

certain. The latter motion was granted by the Court on October 11, 1965. Hearing on the motion for more definite statement was set by the Court for December 1, 1965, with November 17, 1965, being the due date for the respondent to file amended pleadings.

On December 1, 1965, the respondent filed a notice of objection to the petitioner's motion for more definite statement, alleging, in effect, "that the affirmative allegations of the answer" were adequate. On December 1, 1965, a hearing on the petitioner's motion and the respondent's notice of objection was held before Judge Dawson in Washington. Judge Dawson granted the petitioner's motion and allowed the respondent 60 days within which to file an amended answer, as evidenced by an Order entered on December 1, 1965, extending the time to February 1, 1966.

On February 1, 1966, the respondent's amended answer was filed with the Court, and the petitioner's reply thereto was filed on March 11, 1966.

It was not until March 11, 1966, that this group of cases was, in its entirety, at issue. Henceforth, all action taken thereafter relates to the entire group of cases unless otherwise specified.

In spite of efforts on the part of the Offices of Regional Counsel and the Appellate Division, a joint settlement conference with the various attorneys and petitioners involved in these cases could not be arranged until May of 1966.

On May 12 and 13, 1966, a settlement conference was held in Docket Nos. 3034-65, 3035-65, 3036-65 and 4662-65. That conference was, to a large extent, exploratory in nature to discuss with petitioners' attorneys the adjustments made in the statutory notices of deficiency and the bases therefor. It was agreed at the end of that conference that a subsequent conference would be scheduled after further review of the approximately 300 or more exhibits for the purpose of tracing the numerous transactions involved in these cases through the books and records of the various organizations involved.

The conference in Docket No. 2688-65 was held in May of 1966, and it was agreed that action in that case would be postponed until such time as the transferor case of Public Health Foundation, Docket No. 3034-65, had been disposed of.

A further settlement conference was set in Docket Nos. 3034-65, 3035-65, 3036-65 and 4662-65 for the week of October 24, 1966. That conference was held on October 27 and 28, 1966. The transactions involved in these cases were at that conference discussed at greater length and in greater detail, with the petitioners being fully advised as to the bases for the adjustments.

A further conference was held in December. Certain major issues were again discussed, and the petitioners made an informal settlement proposal of these cases. The multiplicity of petitioners and their several representatives, the complexity and number of transactions involved, together with the multitude of books and records, and need to agree on the facts to be stipulated in event of trial, all have contributed to the time required to reach the proper decision regarding settlement or trial.

On January 10, 1967, the petitioners' settlement proposal in Docket Nos. 3034-65, 3035-65, 3036-65 and 4662-65 was transmitted to the Appellate Branch Office, Miami, Florida. On January 30, 31, and February 1, 2 and 3 of 1967, discussions were held with petitioners' counsel on the various issues involved in these cases. It was agreed that representatives of the parties would jointly examine the documents and records in the cases for the purpose of evaluating the petitioners' settlement proposal. Due to various other matters involving the convenience of both parties the representatives were unable to meet until October of this year. For a two-week period of October 16 through 27, 1967, representatives of the petitioners and the Service met for the purpose of evaluating these cases from both settlement and litigation aspects.

A further conference in Docket Nos. 3034-65, 3035-65, 3036-65 and 4662-65 has been set for December 6, 1967, at which time the petitioners' attorneys will be advised of the Service's view with respect to their settlement proposal.

Throughout the entire history of these cases (the Public Health Foundation group), all of the petitioners' representatives have been thoroughly and completely advised as to the status of the cases insofar as the consideration being given by the Offices of Regional Counsel and the Appellate Division. These cases have not appeared on any trial calendars. They have been reported as "not ready" by all parties concerned.

I trust the foregoing answers your inquiries as to the status of these cases.

Sincerely yours,

SHELDON S. COHEN, *Commissioner*.