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Ira Friedman

Vice-President

Charles H. Jagow, Esq.
R.D. 3
Smalley Corners Road
Carmel, New York 10512

Dear Charlie

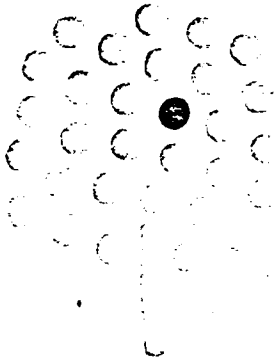
I am enclosing copies of correspondence between the Association and the Straka's on the disposition of the scholarship funds. The first letter is an unsigned version of what I believe Anne sent to Mr. and Mrs. Straka on January 20 soliciting their views (if any changes were made, they were probably minor). The second is Mr. Straka's letter to Anne of February 14 expressing the Straka's wish that we continue to use only the income to provide the scholarships.

Please let me know if you need anything else. Best wishes for a pleasant winter (although I hope to see you from time to time).

A handwritten signature in cursive script, appearing to read 'Ira'.

Ira Friedman
Vice-President

December 10, 1984



The American Association
for Gifted Children
15 Gramercy Park, New York, N.Y. 10003

Mr. Jerome A. Straka
4 Constitution Hill East
Princeton, New Jersey 08540

Dear Mr. Straka

With the close of another successful year for the Association, I would like to give you a report on our stewardship of the Jerome A. and Mary Jane Straka Scholarship Fund and discuss with you a question concerning the future of the scholarship program.

In 1983, we awarded two new Straka scholarships and six renewals of scholarships first awarded in prior years, for a total of eight. I have enclosed with this letter a list of the disbursements for the year from the Scholarship Fund. Knowing you would take pleasure in reading the letters of appreciation written by the scholarship recipients, I have enclosed copies. Our Scholarship Committee believes these scholars are exceptionally talented, and we take great pride in their decision to pursue interests in the physical sciences, mathematics or economics. We, and the Straka scholars, are indebted to you for your generosity.

I would like to raise a question with you regarding future scholarships with the understanding that we will continue to abide by your wishes with deep appreciation, whichever way the matter is decided.

As you will recall, when you originally endowed the Straka Fund, you directed that scholarships be awarded out of the income only, and that the principal be left intact. A copy of the letter in which you set forth those conditions is enclosed.

In each of the last few years, the number of scholars has increased as we saw fit to renew scholarships awarded to earlier recipients and to add an appropriate number of new scholars. Up to now, we have had sufficient interest income to do so. Yet from here on, we expect to have a smaller fund out of which to pay scholarships than in the recent past, especially now that interest rates have fallen somewhat.

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A current financial report on the Scholarship Fund is attached. If we continue to provide scholarships solely from the income earned on the endowment, we will soon be unable to commit to provide support for all 4 college years, even to one new recipient each year. Furthermore, we will have to keep the amount of each award at or near its present level (\$400-\$500), even as college costs continue to increase dramatically in the coming years. (As you undoubtedly know, college costs are rising more than 10% annually.)

Frankly, we would prefer to begin to use the principal in order to maintain the scholarships at their current level. In some years, we might award fewer scholarships than in 1983, and our expectation is that scholarships could continue to be awarded for close to the balance of this century.

Although we realize that the Association must take responsibility for making all decisions in administering the Scholarships, our relationship with you and Mrs. Straka is of too much personal value to take any course of action of which you might disapprove. Therefore, unless we receive some indication from you that you would be in favor of using the principal to provide scholarships, we will continue to rely solely on the income from your endowment.

With all best wishes, I remain,

Sincerely,

Anne E. Impellizzeri
President

JEROME A. STRAKA
4 CONSTITUTION HILL EAST
PRINCETON, N.J. 08540

February 14, 1984

Mrs. Anne E. Impellizzeri, President
The American Association for Gifted Children
15 Gramercy Park
New York, N. Y. 10003

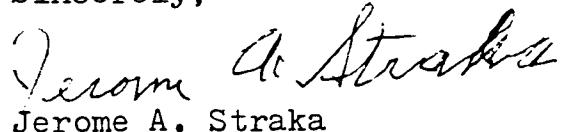
Dear Mrs. Impellizzeri:

Thank you for your letter of January 20 outlining the dilemma you face in connection with the scholarship fund Mary Jane and I set up in 1975.

Despite the cogent arguments you present for awarding scholarships out of the principal of the fund as well as from its income, it is Mary Jane's and my recommendation that you continue to use only the income. We regret that payments may have to be limited to fewer persons in view of the rising costs of education, but we feel that it continues to be important to keep the base of the fund intact.

Thank you for consulting us about the future of the fund although we realize that the responsibility for the decision lies with the Association.

Sincerely,


Jerome A. Straka

JAS:gik