

JAN 10 1997

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
2 CUPANIA CIRCLE
MONTEREY PARK, CA 91755-7406

DEPARTMENT OF THE TREASURY

Date: JAN 10 1997

PALO ALTO INSTITUTE FOR RESEARCH
AND EDUCATION INC
PO BOX V 38 3801 MIRANDA AVENUE
PALO ALTO, CA 94526

Employer Identification Number:
77-0207331
Case Number:
956285073
Contact Person:
MARK BRECKNER
Contact Telephone Number:
(916) 974-5669
Addendum Applies:
No

Dear Applicant:

Based on the information you recently submitted, we have classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(iii).

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in 501(c)(3) is still in effect.

This classification is based on the assumption that your operations will continue as you have stated. If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status.

This supersedes our letter dated October 3, 1989.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

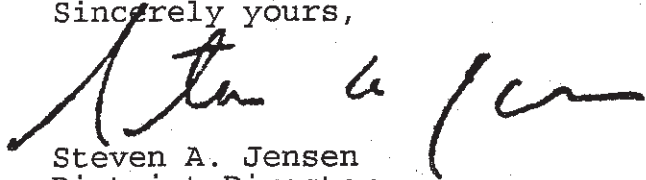
Because this letter could help resolve any questions about your private foundation status, you should keep it in your permanent records.

Letter 1078 (DO/CG)

PALO ALTO INSTITUTE FOR RESEARCH

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Steven A. Jensen". The signature is written in a cursive style with a long horizontal stroke at the end.

Steven A. Jensen
District Director