



DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

1100 Commerce Street
Dallas, TX 75242

September 21, 2005

Number: **200550044**
Release Date: 12/30/05
230781
UIL: 501.15-01

Taxpayer Identification #:

Form:

990

Tax Year(s) Ended:

Dec. 31,

Person to Contact/ID Number:

Augusta Simpson/36-10413

Contact Numbers:

Telephone: (312) 566-3878

Fax: (312) 566-3913

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Dear

This is our final adverse determination letter as to your exempt status under I.R.C. § 501(c)(15) of the Internal Revenue Code. Our adverse determination was made because, for the year(s) of the examination, you were not operated as an “insurance company” within the meaning of I.R.C. § 501(c)(15) of the Internal Revenue Code. Your exempt status is revoked effective December. Our decision is outlined in the Technical Advice Memorandum that is enclosed which further explains why we believe an adjustment of your organization’s exempt status is necessary.

We have also enclosed Publication 892, Exempt Organization Appeal Procedures for Unagreed Issues, and Publication 3498, *The Examination Process*. These publications include information on your rights as a taxpayer. They explain appeal rights and the procedure for obtaining technical advice.

Appeals procedures require a minimum of 180 days remaining on the statute of limitations. In order to take advantage of appeal rights, a taxpayer might be asked to execute a consent to extend the statute of limitations to permit Appeals consideration.

Because this case involves exemption under I.R.C. § 501(c)(15), you cannot contest the adverse determination in a declaratory judgment action under I.R.C. § 7428. You can, however, contest the revocation of exempt status in the context of any related deficiency case involving adjustments that flow from the loss of exemption. Thus, you may file suit in United States Tax Court, the United States Court of Federal Claims, or United States District Court, from any deficiency notice issued in this case or a related case after satisfying procedural and jurisdictional requirements as described in Publications 3498 and 892.

Since you have agreed for the years under examination to reflect your income tax on the consolidated return of a related entity, you will not be required to file federal income tax returns on Form 1120-PC. However, if in future years you do file a consolidated return, you will be liable to file Form 1120 PC..

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

Taxpayer Advocate Office

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

R. C. Johnson
Director, EO Examinations

Enclosures:
Publication 892
Publication 3498
Technical Advice Memorandum