

Department of the Treasury

Phone Contact: Ronald Bass  
Phone Number: (202)964-4331

National Revenue Service  
Washington, D.C. 20548

Date: OCT 8 1974 In reply refer to T:MS:EO:R:2-6

The Pride Foundation  
P.O. Box 1983  
San Francisco, California 94101



Gentlemen:

We have considered your application for recognition of exemption under section 501(c)(3) of the Internal Revenue Code and have determined that you do not qualify under that section. Our reasons for this conclusion and the facts upon which it is based are explained in detail below.

The evidence presented discloses that you were incorporated on April 1, 1973, under the General Nonprofit Corporation Law of the State of California. As stated in an amendment to your Article of Incorporation, your specific and primary purpose is to advance the welfare of the homosexual community through educational activities and legal action.

In furtherance of this purpose, you engage in the following activities:

1. You assist the City of San Francisco in enforcing a city ordinance prohibiting employment discrimination on the basis of sexual orientation by contractors with the city. In this regard, you promote the ordinance among contractors. In addition, you provide assistance to persons who have been discriminated against on the basis of sexual orientation. Furthermore, you file complaints on your own behalf concerning instances of discrimination under the ordinance.

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA	
Case number: 3:09-cv-02292-VRW	
PLTF	EXHIBIT NO. PX2581
Date admitted: _____	
By: _____	

Reproduced from the Collections of the Manuscript Division, Library of Congress

## Department of the Treasury

Phone Contact: Ronald Bass  
 Phone Number: (202)964-4331

National Revenue Service

Washington, D.C. 20548

Date: OCT 3 1974 In reply refer to T:MS:EO:R:2-6

The Pride Foundation  
 P.O. Box 1983  
 San Francisco, California 94101

Gentlemen:

We have considered your application for recognition of exemption under section 501(c)(3) of the Internal Revenue Code and have determined that you do not qualify under that section. Our reasons for this conclusion and the facts upon which it is based are explained in detail below.

The evidence presented discloses that you were incorporated on April 1, 1973, under the General Nonprofit Corporation Law of the State of California. As stated in an amendment to your Article of Incorporation, your specific and primary purpose is to advance the welfare of the homosexual community through educational activities and legal action.

In furtherance of this purpose, you engage in the following activities:

1. You assist the City of San Francisco in enforcing a city ordinance prohibiting employment discrimination on the basis of sexual orientation by contractors with the city. In this regard, you promote the awareness of the ordinance among the public. In addition, you provide legal and other assistance to persons against whom city contractors have allegedly discriminated on the basis of sexual orientation. Further, you file complaints on your own initiative concerning instances of discrimination under the ordinance.

- 2 -

## The Pride Foundation

2. You provide legal support, as amicus curiae, in litigation challenging the constitutionality of certain provisions of the California Code which allegedly discriminate against homosexuals.
3. You operate an anti-defamation program through which you investigate defamatory practices by the press and media, and respond with written complaints to the alleged offender.
4. You conduct opinion surveys among the homosexual community and the general public regarding attitudes toward homosexuals. Results are published in your own newspaper and in other interested publications.
5. You publish a newspaper in which your programs and activities are communicated to the general public. The paper is available free to your members, and at a nominal charge to others.
6. You conduct weekly dinner/lectures featuring speakers representing a broad variety of views concerning problems of interest to homosexuals.
7. You intend to promote a publication project through which you will make available to the public reprints of pertinent literature concerning homosexual issues. Also, you will encourage libraries to establish special collections of books dealing with homosexual problems. You will contribute money and material for this project.

- 3 -

## The Pride Foundation

8. Finally, you conduct a fund raising variety show open to the public, for the purpose of raising money to be used exclusively in furtherance of your other activities.

Further, you have indicated that you do not advocate any particular philosophy, nor do you advocate either homosexuality or heterosexuality as a preferred sexual orientation or life style. However, you adhere to the principle that all persons are entitled to pursue their private and social lives without discrimination irrespective of their sexual orientation. In this regard, you have indicated that your services are available to any person, regardless of sexual orientation, who has been discriminated against on the basis of sexual orientation.

You receive most of your support from membership dues and gross receipts from your lecture/dinners and variety show.

Section 501(c)(3) of the Internal Revenue Code provides for the exemption of organizations which are organized and operated exclusively for charitable and educational purposes.

Section 1.501(c)(3)-1(d)(2) of the income tax regulations states that the term "charitable" is used in section 501(c)(3) of the Code in its generally accepted legal sense, but includes certain activities enumerated therein.

Section 1.501(c)(3)-1(d)(3) of the regulations defines "educational" to include:

- (b) The instruction of the public on subjects useful to the individual and beneficial to the community.

It is a general principal of the law of charity that all charitable trusts, educational or otherwise, are subject to the requirement that the purpose of the trust may not be illegal or contrary to public policy. Restatement, Second, Trust (1959) Sec. 377.

REPRODUCTION OF THIS DOCUMENT IS THE PROPERTY OF THE MANUSCRIPT DIVISION, LIBRARY OF CONGRESS

- 4 -

## The Pride Foundation

The Supreme Court has continued to characterize homosexual activity as perverted or deviate behavior, the explicit representation or description of which has been repeatedly held to be patently offensive for the purpose of meeting of the established tests of obscenity so as to fall outside the protection of the First and Fourteenth Amendments to the U.S. Constitution. See Mishkin V. New York, 383 U.S. 502 (1966); Miller V. California, 413 U.S. 15 (1973) and Hamling V. United States, 42 U.S. Law Week 5035 (June 24, 1974).

The maladaptive and at least potentially offensive nature of homosexual activities is borne out by the continuing prohibition of substantially all form of sodomy by the criminal laws of most states, including California.

In addition, certain of your activities, specifically your dinner/lectures and fund raising show are conducted in a format which encourages or facilitates homosexual practices to a substantial degree. This is so because the social aspects of these activities might readily contribute to increased personal relationships among homosexual individuals. In view of the general statutory condemnation of homosexual practices in California these programs may, therefore, encourage and facilitate illegal activity.

Based on the foregoing, we feel that your activities are advancing the unqualified and unrestricted promotion of the alleged normalcy of homosexuality. Thus, we conclude that your activities carry a serious risk of contributing to a more widespread development of homosexual tendencies among certain segments of the public and a consequent increase in the general prevalence of what is still generally regarded as deviant sexual behavior. As such your activities are contrary to public policy and are therefore, not "charitable."

- 5 -

The Pride Foundation

In addition, your activities are not "educational" because they are detrimental, rather than beneficial to the public.

The fact that some of your activities are directed toward elimination of unjustified and improper discrimination or treatment, or toward violations of the privacy of adult individuals, is insignificant when compared to the possible detriment to society.

Since your operations are neither "charitable" nor "educational" we conclude that you do not qualify for exemption under section 501(c)(3) of the Internal Revenue Code.

You are required to file Federal income tax returns. Also, contributions to you are not deductible under section 170 of the Code.

You have the right to protest this ruling if you believe that it is incorrect. To protest you should submit a statement of your views, with a full explanation of your reasoning. This statement must be submitted in duplicate within 21 days from today, and must be signed by one of your principal officers. You also have a right to conference in this office after your statement is submitted. If you want a conference, you must request it when you file your protest statement. If you are to be represented by someone who is not one of your principal officers he must file a proper power of attorney and otherwise qualify under our conference and practice requirements.

If we do not hear from you within 21 days, this ruling will become final and copies will be forwarded to the District Director which is your key district for exempt organization matters. Also, the appropriate State officials will be notified of this action in accordance with section 6104(c) of the Code.

Sincerely yours,



E. D. Coleman  
Chief, Rulings Section 2  
Exempt Organizations Branch