

CERTIFIED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Dear Applicant:

9 DEC 1983

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954.

The information submitted discloses that you were incorporated on [REDACTED] under the [REDACTED] Nonprofit Corporation Act.

The purposes as stated in your articles are to be exclusively for scientific, educational, charitable and, to promote selfworth, spiritual awareness, and social respect of citizens of Planet Earth.

The activities of your organization are to provide personal guidance in self, spiritual and social relationships. You provide instructions in religious, survival and social sciences. You also provide a service to the public with the published research and writings of the creators of the organization [REDACTED].

In the application you indicated that [REDACTED], and [REDACTED] [REDACTED] are two organizations in mutual cooperation. Your organization is supplying funds, information, and consultation to them and that [REDACTED] are the creators of both organizations. [REDACTED] has not applied for tax exempt status.

You were asked in a letter to furnish information on [REDACTED] and its affiliation to you. You indicated that the activities are similar in that the institute works on a local level and you work at an international level.

In addition you were asked to describe the duties of [REDACTED], you indicate they give lectures, informal talks, seminars, written information, and do research in their specific areas.

You also indicated that the books written by [REDACTED] and [REDACTED] are available through [REDACTED], copyrights are in the name of the authors, and published by your organization.

CODE	INITIATOR	REVIEWER	REVIEWER	REVIEWER	REVIEWER	REVIEWER	REVIEWER
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
SUR. NAME	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
DATE	11/4/83	11/10/83	11/28/83	11.28.83	11/28/83		

DEPARTMENT OF THE TREASURY—INTERNAL REVENUE SERVICE CORRESPONDENCE APPROVAL AND CLEARANCE FORM 1087-A (REV. 7-74)

The financial data submitted indicates that you have accounts receivable as of [redacted] amounting to \$ [redacted] which is for consulting services performed for [redacted]. In addition you contributed \$ [redacted] to the [redacted] for purchase of pop, coffee, milk, lease for rent and books. All the promotional information you submitted is in the name of [redacted].

Section 501(c)(3) of the Code provides for the exemption from Federal Income Tax of corporations organized and operated exclusively for religious, charitable, literary, scientific, and educational purposes; no part of the net earnings of which inures to any private shareholder or individual.

Section 1.501(c)(3)-1 of the Tax Regulations relates to the definition of the organization and operation of organizations described in Section 501(c)(3). It is quoted, in part, as follows:

"(a) Organizational and operational tests. (1) In order to be exempt as an organization described in Section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt. (2) The term 'exempt purpose or purposes', as used in this section, means any purpose or purposes specified in Section 501(c)(3) . . ."

"(b) Operational test. (1) Primary activities. An organization will be regarded as 'operated exclusively' for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in Section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose. (2) Distribution of earnings. An organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals. . . ."

Section 1.501(c)(3)-1(a) of the Income Tax Regulations provides that in order to be exempt as an organization described in Section 501(c)(3), the organization must be one that is both organized and operated exclusively for one or more of the purposes specified in that section. If an organization fails to meet either organizational or the operational test it is not exempt.

Section 1.501(c)(3)-1(d)(1)(ii) of the Income Tax Regulations provides that an organization is not organized or operated exclusively for exempt purposes unless it serves a public rather than a private interest. Thus, it is necessary for an organization seeking exemption under Section 501(c)(3) to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

In construing the meaning of the phrase "exclusively for educational purposes" in Better Business Bureau v. U.S., 326 U.S. 279 (1945) the Supreme Court of the United States said, "This plainly means that the presence of a single non-educational purpose, if substantial in nature will destroy the exemption regardless of the number or importance of truly educational purposes." This statement applies equally to any category of charitable purpose under Section 501(c)(3) of the Code.

Based on the information submitted a substantial amount of your activities and operations are directed toward the advancement of the private interests of your creators [redacted] and [redacted] and [redacted].

Accordingly, we have concluded that you are not entitled to recognition of exemption from Federal Income Tax under Section 501(c)(3) of the Code, since you are not organized and operated exclusively for charitable, religious, or other exempt purposes within the meaning of Section 501(c)(3).

You are required to file Federal Income Tax Returns.

Contributions made to you are not deductible by the donors as charitable contributions as defined in Section 170(c) of the Code.

If you do not agree with these conclusions, you may within thirty days from the date of this letter, file a brief of the facts, law and arguments (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional Office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

██████████
Please keep this determination letter in your permanent records.

If you agree with this determination, please sign and return the enclosed Form 6013.

Sincerely yours,

██████████

U ██████████ V
District Director

Enclosures: Publication 892
Form 6013