



REC-314

FEB 10 1983

Employer Identification Number: [REDACTED]  
Key District: [REDACTED]  
Form Number: 1041  
Tax Years: All Years  
Accounting Period Ending: [REDACTED]

Dear Applicant:

This is a final adverse ruling as to your exempt status under section 501(c)(9) of the Internal Revenue Code.

Our adverse ruling of [REDACTED] was based on the fact that your sole shareholder receives a dominant share of the benefits under the trust and plan and, by reason of his control over the employer corporation, has ultimate control over the existence of the trust. Under the circumstances, we concluded that the sole shareholder maintains a posture that is incompatible with the inherent proscription of section 1.501(c)(9)-4(a) of the Income Tax Regulations, and section 501(c)(9) of the Code.

You filed a timely protest of our adverse ruling and requested a conference. A conference was held on [REDACTED]. You have submitted post conference information. Your [REDACTED] submission modified the benefit structure so that the shareholder-member would receive less than 50 percent of the aggregate scheduled benefits. However, the information submitted on [REDACTED], and [REDACTED], shows that the dominant portion of the cost of your life benefit is for the benefit of your shareholder-member. Therefore, after careful consideration of your protest and your post conference submissions, we continue to conclude that our adverse letter of [REDACTED], is correct.

Accordingly, you are required to file federal income tax returns on the form indicated above.

[REDACTED]

If you have any questions, please contact the person whose name and telephone number are shown at the top of this letter.

Sincerely yours,

(Signed) [REDACTED]

[REDACTED]  
Chief, Exempt Organizations  
Rulings Branch