

SCIENTOLOGY MISSIONS INTERNATIONAL

GROUP EXEMPTION REQUEST

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

**Scientology Missions
International**
6331 Hollywood Blvd. Suite 802
Los Angeles, CA 90028-6314

Person to Contact: **J. Rotz**
Telephone Number: **(202) 622-8100**
Refer Reply to: **E:EO:R:2**

Date:

OCT 1 1993

Employer Identification Number: **95-3739098**
Key District: **Los Angeles**
Service Center: **Fresno, CA 93888**
Accounting Period Ending: **December 31**
Foundation Status Classification: **509(a)(1) &
170(b)(1)(A)(i)**
Form 990 Required: **No**

Dear Applicant:

Based on information supplied, and assuming the operations of your subordinate organizations will be as stated in your application for recognition of exemption, we have determined that your subordinate organizations are exempt from federal income tax under section 501(a) of the Internal Revenue Code as organizations described in section 501(c)(3).

Our records show that you were recognized as exempt from federal income tax as an organization described in section 501(c)(3) of the Code.

We have further determined that your subordinate organizations are not private foundations within the meaning of section 509(a) of the Code, because your subordinates are organizations described in the section(s) above.

If your subordinate organizations' sources of support, purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on the exempt status and foundation status of your subordinate organizations. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in the name or address of your subordinates.

As of January 1, 1984, unless specifically excepted, your subordinate organizations are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each of your subordinates employees during a calendar year. This does not apply, however, if your

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subordinate organizations make or have made a timely election under section 3121(w) of the Code to be exempt from such tax. Your subordinate organizations are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since your subordinate organizations are not a private foundations, your subordinate organizations are not subject to the excise taxes under Chapter 42 of the Code. However, your subordinate organizations are not automatically exempt from other federal excise taxes. If your subordinate organizations have any questions about excise, employment, or other federal taxes, please contact the applicable key District Director.

Donors may deduct contributions to your subordinate organizations as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your subordinate organizations are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if your subordinate organizations lose section 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in the loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that your subordinate organization would be removed from that classification. Private foundations may rely on the classification as long as your subordinate organizations were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that your subordinate organizations would be removed from that classification.

If your subordinate organizations conduct fund raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, your subordinate organizations can help the donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this your subordinate organizations should, in advance of the event, determine the fair market value of the benefit received and state it in the fund raising materials such as solicitations, tickets, and receipts in such a way that the donors can determine how much is deductible and how much is not. To assist your subordinate organizations in this, the Service has issued Publi-

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cation 1391, Deductibility of Payments Made to Organizations Conducting Fund Raising Events. The subordinate organizations may obtain copies of Publication 1391 from applicable key district office.

Your subordinate organizations are not required to file federal income tax returns unless your subordinate organizations are subject to the tax on unrelated business income under section 511 of the Code. If your subordinate organizations are subject to this tax, each must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your subordinate organizations present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Your subordinate organizations are required to make their annual return available for public inspection for three years after the return is due. You are required to make a copy of your group exemption application, and supporting documents, and your exemption letter available for public inspection. Failure to make these documents available for public inspection may subject you and the subordinate organization to a penalty of \$10 per day for each day there is failure to comply. See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

Each year, at least 90 days before the end of your annual accounting period, please send the items listed below to the service center shown above.

1. A statement describing any changes during the year in the purposes, character, or method of operation of your subordinates.
2. A list showing the names, mailing addresses (including postal ZIP codes), actual address if different, and employer identification numbers of subordinates that during that year:
 - a. changed names or addresses;
 - b. were deleted from your roster; or
 - c. were added to your roster.

If you are not a church or church-controlled organization, you will receive a "List of Parents and Subsidiary Accounts," from your service center approximately six months prior to the end of your accounting period. For your convenience, you may use that information to update your list

Scientology Missions International.

of subordinate units. An annotated directory of subordinates will not be accepted for this purpose.

3. For subordinates to be added, attach:
 - a. a statement that the information on which your present group exemption letter is based applies to the new subordinate;
 - b. a statement that each has given you written authorization to add its name to the roster;
 - c. a list of those to which the Service previously issued exemption rulings or determination letters;
 - d. a statement that none of the subordinates is a private foundation as defined in section 509(a) of the Code;
 - e. the street address of subordinates where the mailing address is a P.O. Box; and
 - f. for each subordinate that is a school claiming exemption under section 501(c)(3), the information required by Rev. Proc. 75-50, 1975-2 C.B. 587. Also include any other information necessary to establish that the school is complying with the requirements of Rev. Rul. 71-447, 1971-2 C.B. 230. This is the same information required by Schedule B, Form 1023, Application for Recognition of Exemption under section 501(c)(3) of the Internal Revenue Code.
4. If applicable, a statement that your group exemption roster did not change during the year.

This ruling is based on evidence that the funds of your subordinate organizations are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your subordinate organizations continued exemption, your subordinates should maintain records to show that funds are expended only for those purposes. If your subordinate organizations distribute funds to other organizations, records should be maintained to show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you and your subordinate organizations, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Rev. Rul. 56-304 1956-2, C.B. 306.)

Scientology Missions International

In this letter, we have not determined the effect on the exempt status of your subordinate organizations of financing activities with the proceeds of tax-exempt bonds since you have not indicated that your subordinate organizations intend to use such methods now or in the future.

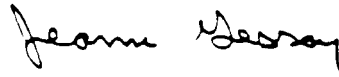
Your subordinate organizations need an employer identification number even if there are no employees. Please use that number on all returns filed by you and your subordinate organizations and in all correspondence with the Internal Revenue Service. We are informing your key District Director of this ruling. Because this letter could help resolve any questions about the exempt status and foundation status of your subordinate organizations, you should keep it in your permanent records.

This determination does not apply to any of your subordinate organizations organized and operated in a foreign country.

Your service center will send you a Group Exemption Number. Please provide your subordinates with the Group Exemption Number. It must be used on any tax or information return required to be filed.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,



Jeanne S. Gessay
Chief, Exempt Organizations
Rulings Branch 2

Subordinate Missions Under SMI Group Exemption

Church of Scientology Mission of Anchorage
440 W. 5th Avenue
Anchorage, Alaska 99501
Employer ID #: 92-0070700

Church of Scientology Mission of Alamosa
P.O. Box 510
511 Main St.
Alamosa, Colorado 81101
Employer ID #: 84-1243498

Church of Scientology Mission of Baltimore
410 Ingleside Ave.
Baltimore, MD 21228
Employer ID #: 52-1842323

Church of Scientology Mission of Baton Rouge
7855 Jefferson Highway
Baton Rouge, LA 70809
Employer ID #: 72-1104649

Church of Scientology Mission of Bellevue
1545 134th Ave. NE.
Bellevue, Washington 98005
Employer ID #: 91-1021465

Church of Scientology Mission of Berkeley
466 Santa Clara Ave., Ste. 310
Oakland, CA. 94610
Employer ID #: 94-2624497

Church of Scientology Mission of Beverly Hills
109 N. La Cienega Blvd.
Beverly Hills, Calif. 90211
Employer ID #: 95-4096984

Church of Scientology Mission of Boulder
1320 Pearl St.
Boulder, Colorado 80302
Employer ID #: 84-0700610

Church of Scientology Mission of Brand Blvd.
124 South Brand Blvd.
Glendale, Calif. 91204
Employer ID #: 95-4319739

Church of Scientology Mission of Buenaventura
180 N. Ashwood
Ventura, Calif. 93003
Employer ID #: 95-3718129

Church of Scientology Mission of Burien
15216 2nd Ave. SW
Burien, WA. 98166-9739
Employer ID #: 91-1115993

Church of Scientology Mission of Butte County
5 Williamsburg Lane
Chico, California 95926
Employer ID #: 68-0228071

Church of Scientology Mission of The Capitol
7637 Fair Oaks Blvd., #2
Carmichael, CA. 95608
Employer ID #: 68-0212464

Church of Scientology Mission of Casa Linda
10204 Garland Road
Dallas, Texas 75218
Employer ID #: 75-2345283

Church of Scientology Mission of Champaign-Urbana
312 W. John Street
Champaign, IL 61820
Employer ID #: 37-0947826

Church of Scientology Mission of Clearwater
100 N. Belcher Road
Clearwater, FL 34625
Employer ID #: 59-2554601

Church of Scientology Mission of Collingswood
Greentree Executive Campus, Suite 5001-G
Lincoln Drive West/Route 73
Marlton, NJ 08053
Employer ID #: 22-2328421

Church of Scientology Mission of Denver
6739 West 44th Avenue
Wheat Ridge, Colorado 80033
Employer ID #: 84-0767608

Church of Scientology Mission of Diablo Valley
3313 Vincent Road, Suite 207
Pleasant Hills, CA 94523
Employer ID #: 68-0312109

Church of Scientology Mission of Fairfax
7409-H Little River Turnpike
Annandale, VA 22003
Employer ID #: 93-0829360

Church of Scientology Mission of Ft. Lauderdale
371 East Commercial Blvd.
Ft. Lauderdale, FL 33334
Employer ID #: 59-1558786

Church of Scientology Mission of Genesee County
P.O. Box 407
Davisburg, MI 48350-0407
Employer ID #: 38-2473225

Church of Scientology Mission of Glendale
2254 Honolulu Avenue
Montrose, Calif. 91020
Employer ID #: 95-3760207

Church of Scientology Mission of Greater Concord
228 Loudon Road, Suite 5
Concord, New Hampshire 03301
Employer ID #: 02-0401600

Church of Scientology Mission of Honolulu
941 Kamehameha Hwy. #206
Pearl City, Hawaii 96782
Employer ID #: 99-0149118

Church of Scientology Mission of Houston
2727 Fondren
Houston, TX 77063
Employer ID #: 74-2077825

Church of Scientology Mission of Indianapolis
109 East 9th Street
Anderson, IN 46016
Employer ID #: 35-1875877

Church of Scientology Mission of Los Gatos
475 Alberto Way, Bldg. B, Suite 110
Los Gatos, CA 95032
Employer ID #: 94-2650583

Church of Scientology Mission of Marin
1930 4th Street
San Rafael, CA 94901
Employer ID #: 94-2489352

Church of Scientology Mission of Milwaukee
710 East Silver Spring Road
White Fish Bay, WI 53217
Employer ID #: 39-1749356

Church of Scientology Mission of Monterey
546-D Hartnell
Monterey, CA 93940
Employer ID #: 94-2912758

Church of Scientology Mission of N.E. Ohio
1050 N. Fourth St.
Columbus, OH 43201
Employer ID #: 34-1595739

Church of Scientology Mission of New Jersey
810 Main Street
Hackensack, NJ 07601
Employer ID #: 22-2941295

Church of Scientology Mission of Peoria
2020 N. Wisconsin
Peoria, IL 61603
Employer ID #: 37-0910116

Church of Scientology Mission of Phoenix
P.O. Box 10116
Phoenix, AZ 85064
Employer ID #: 86-0255800

Church of Scientology Mission of Pittsburgh
R.D. #2, Box 379
Charleroi, PA. 15022
Employer ID #: 25-1692517

Church of Scientology Mission of Redwood
617 Veterans Blvd. # 205
Redwood City, CA 94063
Employer ID #: 94-2150282

Church of Scientology Mission of River Park
1485 River Park Drive, Suite 300
Sacramento, CA 95815
Employer ID #: 94-2874997

Church of Scientology Mission of Salinas
908 Riker Street
Salinas, CA 93901
Employer ID #: 77-0048858

Church of Scientology Mission of San Antonio
10609 IH 10 W., Suite 208
San Antonio, TX 78230
Employer ID #: 74-1823571

Church of Scientology Mission of San Bernardino Valley
1345 University, Suite F
Riverside, CA. 92507
Employer ID #: 33-0064598

Church of Scientology Mission of San Diego Coast
3288 El Cajon Blvd., STE 3
San Diego, CA 92104
Employer ID #: 25-641094

Church of Scientology Mission of San Francisco
406 Sutter Street
San Francisco, CA 94108
Employer ID #: 94-2869485

Church of Scientology Mission of San Jose
826 North Winchester, Suite #1
San Jose, CA. 95128
Employer ID #: 94-2778727

Church of Scientology Mission of Seattle
2124 3rd Avenue
Seattle, WA 98121
Employer ID #: 91-1065332

Church of Scientology Mission of South Bay
3940 Marine Ave. #B
Lawndale, CA 90260
Employer ID #: 95-2865634

Church of Scientology Mission of South Denver
6565 South Dayton, Suite 1000
Englewood, Colorado 80111
Employer ID #: 84-0879476

Church of Scientology Mission of The West Valley
20351 Ventura Blvd. Suite A
Woodland Hills, CA. 91364
Employer ID #: 94-4271618

Church of Scientology Mission of Westwood
3200 Santa Monica Boulevard, #200
Santa Monica, CA 90404
Employer ID #: 95-2867402



SCIENTOLOGY* MISSIONS INTERNATIONAL

Director, Exempt Organizations
Technical Division
1111 Constitution Avenue, N.W.
Washington D.C. 20224

September 3, 1993

Re: Scientology Missions International
EIN: 95-3739098
Request for Group Exemption Ruling Under Sec. 501(c)(3)

Dear Sir,

I am providing you with the following information and materials in support of the accompanying request for a group exemption letter under Code Section 501(c)(3) for Scientology Missions International ("SMI"), as the central organization, and 5 subordinate organizations (the "Subordinate Organizations"), identified on the schedule attached as Exhibit A.

This information is being supplied pursuant to the requirements of section 5 of Revenue Procedure 80-27, 1980-1 C.B. 677 and corresponds to the subsection lettering of section 5.

Section 5.01. SMI's principal office is located in Los Angeles, California and SMI is therefore under the jurisdiction of the Los Angeles, California Key District Director. However, the tax exemptions of SMI and a number of churches of Scientology and related organizations are being considered concurrently at the National Office, so it therefore is appropriate that this request for a group exemption letter be filed directly with the National Office.

Section 5.02. SMI's Employer Identification Number is 95-3739098. SMI's application for exemption (IRS Form 1023) is being considered concurrently with this group exemption request and it is understood that the granting of this request

6331 Hollywood Boulevard, Suite 501
Los Angeles, CA 90028-6314

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is conditional upon the granting of SMI's exemption application.

Section 5.031(a). SMI and the Subordinate Organizations to be covered by SMI's group exemption letter have the relationship described in section 4.02 of Revenue Procedure 80-27 for the following reasons:

(1) The Subordinate Organizations are missions of the Scientology religion and are all affiliated with SMI. As the Mother Church for Missions of the Scientology faith, SMI exercises ecclesiastical authority over all missions of Scientology. The Subordinate Organizations share with SMI the same religious faith, religious goals, purposes, policies and doctrines and names. This commonality of faith is the most fundamental unifying feature of SMI and its missions. All subordinate organizations to be included under SMI's group tax exempt status in the future will also be organizations of the Scientology religion and will also share common names, goals, purposes and activities.

(2) The Subordinate Organizations are subject to SMI's ecclesiastical authority as the Mother Church for Missions of the Scientology religion. Scientology is a very exact faith, and a fundamental doctrine of the religion is that its religious services must be orthodox. This doctrine holds that spiritual salvation can be attained if, and only if, the path to salvation outlined in the Scripture's religious technology is followed without deviation. All of the Subordinate Organizations are missions of Scientology that minister basic religious services to their parishioners and conduct training in the Scientology Scriptures for the spiritual enlightenment of their parishioners.

SMI coordinates the activities of the Subordinate Organizations, and as covered more specifically below, monitors and supervises the practice of the faith by the Subordinates to ensure that they do not deviate from orthodox Scientology.

The articles of incorporation of each of the subordinate organizations expressly recognize SMI's ecclesiastical authority (a copy of the articles of incorporation of one Subordinate Organization that is representative of the articles of incorporation of the other Subordinate Organizations, is attached as Exhibit B). SMI has ultimate control over the assets of each Subordinate Organization. The organizing document of each Subordinate Organization provides that on dissolution its assets will be distributed to a section 501(c)(3) organization chosen by SMI, that SMI approve all amendments to its articles of incorporation and bylaws; and that SMI must approve the principal terms of any merger between it and another corporation or any sale or encumbrance of all or substantially all of its assets. (See Articles Eight, Nine, Ten and Eleven of Exhibit B.)

The bylaws of each of the Subordinate Organizations also expressly recognize SMI's overriding authority. Article I of the bylaws requires that their officers, directors and trustees be in good standing with the Mother Church and that:

The Church is and shall be one of the many churches within and without the United States which have been and will be organized for the purposes of the religion of Scientology, all bound together as elements of one international and hierarchical church by voluntary and self determined agreement upon and adherence to the following:

1. The goals, tenets, doctrines, codes, Creed, policies and practices set forth in the Scriptures (as hereafter defined); and
2. Recognition of the ecclesiastical authority of the hierarchy of the Mother Church for Missions; and
3. Governance in ecclesiastical matters by said hierarchy.

The Directors, Officers and agents of the corporation shall be bound by and shall observe the foregoing to the end that the operations and activities of this corporation shall support and maintain the Church as a church of Scientology in good standing with the Mother Church for Missions; subject, however, at all times and in every respect to the paramount requirement of observance of and compliance with all applicable laws, and the provisions of the Articles and of these Bylaws.

(A sample copy of the bylaws of one of the subordinate organizations is attached as Exhibit C).

SMI's ecclesiastical authority is further enhanced by a written covenant between it and Church of Scientology International ("CSI"), the Mother Church of the Scientology religion, with respect to the use of certain religious marks associated with the Scientology religion. Through this covenant CSI has given SMI the right and responsibility to permit missions of the Scientology religion to use the religious marks, which include the marks "Scientology," "Dianetics," and L. Ron Hubbard's name and initials. Without SMI's written authority to use the marks an organization cannot legally use the marks and thus cannot call itself a Scientology mission. These written covenants formalize the relationship of the missions within the hierarchy and create legal rights and duties with respect to the marks that are cognizable in the secular world. Thus, if a mission continues to minister services under the name Scientology despite SMI's objections, SMI is able to stop the practice through the civil judicial system. SMI has full responsibility for supervising

use of the marks by the missions with which it has entered covenants. (A representative copy of the covenant between SMI and one of the Subordinate Organizations is attached as Exhibit D).

SMI's primary function is to coordinate the activities of all missions of Scientology to ensure they are working in harmony toward Scientology's ultimate goal -- "a civilization without insanity, without criminals and without war, where the able can prosper and honest beings can have rights and where Man is free to rise to greater heights." SMI carries out this function by providing ecclesiastical guidance and programmatic support to the Subordinate Organizations. SMI receives reports from and provides advice, ecclesiastical guidance and programs to the Subordinate Organizations to guide them in carrying out their religious activities.

(3) As discussed herein, each of the Subordinate Organizations is a church of the Scientology religion and therefore is exempt under section 501(c)(3) of the Internal Revenue Code because it is organized and operated exclusively for religious purposes.

(4) The Subordinate Organizations are not private foundations. Each is a church within the meanings of sections 509(a)(1) and 170(b)(1)(A)(i) because they have a distinct legal existence, a recognized creed and form of worship, a definite and distinct ecclesiastical government, a formal code of doctrine and discipline, a distinct religious history, a membership generally not associated with any other church or denomination, an organization of ordained ministers, ordained ministers selected after completing prescribed studies, a literature of their own, established places of worship, regular congregations, and regular religious services.

(5) SMI and all Subordinate Organizations have annual accounting periods ending December 31.

(6) As churches, each of the Subordinate Organizations falls under the exception of section 508(c)(1)(A) to the notice requirements of section 508(a).

Section 5.031(b). Attached as Exhibits B and C are representative copies of articles of incorporation and bylaws adopted by the Subordinate Organizations (to the extent allowed by state law, all have adopted uniform governing instruments). Subject to differences in the laws of incorporating states, these same articles and bylaws will be used by organizations to be incorporated in the future that will be included under SMI's group exemption letter.

Section 5.031(c). The purposes and activities of the Subordinate Organizations including the sources of receipts and nature of expenditures are as follows.

Each of the Subordinate Organizations is a church of the Scientology religion. The primary activities of the Subordinate Organizations are ministering the Scientology religious service of auditing to their congregations; proselytizing and disseminating the Scientology faith; providing elementary training in Scientology Scripture for the spiritual enlightenment of their parishioners; and church administration. Each church is separately incorporated with its own congregation. Each adheres to the Scientology Scriptures and follows the Scientology creed (which is set forth in their bylaws) and Scientology policies, codes and system of ethics and justice.

The Subordinate Organizations' sources of funding are almost entirely from fixed donations for religious services (approximately 75%) and for religious books and materials (approximately 20%).

The Subordinate Organizations' expenditures are primarily for operating expenses such as mailings relating to dissemination and proselytization, book stocks, telephone, salaries, rent, utilities and expenses relating to the operation and maintenance of their church premises. These Subordinate Organizations also support SMI's religious program of activities by contributing to SMI a tithe equal to 10% of the contributions they receive for performing Scientology ministerial services.

Section 5.031(d). I affirm that, to the best of my knowledge and belief, the purposes and activities of SMI's Subordinate Organizations are as set forth in paragraphs 5.031(b) and 5.031(c).

Section 5.031(e). Each Subordinate Organization has furnished SMI with written authorization to include it in this application for a group exemption letter. Such authorization was signed by a duly-authorized officer of the particular Subordinate Organization and will be retained by SMI while the group exemption is in effect.

Section 5.031(f). The Internal Revenue Service has not issued a ruling or determination letter relating to the exemption of any of the Subordinate Organizations.

Section 5.031(g). All of the subordinate organizations are churches and fall within the exception in section 508(c)(1)(A) to the notice requirements of section 508(b).

Section 5.031(h). Not applicable.

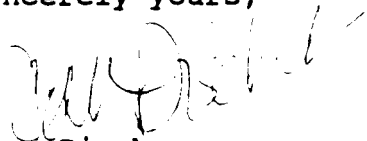
Section 5.032. The names and mailing addresses of the Subordinate Organizations initially to be included in SMI's group exemption letter are listed in Exhibit A.

Section 5.04. SMI's Employer Identification number is 95-3739098.

Section 5.05. Each of the Subordinate Organizations has its own Employer Identification Number.

Thank you for your assistance. We look forward to a favorable ruling on our application.

Sincerely yours,



Jean Discher
President
Scientology Missions
International