

Law Offices of
Charles A. Larson

Charles A. Larson
Elizabeth A. Bawden

9500 Wilshire Blvd., Ste. 550
Beverly Hills, CA 90212
Telephone: (310) 205-2472
Facsimile: (310) 205-2475
Email: Elizabeth@CharlesLarson.net

April 28, 2005

File No. 3865

Will Halby
414 Westminster Ave
Venice, CA 90291

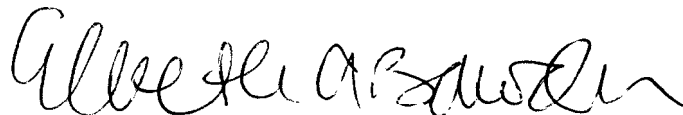
RE: Cheshire Project

Dear Will:

I am pleased to inform you that The Cheshire Project has been granted an advance ruling that it qualifies as a public charity. A copy of that ruling is enclosed and can be provided to any donor who wishes to donate to The Cheshire Project and be assured that their donations will be tax-deductible. As indicated in the advance ruling, it will be very important for The Cheshire Project to track the identities of all of its donors over the next three years until the end of 2008. This is because the tax exemption granted to The Cheshire Project is dependent upon The Cheshire Project receiving at least one-third of its support from public sources, and public sources generally means individuals or other charities who are not related to The Cheshire Project or to any of its directors or officers.

As we previously discussed, The Cheshire Project does need to file a tax return each year by May 15, and that tax return is Form 990. I understand that you have engaged an accountant to prepare that Form 990 for you for the tax year 2004, but if you have not, I am happy to provide a referral for you. The due date for the 2004 tax return will be soon upon you, and so if you have not yet made arrangements for that return to be prepared, I recommend that you do so, so that the return can either be prepared and filed on-time or so that an extension can be filed. Each year when The Cheshire Project's Form 990 is filed, The Cheshire Project will need to provide detailed information as to the identity of each of its donors and the amount of each donation made by each donor. An accountant can also work with you to ensure that other financial reporting is properly done. I encourage you to read the complete attachment to the letter from the IRS granting exemption to The Cheshire Project as it does explain a number of the rules and regulations that govern how The Cheshire Project operates. Upon review of this letter, if you have any questions for me about your exempt status, or the activities that The Cheshire Project is permitted to engage in, please feel free to call me and we can discuss them at greater length.

Very truly yours,



Elizabeth A. Bawden

Enclosures:

Cheshire Halby Ltr 4-28-05.doc

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 22 2005**

THE CHESHIRE PROJECT
PO BOX 242
VENICE, CA 90294

Employer Identification Number:
37-1497662
DLN:
17053088086045
Contact Person:
JOHN J KOESTER ID# 31364
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
DECEMBER 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
YES
Effective Date of Exemption:
SEPTEMBER 17, 2004
Contribution Deductibility:
YES
Advance Ruling Ending Date:
DECEMBER 31, 2008

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)