

April 24, 1964

R. J. Stokam
Acting Chief, Exempt Organizations Branch
U. S. Treasury Department
Internal Revenue Service
Washington 25, D. C.

RE: T:R:EO:2
JEA

Gentlemen:

The Psychiatric Research Foundation of Missouri has operated within the stated purposes of the application made for exemption from Federal Income tax. The following information is submitted in support of our application, as requested in your letter of April 15, 1964.

I. A complete description of all our activities:

The principal studies supported by the funds of the Foundation are the following:

1. An assessment of the causes of treatment failure in schizophrenic patients hospitalized from three to eight years. In this study, two principal questions are being asked. What role, if any, does brain dysfunction play in the continued hospitalization of these patients? Secondly, what social and environmental factors participate in the continued hospitalization? In the first part of the study, various neurophysiological tests including electroencephalography and pneumoencephalography are used to determine the degree of brain dysfunction. The social aspects are being assessed by social workers and social scientists.

An important aspect of this study is a re-evaluation of the role of drug therapy in their treatment. Each of these patients is now under study with a variety of the newer psychotropic agents including thioridazine, chlorthalidone, and butaperazine.

2. A second study is an evaluation of the value of Lithium ion therapy in the treatment of manic states. Such patients have been admitted from various hospitals within the Division of Mental Diseases of Missouri to the Institute, and this specialized form of treatment has been applied. Funds of

the Foundation have been used to support the laboratory studies that are necessary to permit this treatment to be carried out.

3. During the past few years a number of theories of the origin of schizophrenia have been presented. One prominent one has been the possibility that such patients suffer from a toxic psychosis. A program of study supported by the Foundation is an evaluation of various chemical antagonists to the behavioral and psychophysiological effects of intravenously administered di-tran, a potent anticholinergic psychotogen. The antagonists under study include tetrahydroaminacrin, related acridines, indole alkaloids and some derivatives of glycolic acid. Funds of the Foundation have been used largely to support the laboratory studies, and nurses and aides making the behavioral observations in this program.

4. A survey of the use of psychotropic drugs in the aged in five of the State mental hospitals of Missouri, with emphasis on the patterns of drug use in relation to their clinical condition has been completed during the past few weeks.

5. In the laboratories, a major effort has been on the application of various methods of digital computer analysis to human brain wave signals. These methods have recently been applied to studies of changes in the electroencephalogram to the behavioral changes with psychotropic drugs. This program has received the major support through the Foundation.

6. The suggestion was made last year that schizophrenic patients may have differential staining of their leukocytes. This study was undertaken with the support of the Foundation's funds and completed during the fall.

7. In its training activities, the Foundation has supported the psychiatric residency training program of the Missouri Institute of Psychiatry. Appointees of the Foundation instituted seminars for the resident staff in clinical psychiatry, clinical psychology, pharmacology, and brain function and behavior.

The Foundation was recently notified by the National Institutes of Health that it has been awarded training grant funds effective July 1, 1964 to expand these training activities.

II. Advise whether any grants have been received from private foundations or donors.

The Psychiatric Research Foundation has received funds totaling \$3,450.00 to support research and training programs at the Missouri Institute of Psychiatry at the St. Louis State Hospital from four private donors and three private foundations. All of the gifts and grants have been unrestricted and there have been no contracts or agreements, written or implied, entered into with the donors or any other private foundations.

III. Financial statements for the period July 1, 1963 to date.

I enclose copies of the most recent unaudited Financial Statement of February 29, 1964 showing all receipts and all disbursements for the period July 1, 1963 to February 29, 1964. The disbursements from each grant account have been made according to the conditions of award of the Surgeon General of the United States and are largely for personal services and such operational costs as supplies and travel. The Foundation's other funds have been expended for salaries of scientists; secretarial, bookkeeping, and accounting costs; retirement benefits for principal scientists; mal-practice insurance fees and membership allowances of scientists; relocation costs for two scientists from overseas, legal fees and occasional travel costs; and such office expenses as advertising for employees, telephone, and postage.

We trust that this data is sufficient for your final determination and ruling. The Foundation has restricted its requests for additional private funds pending your exemption ruling.

We believe the information submitted shows the Foundation to be a medical research organization, engaged in continuous active research in conjunction with the St. Louis State Hospital, and that the Foundation is entitled to be ruled exempt under Sec. 503 (b) 5 of the Internal Revenue Code, rather than under Sec. 501 (c) (3). This change was requested by Mr. Harold C. Hanke, Vice-president of the Foundation in a letter to you dated December 16, 1963.

Sincerely yours,

Max Fink, M. D.
Executive Director

MF:bw
Enclosures