

Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056
 Expires 5-31-96

If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.
A User Fee must be attached to this application.
 If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.
Complete the Procedural Checklist in the instructions.

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document)		2 Employer identification number (if none, see instructions.)	
Virginia and D.K. Ludwig Fund for Cancer Research		Applied for	
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed	
R. Palmer Baker, Jr.		Jay W. Swanson 212-530-5396	
1c Address (number, street, and room or suite no.)		4 Month the annual accounting period ends	
1345 Avenue of the Americas		December	
1d City or town, state, and ZIP code		7 Check here if applying under section:	
New York, NY 10105		a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k)	
5 Date incorporated or formed	6 Activity codes (See instructions.)	8 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
4/8/96	602 199	If "Yes," attach an explanation. See Exhibit A.	
9 Is the organization required to file Form 990 (or Form 990-EZ)? <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		If "No," attach an explanation (see instructions).	
10 Has the organization filed Federal income tax returns or exempt organization information returns? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.	

11 Check the box for the type of organization. BE SURE TO ATTACH A CONFORMED COPY OF THE CORRESPONDING DOCUMENTS TO THE APPLICATION BEFORE MAILING (See Specific Instructions, Part I, Line 11.) Get Pub. 557, Tax-Exempt Status for Your Organization, for examples of organizational documents.)


a Corporation- Attach a copy of the Articles of Incorporation, (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.

b Trust- Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
See Exhibit B.

c Association- Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here  Trustee 4-16-96 (Date)

Part II Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** Describe each activity separately in the order of importance. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

See Exhibit C.

- 2 What are or will be the organization's sources of financial support? List in order of size.

Distributions from Estate of D.K. Ludwig
Investment income
Gifts and grants

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

The Trust will have no formal fundraising program. It may, however, receive gifts and grants from persons and entities interested in cancer research.

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

See Exhibit D.

b Annual Compensation

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials?

Yes No

If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See **Specific Instructions, Part II, Line 4d.**)

Yes No

If "Yes," explain.

5 Does the organization control or is it controlled by any other organization?

Yes No

Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors?

Yes No

If either of these questions is answered "Yes," explain.

The Trustees, purposes and other terms of the Trust are virtually identical to those of the Virginia and D.K. Ludwig Fund for Cancer Research (Inter Vivos), which was recognized as a supporting organization under I.R.C. section 509(a)(3) by an I.R.S. determination letter dated December 3, 1990, attached as Exhibit E.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than 501(c)(3) organizations): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees?

Yes No

If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization?

Yes No

If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

The Trust is accountable to the Attorney General of the State of New York. In addition, the Trust's beneficiaries have the power to enforce the Trust and to compel an accounting under New York law.

Part II Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."

N/A

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? Yes No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? Yes No

b Is the organization a party to any leases? Yes No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

N/A

11 Is the organization a membership organization? Yes No

If "Yes," complete the following:

a Describe the organization's membership requirements, and attach a schedule of membership fees and dues.

N/A

b Describe your present and proposed efforts to attract members, and attach a copy of any descriptive literature or promotional material used for this purpose.

N/A

c What benefits do (or will) your members receive in exchange for their payment of dues?

N/A

12a If the organization provides benefits, services or products, are the recipients required, or will they be required, to pay for them? N/A Yes No

If "Yes," explain how the charges are determined, and attach a copy of your current fee schedule.

b Does or will the organization limit its benefits, services or products to specific individuals or classes of individuals? N/A Yes No

If "Yes," explain how the recipients or beneficiaries are or will be selected.

13 Does or will the organization attempt to influence legislation? Yes No

If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds which it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? Yes No

If "Yes," explain fully.

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? Yes No
If you answer "Yes," do not answer questions on lines 2 through 7.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 8.

Exceptions - You are not required to file an exemption application within 15 months if the organization: N/A

- (a) Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church (see instructions);
- (b) Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- (c) Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No

If "Yes," your organization qualifies under section 4.01 of Rev. Proc. 92-85, 1992-42 I.R.B. 32, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 7.

N/A

If "No," answer question 4.

4 If you answer "No" to question 3, has the organization been contacted by the IRS regarding its failure to file Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No

If "No," your organization qualifies for an extension of time to apply under the "reasonable action and good faith" requirements of section 5.01 of Rev. Proc. 92-85. Do not answer questions 5 through 7.

N/A

If "Yes," answer question 5.

5 If you answer "Yes" to question 4, does the organization wish to request relief from the 15-month filing requirement? Yes No

If "Yes," give the reasons for not filing this application prior to being contacted by the IRS. See Specific Instructions, Part III, Line 5, before completing this item. Do not answer questions 6 and 7.

N/A

If "No," answer question 6.

6 If you answer "No" to question 5, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider your application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? Yes No

N/A

7 If you answer "Yes" to the question on line 6 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here and attach a completed page 1 of Form 1024 to this application. N/A

Part III Technical Requirements (Continued)

8 Is the organization a private foundation?
 Yes (Answer question on line 9.)
 No (Answer question on line 10 and proceed as instructed.)

9 If you answer "Yes" to the question on line 8, does the organization claim to be a private operating foundation?
 Yes (Complete Schedule E)
 No N/A

After answering the question on this line, go to Part IV.

10 If you answer "No" to the question on line 8, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | | |
|-----|--|--|
| (a) | <input type="checkbox"/> As a church or a convention or association of churches
(CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1)
and 170(b)(1)(A)(i) |
| (b) | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1)
and 170(b)(1)(A)(ii) |
| (c) | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital
(MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1)
and 170(b)(1)(A)(iii) |
| (d) | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1)
and 170(b)(1)(A)(v) |
| (e) | <input checked="" type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d, g, h, or i
(MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| (f) | <input type="checkbox"/> As being organized and operated exclusively for testing for public safety. | Section 509(a)(4) |
| (g) | <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit. | Sections 509(a)(1)
and 170(b)(1)(A)(iv) |
| (h) | <input type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. | Sections 509(a)(1)
and 170(b)(1)(A)(vi) |
| (i) | <input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| (j) | <input type="checkbox"/> The organization is a publicly supported organization but is not sure whether it meets the public support test of block h or block i. The organization would like the IRS to decide the proper classification. | Sections 509(a)(1)
and 170(b)(1)(A)(vii)
or
Section 509(a)(2) |

If you checked one of the boxes a through f in question 10, go to question 15.
 If you checked box g in question 10, go to questions 12 and 13.
 If you checked box h, i, or j, go to question 11.

Part III Technical Requirements (Continued)

11 If you checked box h, i, or j on line 10, has the organization completed a tax year of at least 8 months?
 Yes-Indicate whether you are requesting:
 A definitive ruling (Answer questions on lines 12 through 15.) N/A
 An advance ruling (Answer questions on lines 12 and 15 and attach two Forms 872-C completed and signed.)
 No-You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the application.

12 If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

N/A

13 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:
 a Enter 2% of line 8, column (e) of Part IV-A _____ N/A
 b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 13a above.

14 If you are requesting a definitive ruling under section 509(a)(2), check here and: N/A
 a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of a "disqualified person," see Specific Instructions, Part II, Line 4d.)
 b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

15 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule
Is the organization a church?		X	A
Is the organization, or any part of it, a school?		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?	X		D
Is the organization a private operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization?		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution?		X	I

Part IV Financial Data

See Exhibit F.

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. **If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.**

A. Statement of Revenue and Expenses

	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
	(a) From to	(b) 19	(c) 19	(d) 19	
R e v e n u e	1 Gifts, grants, and contributions received (not including unusual grants—see instructions)				
	2 Membership fees received				
	3 Gross investment income (see instructions for definition)				
	4 Net income from organization's unrelated business activities not included on line 3				
	5 Tax revenues levied for and either paid to or spent on behalf of the organization				
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)				
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule)				
	8 Total (add lines 1 through 7)				
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513				
	10 Total (add lines 8 and 9)				
	11 Gain or loss from sale of capital assets (attach schedule)				
	12 Unusual grants				
	13 Total revenue (add lines 10 through 12)				
E x p e n s e s	14 Fundraising expenses				
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule)				
	16 Disbursements to or for benefit of members (attach schedule)				
	17 Compensation of officers, directors, and trustees (attach schedule)				
	18 Other salaries and wages				
	19 Interest				
	20 Occupancy (rent, utilities, etc.)				
	21 Depreciation and depletion				
	22 Other (attach schedule)				
	23 Total expenses (add lines 14 through 22)				
	24 Excess of revenue over expenses (line 13 minus line 23)				

Part IV **Financial Data** (Continued) See Exhibit F.

B. Balance Sheet (at the end of the period shown)		Current tax year Date
Assets		
1	Cash	1
2	Accounts receivable, net	2
3	Inventories	3
4	Bonds and notes receivable (attach schedule)	4
5	Corporate stocks (attach schedule)	5
6	Mortgage loans (attach schedule)	6
7	Other investments (attach schedule)	7
8	Depreciable and depletable assets (attach schedule)	8
9	Land	9
10	Other assets (attach schedule)	10
11	Total assets (add lines 1 through 10)	11
Liabilities		
12	Accounts payable	12
13	Contributions, gifts, grants, etc., payable	13
14	Mortgages and notes payable (attach schedule)	14
15	Other liabilities (attach schedule)	15
16	Total liabilities (add lines 12 through 15)	16
Fund Balances or Net Assets		
17	Total fund balances or net assets	17
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	18

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation

Schedule D. Section 509(a)(3) Supporting Organization

1a Organizations supported by the applicant organization:	b Has the supported organization received a ruling or determination letter that it is not a private foundation by reason of section 509(a)(1) or (2)?
Name and address of supported organization See Exhibit G.	<input type="checkbox"/> Yes <input type="checkbox"/> No
-----	<input type="checkbox"/> Yes <input type="checkbox"/> No
-----	<input type="checkbox"/> Yes <input type="checkbox"/> No
-----	<input type="checkbox"/> Yes <input type="checkbox"/> No
-----	<input type="checkbox"/> Yes <input type="checkbox"/> No
-----	<input type="checkbox"/> Yes <input type="checkbox"/> No

c If "No" for any of the organizations listed in 1a, explain.

N/A

2 Does the supported organization have tax-exempt status under section 501(c)(4), 501(c)(5), or 501(c)(6)? Yes No
 If "Yes," attach: (a) a copy of its ruling or determination letter, and (b) an analysis of its revenue for the current year and the preceding 3 years. (Provide the financial data using the formats in Part IV-A (lines 1-13) and Part III (lines 12, 13, and 14).)

3 Does your organization's governing document indicate that the majority of its governing board is elected or appointed by the supported organizations? Yes No
 If "Yes," skip to line 9.
 If "No," you must answer the questions on lines 4 through 9.

4 Does your organization's governing document indicate the common supervision or control that it and the supported organizations share? Yes No
 If "Yes," give the article and paragraph numbers. If "No," explain.

5 To what extent do the supported organizations have a significant voice in your organization's investment policies, in the making and timing of grants, and in otherwise directing the use of your organization's income or assets?

See Exhibit G.

6 Does the mentioning of the supported organizations in your organization's governing instrument make it a trust that the supported organizations can enforce under state law and compel to make an accounting? Yes No
 If "Yes," explain.

See Exhibit G.

7a What percentage of your organization's income does it pay to each supported organization?

See Exhibit G.

b What is the total annual income of each supported organization?

See Exhibit G.

c How much does your organization contribute annually to each supported organization?

See Exhibit G.

Schedule D. Section 509(a)(3) Supporting Organization (Continued)

8 To what extent does your organization conduct activities that would otherwise be carried on by the supported organizations? Explain why these activities would otherwise be carried on by the supported organizations.

The Trust will hold, invest, manage and distribute funds for the support of the Beneficiaries. If the Trust did not do so, the Beneficiaries would have to provide a mechanism to do so.

9 Is the applicant organization controlled directly or indirectly by one or more "disqualified persons" (other than one who is a disqualified person solely because he or she is a manager) or by an organization that is not described in section 509(a)(1) or (2)? Yes No
If "Yes," explain.

Instructions

For an explanation of the types of organizations defined in section 509(a)(3) as being excluded from the definition of a private foundation, see Pub. 557, Chapter 3.

Line 1

List each organization that is supported by your organization and indicate in item 1b if the supported organization has received a letter recognizing exempt status as a section 501(c)(3) public charity as defined in section 509(a)(1) or 509(a)(2). If you answer "No" in 1b to any of the listed organizations, please explain in 1c.

Line 3

Your organization's governing document may be articles of incorporation, articles of association, constitution, trust indenture, or trust agreement.

Line 9

For a definition of a "disqualified person," see **Specific Instructions, Part II, line 4d**, on page 3 of the application's instructions.

VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH

1345 Avenue of the Americas
New York, New York 10105

Exhibit A to Form 1023 (Part I, Line 8)

The organization is a charitable trust (the "Trust") consisting of the residuary estate of D. K. Ludwig under Article Sixth of his Last Will and Testament. Mr. Ludwig died August 27, 1992, a resident of New York City. His Will was submitted for probate in the New York County Surrogate's Court by the nominated Executor, R. Palmer Baker, Jr., by Petition dated September 2, 1992. Preliminary letters testamentary thereafter issued to Mr. Baker.

The Trust applied for recognition of exemption by a Form 1023 dated November 23, 1993. At that time, Mr. Ludwig's Will had not been admitted to probate and the Trust had not been funded, because of a will contest brought by a claimant alleging that she was Mr. Ludwig's daughter.

By letter dated January 27, 1994, the Internal Revenue Service stated that the application could not be processed until the Trust was funded. By letter dated March 7, 1994, the Trust withdrew the application. The withdrawal of the application was acknowledged by a letter from the Service dated March 17, 1994. Copies of these three letters are attached as part of this exhibit.

After a hearing in the probate proceeding, the claimant was denied standing to contest Mr. Ludwig's Will. The Will was admitted to probate by decree dated February 13, 1996, a copy of which is attached as part of this exhibit. Letters testamentary have issued to Mr. Baker and letters of trusteeship have issued to Mr. Baker and the other trustees named in the Will. The Trust was funded on April 8, 1996 with a distribution of \$1,000 from the estate.

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Date: *JANUARY 27, 1994*

Employer Identification Number:

11-3344012

Contact Person:

CAROL CZOLOWSKI

Contact Telephone Number:

(315) 423-5002

*Virginia + DK Ludwig Fund For
CANCER RESEARCH
c/o R. Palmer Baker Jr
1345 Avenue of the Americas
New York, NY 10105*

Response Due Date:

FEBRUARY 17, 1994

Dear Applicant:

Before we can determine whether your organization is exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. You did not include the information needed to make that determination on your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

To help us determine whether your organization is exempt from Federal income tax, please send us the requested information by the above date. We can then complete our review of your application.

If we do not hear from you within that time, we will assume you do not want us to consider the matter further and will close your case. In that event, as required by Code section 6104(c), we will notify the appropriate state officials that, based on the information we have, we cannot recognize you as an organization of the kind described in Code section 501(c)(3). As a result, the Internal Revenue Service will treat your organization as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new Form 1023.

In addition, if you do not provide the requested information in a timely manner, we will consider that you have not taken all reasonable steps to secure the determination you requested. Under Code section 7428(b)(2), your not taking all reasonable steps in a timely manner to secure the determination may be considered as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

Please mail the information requested in this letter to the following address: Internal Revenue Service
EP/EO Division
Post Office Box 7370-Federal Station
Syracuse, New York 13261

Letter 1312(DO/CG)

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,



Carol Czolowski
Exempt Organization Specialist

cc: Mr Swanson
Enclosure(s)

ADDITIONAL INFORMATION REQUESTED

In order for a trust to be given exemption under 501(c)(3), they must be funded. You state that you don't know if or when funding to the trust will be made. If that is still the situation, then the case will be closed without approval being granted.

Also, in order to be given 509(a)(3) status, the amounts that would be given to the supported organizations would need to be stated so that the 509(a)(3) support test could be computed. At the present time that too doesn't sound feasible.

Incidentally, the filing requirement period is now 27 months instead of 15 months (see Pt III, Question 3 - enclosed from revised 1023 application)

If you wish to discuss the above, please feel free to call me at 315-423-5002.

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? Yes No
If you answer "Yes," do not answer questions on lines 2 through 7.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 8.
Exceptions—You are not required to file an exemption application within 15 months if the organization:
 a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church (see instructions);
 b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
 c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No
If "Yes," your organization qualifies under section 4.01 of Rev. Proc. 92-85, 1992-42 I.R.B. 32, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 7.
If "No," answer question 4.

4 If you answer "No" to question 3, has the organization been contacted by the IRS regarding its failure to file Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No
If "No," your organization qualifies for an extension of time to apply under the "reasonable action and good faith" requirements of section 5.01 of Rev. Proc. 92-85. Do not answer questions 5 through 7.
If "Yes," answer question 5.

5 If you answer "Yes" to question 4, does the organization wish to request relief from the 15-month filing requirement? Yes No
If "Yes," give the reasons for not filing this application prior to being contacted by the IRS. See Specific Instructions, Part III, Line 5, before completing this item. Do not answer questions 6 and 7.
If "No," answer question 6.

6 If you answer "No" to question 5, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? Yes No

7 If you answer "Yes" to the question on line 6 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here and attach a completed page 1 of Form 1023 to this application.

COPY

Direct Dial
(212) 530-5396

March 7, 1994

Ms. Carol Czolowski
Exempt Organization Specialist
Internal Revenue Service
EP/EO Division
Post Office Box 7370
Federal Station
Syracuse, New York 13261

Re: Virginia and D. K. Ludwig Fund for
Cancer Research - Application for
Recognition of Exemption

Dear Ms. Czolowski:

In your January 27, 1994 letter you stated that the Fund's Form 1023 dated November 22, 1993, filed with my November 24, 1993 letter, could not be processed unless the Fund (a testamentary trust) was funded. As we discussed by telephone, it is not possible at this time to know when or if the trust will be funded, by reason of the ongoing will contest and Resolution Trust Company action described in Exhibit C to the Form 1023.

On behalf of the Fund, we therefore respectfully withdraw the Form 1023 filed with my letter. We understand that if the Fund applies for recognition of exemption at the time it is funded, the application will then be considered timely and the Fund's exemption, if recognized, will be recognized from inception.

Thank you for your courteous assistance in this matter.

Sincerely yours,

Jay W. Swanson

JWS/ct
cc: R. Palmer Baker, Esq.
bcc: Mr. Polk
BY FAX AND CERTIFIED MAIL

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
G.P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Date: **MAR 17 1994**

VIRGINIA AND D K LUDWIG FUND FOR
CANCER RESEARCH
R PALMER BAKER JR
C/O SAMUEL S POLK ESQ
MILBANK TWEED HADLEY & MCLOY
1 CHASE MANHATTAN PLAZA
NEW YORK, NY 10005

Employer Identification Number:
13-7029829
Case Number:
113344012
Contact Person:
CAROL CZOLOWSKI
Contact Telephone Number:
(315) 423-5002

Internal Revenue Code
Section 501(c)(3)

Dear Applicant:

We have received your letter dated March 7, 1994, requesting the withdrawal of your application for recognition of exemption as an organization described in the Internal Revenue Code section shown above. In accordance with your request, no further action will be taken and the matter is considered closed.

You may be required to file Federal income tax returns.

Because you have withdrawn your application, the Internal Revenue Service will consider that you have not taken all reasonable steps to secure the determination requested in the application. Under Code section 7428(b)(2), not taking all reasonable steps in a timely manner to secure a determination may be considered as failure to exhaust administrative remedies available to you within the Service. This may preclude the issuance of a declaratory judgment in this matter under section 7428 of the Code.

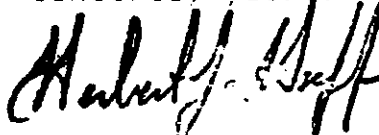
User fee payments are not refundable when the application for the determination letter is withdrawn from consideration. If you request another determination letter for this organization, another user fee payment will be required.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,



Herbert J. Huff
District Director

At Chambers of the Surrogate's Court of the County of New York, at the Courthouse in said County, located at 31 Chambers Street, New York, New York on the 13th day of February, 1996

P R E S E N T:

HONORABLE EVE PREMINGER
Surrogate

SURROGATE'S COURT
NEW YORK COUNTY
96 FEB 14 PM 1:10

----- -x
Probate Proceeding, Will of :
DANIEL K. LUDWIG, :
Deceased. :
----- -x

File No. 3783/92
DECREE ADMITTING
WILL TO PROBATE

R. Palmer Baker, Jr., having filed a verified petition, dated September 2, 1992, seeking the admission to probate of the Last Will and Testament of Daniel K. Ludwig, dated September 9, 1983, the First Codicil thereto, dated March 8, 1984, the Second Codicil thereto, dated May 31, 1984 and the Third Codicil thereto, dated April 3, 1985 (collectively, the "Instruments Offered for Probate"); and

This Court having entered an Order dated September 8, 1992, granting Preliminary Letters Testamentary to R. Palmer Baker, Jr.; and

Citations having been issued to persons interested under the Instruments Offered for Probate and it appearing that satisfactory proof having been made that jurisdiction has been obtained over all persons entitled to notice of this proceeding; and

Patricia M. Ludwig having appeared in this proceeding alleging to have standing to file objections to probate; and

This Court having heard testimony and received evidence on the issue of Patricia M. Ludwig's standing during a hearing held on May 22, 1995, May 24, 1995, May 31, 1995 and June 6, 1995; and

This Court having issued a Decision, dated January 11, 1996, finding that Patricia M. Ludwig lacks standing to file objections to probate; and

It appearing to the Surrogate that each of the Instruments Offered for Probate was duly executed, and that the Testator at the time of executing each of the Instruments Offered for Probate was in all respects competent to make a will and not under restraint; it is now hereby

ORDERED, ADJUDGED AND DECREED that:

1. Patricia M. Ludwig lacks standing to file objections to probate;

2. The Instruments Offered for Probate, dated September 9, 1983, March 8, 1984, May 31, 1984 and April 3,

1985, respectively, are hereby admitted to probate as the Last Will and Testament of Daniel K. Ludwig;

3. The Preliminary Letters Testamentary heretofore issued to R. Palmer Baker, Jr. be, and the same hereby are, revoked and Letters Testamentary under the Last Will and Testament of Daniel K. Ludwig, deceased, shall issue to R. Palmer Baker, Jr., upon his duly qualifying for the same; and

4. Letters of Trusteeship under Article SIXTH of the Last Will and Testament of Daniel K. Ludwig shall issue to R. Palmer Baker, Jr., George Jenkins, Malcolm P. McLean and William I. Spencer, upon each of said individuals duly qualifying for the same.

R. Palmer

Surrogate

VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH

1345 Avenue of the Americas
New York, New York 10105

Exhibit B to Form 1023 (Part I, Line 11)

I, R. Palmer Baker, Jr, the Executor of the Last Will and Testament of D.K. Ludwig and a Trustee of the Trust under Article SIXTH thereof, hereby declare that:

The attached Composite Will is a complete and accurate copy of the Last Will and Testament of D. K. Ludwig dated September 9, 1983, as amended by a First Codicil dated March 8, 1984, a Second Codicil dated May 31, 1984 and a Third Codicil dated April 3, 1985, as admitted to probate by Decree of the New York County Surrogate's Court dated February 13, 1996.

IN WITNESS WHEREOF, I have hereunto set my hand
this 16th day of April, 1996.



R. Palmer Baker, Jr.

COMPOSITE WILL

Will dated September 9, 1983, As amended by
First Codicil dated March 8, 1984, Second Codicil dated May 31, 1984
and Third Codicil dated April 3, 1985

I, DANIEL K. LUDWIG, residing in the City,
County and State of New York do make this my Last Will
and Testament and declare my intention hereby to dispose
of all property, real or personal, of which I shall be
seized or possessed at the time of my death.

FIRST: I direct my Executor hereinafter named
to pay my funeral expenses as soon as practicable after
my death, and without limiting his authority to extend
or refinance my debts, to pay my legally enforceable
debts.

SECOND: I give and bequeath all of my
personal effects and tangible personal property of every
kind and wheresoever situated to my wife, GERTRUDE
VIRGINIA LUDWIG, if she survives me.

* THIRD: I give and bequeath to such of the
following named persons who survive me the respective
sums set forth below:

(a) to ELMER HANN, if he survives me,
the sum of One Hundred Thousand Dollars
(\$100,000);

(b) to FRANK E. KAHL, if he survives me,
the sum of Sixty-Five Thousand Dollars
(\$65,000);

* THIRD A: - added by 1st codicil and revoked by 3rd codicil

- (c) to FRED WIGHTMAN, if he survives me, the sum of Forty Thousand Dollars (\$40,000);
- (d) to JOSEPHINE RODRIGUEZ, if she survives me, the sum of Twenty-Five Thousand Dollars (\$25,000);
- (e) to WALLACE BRIAN, if he survives me, the sum of Fifty Thousand Dollars (\$50,000);
- (f) to JESSE FELTON, if he survives me, the sum of Thirty Thousand Dollars (\$30,000);
- (g) to WILLIAM E. FISHER, JR., if he survives me, the sum of One Hundred Fifty Thousand Dollars (\$150,000);
- (h) to FRANK JOYCE, if he survives me, the sum of One Hundred Fifty Thousand Dollars (\$150,000);
- (i) to BERTIL KAUDERN, if he survives me, the sum of Forty Thousand Dollars (\$40,000);
- (j) to RICHARD LOVELACE, if he survives me, the sum of Fifteen Thousand Dollars (\$15,000);
- (k) to JAMES MCGUIRE, if he survives me, the sum of Sixty Thousand Dollars (\$60,000);

(l) to KAI JUN FAN, the sum of Twenty-Five Thousand Dollars (\$25,000), if she survives me and is in my employ at the time of my death;

(m) to HOW WAN LI, the sum of Twenty-Five Thousand Dollars (\$25,000), if she survives me and is in my employ at the time of my death.

For purposes of identification only and not as a condition, the persons named in paragraphs (a) through (k) inclusive above are presently or have been officers or employees of Universe Tankships, Inc., or National Bulk Holdings, Inc. or a parent, subsidiary or other affiliate of said corporations.

* FOURTH: I direct that any estate, inheritance, transfer, succession and other similar taxes imposed by reason of my death upon the disposition of any of my property, real or personal, by this Will or by any Codicil thereto, or upon any insurance or other property, real or personal, required by law to be included in my gross estate for purposes of taxation, and all interest and penalties thereon, if any, be paid by my Executor without apportionment as an expense of administration from my residuary estate.

* FOURTH: Amended by 1st codicil and original will provision restored by 3rd codicil

FIFTH: If my wife, GERTRUDE VIRGINIA LUDWIG survives me, I give and bequeath to my Trustee hereinafter named, in trust, a pecuniary legacy in an amount equal to my wife's elective share as described in Section 5-1.1(c) of the Estates, Powers and Trusts Law, or similar statute, of the State of New York as may be in effect on the date of my death, diminished by the value of all testamentary substitutes (as defined in paragraph (b) of Section 5-1.1 of the said Estates, Powers and Trusts Law), that pass or have passed to her, to dispose of the same as follows:

(a) I direct my Trustee to pay over to my wife, GERTRUDE VIRGINIA LUDWIG, the sum of TEN THOUSAND DOLLARS (\$10,000) absolutely.

(b) I direct my Trustee to retain the balance of said pecuniary legacy, in trust, on the following terms and conditions:

(1) My Trustee shall pay to my wife GERTRUDE VIRGINIA LUDWIG, in each taxable year of the trust, during her life, a unitrust amount equal to five percent (5%) of the net fair market value of the trust assets valued as of the first day of such taxable year decreased as

elsewhere provided in the case where the taxable year is a short taxable year or is the taxable year in which my wife dies. The unitrust amount shall be paid in equal quarterly installments from income and, to the extent that income is not sufficient, from principal. Any income of the trust not required for payment of the unitrust amount shall be added to principal.

(ii) The obligation to pay the amount in subparagraph (i) above shall commence with the date of my death, but the payment of such amount may be deferred from the date of my death to the end of the taxable year of the trust in which occurs the complete funding of the trust. Within a reasonable time after the complete funding of the trust, the Trustee shall pay the amount determined under the method described in Section 1.664-1(a)(5)(ii) of the Federal Income Tax Regulations. However, in any case where my said wife shall have received

payments prior to the complete funding of the trust, my Trustee shall pay (in the case of an underpayment) or shall receive from my said wife (in the case of an overpayment) the difference between the sum of any amounts actually paid, plus interest on such amounts at six percent (6%), or such other rate as may then be required by the Federal Income Tax Regulations, a year compounded annually, and the amount payable as determined above.

(iii) Upon the death of my wife, GERTRUDE VIRGINIA LUDWIG, this Trust shall terminate and upon such termination my Trustee shall transfer and pay over all of the then principal and income of the Trust, other than any amount due my said wife, to the Trustees of the VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH created by Article SIXTH hereof, for its exclusively scientific, educational and charitable uses and purposes, provided that said VIRGINIA AND

D.K. LUDWIG FUND FOR CANCER RESEARCH shall be an organization described in sections 2055(a)(2) and 170(c) of the Internal Revenue Code of 1954, as amended (hereinafter the "Code").

If the VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH shall fail to be such an organization either upon the death of my said wife and/or at the time when any principal and/or income of the trust is to be distributed to it, my Trustee shall distribute all of such principal and income, to such organization or organizations then described in sections 2055(a)(2) and 170(c) of the Code and engaged in research into the cause and cure of cancer and other similar diseases or hospitals engaged in whole or in part in the care of patients with such diseases, and in such shares, as my Trustee in his sole and absolute discretion shall select and determine.

(c) It is my intention that this trust shall qualify as a "Charitable Remainder

Unitrust" within the meaning of section 664(d)(2) of the Code and the Federal Income Tax Regulations thereunder or corresponding provisions of any subsequent Federal tax laws and Federal Income Tax Regulations, and the provisions of this my Will shall at all times be construed in such a manner as to be consistent with such intention and with my further intention to qualify the interest of my wife under the special rule contained in section 2056(b)(8) of the Code as amended by the Economic Recovery Act of 1981 and the Estate Tax Regulations that may be issued thereunder. No provisions of this Will shall be of any force or effect if any such provisions should result in the disqualification of this trust under sections 664(d)(2) and 2056(b)(8) of the Code, and any provision of said Code sections and said Income Tax or Estate Tax Regulations required for qualification of such trust is hereby incorporated by reference. Accordingly, I make the following specific provisions:

(i) If the net fair market value of the assets of the unitrust hereby created is incorrectly determined by my Trustee for any taxable year, then within a reasonable period after the final determination of the correct value, my Trustee shall pay to my wife, the life beneficiary, in the case of an undervaluation or shall receive from her, in the case of an overvaluation, an amount equal to the difference between the unitrust amount properly payable and the unitrust amount actually paid.

(ii) In determining the amount payable to my wife, my Trustee shall prorate the same, on a daily basis, for a short taxable year and for the taxable year of the death of my wife.

(iii) Except for the payment of the unitrust amount to my wife, my Trustee is prohibited from engaging in any act of self-dealing as defined in section 4941(d) of the Code, from retaining any excess business holdings as defined in

section 4943(c) of the Code which would subject the Trust to tax under section 4943 of the Code, from making any, investments which would subject the Trust to tax under section 4944 of the Code, and from making any taxable expenditures as defined in section 4945(d) of the Code. My Trustee shall make distributions at such time and in such manner as not to subject the Trust to tax under section 4942 of the Code.

(iv) There shall be no additional contributions to the trust.

(v) Nothing herein shall be construed to restrict my Trustee from investing the assets of the trust hereby created in a manner which could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of the assets of the trust.

(d) It is further my intention that this trust be a minimum share trust for my wife, GERTRUDE VIRGINIA LUDWIG, under the provisions of Part 1 of Article 5 of the

Estates, Powers and Trusts Law or similar statute of the State of New York as may be in effect on the date of my death so that my wife shall have no right of election under said statute and my Executor and Trustee are directed to administer my estate and this trust in such a manner as to give effect to my intention. Accordingly, all references in this Article FIFTH to the terms "Elective Share" and "Testamentary Substitutes" shall have the same meaning as said terms, or equivalent terms, have under the provisions of said Estates, Powers and Trusts Law or similar statute of the State of New York as may be in effect at the date of my death.

(e) It is further my intention that this trust shall qualify for the marital deduction allowable in the Federal estate tax proceeding of my estate. If my Executor shall satisfy in kind this legacy, the assets selected by my Executor for that purpose shall be valued at their respective values on the dates of their distribution.

Notwithstanding anything to the contrary contained in this Will, I direct that said legacy shall not be satisfied out of any property which would not qualify for the marital deduction allowable in determining the Federal estate tax on my estate.

I further direct that no property situated in a foreign country, including stock issued by a foreign corporation, and subject to any estate, inheritance, succession or other death tax imposed by a foreign country or the proceeds thereof, shall be used in satisfying said legacy, except to the extent that my estate may not include sufficient other property to satisfy same.

I expressly declare that my Trustee shall not have any of the rights, powers, duties or authority, whether or not discretionary, granted to my Trustee by this Article or by any other provisions of this Will or by law if and to the extent that such right, power, duty or authority would disqualify for the marital deduction all or any part of the portion of my

estate bequeathed to my Trustee by this Article.

SIXTH: I give, devise and bequeath all of the rest, residue and remainder of my estate, both real and personal and wheresoever situated, to my Trustees hereinafter named, IN TRUST, upon the following terms:

(a) Name of Trust

The Trust hereby created shall be known as the VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH and is referred to in this Article SIXTH as the "Trust".

(b) Purposes of the Trust

The Trust is created and shall be administered and operated exclusively for charitable, scientific and educational purposes by providing financial support and other assistance, in such proportions and amounts as my Trustees, consistent with the other terms and provisions of this Article, shall determine, to the beneficiaries of the Trust in their pursuit of basic science and research into and their advancement and diffusion of knowledge regarding the causes, origins, prevention and cure of cancer and other neoplastic diseases.

(c) Beneficiaries

The beneficiaries of the Trust are the following institutions and any successor organizations designated pursuant to paragraph (f) of this Article SIXTH, provided that any such institution or organization shall cease to be a beneficiary if it fails to meet the requirements of sections 2055(a) and 170(b)(1)(A)(ii) or (iii) of the Code:

(i) Harvard University Medical School,
Boston, Massachusetts;

(ii) Johns Hopkins University School of
Medicine, Baltimore, Maryland;

(iii) Stanford University School of
Medicine, Stanford, California;

(iv) University of Chicago Pritzker
School of Medicine, Chicago, Illinois;

(v) Massachusetts Institute of
Technology, Cambridge, Massachusetts;

(vi) Memorial Sloan-Kettering Cancer
Center, New York, New York.

• Each beneficiary shall have the power to enforce the Trust and compel an accounting under the laws of the State of New York.

(d) Operation and Administration of the Trust

The Trustees shall carry out the purposes of the Trust in such a manner that the Trust will at all times be an organization described in sections 170(c), 509(a)(3) and 2055(a) of the Code.

The Trustees shall at all times operate the Trust as a supporting organization under section 509(a)(3) of the Code pursuant to the applicable Treasury regulations for the benefit of and in connection with the institutions named above and any successor organizations as the beneficiaries of the Trust.

In addition to and not in limitation of the powers generally accorded by law to the trustees of charitable trusts, but subject to the terms of this Article SIXTH, the Trustees of the Trust shall have all of the powers granted to my Trustees by this my Will. Subject to the terms and provisions of this my Will, the Trustees shall prescribe and implement such rules and regulations for the operation and administration of the Trust as they deem appropriate to carry out its purposes.

The Trustees shall designate one of their members as Chairman and may appoint a Secretary, a

Treasurer and other officers, none of whom need be a Trustee. The Trustees may appoint a Scientific Advisory Committee, the members of which may, but need not, have a professional or other relationship with any one or more of the beneficiaries of the Trust.

Notwithstanding anything to the contrary contained in this my Will, the Trustees of the Trust shall not have and shall not exercise any power inconsistent with the status of the Trust as an organization described in sections 170(c), 509(a)(3) and 2055(a) of the Code.

No part of the net earnings of the Trust shall inure to the benefit of any private individual except as reimbursement for necessary expenditures or as reasonable compensation for services in effecting its charitable, scientific or educational purposes. No substantial part of the activities of the Trust shall consist of carrying on propaganda, or otherwise attempting to influence legislation to the extent that would disqualify the Trust for exception from tax under section 501 of the Code; the Trust shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office; and the Trust

shall not have any purpose or engage in any activity which would otherwise disqualify it as a supporting organization under section 509(a)(3) of the Code.

In compliance with section 508(e) of the Code, the Trust, in the event that and so long as it is a "private foundation" within the meaning of section 509(a) of the Code, shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Code; shall not engage in any act of self-dealing which would attract the tax imposed by section 4941 of the Code; shall not retain any business holdings which would subject it to the tax imposed by section 4943 of the Code; shall not make any investments in such manner as to subject it to tax under section 4944 of the Code; and shall not make any expenditures which would subject it to the tax imposed by section 4945 of the Code.

(e) Duration and Termination

The Trust shall commence upon my death and my Trustees shall terminate it twenty-one (21) years thereafter by distributing its net assets then remaining to the beneficiaries of the Trust in such proportions and amounts as they, consistent with the other terms and

provisions of this Article, shall determine; provided, further, that such disposition shall be calculated exclusively to carry out the objects and purposes for which the Trust is formed, within the purview of sections 509(a)(3) and 2055(a) of the Code.

(f) Successor Beneficiaries

The Trustees may name a successor beneficiary for any of the organizations listed in paragraph (c) or for any successor beneficiary previously named by them, because of the liquidation or dissolution of the beneficiary or a change in its organization or operation which may prevent the Trust from continuing to qualify under sections 509(a)(3) and 170(c) of the Code or because the beneficiary fails to continue to meet the requirements of sections 2055(a), 170(b)(1)(A)(ii) or (iii) of the Code.

SEVENTH: In the event that all or any portion of my estate has not been disposed of by the foregoing provisions of this Will, or if for any reason the bequests to my Trustees of the Trust created by Article SIXTH shall not meet the requirements of section 2055(a)(2) of the Code, I give, devise and bequeath the same to such organization or organizations then

described in section 2055(a)(2) of the Code and engaged in research into the cause and cure of cancer and other similar diseases or hospitals engaged in whole or in part in the care of patients with such diseases, and in such share or shares, as my Executor in his sole and absolute discretion shall select and determine.

EIGHTH: If my wife and I shall die simultaneously or under circumstances which make it difficult or impossible to determine which of us survived the other, I direct that my wife shall be deemed to have predeceased me, and that this will be construed on that assumption and basis.

NINTH: I hereby declare that both my parents are dead and that I had no brothers and sisters. I have never had any children, and my wife is my only close living relative. If any other person claims or should claim to be a relative, I expressly declare that for good and sufficient reason, I do not wish any part of my estate to pass to such person.

*TENTH: "(a) I appoint R. PALMER BAKER, JR. Executor of this my Will and Trustee of the trust created by Article FIFTH hereof.

If R. PALMER BAKER, JR. dies before me or for any other reason fails to qualify as Executor and/or Trustee of the trust created by Article FIFTH hereof, or if he qualifies as Executor and/or as Trustee of said trust and dies, resigns or otherwise ceases to act and there are no Trustees of the Trust created by Article SIXTH hereof then qualified to act, I direct GEORGE JENKINS, JAMES R. KERR, MALCOLM McLEAN and WILLIAM I. SPENCER and the survivors and survivor of them to appoint one of themselves or another individual, successor Executor and/or successor Trustee of the trust created by Article FIFTH hereof, and if any person so appointed fails to qualify as Executor and/or Trustee of said trust, or having qualified as such, dies, resigns, or otherwise ceases to act, and there are no Trustees of the Trust created by Article SIXTH hereof then qualified to act, to appoint another person to act as successor Executor and/or successor Trustee of said trust in his place and stead.

If R. PALMER BAKER, JR. fails to qualify as Executor and/or

* TENTH: (a), (b), (c), (d): Amended by 2nd codicil

Trustee of the trust created by Article FIFTH hereof, or if he qualifies as Executor and/or Trustee of said trust and dies, resigns or otherwise ceases to act and if there are one or more Trustees of the Trust created by Article SIXTH hereof then qualified to act, I direct the Trustees of the Trust created by Article SIXTH hereof to appoint one of themselves or another individual, successor Executor and/or successor Trustee of the trust created by Article FIFTH hereof, and if any person so appointed shall fail to qualify or having qualified shall die, resign or otherwise cease to act, to appoint another person to act as successor Executor and/or Trustee of said trust in his place and stead.

Any appointment of a successor Executor or successor Trustee pursuant to this paragraph (a) shall be made in writing and shall be duly acknowledged and shall be effective upon being filed in the court having jurisdiction of my estate and the trusts created herein.

Notwithstanding the foregoing, any appointment pursuant to this paragraph (a) of any person as Executor of my Will or Trustee of the trust created by Article FIFTH hereof or successor Executor or successor Trustee of such trust shall be effective only if the appointee waives all statutory commissions and allowances for services as such fiduciary and agrees to accept in lieu thereof (a) such compensation for his services as he and I may have agreed to in writing during my lifetime or (b) if there is no such agreement, such compensation for such services as the appointee shall agree to in writing with GEORGE JENKINS, JAMES R. KERR, MALCOLM MCLEAN and WILLIAM I. SPENCER and the survivors and survivor of them, or if the Trust created by Article SIXTH hereof is then in effect, with the Trustees thereof, other than the appointee if he is a Trustee of said Trust, provided that in no event shall such compensation exceed the statutory commissions allowable to executors and to trustees of

charitable remainder unitrusts under the laws of the State of New York.

(b) I appoint R. PALMER BAKER, JR., GEORGE JENKINS, JAMES R. KERR, MALCOLM MCLEAN and WILLIAM I. SPENCER Trustees of the Trust created by Article SIXTH hereof.

I authorize the Trustees of the Trust created by Article SIXTH hereof from time to time acting to appoint additional and successor Trustees of said Trust pursuant to the rules and regulations for the operation and administration of the Trust, and I direct that any persons so appointed, upon qualifying under such rules and regulations and as may be otherwise required by law, shall become and be Trustees of the Trust.

Notwithstanding the preceding sentence, I direct that at all times there shall be not less than three (3) and not more than nine (9) Trustees of the Trust created by Article SIXTH hereof, and that said Trustees shall consist solely of individuals.

Notwithstanding the foregoing, any appointment as Trustee of the Trust created by Article SIXTH hereof or successor Trustee of such Trust shall be effective only if the individual appointed to fill such office agrees to waive all statutory commissions and allowances for services as such Trustee or successor Trustee and to accept in lieu thereof reasonable compensation for services rendered, determined by reference to the compensation customarily paid to the Trustees and Directors of other charitable trusts and foundations organized and operated for exclusively charitable, scientific or educational purposes. In no event shall such compensation exceed the statutory compensation allowable to trustees of charitable trusts under the laws of the State of New York.

(c) The powers, authorities and duties conferred or imposed upon GEORGE JENKINS, JAMES R. KERR, MALCOLM McLEAN and WILLIAM I. SPENCER and upon the Trustees of the Trust created by Article SIXTH hereof by this my Will or

by law shall be exercised or discharged by a majority of said individuals or of said Trustees, and any action taken by a majority of said individuals or by a majority of said Trustees shall have the same force and effect for any and every purpose as if taken by all of said individuals and all of said Trustees then acting.

(d) My Executor and any Trustee acting hereunder may resign at any time by notice in writing signed and acknowledged by him, and in the case of my Executor or my Trustee of the trust created by Article FIFTH hereof, delivered to GEORGE JENKINS, JAMES R. KERR, MALCOLM McLEAN, WILLIAM I. SPENCER and the survivors or survivor of them, or if the Trust created by Article SIXTH hereof is then in effect, to the Trustees thereof then acting, and upon being filed in the court having jurisdiction of my estate and of the trusts created herein, and in the case of a Trustee of the Trust created by Article SIXTH hereof, delivered to the other Trustee or Trustees of such Trust then acting, and upon being filed in said court. Any such resignation shall take effect upon the date specified in such written notice of resignation or, if no date be specified therein, at the time of the delivery and filing thereof.

(e) No Executor or Trustee shall be held liable or responsible with respect to any matter connected with or arising from his administration of my estate or of any trust created herein, provided he has acted in good faith and in accordance with the terms hereof.

(f) I direct that no Executor or Trustee or successor Executor or successor Trustee named herein or appointed as herein provided shall be required to give bond or other security in any court or place for the faithful performance of duty.

(g) Nothing in this my Will shall be interpreted in such a way as to prevent any of the persons named herein or appointed as herein provided Executor or Trustee or successor Executor or successor Trustee from voting to elect himself or any co-fiduciary, or from acting as a director, officer, or employee of any corporation, partnership or business of which either my estate or a trust created herein is a substantial or principal stockholder or owner, or from accepting salaries or other compensation for the reasonable value of services rendered to such corporation, partnership or business, or from acting as attorney (either directly or through a firm in which he

is a counsel or a partner) for any such corporation, partnership or business and from receiving additional compensation from any such corporation, partnership or business for the reasonable value of his or his firm's services performed therefor.

(h) Any successor Executor or successor or additional Trustee appointed as herein provided shall have all the powers, discretion, rights and duties of the Executor and Trustees named herein.

ELEVENTH: In the administration of any property, real or personal, at any time forming a part of my estate, or of any trust herein created, I expressly grant to my Executor and Trustees (hereinafter called the "fiduciary") in addition to and not by way of limitation of the powers provided by law, the following powers to be exercised in the sole and absolute discretion of the fiduciary:

(a) To accept, retain and hold as a proper investment any stock, bond or other property, real or personal, including without limitation any shares of stock of National Bulk Holdings, Inc. or of the savings and loan associations referred to in Article FOURTEENTH hereof, without regard to diversification of the investments or the speculative nature of the property and whether or not the same is of the kind in which fiduciaries are authorized by law or any rule of court to invest funds;

(b) To sell at public or private sale and on such terms as to credit or otherwise,

with or without security, as the fiduciary shall deem proper, all or any portion or portions of any real or personal property or to exchange the same on such terms as the fiduciary may deem advisable and to hold as a proper investment any property received in such exchange;

(c) To invest and from time to time reinvest moneys in such stock, bond or other property, real or personal, as may seem wise and proper in the absolute discretion of the fiduciary, whether or not such investment or reinvestment shall be of a kind which a fiduciary is permitted to make by law and without regard to the effect any such investment or reinvestment may have upon the diversity of the investments;

(d) To hold cash uninvested for any reasonable period deemed advisable;

(e) To participate in and to vote in favor of or against any plan of reorganization, recapitalization, readjustment, dissolution, merger or consolidation affecting the securities of any such company or any other stock, bond or other form of security and to deposit the same under any such plan or with any protective or reorganization committee; to pay a proportionate part of the expenses of any such committee and any assessments levied under such plan and to accept and retain any new stock, bond or other form of security received in exchange for those deposited;

(f) To exercise any right of whatsoever nature appertaining to any stock, bond or other form of security and to pay such sums in connection therewith as the fiduciary deems advisable and to hold as a proper investment any property received by reason of the exercise of any such right;

(g) To extend the time of payment of any obligation at any time owing by my estate or any trust created herein or to refinance the same, for such period or periods as the

fiduciary in his absolute discretion shall determine, and to compromise, settle or submit to arbitration upon such terms as the fiduciary may deem advisable, or to release, with or without consideration, any claim in favor of or against my estate or the trust created herein;

(h) In satisfying any legacy or making any division or distribution of the principal of a trust or of my estate, to make such division or distribution in kind in lieu of cash, and to cause any legacy or share to be composed of cash, property or undivided fractional shares of property different in kind from any other legacy or share;

(i) To retain, direct, control, supervise, manage, develop, operate or participate in any business, incorporated or unincorporated, which shall be received hereunder, including without limitation National Bulk Holdings, Inc. and the savings and loan associations referred to in Article FOURTEENTH hereof, upon such terms as may be deemed advisable, and to organize and incorporate under the laws of any state or country one or more corporations or other entities for the purposes of directing, controlling, supervising, managing, developing, operating or participating in any such business; to act as or to select other persons to act as directors, officers or other employees of any such business; to determine in the sole and absolute discretion of the fiduciary the manner and degree of the active participation in the management of any such business by the fiduciary and to that end to delegate all or any of the powers, authorities and discretions conferred upon the fiduciary to such persons as may be deemed advisable, including without limitation, to any director, officer or employee of such business; to engage, compensate and discharge, or as a stockholder or director or otherwise, to vote to engage, compensate and discharge such managers, employees, agents, attorneys, accountants, consultants, advisers or other representatives of any such business as may be

deemed advisable, including, without limitation, any fiduciary hereunder or any firm of which the fiduciary may be a partner, counsel, officer or employee and any firm which may also represent any business of which either my estate or a trust created under my Will is a substantial or principal owner, and to pay or cause to be paid such compensation (including reasonable compensation to any fiduciary hereunder or to any firm of which the fiduciary may be a partner, counsel, officer or employee) from such business; to lend to any such business or to utilize any property held hereunder as collateral for loans; to enlarge, diminish or change the scope or nature of the activities of any such business; to reorganize, recapitalize, readjust, liquidate or dissolve any such business and to transfer or sell its assets to or to merge or consolidate with any other business if the fiduciary considers such action advisable; to liquidate or sell any business or any stock or other securities in any business as and when and upon such terms, including representations, warranties, indemnifications, options, investment undertakings, or such other terms and conditions as are generally found in agreements for the liquidation, purchase, merger, consolidation or sale of comparable businesses or in connection with the public distribution or private placement of securities; and to treat any such business as an entity separate from any trust or my estate and in any accounting, judicial or otherwise, the fiduciary shall only be required to report the earnings and condition of the business in accordance with standard corporate or partnership accounting practice;

(j) To make loans, with or without security and to borrow money for any purpose without personal liability therefor and for such periods and upon such terms and conditions as the fiduciary shall deem advisable and to secure the repayment of the sum or sums borrowed by bond or note or by pledge or hypothecation of the whole or any part of my estate or any trust created herein;

(k) To deposit securities with a bank, trust company or private banking firm in a custody account and to direct such bank, trust company or private banking firm to hold the securities in the name of a nominee or in such form as to pass by delivery without indicating the fiduciary relationship and to pay the usual fees of such bank, trust company or private banking firm from income or principal as the fiduciary may determine;

(l) To register any securities or other property in the name of the fiduciary or in the name of his nominee, with or without the addition of words indicating that such securities are held in a fiduciary capacity, and to hold any securities in bearer form, but the books and records of the fiduciary shall at all times show that all such investments are part of the trust or of my estate;

(m) To employ attorneys, investment counsel, bookkeepers and accountants (including any firm of which the fiduciary may be a partner, counsel, officer or employee and including any firm which may also represent any corporation or other entity of which either my estate or a trust created under my Will is a substantial or principal stockholder or owner) and pay them reasonable compensation from the estate or the principal or income of the trust as the fiduciary shall determine (any payments pursuant to the powers contained in paragraphs (k) and (m) shall not be deducted from the compensation of the fiduciary); and

(n) To continue to have or exercise after the termination of the trusts herein created and until the final distribution thereof, all the powers, discretion, rights and duties conferred upon the Trustee by law or by this Will during the existence of said trusts;

provided, however, notwithstanding any other provision of this Will, my Trustees and/or Executor shall not have

any of the rights, powers, duties or authority, whether or not discretionary, granted to my Trustees and/or Executor by this Article or by any other provisions of this Will if and to the extent that such right, power, duty or authority would disqualify any bequest or devise made hereby for the marital deduction and/or the charitable deduction in the federal estate tax proceeding of my estate or would disqualify the Trust created under Article SIXTH hereof from being an organization described in sections 170(c) and 509(a)(3) of the Code.

TWELFTH: I authorize my Executor and Trustees to carry out the terms of any agreement in effect at the time of my death, entered into prior to my death by me, or by any corporation, partnership or other entity controlled by me, concerning the sale, redemption or other disposition by me or by my Executor or Trustees of any or all my shares or other interests in any corporation, partnership or other entity controlled by me; and I direct that my Executor or Trustees shall not be liable for any loss or other damage resulting therefrom.

THIRTEENTH: I may own at my death shares of stock of closely held corporations and interests in limited and/or general partnerships, including without limitation shares of National Bulk Holdings, Inc. and shares of the savings and loan associations identified in Article FOURTEENTH hereof. These shares and interests may constitute the largest assets of my estate. I recognize that my Executor and my Trustees might, unless exempted from the responsibility to do so, feel that they should diversify these holdings. Accordingly, without limiting or restricting the power and authority conferred upon them by any other provisions of this Will, I hereby specifically authorize my Executor and my Trustees, respectively, in their absolute discretion, to retain, so long as they shall deem it advisable to do so, any investment in such corporations and partnerships or to acquire new investments in same, and I hereby specifically direct that neither my Executor nor my Trustees shall have any liability or responsibility whatever to any person or persons in respect of the retention or purchase of such investments.

* FOURTEENTH: It is my wish that my Executor allocate to the VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH created by Article SIXTH hereof:

(a) All of my Capital Stock, no par value, of Home Savings Association;

(b) All of my Guaranty Capital Stock, par value \$1.00, of Southwest Savings and Loan Association;

(c) All of my Permanent Reserve Guarantee Stock, par value 33 1/3 cents, of American Savings and Loan Association;

(d) All of my Preferred Capital Stock, par value \$1.00, of Home Savings Association;

(e) All of my Preferred Guaranty Stock, par value \$1.00, of Southwest Savings and Loan Association; and

(f) All of my Preferred Permanent Reserve Guarantee Stock, par value \$1.00, of American Savings and Loan Association;

provided that this expression of my wish shall not in any way limit the power and authority of my Executor to deal with these securities, including without limitation the power and authority to sell or otherwise dispose of

* FOURTEENTH: (a), (b), (c) amended by 1st codicil and original will provision restored by 3rd codicil

same as may be required for the administration of my estate..

* FIFTEENTH: (a) Any reference in this my Will to a section or sections of the Internal Revenue Code of 1954 as amended or the Federal Income Tax Regulations or Estate Tax Regulations shall refer to such sections and regulations as are from time to time amended and shall include the corresponding section or sections of any subsequent law and/or regulations.

(b) I hereby direct that any capital gain realized by my estate during the period of its administration shall be distributed annually to fund the Trust created by Article SIXTH hereof.

"(d) References in this Will to Home Savings Association, Southwest Savings and Loan Association, and/or American Savings and Loan Association shall include any successor organization or organizations by merger or other reorganization to any or all of said savings and loan associations."

* FIFTEENTH: (c), (d) added by 1st codicil

SIXTEENTH: No one dealing with my Executor or my Trustees shall be under any duty to ascertain his or their authority for entering into any transaction or to see to the application of the proceeds or avails of such transaction.

SEVENTEENTH: I hereby revoke all wills or testamentary instruments by me at any time heretofore made.

IN WITNESS WHEREOF, I have subscribed and sealed and do publish, acknowledge and declare these

presents as and for my Last Will and Testament in the presence of the witnesses attesting the same at my request this 6 day of Sept, in the year One thousand nine hundred and eighty-three.

Ludwig
Daniel K

Subscribed, sealed, published, acknowledged and declared by the Testator, DANIEL K. LUDWIG, as and for his Last Will and Testament in our presence and we at his request, in his presence and in the presence of each other, have hereto subscribed our names as witnesses (the final clause of the Will having been read aloud to us by the Testator immediately after he had subscribed the Will) this 6th day of September, 1983.

Ronald Allen

17 Windsor Road, Great Neck
New York 11021

Virginia Darcy

162 East 55-St.
New York, N.Y. 10022

Charles L. Younger

193 Jackson Street
Matawan, N.J. 07747

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

Each of the undersigned, individually and severally being duly sworn, deposes and says:

The within will was subscribed in our presence and sight at the end thereof by DANIEL K. LUDWIG, the within named testator, on the 9th day of September, 1983, at 1345 Avenue of the Americas, New York, N.Y. 10105.

Said testator at the time of making such subscription declared the instrument so subscribed to be his last will.

Each of the undersigned thereupon signed his name as a witness at the end of said will at the request of said testator and in his presence and sight and in the presence and sight of each other.

Said testator was, at the time of so executing said will, over the age of 18 years and, in the respective opinions of the undersigned, of sound mind, memory and understanding and not under any restraint or in any respect incompetent to make a will.

The testator, in the respective opinions of the undersigned, could read, write and converse in the English language and was suffering from no defect of sight, hearing or speech, or from any other physical or mental impairment which would affect his capacity to make a valid will. The will was executed as a single, original instrument and was not executed in counterparts.

Each of the undersigned was acquainted with said testator at such time and makes this affidavit at his request.

The within will was shown to the undersigned at the time this affidavit was made, and was examined by each of them as to signature of said testator and of the undersigned.

The foregoing instrument was executed by the testator and witnessed by each of the undersigned affiants under the supervision of

R. Palmer Baber, Jr.

ESQ. an attorney-at-law.

Ronald K. ...

Virginia Barry

Charles L. ...

Severally sworn to before me this 11th day of September, 1983

[Handwritten signature]

RUDOLPH H. FUNKE
NOTARY PUBLIC

VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH

1345 Avenue of the Americas
New York, New York 10105

Exhibit C to Form 1023 (Part II, Line 1)

The purpose of the Trust is to further the charitable, educational and scientific purposes of six named beneficiaries (the "Beneficiaries") by expending its funds in support of the Beneficiaries' pursuit of basic science and research into the causes, origins, prevention and cure of cancer and other neoplastic diseases. The Beneficiaries are:

1. Harvard University Medical School, Boston, Massachusetts;
2. Johns Hopkins University School of Medicine, Baltimore, Maryland;
3. Stanford University School of Medicine, Stanford, California;
4. University of Chicago Pritzker School of Medicine, Chicago, Illinois;
5. Massachusetts Institute of Technology, Cambridge, Massachusetts; and
6. Memorial Sloan-Kettering Cancer Center, New York, New York.

The Beneficiaries have all been recognized by the Service as organizations described in I.R.C. §§ 501(c)(3) and 509(a)(1).

The Trust will expend all of its net income in support of the Beneficiaries. In consultation with the Beneficiaries, the Trust will fund specific and significant programs of the Beneficiaries, such as the endowment of university chairs and accompanying financial support for cancer research and teaching. The amount of the Trust's support will be sufficient to ensure the attentiveness of the supported Beneficiaries to the operations of the Trust within the meaning of the Treasury Regulations under I.R.C. § 509(a)(3).

The Trust will also provide reports to the Beneficiaries which will detail its assets, investment

return, grants, program expenses and administrative costs. These reports will be provided to assist the Beneficiaries in being attentive to the Trust's investments and operations.

VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH

1345 Avenue of the Americas
New York, New York 10105

Exhibit D to Form 1023 (Part II, Line 4)

The names and addresses of the Trustees of the Trust are as follows:

1. R. Palmer Baker, Jr.
The Baker Company, Inc.
1345 Avenue of the Americas
New York, NY 10105
2. George Jenkins
485 Ridgewood Avenue
Glen Ridge, NJ 07028
3. Malcom P. McLean
McLean Industries
500 Park Avenue
Fifth Floor
New York, NY 10022
4. William I. Spencer
Citicorp Center
153 East 53rd Street
Suite 4000
New York, NY 10043

Under Mr. Ludwig's Will the Trustees are entitled to receive reasonable compensation for their services, determined by reference to the compensation customarily paid to the Trustees of other charitable trusts and foundations, provided that such compensation not exceed the compensation allowed to the trustees of charitable trusts under the statutes of the State of New York.

VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH

1345 Avenue of the Americas
New York, New York 10105

Exhibit E to Form 1023 (Part II, Line 5)

The determination letter recognizing the status of the Virginia and D.K. Ludwig Fund for Cancer Research (Inter Vivos) as a supporting organization under I.R.C. § 509(a)(3) is attached as part of this exhibit.

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
G.P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Date: DEC 03 1990

Employer Identification Number:
13-3581748

Contact Person:
MARGARET EVANS

Contact Telephone Number:
(617) 565-7776

THE VIRGINIA AND DK LUDWIG FUND FOR
CANCER RESEARCH INTERVIVOS
C/O EDWARD A McDERMOTT JR
1345 AVENUE OF THE AMERICAS
NEW YORK, NY 10105

RECEIVED
DEC 5 1990

E.A.M.

Accounting Period Ending:
DECEMBER 31

Form 990 Required:
YES

Addendum Applies:
NO

Dear Applicant:

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

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(3).

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. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

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).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

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

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket pur-

Letter 947(DO/CO)

THE VIRGINIA AND OK LUMIG FUND FOR

chases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you 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 present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

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

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

THE VIRGINIA AND DR. LEWIS FUND FOR

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Eugene D. Alexander".

Eugene D. Alexander
District Director

VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH

1345 Avenue of the Americas
New York, New York 10105

Exhibit F to Form 1023 (Part IV)

A. Statement of Revenue and Expenses (Proposed Budget)

	(a) 1996	(b) 1997	(c) 1998	(d) TOTAL
REVENUE				
Distributions received	\$31,808,180	\$ 0	\$ 0	\$31,808,180
Gross investment income	553,500	228,500	228,500	1,010,500
Total revenue	\$32,361,680	\$228,500	\$228,500	\$32,818,680
EXPENSES				
Grants paid	\$ 6,000,000	\$173,500	\$173,500	6,347,000
Trustees' commissions	30,000	30,000	30,000	90,000
Insurance	15,000	15,000	15,000	45,000
Legal, accounting, etc.	10,000	10,000	10,000	30,000
Total expenses	\$6,055,000	\$228,500	\$228,500	\$6,542,000
Excess of revenue over expenses	\$26,216,680	0	0	\$26,216,680

B. Balance sheet (as of December 31, 1996)

Cash and securities \$26,216,680

VIRGINIA AND D.K. LUDWIG FUND FOR CANCER RESEARCH

1345 Avenue of the Americas
New York, New York 10105

Exhibit G to Form 1023 (Schedule D)

Line 1

The following organizations will be supported by the Trust:

1. Harvard University (Medical School), Boston, Massachusetts;
2. Johns Hopkins University (School of Medicine), Baltimore, Maryland;
3. Stanford University (School of Medicine), Stanford, California;
4. University of Chicago (Pritzker School of Medicine), Chicago, Illinois;
5. Massachusetts Institute of Technology, Cambridge, Massachusetts; and
6. Memorial Sloan-Kettering Cancer Center, New York, New York.

All of the foregoing organizations have received determination letters that they are not private foundations under I.R.C. § 509(a)(1).

Line 5

The supported organizations are the only organizations to be supported by the Trust and the Trust is accountable to the supported organizations.

Line 6

The Trust will be governed by the trust provisions of the decedent's Will and the laws of the State of New York, under which the supported organizations have the right to enforce the terms of the Trust and compel an accounting of the Trustees.

Line 7

The Trust will apply all of its net income for the benefit of significant cancer research projects of the supported organizations. The total annual income of each of the supported organizations is not known, but it is known to be substantial. It is believed that the Trust's annual net income will represent an important addition to the research budget of one or more of the supported organizations.

Power of Attorney and Declaration of Representative

OMB No. 1545-0150

▶ For Paperwork Reduction and Privacy Act Notice, see the Instructions.

For IRS Use Only

Received by:

Name _____
 Telephone _____
 Function _____
 Date / /

Part I **Power of Attorney** (Please type or print.)

1 Taxpayer Information (Taxpayer(s) must sign and date this form on page 2, line 9.)

Taxpayer name(s) and address Virginia and D.K. Ludwig Fund for Cancer Research 1345 Avenue of the Americas New York, NY 10105	Social security number(s) N/A	Employer identification number Applied for Plan number (if applicable) N/A
Daytime telephone number 212-956-4055		

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

2 Representative(s) (Representative(s) must sign and date this form on page 2, Part II.)

Name and address Samuel S. Polk, Esq. Milbank, Tweed, Hadley & McCloy One Chase Manhattan Plaza, NYC 10005	CAF No. 2000-60923R Telephone No. 212-530-5352 Fax No. 212-530-5219 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>
Name and address Jay W. Swanson Milbank, Tweed, Hadley & McCloy One Chase Manhattan Plaza, NYC 10005	CAF No. 2000-48005R Telephone No. 212-530-5396 Fax No. 212-530-5219 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax Matters

Type of Tax (Income, Employment, Excise, etc.)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s)
Application for recognition	1023	1992 through
of exemption from income tax		completion
and all related matters		

4 Specific Use Not Recorded on Centralized Authorization File (CAF). - If the power of attorney is for a specific use not recorded on CAF, check this box. (See **Line 4-Specific uses not recorded on CAF** on page 3.)

5 Acts Authorized. - The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative unless specifically added below, or the power to sign certain returns (see **Line 5-Acts authorized** on page 4).

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: Additions: to appoint successor representatives and to delegate the authority hereby granted

Note: In general, an unenrolled preparer of tax returns cannot sign any document for a taxpayer. See Revenue Procedure 81-38, printed as Pub. 470, for more information.

Note: The tax matters partner/person of a partnership or S corporation is not permitted to authorize representatives to perform certain acts. See the instructions for more information.

6 Receipt of Refund Checks. - If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ▶ _____

MILBANK, TWEED, HADLEY & McCLOY
1 CHASE MANHATTAN PLAZA, NEW YORK, 10005-1413

COPY

Direct Line:
(212) 530-5396

April 19, 1996

REC'D WITH REMITTANCE

11 APR 23 1996

Internal Revenue Service
EP/EO Division
P.O. Box 1680, GPO
Brooklyn, New York 11202

DIR. INT. REV. EPEO-SPB
BROOKLYN, N.Y.
#1

Re: Virginia and D.K. Ludwig Fund for
Cancer Research - Application for
Recognition of Exemption

Dear Sir or Madam:

On behalf of the Virginia and D.K. Ludwig Fund for Cancer Research, enclosed is Form 1023, Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code. Attached to the Application is Form 8718, User Fee for Exempt Organization Determination Letter Request, with a check for \$465.00 in payment of the user fee.

The Fund respectfully requests that the determination letter recognizing the Fund's exemption include a paragraph to the following effect:

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

Attached to the Application as Exhibit H is Form 2848, Power of Attorney and Declaration of Representative, by which the Fund has appointed Samuel Polk and me as its representatives for matters relating to the Application.

Please acknowledge receipt of this letter and its enclosures by stamping and returning to me the enclosed copy of this letter in the postpaid envelope provided.

Please feel free to call me at the number shown above if you have any questions regarding the Application. Thank you for your attention to this matter.

Sincerely yours,


Jay V. Swanson

Enclosures

cc: Mr. R. Palmer Baker, Jr.
Samuel S. Polk, Esq.

BY EXPRESS MAIL

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
G.P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Date: June 4, 1996

VIRGINIA AND D.K. LUDWIG FUND FOR
CANCER RESEARCH
C/O JAY W. SWANSON, ESQ.
MILBANK, TWEED, HADLEY & MCCLOY
ONE CHASE MANHATTAN PLAZA
NEW YORK, NY 10005

Employer Identification Number:
13-3581535

Case Number:
116120008

Contact Person:
SEAN O'REILLY

Contact Telephone Number:
(718) 488-2967

Response Due Date:
June 25, 1996

Dear Applicant:

Before we can determine whether your organization is exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. You did not include the information needed to make that determination on your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

To help us determine whether your organization is exempt from Federal income tax, please send us the requested information by the above date. We can then complete our review of your application.

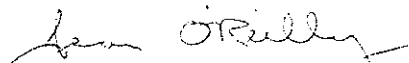
If we do not hear from you within that time, we will assume you do not want us to consider the matter further and will close your case. In that event, as required by Code section 6104(c), we will notify the appropriate state officials that, based on the information we have, we cannot recognize you as an organization of the kind described in Code section 501(c)(3). As a result, the Internal Revenue Service will treat your organization as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new Form 1023.

In addition, if you do not provide the requested information in a timely manner, we will consider that you have not taken all reasonable steps to secure the determination you requested. Under Code section 7428(b)(2), your not taking all reasonable steps in a timely manner to secure the determination may be considered as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,



Exempt Organization Specialist

VIRGINIA AND D.K. LUDWIG FUND FOR

1. Please provide the proof of your trust's funding on 4/8/96. A copy of the bank or investment statement is sufficient proof.
2. Please provide copies of the death certificates of both D.K. Ludwig and Gertrude Virginia Ludwig.
3. It appears your organization would not qualify as a supporting organization described in 509(a)(3). Treasury Regulations 1.509(a)-4(c) and (d) clearly state that an organization must list in its organizing document the entities it intends to support. Your trust document has no such provisions. It appears your organization would be better suited as a private foundation. Please return the enclosed revised pages 6 & 7 of form 1023 with the original signature, title and date of an officer to resolve this issue.

Part III Technical Requirements (Continued)

- 8 Is the organization a private foundation?
 Yes (Answer question on line 9.)
 No (Answer question on line 10 and proceed as instructed.)

- 9 If you answer "Yes" to the question on line 8, does the organization claim to be a private operating foundation?
 Yes (Complete Schedule E)
 No

After answering the question on this line, go to Part IV.

- 10 If you answer "No" to the question on line 8, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | | |
|---|---|---|
| a | <input type="checkbox"/> As a church or a convention or association of churches
(CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1)
and 170(b)(1)(A)(i) |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1)
and 170(b)(1)(A)(ii) |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a
medical research organization operated in conjunction with a
hospital (MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1)
and 170(b)(1)(A)(iii) |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1)
and 170(b)(1)(A)(v) |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with,
one or more of the organizations described in a through d, g, h, or i
(MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public
safety. | Section 509(a)(4) |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is
owned or operated by a governmental unit. | Sections 509(a)(1)
and 170(b)(1)(A)(iv) |
| h | <input type="checkbox"/> As receiving a substantial part of its support in the form of
contributions from publicly supported organizations, from a
governmental unit, or from the general public. | Sections 509(a)(1)
and 170(b)(1)(A)(vi) |
| i | <input type="checkbox"/> As normally receiving not more than one-third of its support from
gross investment income and more than one-third of its support from
contributions, membership fees, and gross receipts from activities
related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| j | <input type="checkbox"/> The organization is a publicly supported organization but is not sure
whether it meets the public support test of block h or block i. The
organization would like the IRS to decide the proper classification. | Sections 509(a)(1)
and 170(b)(1)(A)(vi)
or
Section 509(a)(2) |

If you checked one of the boxes a through f in question 10, go to question 15. If you checked box g in question 10, go to questions 12 and 13. If you checked box h, i, or j, go to question 11.

 SIGNATURE TITLE DATE

Part III Technical Requirements (Continued)

- 11** If you checked box h, i, or j on line 10, has the organization completed a tax year of at least 8 months?
 Yes—Indicate whether you are requesting:
 A definitive ruling (Answer questions on lines 12 through 15.)
 An advance ruling (Answer questions on lines 12 and 15 and attach two Forms 872-C completed and signed.)
 No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the application.
- 12** If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

- 13** If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:
a Enter 2% of line 8, column (e) of Part IV-A _____
b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 13a above.

- 14** If you are requesting a definitive ruling under section 509(a)(2), check here and:
a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions, Part II, Line 4d.**)
b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

15 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
Is the organization a church?		X	A
Is the organization, or any part of it, a school?		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?		X	D
Is the organization a private operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization?		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . . .		X	I

X _____ X _____ X _____
 SIGNATURE TITLE DATE

MILBANK, TWEED, HADLEY & McCLOY
1 CHASE MANHATTAN PLAZA, NEW YORK, 10005-1413

COPY

Direct Line:
(212) 530-5396

June 12, 1996

Internal Revenue Service
G.P.O. Box 1680
Brooklyn, NY 11202

Attn: EO7236; Sean O'Reilly

Re: Virginia and D.K. Ludwig Fund for
Cancer Research - Case No. 116120008

Dear Mr. O'Reilly:

In response to your June 4, 1996 letter and as discussed today by telephone, enclosed is a complete copy of the composite will which, as the Fund's organizational document, was attached to the Fund's Form 1023 as Exhibit B. In response to Item 3 in your letter, the supported organizations are listed at page 14.

We expect to receive the other requested items shortly and will forward them to you. We understand that upon receipt of these items you will be able to complete the processing of the Fund's application for recognition of its status as a supporting organization under I.R.C. § 509(a)(3).

Also enclosed is a copy of my May 9, 1996 letter to the Service regarding the Fund's Employer Identification Number. Your letter showed the Fund's EIN as 13-3581535. The EIN previously assigned was 13-7029829. Would you please let us know which of the two numbers the Fund should use.

Thank you for your cooperation and courtesy in
this matter.

Sincerely yours,


Jay W. Swanson

Enclosures

cc: Mr. R. Palmer Baker, Jr.
Samuel S. Polk, Esq.

MILBANK, TWEED, HADLEY & McCLOY
1 CHASE MANHATTAN PLAZA, NEW YORK, 10005-1413

COPY

Direct Line:
(212) 530-5396

June 18, 1996

Internal Revenue Service
G.P.O. Box 1680
Brooklyn, NY 11202

Attn: E07236; Sean O'Reilly

Re: Virginia and D.K. Ludwig Fund for
Cancer Research - Case No. 116120008

Dear Mr. O'Reilly:

As requested by your June 4, 1996 letter,
enclosed are the following:

1. Morgan Guaranty Trust Company of New York
account statement showing deposit by which the Fund was
first funded on April 11, 1996;
2. Death certificate for D.K. Ludwig; and
3. Death certificate for Gertrude Virginia
Ludwig.

Please let me know as soon as possible if you
need anything further to complete the processing of the
Fund's Form 1023.

Sincerely yours,


Jay W. Swanson

Enclosures
cc: Mr. R. Palmer Baker, Jr.
Samuel S. Polk, Esq.
BY EXPRESS MAIL