

EXCERPTS FROM ATTACHED LETTER

Date: 2-27-78

From: Chief, Rulings Section, Exempt Organizations

To: Citizen's Freedom Foundation, Inc.

"Dear Applicant:

"...Your articles of incorporation state that the specific purpose for which you were formed is to educate the general public as to religious rights, freedoms and responsibilities.

"...In letters dated July 8, 1976, September 23, 1976, and September 30, 1976 responding to your application for exemption dated March 5, 1976 we stated that you did not qualify for recognition of exemption from Federal income tax under section 501(c)(3) of the Code. You have reapplied for recognition ...

"...Revenue Ruling, 68-263, C.S. 1968-1 256, denied exemption under section 501(c)(3) of the Code to an organization which, as a substantial part of its activities, distributed publications that sought to discredit particular institutions and individuals on the basis of unsupported opinions and incomplete information about their affiliations and activities. The publications of the organization contained disparaging terms, insinuations, innuendos, and suggested implications to be drawn from incomplete facts.

"...In a letter dated July 8, 1976, after reviewing your publications, we concluded that a significant portion of your viewpoints were not supported by relevant facts. Your newsletters charged organizations and individuals with various acts without substantiating these statements with facts. You stated conclusions without presenting the material from which they were drawn. Your newsletters contained disparaging statements about organizations and individuals which were based on unsupported opinions or incomplete facts. Your publications did not present a sufficiently full and fair exposition of the pertinent facts as to permit an individual or the public to form an independent opinion or conclusion.

"...Your revised application for exemption contains disparaging statements about organizations which are not supported by facts. Your revised application indicates that the reasons for our denial of your previous applications are still present.

"...Accordingly it is held that you do not qualify for recognition of exemption from Federal income tax under section 501(c)(3) of the Code."

PROTEST R...
Release copies to...
Date: 3-20-78
Surname: Jankw...

Citizen's Freedom Foundation, Inc.
739 3rd Avenue #H
Chula Vista, California 92012

REGISTRATION-2

EXEMPT ORGANIZATIONS

27 FEB 1978

Dear Applicant:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

The information submitted indicates that you were incorporated on June 5, 1975, under the non-profit corporation law of the State of California. Your articles of incorporation state that the specific purpose for which you were formed is to educate the general public as to religious rights, freedoms and responsibilities. Your by-laws state that you were formed to alert the public and individuals to the problem of the misuse of mind control techniques practiced by perverted and malevolent individuals and organizations who exploit others for personal satisfaction and financial gain. You state that there is a growing number of enslaved victims because of the misuse of mind control techniques. You state that this is a threat to the peace and security of the individual and to our nation. Your by-laws state that you are an organization of citizens undertaking a task of transcendent importance to each of us because this task deals with the freedoms guaranteed by our constitution. You state that you are dedicated to strengthening that guarantee by exposing those elements of destruction that are incessantly eroding the basic principles of freedom.

In letters dated July 8, 1976, September 23, 1976, and September 30, 1976, responding to your application for exemption dated March 8, 1976, we stated that you did not qualify for recognition of exemption from Federal income tax under section 501(c)(3) of the Code. You have reapplied for recognition of exemption under section 501(c)(3) in an application dated 11/ /77.

Your revised application states that you are seeking contributions for the primary purpose of carrying on the activities of and seeking to successfully reach your goals. You state that you will continue to educate the public, by lectures, seminars, production of literature and

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Citizen's Freedom Foundation, Inc.

films, panel discussions where both sides of the issue are heard, a fair and equitable hearing, forums, and radio and television programming. You state that you will conduct research and study into the occult and pseudoreligious cults and sects that seem to be destroying the institutions of marriage and family and disruptive of the American system of government and the American way of life. You state that you will be involved in the use of books and tapes, employ advertising as one method of getting your message across to the public, and will also involve yourselves in litigation. You state that your area of concern is the illegal, unethical, and immoral activities of occult cults, neo-pseudoreligions, and cults that violate the laws of the land and the civil and legal rights of people. You also seek to prevent cruel and unusual forms of behavior and punishment from being inflicted upon our young.

Section 501(c)(3) of the Internal Revenue Code provides for the exemption of organizations that are 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 shareholders or members.

Section 1.1411(c)(1)-1(d)(3)(i) of the Income Tax Regulations provides that education includes the instruction of the public on subjects useful to the individual and beneficial to the community. An organization may be educational even though it advocates a particular position or viewpoint so long as it presents a sufficiently full and fair exposition of the pertinent facts so to permit an individual or the public to form an independent opinion or conclusion. On the other hand, an organization is not educational if its principal function is the mere presentation of unsupported opinion.

Revenue Ruling 68-263, C.B. 1968-1 256, denied exemption under section 501(c)(3) of the Code to an organization which, as a substantial part of its activities, distributed publications that sought to discredit particular institutions and individuals on the basis of unsupported opinions and incomplete information about their affiliations and activities. The publications of the organization contained disparaging terms, insinuations, innuendoes, and suggested implications to be drawn from incomplete facts.

In a letter dated July 8, 1976, after reviewing your publications, we concluded that a significant portion of your viewpoints were not supported by relevant facts. Your newsletters charged organizations and individuals with various acts without substantiating these statements with facts. You stated conclusions without presenting the material from which they were drawn. Your newsletters contained disparaging statements about organizations and individuals which were based on unsupported opinions or incomplete facts. Your publications did not present a suffi-

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ciently full and fair exposition of the pertinent facts as to permit an individual or the public to form an independent opinion or conclusion.

Your revised application for recognition of exemption contained numerous letters from members of the general public, but did not contain your responses to these letters. In a letter dated January 19, 1978, we requested copies of all literature provided by your organization to the general public. In response to our request, your letter of February 6, 1978, enclosed one letter used in the solicitation of funds.

On the basis of the information you submitted, we have concluded that you are not organized or operated for one or more exempt purposes as specified in section 501(c)(3). Your revised application for exemption contains disparaging statements about organizations which are not supported by facts. Your revised application indicates that the reasons for our denial of your previous application are still present.

Accordingly, it is held that you do not qualify for recognition of exemption from Federal income tax under section 501(c)(3) of the Code. You are, therefore, required to file Federal income tax returns.

Contributions to you are not deductible under section 170 of the Code.

You have a right to protest this ruling if you believe that it is incorrect. To protest, you should submit a full explanation of your reasoning. This statement must be submitted, in duplicate, within 21 days from today and must be signed by one of your principal officers. You also have a right to a conference in this office after your statement is submitted. If you want a conference, you must request it when you file your protest statement.

If you do not protest this proposed ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7425(b)(2) of the Internal Revenue Code provides, in part, that, "A declaratory judgment or decree under this section shall not be issued in any proceedings unless the Tax Court, the Court of Claims, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

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Citizen's Products Corporation, Inc.

If we do not hear from you within 21 days, this ruling will become final and copies will be forwarded to the District Director, Los Angeles, California. Thereafter, any questions about your Federal income tax status or the filing of tax returns should be addressed to that office. Also, the appropriate State officials will be notified of this action in accordance with section 6104(c) of the Code.

Sincerely yours,

(Signed) Joanna S. Gossay

Joanna S. Gossay
 Chief, Rulings Section
 Except Grantor's
 Technical Staff

1 - Cc: DD, Los Angeles
 AGEN: ED Group

Wankowitz/ksh/2-27-78

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| CODE | INITIATOR | REVISOR | REVIEWER | REVIEWER | REVIEWER | REVIEWER | REVIEWER |
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| | Wankowitz | E. EDWARDS | | | | | |
| | Wankowitz | <i>[Signature]</i> | | | | | |
| | 2-27-78 | 2-29-78 | | | | | |