at prices in excess of reasonable market valuation nor may an officer, through the foundation, purchase valuable securities or properties and have the foundation sell them to himself at substantially less than reasonable market value.

In all cases of foundation transaction or dealing with officers, directors, founders or contributors an arm's length status must be maintained. That is, the foundation must deal with these individuals in the same way that it might deal with unrelated individuals.

Some examples should help illustrate the rule. An officer of the foundation may sell or buy securities to or from the foundation, but he may not purchase penny stocks today and sell them for \$20.00 a share tomorrow unless, of course, their values have risen that rapidly in the established market exchanges. In the same way, an executive director of the foundation cannot have the foundation purchase blue chip securities, like General Motors, and then buy them from the foundation for a few dollars

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