

Jan. 19th 1932.

Messrs. Helliwell, MacLachlan & Co.
525 Seymour Street.
Vancouver, B.C.

Dear Sirs :-

We thank you for your letter of Jan. 4th. with a copy of the letter from the Inspector of Income Tax dated Dec. 11th.

We would like to arrive at the amount which the Tax Office would consider to be exempt under the Act. Would it be possible for you to obtain this figure for us ?

Enclosed you will find a statement showing the advances to Shareholders and Surplus balance from year to year.

During the period covered by this statement there have been several items written off by us, but which were disallowed by the Tax Office. The Surplus as shown on their files will no doubt be several thousand greater than ours.

We think that some time ago you stated that the Surplus or Advances prior to 1925 or 1926 could not be attacked by the Tax Office so long as we do not liquidate the Company. Could you give us the facts in regard to this ?

If we go ahead with the reorganization we would like to have your advice. Please let us know when you expect to have any of your men in the Okanagan.

Yours truly,

The Rainbow Ranch Ltd.

Mgrs