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LOS ANGELES, CALIFORNIA

November 6, 1935

Monday Club of San Luis Obispo Building Fund,
San Luis Obispo, California.

Attention Miss Knickerbocker,
Vice-President.

Gentlemen:

During the year 1931 Mr. William Randolph Hearst contributed the sum of \$500.00 to the Monday Club of San Luis Obispo Building Fund. This contribution was taken as a deduction on Mr. Hearst's Federal income tax return for that year, but the Commissioner of Internal Revenue is questioning the deductibility of this item because your organization does not appear on the Commissioner's approved list.

According to the Federal income tax law a contribution is deductible if made to "a corporation, or trust, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation".

In order to assist in determining the deductibility of Mr. Hearst's contribution it would be very much appreciated if you will write me a letter setting forth the manner in which your fund is organized, the purposes for which your fund is operated, and whether or not any part of the net earnings inures to the benefit of any private shareholder or individual, and any other information that you might deem pertinent.

I am enclosing a stamped self-addressed envelope for your convenience, and your early reply will be very much appreciated.

Very truly yours,

A. LAURENCE MITCHELL

By

A. J. Walker

AJW:C