

FOR PUBLICATION

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

REDLANDS SURGICAL SERVICES,
Petitioner-Appellant,

No. 99-71253

v.

Tax Court No.
11025-97x

COMMISSIONER OF INTERNAL
REVENUE,
Respondent-Appellee.

OPINION

Appeal from a Decision of the
United States Tax Court

Argued and Submitted
March 5, 2001--Pasadena, California

Filed March 15, 2001

Before: James R. Browning, Melvin Brunetti, and
Michael Daly Hawkins, Circuit Judges.

Per Curiam Opinion

COUNSEL

Douglas M. Mancino, James L. Malone III, Robert C.
Louthian III, McDermott, Will & Emery, Los Angeles, Cali-
fornia, for the petitioner-appellant.

Paula M. Junghans, Acting Assistant Attorney General; Gary
R. Allen, Teresa E. McLaughlin, United States Department of
Justice, Washington, D.C., for the respondent-appellee.

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OPINION

PER CURIAM:

We deny the petition for review on the grounds stated by

the tax court in Redlands Surgical Servs. v. C.I.R., 113 T.C. 47 (1999). Specifically, we adopt the tax court's holding that appellant Redlands Surgical Services "has ceded effective control over the operations of the partnerships and the surgery center to private parties, conferring impermissible private benefit. [Redlands Surgical Services] is therefore not operated exclusively for exempt purposes within the meaning of sec. 501(c)(3), I.R.C. 1986." Id. at 47. We also affirm the tax court's conclusion that the benefit conferred on private parties by the surgery center's operations prevents Redlands Surgical Services from attaining tax exempt status under the integral part doctrine.

Petition for Review DENIED.