

August 21, 2006

Daniel H. Jones, Sr., President
Charitable Foundation USA
c/o Wise, Reynolds & Scott, LLC
Certified Public Accountants
2333 Grisson Drive, Suite 106
St. Louis, MO 63146-3322

Dear Dan:

As special counsel to Charitable Foundation USA (the "Foundation"), you have asked us to comment on the legal structure and tax exempt status of the Foundation, including its ability to receive and administer gifts that are deductible for federal income tax purposes. You have informed us that you have registered the name, "Umbrella Charity" in the State of Missouri as a name under which the Foundation does business.

The Foundation is a Missouri nonprofit corporation governed by a board of directors. It is organized and operated exclusively for charitable purposes as set forth in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). The Foundation is authorized to solicit and receive contributions, gifts, bequests, and devises of real and personal property, outright or in trust, to be paid to or held in trust for the Foundation or other organizations which are described in Section 501(c)(3) of the Code, and to serve as trustee of any such trust. The Foundation is also authorized to do everything necessary or beneficial in the proper management and administration of the affairs of the Foundation, including, but not by way of limitation, the holding, administration, purchase, lease, sale, management, conveyance, investment, payment, mortgage, exchange and receipt of property, real and personal, on its own behalf or as trustee, custodian or otherwise.

The individuals who serve on the Foundation's board of directors include you and several volunteers who are not employees of other charities or investment interests. You have stated your intentions that future members of the board will continue to be similar types of individuals. We simply observe that this structure puts the Foundation in a neutral position without conflicts of interest in its service to charities, donors and their investment and other professional advisors.

The National Office of the Internal Revenue Service in Washington, D.C., (the "IRS") determined that the Foundation is a tax-exempt organization described in Section 501(c)(3) of the Code effective June 6, 1997. The IRS also determined that the Foundation is a publicly supported organization and not a private foundation. Donors may deduct contributions to the Foundation as provided in Section 170 of the Code. Also, bequests, legacies, devises, transfers,

or other gifts to or for the use of the Foundation are deductible for federal estate and gift tax purposes to the extent permitted under Section 2055, 2106, and 2522 of the Code.

The following are examples of the kinds of gifts to the Foundation, for which a deduction is allowable under the Internal Revenue code, provided such gifts otherwise meet the requirements imposed by the Code:

- Outright gifts of cash or property
- Endowed gifts, the income or principal of which may be restricted to the use of a specific charity, such as in the case of the Foundation's Donor Defined Fund gifts
- The remainder interests in charitable remainder trusts
- The income interests of charitable lead trusts
- The gift portion of charitable gift annuities
- The remainder portion of gifts to pooled income funds
- The remainder interest in a gift of a residence or farm
- Testamentary distributions from estates or trusts

Like all "public charities," the Foundation must annually file Form 990 and maintain its status with the IRS. The Foundation's Form 990 is available for inspection by any member of the public upon request.

Very truly yours,

THE STOLAR PARTNERSHIP LLP

By:



Leonard J. Pranschke