$\$\$...

B-4 a (103)