

1. Benefits of N-F-P Foundation Procedures. EXHIBIT 1 - 71

A. Personal and Family Benefits

"What can be accomplished by creating a foundation?"

1. Keep control of wealth.
2. Can keep for the donor many attributes of wealth by many means:
 - a) Designating the administrative management of the foundation.
 - b) Control over its investments.
 - c) Appointing relatives as directors of the foundation.
 - d) Foundation's assets can be used to borrow money to buy other property that does not jeopardize its purposes. Thus, foundation funds can be enhanced from the capitalization of its tax exemption.
3. The foundation can keep income in the family.
4. Family foundations can aid employees of the donor's business.
5. Foundations may be the method of insuring that funds will be available for use in new ventures in business.
6. We can avoid income from property while it is slowly being given to a foundation by a combination of a trust and the charitable foundation.
7. We can get the 20% charity deduction in other ways:
 - a) By giving away appreciated property to the foundation, we escape a tax on the realization of a gain.
 - b) We can give funds to a foundation to get charitable deduction currently in our most advantageous tax year.
 - c) Very often local personal and real property taxes can be avoided.
 - d) We can avoid speculative profits.
 - e) We can give away valuable "frozen assets," white elephant estates, residences, valuable works of art, and collections of all arts." ---

Chairman's Report to the Select Committee on Small Business (Patman Report) House of Representatives, 87th Congress (1962) Page 17. This is a quote from Cleveland Marshall Law Review.

A-1 Retention of control within family.

"Present law imposes no limit upon the period of time during which a donor or his family may exercise substantial influence upon the affairs of a private foundation." Treasury Report on Private Foundations, Senate Finance Committee, Feb. 1965, Page 9.