

**Internal Revenue Service**

**Department of the Treasury**

**Washington, DC 20224**

Church of Scientology  
Flag Service Org. Inc.  
210 South Fort Harrison Ave.  
Clearwater, FL 34616

**Person to Contact:** J» Rotz

**Telephone Number:** (202) 622-8100

**Refer Reply to:** E:EO:R:2

**Date:** OCT ~ 1 1993

Employer Identification Number: 59-2143308  
Key District: Atlanta  
Accounting Period Ending: December 31  
Foundation Status Classification: 509(a)(1) &  
170(b)(1)(A)(i)  
Form 990 Required: No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. This does not apply, however, if you make or have made a timely election under section 3121(w) of the Code to be exempt from such tax. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key District Director.

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Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in your loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

If your organization' conducts fund raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund Raising Events. You may obtain copies of Publication 1391 from your key district office.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

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You are required to make a copy of your exemption application, and supporting documents, and this exemption letter available for public inspection. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is failure to comply. See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

This ruling is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Rev. Rul. 56-304 1956-2, C.B. 306.)

In this letter, we have not determined the effect on your tax-exempt status of financing your activities with the proceeds of tax-exempt bonds since you have not indicated that you intend to use such methods now or in the future.

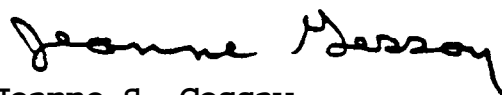
You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service. We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the

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heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jeanne S. Gessay".

Jeanne S. Gessay  
Chief, Exempt Organizations  
Rulings Branch 2

**Internal Revenue Service**

Department of the Treasury

Washington, DC 20224

**Foundation Church of Scientology  
Flag Ship Service Organization  
Abraham De Veerstraat 4  
Willemstad, Curacao,  
Nether land Antilles**

**Person to Contact:**

**J. Rotz**

**Telephone Number:**

**(202) 622-8100**

**Refer Reply to:**

**E:EO:R:2**

**Date:**

**OCT " J 1993**

Employer Identification Number: 98-0133545  
Key District: Baltimore  
Accounting Period Ending: December 31  
Foundation Status Classification: 509(a)(1) &  
170(b)(1)(A)(i)  
Form 990 Required: No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. This does not apply, however, if you make or have made a timely election under section 3121(w) of the Code to be exempt from such tax. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Foundation Church of Scientology  
Flag Ship Service Organization

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key Oistrict Director.

Contributions to you are not deductible in computing United States income tax. Under section 170(c)(2)(A) of the Code charitable contributions by donors to organizations formed either outside the United States or under foreign law are not deductible.

Bequests, legacies, devises, or transfers to or for your use are deductible in computing the taxable estate of a deceased resident or citizen of the United States for United States estate tax purposes in the manner and to the extent provided by sections 2055 and 2106 of the Code. Gifts of property to or for your use are deductible in computing the United States gift tax of a resident or citizen of the United States in the manner and to the extent provided for by section 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in your loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

If your organization conducts fund raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund Raising

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Events. You may obtain copies of Publication 1391 from your key district office.

Unless you are subject to the tax imposed by section 511 of the Code and are required to file Form 990-T, Exempt Organization Business Income Tax Return, you are not required to file United States income tax returns for income you receive from sources within the United States. You can determine whether income is derived from sources within the United States by referring to Subchapter N of the Code. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513.

You are required to make a copy of your exemption application, and supporting documents, and this exemption letter available for public inspection. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is failure to comply. See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

This ruling is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Rev. Rul. 56-304 1956-2, C.B. 306.)

In this letter, we have not determined the effect on your tax-exempt status of financing your activities with the proceeds of tax-exempt bonds since you have not indicated that you intend to use such methods now or in the future.

You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service. We are informing your key District Director of this ruling. Because

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this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,



Jeanne S. Gessay  
Chief, Exempt Organizations  
Rulings Branch 2



Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Hubbard Dianetics Foundation  
6331 Hollywood Blvd.  
Los Angeles, CA 90028

Personto Contact: J. RotZ

Telephone Number: (202) 622-8100

Refer Reply to: E:EO:R:2

Date: OCT - | 1993

Employer Identification Number: 95-4041408  
Key District: Los Angeles, CA  
Accounting Period Ending: December 31  
Foundation Status Classification: 509(a)(3)  
Form 990 Required: No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. This does not apply, however, if you make or have made a timely election under section 3121(w) of the Code to be exempt from such tax. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key District Director.

# Hubbard Oianetics Foundation

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in your loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

If your organization conducts fund-raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund Raising Events. You may obtain copies of Publication 1391 from your key district office.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make a copy of your exemption application, and supporting documents, and this exemption letter available for public inspection. Failure to make these documents available for public inspection may subject you to a penalty of

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\$10 per day for each day there is failure to comply. See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

This ruling is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

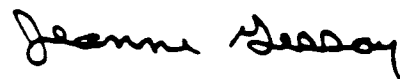
If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Rev. Rul. 56-304 1956-2, C.B. 306.)

In this letter, we have not determined the effect on your tax-exempt status of financing your activities with the proceeds of tax-exempt bonds since you have not indicated that you intend to use such methods now or in the future.

You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service. We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,



Jeanne S. Gessay  
Chief, Exempt Organizations  
Rulings Branch 2

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Hubbard College  
Of Administration  
3540 Wilshire Blvd., Suite 811  
Los Angeles, CA 90010

Person to Contact: J. RotZ

Telephone Number: (202) 622-8100

Refer Reply to: E:EO:R:2

Date: 307 - 1993

Employer Identification Number: 95-4302671  
Key District: Los Angeles  
Accounting Period Ending: December 31  
Foundation Status Classification: 509(a)(1) &  
170(b)(1)(A)(ii)  
Form 990 Required: No

Dear Applicant:

Based on information supplied, and assuming the operations of your subordinate organizations will be as stated in your application for recognition of exemption, we have determined that your subordinate organizations are exempt from federal income tax under section 501(a) of the Internal Revenue Code as organizations described in section 501(c)(3).

Our records show that you were recognized as exempt from federal income tax as an organization described in section 501(c)(3) of the Code.

We have further determined that your subordinate organizations are not private foundations within the meaning of section 509(a) of the Code, because your subordinates are organizations described in the section(s) above.

If your subordinate organizations' sources of support, purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on the exempt status and foundation status of your subordinate organizations. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in the name or address of your subordinates.

As of January 1, 1984, unless specifically excepted, your subordinate organizations are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remunera-

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tion of \$100 or more paid to each of your subordinates employees during a calendar year. This does not apply, however, if your subordinate organizations make or have made a timely election under section 3121(w) of the Code to be exempt from such tax. Your subordinate organizations are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since your subordinate organizations are not a private foundations, your subordinate organizations are not subject to the excise taxes under Chapter 42 of the Code. However, your subordinate organizations are not automatically exempt from other federal excise taxes. If your subordinate organizations have any questions about excise, employment, or other federal taxes, please contact the applicable key District Director.

Donors may deduct contributions to your subordinate organizations as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your subordinate organizations are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if your subordinate organizations lose section 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in the loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that your subordinate organization would be removed from that classification. Private foundations may rely on the classification as long as your subordinate organizations were not directly or indirectly controlled by them or by disqualified persons with respect to then. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that your subordinate organizations would be lamoved from that classification.

If your subordinate organizations conduct fund raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, your subordinate organizations can help the donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this your subordinate organizations should, in advance of the event, determine the fair market value of the benefit received and state it in the fund raising materials such as solicitations, tickets, and receipts in such a way that the donors can determine

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how much is deductible and how much is not. To assist your subordinate organizations in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund Raising Events. The subordinate organizations may obtain copies of Publication 1391 from applicable key district office.

Your subordinate organizations are not required to file federal income tax returns unless your subordinate organizations are subject to the tax on unrelated business income under section 511 of the Code. If your subordinate organizations are subject to this tax, each must file an income tax return on Form 990-T, Exempt Organization Business Income Tax return. In this letter we are not determining whether any of your subordinate organizations present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Your subordinate organizations are required to make their annual return available for public inspection for three years after the return is due. You are required to make a copy of your group exemption application, and supporting documents, and your exemption letter available for public inspection. Failure to make these documents available for public inspection may subject you and the subordinate organization to a penalty of \$10 per day for each day there is failure to comply. See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

Each year, at least 90 days before the end of your annual accounting period, please send the items listed below to the service center shown above.

1. A statement describing any changes during the year in the purposes, character, or method of operation of your subordinates.
2. A list showing the names, mailing addresses (including postal ZIP codes), actual address if different, and employer identification numbers of subordinates that during that year:
  - a. changed names or addresses;
  - b. were deleted from your roster; or
  - c. were added to your roster.

If you are not a church or church-controlled organization, you will receive a "List of Parents and Subsidiary Accounts," from your service center approximately six months prior to the end of your accounting period. For your con-

Ildbard College  
of Administration

venience, you may use that information to update your list of subordinate units. An annotated directory of subordinates will not be accepted for this purpose.

3. For subordinates to be added, attach:
  - a. a statement that the information on which your present group exemption letter is based applies to the new subordinate;
  - b. a statement that each has given you written authorization to add its name to the roster;
  - c. a list of those to which the Service previously issued exemption rulings or determination letters;
  - d. a statement that none of the subordinates is a private foundation as defined in section 509(a) of the Code;
  - e. the street address of subordinates where the mailing address is a P.O. Box; and
  - f. for each subordinate that is a school claiming exemption under section 501(c)(3), the information required by Rev. Proc. 75-50, 1975-2 C.B. 587. Also include any other information necessary to establish that the school is complying with the requirements of Rev. Rul. 71-447, 1971-2 C.B. 230. This is the same information required by Schedule B, Form 1023, Application for Recognition of Exemption under section 501(c)(3) of the Internal Revenue Code.
4. If applicable, a statement that your group exemption roster did not change during the year.

This ruling is based on evidence that the funds of your subordinate organizations are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your subordinate organizations continued exemption, your subordinates should maintain records to show that funds are expended only for those purposes. If your subordinate organizations distribute funds to other organizations, records should be maintained to show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you and your subordinate organizations, so that any and all distributions

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made to individuals can be substantiated upon request by the Internal Revenue Service. (Rev. Rul. 56-304 1956-2, C.B. 306.)

In this letter, we have not determined the effect on the exempt status of your subordinate organizations of financing activities with the proceeds of tax-exempt bonds since you have not indicated that your subordinate organizations intend to use such methods now or in the future.

Your subordinate organizations need an employer identification number even if there are no employees. Please use that number on all returns filed by you and your subordinate organizations and in all correspondence with the Internal Revenue Service. We are informing your key District Director of this ruling. Because this letter could help resolve any questions about the exempt status and foundation status of your subordinate organizations, you should keep it in your permanent records.

This determination does not apply to any of your subordinate organizations organized and operated in a foreign country.

Your service center will send you a Group Exemption Number. Please provide your subordinates with the Group Exemption Number. It must be used on any tax or information return required to be filed.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,



Jeanne S. Gessay  
Chief, Exempt Organizations  
Rulings Branch 2



**Subordinate Organizations under HCA Group Exemption**

Hubbard College of Administration of Santa Clara Valley  
901 Campisi Way, Ste 140  
Campbell, CA. 95008  
Employer ID #: 95-1099715

Hubbard College of Administration of Florida, Inc.  
1221 Rogers Street, Suite A  
Clearwater, Florida 34696  
Employer ID #: 59-3191516

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Inspector General Network  
1710 Ivar Avenue, Ste. 1100  
Los Angeles, CA 90028

Peraun to Contact:

J. Rotz

Telephone Number:

(202) 622-8100

Refer Reply to:

E:EO:R:2

Date: " - - ' 1993  
Ou I

Employer Identification Number: 95-3990433  
Key District: Los Angeles, CA  
Accounting Period rlnaing: December 31  
Foundation Status Classification: 509(a)(3)  
Form 990 Required: No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. This does not apply, however, if you make or have made a timely election under section 3121(w) of the Code to be exempt from such tax. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

## Znspector General Network

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key District Director.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in your loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

If your organization conducts fund raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund Raising Events. You may obtain copies of Publication 1391 from your key district office.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organi

Inspector General Network

zation Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make a copy of your exemption application, and supporting documents, and this exemption letter available for public inspection. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is failure to comply. See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

This ruling is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient!

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Rev. Rul. 56-304 1956-2, C.B. 306.)

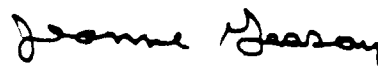
In this letter, we have not determined the effect on your tax-exempt status of financing your activities with the proceeds of tax-exempt bonds since you have not indicated that you intend to use such methods now or in the future.

You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service. We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

Inspector General Network

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,



Jeanne S. Gessay  
Chief, Exempt Organizations  
Rulings Branch 2

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

International Hubbard Ecclesiastical  
League of Pastors  
6331 Hollywood Blvd. Suite 902  
Los Angeles, CA 90028

Person to Contact: J. Rotz  
Telephone Number: (202) 622-8100  
Refer Reply to: E:EO:R:2

Date: 11-11-1993

Employer Identification Number: 95-3795575  
Key District: Los Angeles  
Accounting Period Ending: December 31  
Foundation Status Classification: 509(a)(3)  
Form 990 Required: No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) above\*

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. This does not apply, however, if you make or have made a timely election under section 3121(w) of the Code to be exempt from such tax. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key District Director.

International Hubbard E^lesiastirll league of Pastrrs

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in your loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

\*

If your organization conducts fund raising events such as benefit dinners, auctions, membership drives, etc., where some\* thing of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund Raising Events. You may obtain copies of Publication 1391 from your key district office.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether a\*iy of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make a copy of your exemption application, and supporting documents, and this exemption letter available for public inspection. Failure to make these documents

International Hubbard Ecclesiastic-..1 League of Pastors

available for public inspection may subject you to a penalty of \$10 per day for each day there is failure to comply. See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

This ruling is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

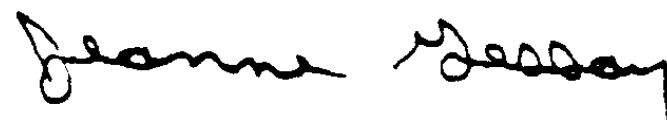
If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Rev. Rul. 56-304 1956-2, .C.B. 306.)

In this letter, we have not determined the effect on your tax-exempt status of financing your activities with the proceeds of tax-exempt bonds since you have not indicated that you intend to use such methods now or in the future.

You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service. We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and founda\*\on status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,



Jeanne S. Gessay  
Chief, Exempt Organizations  
Rulings Branch 2



Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Association for Better Living  
and Education  
6331 Hollywood Blvd. Suite 700  
Los Angeles, CA 90028-6313

Person to Contact: Rotz

Telephone Number: (212) 622-8100

Refer Reply to: EEO

Date: OCT 1 1993

Internal Revenue Code: 501(c)(4)  
Employer Identification Number: 95-4188814  
Key District: Los Angeles  
Accounting Period Ending: December  
Form 990 Required: Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(c)(4) of the Internal Revenue Code from November 14, 1988 (the date you were formed) until September 23, 1993.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay \$100 or more during the calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment, or other federal taxes, please contact your key District Director.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt from Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. If your gross receipts each year are not normally more than \$25,000, we ask that you establish that you are not required to

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file Form 990 by completing Part I of that Form for your first year. Thereafter, you will not be required to file a return until your gross receipts exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Contribution\*: to your organization are not deductible by donors under section 170(c)(2) of the Code on or before September 23, 1993. Under section 6113, any fund-raising solicitation (including a solicitation for membership dues payment) you make must include an express statement (in a conspicuous and easily recognizable format) that contributions and gifts are not deductible as charitable contributions for federal income tax purposes. This does not apply, however, if your annual gross receipts are normally \$100,000 or less, or if your solicitations are made to no more than ten persons during a calendar year. The law provides penalties for failure to comply with this requirement, unless the failure is due to reasonable cause. See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

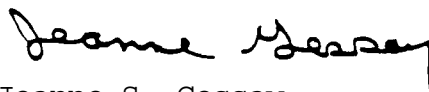
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You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeanne Gessay".

Jeanne S. Gessay  
Chief-, Exempt Organizations  
Rulings Branch 2

Washington. DC 20224

Person to Contact- J &lt; R o t z

"Association for Better Living  
and Education  
6331 Hollywood Blvd. Suite 700  
Los Angeles, CA 90028-6313

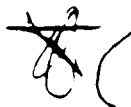
Telephone Number: (202) 622-8100

Refer Reply to: E:E0

Date: oct 1 1993

Employer Identification Number: 95-4188814  
Key District: Los Angeles  
Accounting Period Ending: December  
Foundation Status Classification: 509(a)(1) & 170(b)(1)(A)(vi)  
Form 990 Required: Yes

Dear Applicant:

 Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) effective September 24, 1993, the date the Form 1023 was submitted to the National Office. Your exempt status under section 501(c)(4) from November 14, 1988 until September 23, 1993 is the subject of separate correspondence.

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code beginning on September 24, 1993, because you are an organization described in the section(s) above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key District Director.

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Contributions made to you on or before September 23, 1993 are not deductible under section 170 of the Code. Donors may deduct contributions to you as provided in section 170 if made after September 23, 1993. Bequests, legacies, devises, transfers, or gifts to you or for your use made after September 23, 1993, are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in your loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

If your organization conducts fund-raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund-Raising Events. You may obtain copies of Publication 1391 from your key district office.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt from Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. If your gross receipts each year are not normally more than \$25,000, we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first year. Thereafter, you will not be required to file a return until your gross receipts exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not

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more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

This ruling is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Rev. Rul. 56-304 1956-2, C.B. 306.)

In this letter, we have not determined the effect on your tax-exempt status of financing your activities with the proceeds of tax-exempt bonds since you have not indicated that you intend to use such methods now or in the future.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed

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and Education


activities **are** unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeanne S. Gessay".

Jeanne S. Gessay  
Chief, Exempt Organizations  
Rulings Branch 2

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Applied Scholastics  
International  
7060 Hollywood Boulevard  
Suite 200  
Los Angeles, CA 90028

Person to Contact: J\* Rotz  
Telephone Number: (202) 622-8100  
Refer Reply to: E: EO: R: 2

Date: \_\_\_\_\_  
OCT I 1993

EIN: 23-7250829  
Key District: Los Angeles  
Service Center: Fresno, CA  
Accounting Period Ending: December 31  
Code Section: 501(c)(3)  
Foundation Status Classification: 509(a)(1) &  
170(b)(1)(A)(ii)  
Form 990 Required: Yes

Dear Applicant:

Based on information supplied, and assuming the operations of your subordinate organizations will be as stated in your application for recognition of exemption, we have determined that your subordinate organizations are exempt from federal income tax under the provisions of the Internal Revenue Code shown above.

Our records show that you were recognized as exempt from federal income tax as an organization described in section 501(c)(3) of the Code on December 22, 1972. You were also determined not to be a private foundation as you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

We have further determined that your subordinate organizations are not private foundations within the meaning of section 509(a) of the Code, because they are organizations described in the sections shown above.

Unless specifically excepted, your subordinate organizations are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee who is paid \$100 or more during the calendar year. And, unless excepted, your subordinate organizations are also liable for tax under the Federal Unemployment Tax Act for each employee who is paid \$50 or more during a calendar quarter if, during the current or preceding calendar year, your subordinate organizations had one or more employees at any time in each of 20 calendar weeks or paid wages of \$1,500 or more in any calendar quarter. If your subordinate organizations have any questions about excise,



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employment, or other federal taxes, they should contact their key District Director.

Since your subordinate organizations are not private foundations, they are not subject to the excise taxes under Chapter 42 of the Code. However, your subordinate organizations are not automatically exempt from other federal excise taxes. If your subordinate organizations have any questions about excise, employment, or other federal taxes, they should contact their key District Director.

Donors may deduct contributions to your subordinate organizations as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your subordinate organizations or for their use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if your subordinate organizations lose their 509(a) status as shown above, contributors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in the loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that they would be removed from that classification. Private foundations may rely on the classification as long as your subordinate organizations were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that they would be removed from that classification.

Contribution deductions are allowable to your subordinate organizations' donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Rev. Rul. 67-246, 1967-2 C.B. 104, which sets forth guidelines regarding the deductibility as charitable contributions, of payments made by taxpayers for admission to, or other participation in, fundraising activities for charity.

In the heading of this letter we have indicated whether your subordinate organizations must file Form 990, Return of Organization Exempt from Income Tax. If Yes is indicated, your subordinate organizations are required to file Form 990 only if their gross receipts each year are normally more than \$25,000. If your

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of subordinate units. An annotated directory of subordinates will not be accepted for this purpose.

3. For subordinates to be added, attach:
  - a. a statement that the information on which your present group exemption letter is based applies to the new subordinate;
  - b. a statement that each has given you written authorization to add its name to the roster;
  - c. a list of those to which the Service previously issued exemption rulings or determination letters;
  - d. a statement that none of the subordinates is a private foundation as defined in section 509(a) of the Code;
  - e. the street address of subordinates where the mailing address is a P.O. Box; and
  - f. for each subordinate that is a school claiming exemption under section 501(c)(3), the information required by Rev. Proc. 75-50, 1975-2 C.B. 587. Also include any other information necessary to establish that the school is complying with the requirements of Rev. Rul. 71-447, 1971-2 C.B. 230. This is the same information required by Schedule B, Form 1023, Application for Recognition of Exemption under section 501(c)(3) of the Internal Revenue Code.
4. If applicable, a statement that your group exemption roster did not change during the year.

This determination does not apply to any of your subordinate organizations organized and operated in a foreign country.

We are enclosing a copy of Rev. Proc. 75-50, 1975-2, C.B. 587. This sets forth guidelines and recordkeeping requirements for private schools recognized as exempt from federal income tax under section 501(a) of the Code as organizations described in section 501(c)(3). You should advise those subordinates that operate schools of the requirements of this procedure.

The service center that processes your returns will send you a Group Exemption Number. You must include this number on each Form 990, Return of Organization Exempt from Income Tax, and Form 990-T, Exempt Organization Business Income Tax Return. Please advise your subordinates of this and provide them with the Group Exemption Number.

This ruling is based on evidence that the funds of your subordinates are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure their continued exemption, they

## Applied Scholastics International

subordinate organizations' gross receipts each year are not normally more than \$25,000, we ask that they establish that they are not required to file Form 990 by completing Part I of that Form for their first year. Thereafter, they will not be required to file a return until their gross receipts exceed the \$25,000 minimum. For guidance in determining if their gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of their annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The maximum penalty charged cannot exceed \$5,000 or 5 percent of their gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure their returns are complete before they file them.

Your subordinate organizations are required to make their annual return available for public inspection for three years after the return is due. You are also required to make available a copy of the group exemption application, and supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject the subordinate organization to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

Each year, at least 90 days before the end of your annual accounting period, please send the items listed below to the service center shown above.

1. A statement describing any changes during the year in the purposes, character, or method of operation of your subordinates.
2. A list showing the names, mailing addresses (including postal ZIP codes), actual address if different, and employer identification numbers of subordinates that during that year:
  - a. changed names or addresses;
  - b. were deleted from your roster; or
  - c. were added to your roster.

If you are not a church or church-controlled organization, you will receive a "List of Parents and Subsidiary Accounts," from your service center approximately six months prior to the end of your accounting period. For your convenience, you may use that information to update your list

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should maintain records to show that funds are expended only for those purposes. If they distribute funds to other organizations, records should be maintained to show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Rev. Rul. 56-304 1956-2, C.B. 306.)

In this letter, we have not determined the effect on your or your subordinates tax-exempt status of financing your activities with the proceeds of tax-exempt bonds since you have not indicated that you intend to use such methods now or in the future.

If your or your subordinate's sources of support, or purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your or your subordinate's names or addresses.

Your subordinates need an employer identification number even if they have no employees. Please use that number on all returns your subordinates file and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions

Applied Scholastics International

concerning reporting requirements, please contact your key  
District Director.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeanne Gessay". The script is cursive and fluid.

Jeanne S. Gessay  
Chief, Exempt Organizations  
Rulings Branch 2

Enclosures:

Rev. Proc. 75-50

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Church of Spiritual Technology  
419 Larchmont, Suite 162  
Los Angeles, CA 90004-3013

Person to Contact: J. Rot2  
Telephone Number: (202) 622-8100  
Refer Reply to: E:EO:R:2  
Date: 301 1 1984

Employer Identification Number: 95-3781769  
Key District: Los Angeles  
Accounting Period Ending: December 31  
Foundation Status Classification: 509(a)(1) &  
170(b)(1)(A)(i)  
Form 990 Required: No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. This does not apply, however, if you make or have made a timely election under section 3121(w) of the Code to be exempt from such tax. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA). \*

## Church of Spiritual Technology

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key District Director.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in your loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

If your organization conducts fund raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund Raising Events. You may obtain copies of Publication 1391 from your key district office.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax,

Church of Spiritual Technology

you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make a copy of your exemption application, and supporting documents, and this exemption letter available for public inspection. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is failure to comply. See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

This ruling is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Rev. Rul. 56-304 1956-2, C.B. 306.)

In this letter, we have not determined the effect on your tax-exempt status of financing your activities with the proceeds of tax-exempt bonds since you have not indicated that you intend to use such methods now or in the future.

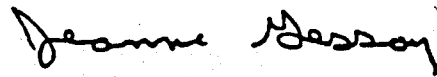
You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service. We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.



Church of Spiritual Technology

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeanne S. Gessay". The signature is fluid and cursive, with the first name "Jeanne" being more prominent than the last name "Gessay".

Jeanne S. Gessay  
Chief, Exempt Organizations  
Rulings Branch 2



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
- 950 L'ENFANT PLAZA SOUTH, S.W.  
WASHINGTON, DC 20024

STANT COMMISSION\*\*  
(INTERNATIONAL)

DEC 22 1973

Mr. Flamming Paludan  
Regional Director  
Skatteministariet  
Told - og Skattestyrelsen  
Hermodsgade 8  
Postboks 600  
OK - 2200 Copenhagen N  
DENMARK

Reply Reference: CP:IN:I:0:E

Re: Church of Scientology

Dear Mr. Paludan:

This is to inform you that the United States Internal Revenue Service (IRS) has issued ruling letters recognizing the tax-exempt status of the Church of Scientology International and its subordinate churches and related organizations under section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

As a result of this action, the Internal Revenue Service now recognizes the tax-exempt status of all Churches and Missions of Scientology located in the United States, their related charitable and social benefit organizations, and several large Scientology organizations located outside the United States. These Churches and related organizations include:

Religious Technology Center  
Church of Spiritual Technology  
Church of Scientology International  
All United States Churches of Scientology  
Scientology Missions International  
All United States Missions of Scientology  
Church of Scientology Western United States  
Church of Scientology Flag Service Organization  
Church of Scientology Foundation Flag Ship Service Organization  
International Hubbard Ecclesiastical League of Pastors  
Bridge Publications, Inc.  
New Era Publications International, Aps.  
International Association of Scientologists  
Association for Better Living and Education

Told- og Skattestyrelsen

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17 JAN 1974

Mr. Flemming Paludan

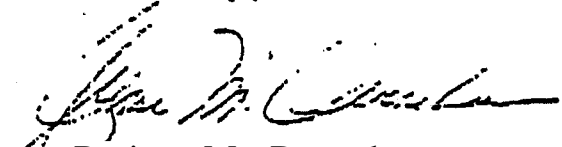
The Way to Happiness Foundation  
Concerned Businessmen's Association of America  
Narconon, Inc.  
Applied Scholastics, Inc.  
Citizens Commission on Human Rights  
National Commission on Law Enforcement and Social  
Justice  
Hubbard College of Administration  
Church of Scientology Religious Trust  
Scientology International Reserves Trust  
Flag Ship Trust

The foregoing Churches of Scientology and their related organizations are exempt from United States federal income tax on the ground that they have established that they are organized and operated exclusively for religious or charitable purposes and that no part of their net earnings inures to the benefit of any private individual. Contributions to those Churches and organizations located in the United States generally qualify for the charitable contribution deduction from United States federal income tax to the maximum extent permitted under the Internal Revenue Code.

The Internal Revenue Service has agreed to disseminate the enclosed "Description of the Scientology Religion" to all tax treaty partners and all tax information exchange agreement partners. This document was prepared by the Church of Scientology and is included in the public record upon which the Service's determination on exemption was based.

This information is furnished under the provisions of an income tax treaty or a tax information exchange agreement. Its use or disclosure must be governed by the provisions contained therein.

Sincerely,



Regina M. Deanehan

Enclosures  
As stated



DEPARTMENT OF THE TREASURY

INTSernal revenue service  
WASHINGTON, D.C 20124

Assistant commissioner  
EMPLOYERS PLANS AND  
EXEMPT ORGANIZATIONS

SEP 4 1996

GRANSKNINGSNÄMNDEN  
FÖR RADIO OCH TV

1997 -05- 23

Ärende.....  
Aktbil.....

Lord McNair

HUSE of Lord\* Aremje...

London Aktbil.

SW1A OFW

England

Re: Church of Scientology

Dear Lord McNair:

This responds to your request for assistance of August 17, 1996, for information regarding the tax-exempt status of various churches of Scientology and related charitable and educational constituent organisations. What follows is a discussion of the relevant legal analysis in these cases and our findings of fact.

As you are aware and have asked us to confirm, on October 1993, the Service issued letters to the Church of Scientology International (CSI) and its related churches and related charitable and educational entities, recognizing them as exempt from United States federal income tax as exclusively religious charitable organizations under section 501(c)(3) of the Internal Revenue Code.

An organization is exempt from federal income taxation if it is described in section 501(c)(3). In relevant part, section 501(c)(3) describes entities organized and operated exclusively for religious, charitable, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or any individual. An organization is not described in section 501(c)(3) if it has a substantial nonexempt purpose. Also, an organization is not described in section 501(c)(3) if it has an illegal purpose and/or engages in substantial illegal activities.

Accordingly, we could not have recognized the Church entities as described in section 501(c)(3) had we determined that: (i) the Church impermissibly served private interests; (ii) the Church had a substantial nonexempt purpose; or, (iii) the Church had engaged in illegal acts or violated fundamental public policy.

You have also asked us to confirm that the Service recognized CSI and certain of its constituent entities as churches under United States tax law. CSI and certain other Church of Scientology organizations are, in fact, recognized as church entities by their designation as organizations described in section 170(b)(1)(A)(i) of the Internal Revenue Code.

-2-

Lord McNair

Application of that section is limited to churches or a convention or association of churches. While the Internal Revenue Service does not presume to dictate what is and is not religion, recognition of a section 501(c)(3) entity as having church status under the Internal Revenue Code generally presupposes a finding that the entity meets one or more of several criteria (including those mentioned in your letter). Church status will not be granted absent a finding of some religious aspects to the organization. Specifically, included within the criteria the Service reviews most closely is whether an entity has a recognized creed and form of worship, a regular congregation and/or regular religious services.

In the exemption application process, the Service identified and addressed the legal issues set forth above as areas of principal concern. The Service made comprehensive, detailed inquiries of the Church relating to its organization and financial structure as well as research and inquiries into several other areas relevant to our determination as discussed below.

The specific facts relied upon as the basis for these exemption letters, as in any other exemption case, may be found in the public inspection file of the applications for recognition of tax exemption related to the case. The Church supplied voluminous materials in support of its exemption applications and the exemption rulings were issued after a detailed review of the financial and corporate structure of the Church of Scientology as well as other pertinent facts. The information upon which the rulings rely, among other things, relates to: (i) the corporate, ecclesiastical, and management structure of the Church hierarchy; (ii) the Church's command channels; (iii) past financial activities; (iv) planned future programs and financial needs; (v) the flow of funds within the Church; (vi) compensation arrangements and the amounts of compensation to the key and the highest-paid Church officials and their families; (vii) overall religious programs and activities; and (viii) involvement of prior key church officials in criminal cases, civil tort cases, and other litigation matters.

The public record also contains organizational and financial information submitted relating to various foreign organizations, including the Church of Scientology Religious Education College Inc. (CSREC). The Service found nothing in the submissions to indicate that either the existence or the operations of CSREC had an adverse impact on the tax-exempt status of CSI or its constituent entities requesting recognition of exemption.

Lord McNair

As noted, the exemption application and supporting documents that form the basis of a favorable IRS exemption determination are available for public inspection. These documents, which take up approximately ten linear feet of shelf space, are in the IRS Public Information Reading Room in the National Office.

The IRS has not issued any press releases or other papers to the public about this case, apart from making available the exemption applications and supporting documents in the normal course of business. However, we are providing for your information a version of the Church's publication, "Description of the Scientology Religion" which is part of the application file and which we include in certain communications with third parties.

Please feel free to contact me with any questions or comments.

Sincerely,



Steven T. Miller  
Special assistant for Exempt  
Organizations Matters

Enclosure:  
Church Pamphlet