

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

JAN 15 1987

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

The attachments submitted with your application failed to establish that you will be operated exclusively for exempt purposes.

Revenue Procedure 84-46, 1984-1 Cumulative Bulletin, 51 provides that where an organization cannot demonstrate to the satisfaction of the Service that its proposed activities will be exempt, a record of actual operations will be required before a determination letter will be issued.

In your original application, you indicated that you are a public interest law firm. You are concerned with consumer goods, protecting the environment, and securing legal representation for those who could not afford a private attorney. You indicated that you would provide free legal work to individuals and accept contingency fee cases of public concern.

We requested additional information concerning your operations and on [REDACTED], trustee and president, came to the office for a personal conference. In the conference, he indicated that you were going to operate a prepaid legal service program that was going to be financed by participant "donations." He also stated that you were to perform paralegal services for legal attorneys on a fee basis. He was advised that these activities were not exempt activities under section 501(c)(3) of the Code.

[REDACTED] subsequently submitted 2 new applications and additional information on your letter for exemption under section 501(c)(3) and the other under section 501(c)(4). The transmittal letter states "We would report that we never saw the Form 1023 that Mr. Lewis submitted until after our letter to him on [REDACTED] which implied we were con-

Code	Director	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
		[REDACTED]					
Surname							
Date		1-14-87					

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sidering the filing of a grievance against him for the inordinate delay we have (sic) experienced in this matter....Also, we would state that ██████████ did not do a very good job on the application, and, that his submission was poorly researched and executed." ██████████ was named as a trustee on both the original and subsequent applications.

The applications and other documents are replete with information concerning the personal plight of ██████████ who apparently has suffered severe financial losses. We assume that this information was submitted to establish a basis for the corporation being created. You were incorporated on ██████████. On ██████████ you "demanded" that Mr. Roscoe L. Eggers, Commissioner, Internal Revenue Service, take the necessary steps to clear up ██████████'s personal income tax matters. The "demand" was sent over the signature of ██████████ as your registered agent. On ██████████ you sent a letter to ██████████ ██████████, on behalf of ██████████ concerning his pauper's oath in 2 personal law suits. This letter, too, was over the signature of ██████████ as your registered agent. On ██████████, you sent a letter to ██████████ State Representative concerning the problems within the American judicial system. The letter primarily addressed the problems ██████████ had with various legal suits he had filed. Again, the letter was sent over the signature of ██████████ as your legal agent. On ██████████, you sent a letter to President Ronald Reagan stating your concern about the deterioration of the state of the nation. The letter was over the signature of ██████████, your registered agent.

Also submitted was a contractual agreement between the family of ██████████ ██████████ "to assist us in any fashion deemed to be wise, prudent, and in our best business/financial interests in the endeavor known as the business of living of life." You were to be paid a \$██████████ retainer, \$██████████ per hour plus expenses for your services. A 1% interest charge was to be made for unpaid billings. There was an unsigned agreement which indicated that you were to represent ██████████ in a suit against the ██████████. You were to be paid \$██████████ per hour plus 1% of any monies received over and above the amount of \$██████████ previously paid ██████████. Another unexecuted agreement indicated that you were to represent ██████████ in the matter concerning the charge of murder of ██████████ by the State of ██████████. You were to be paid \$██████████ per hour plus expenses. ██████████ was to deposit \$██████████ with you to cover expenses. Another unsigned agreement indicated that you were to represent the ██████████ family in the matter of ██████████ ██████████ ██████████. You were to be paid \$██████████ per hour or 1% of recovery, whichever is greater. You also submitted a contractual agreement between yourself and ██████████ ██████████ which was executed on ██████████. You were to oversee the general business affairs of ██████████. You were to be paid reasonable and necessary business expenses plus an amount shown on an Exhibit A; however, the exhibit was not submitted. On ██████████, you drafted another document entitled Addendum B which incorporated and superseded Exhibit A. This addendum was adopted "to restate, redefine, and otherwise rearrange the terms of the consideration paid to the ██████████ by ██████████ ██████████ for the services rendered to him by the foundation pursuant to, and in accordance with the contractual

[REDACTED]

agreement executed on said [REDACTED]th day of [REDACTED] in an attempt to conform to, and otherwise satisfy, the standards imposed on them by the United States Government acting by and through its agent, the United States Department of the Treasury, acting by and through its agent, the Internal Revenue Service, acting through its agent, and employee, [REDACTED]... (3) [REDACTED] hereby agrees that he will tithe ten percent, (10%) of his gross weekly earnings and/or income from any source whatsoever; and, that said tithe... shall be forwarded... to the [REDACTED] for the furtherance of the foundation's charitable work for and in behalf of the poor, the distressed, the infirm, and minorities as currently recognized by the Government of the United States under section 343.B, (1), (2), and (4) of the Exempt Organization Handbook on page 7751-35 encompassing Internal Revenue Code 501(c)(3) and revised (sic) rulings 69-161, 1969-1 C.B. 149; 78-428, 1978-2 C.B. 177; 72-599, 1972-2 C.B. 247; 78-310, 1978-2 C.B. 1973; 76-21, 1976-1 C.B. 147; and 76-22, 1976-1 C.B., 148 as well as any other revised (sic) rulings currently applicable to the foundation's classification."

The Form 1023 submitted by [REDACTED] indicates that upon receipt of funding, you will proceed to make arrangements to set up your operation and commence with rendering aid to charitable classes such as the poor, the infirm, the distressed, and minorities. It indicates this help will be of a varied nature depending upon the need of the party seeking help. In answer to your client's direct pleas for assistance you will endeavor to work with them directly, or through those of various vocations associated with you who specialize in various professional expertise. A religious facet to your operations was introduced by your statement that you are a Christian foundation which will structure your help in such a way as to enlighten those as to what following the exemplary example of Christ's behavior can help with their problems, i. e. to help them to know and understand that they too are children of God and that they too are capable of finding the "Christ within them" and exerting the beneficent "Christ power" within them upon the problems that plague them and the rest of the world as well. The application indicates that you will be supported by donations from various sources and that you will accept assignments of income namely "Plaintiff's Civil Suits-contingent value unknown, but not less than \$[REDACTED] nor more than \$[REDACTED]."

The Form 1024 indicates that your "activity has been the mirroring of public opinion through correspondence directed to powerful people in high places for their enlightenment and illumination and edification. The purpose of the organization is multi-faceted. It is a hybrid whose labeling through classification is difficult due to the contradictory nature of the laws governing the different functions it can and intends to perform. This labeling process and determination of *modus operandi* is not at all facilitated by the seemingly illogical subjectivity of contradictory rulings and revenue rulings found within the tones of case law." You state that you will proceed no further than the initial steps of being recognized on paper.

[REDACTED]

The applications did not contain proposed budgets so that we can see what your expected receipts and expenditures will be. The file clearly establishes [REDACTED] to be a pauper. In his [REDACTED] letter [REDACTED] states "Our spent [REDACTED] is naught but one trying to make a living from helping those who have not the background." (Emphasis added)

You submitted the following documents which pertained to [REDACTED] personally and have no bearing on your qualifications for tax-exempt status other than, as indicated earlier, as the basis for which you were organized: Personal background of [REDACTED] and his family; a vitae and references of [REDACTED]; a newspaper article about [REDACTED] father; a court petition concerning [REDACTED] and [REDACTED], et al; a court order recognizing [REDACTED] to be a pauper; correspondence between [REDACTED] and [REDACTED], President Ronald Reagan, [REDACTED] et al; a petition filed with the [REDACTED]th Judicial District Court in a suit between [REDACTED] and [REDACTED] et al; a pauper's oath by [REDACTED]; a motion for reconsideration in the case between [REDACTED] and [REDACTED]; a letter from [REDACTED] to [REDACTED] concerning the presidency of the United States and stating [REDACTED]'s views of the United States; and, a letter from [REDACTED] to [REDACTED] Judge, [REDACTED]th District Court concerning the inequalities of [REDACTED], problems with the judicial system, and other socio-political matters.

Based on the available information, we hold that you have not established that you will be operated exclusively for exempt purposes under section 501(c)(3) and that you must operate for a period before a determination letter can be issued. Initially you were operated for the benefit of your registered agent, [REDACTED]. Although he may be a member of a "charitable class" as you pointed out, an exempt organization cannot be operated for the personal benefit of its officers. Your initial actions were to represent [REDACTED] in personal matters as, as indicated in your April 11 letter, you are a means for [REDACTED] to earn a living.

Your subsequent applications and additional information seems to contradict the information on your initial application. We note that the latter submissions were based on the [REDACTED] conference with [REDACTED] and the proposed operations described in them were being tailored to meet the authorities given to [REDACTED] in the conference. They were very vague as to what you will do and did not discuss the proposed public interest law firm services, the prepaid legal services, the paralegal services, nor the business counseling services alluded to earlier by [REDACTED]. The compensation arrangements you have for your services indicates that you were selling services for a fee and there is no indication that the fees are based on an individual's ability to pay. Since your operations are going through a period of change, a period of actual operations will be the only means to determine that you will be operated in accordance with section 501(c) of the Code.

[REDACTED]

If you do not agree with these conclusions, you may, within 30 days from the date of this letter, file in duplicate a brief of the facts, law, and argument that clearly sets forth your position. If you desire an oral discussion of the issue, please indicate this in your protest. The enclosed Publication 892 gives instructions for filing a protest.

If you do not file a protest with this office within 30 days of this report or letter, this proposed position will become final.

If you do not protest this proposed position 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."

If this position letter becomes a final position, we will notify the appropriate State Official, as required by section 6104(c) of the Code, that based on the information we have, we are unable to recognize you as an organization of the type described in Code section 501(c)(3).

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

Sincerely,

[REDACTED]
District Director

Enclosure:
Publication 892