



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Release Number: **201122027**
Release Date: 6/3/2011
Date: March 8, 2011

Contact Person:
Identification Number:
Contact Number:
Employer Identification Number:
Form Required To Be Filed:
Tax Years:

UIL: 501.03-20
509.02-04

Dear _____ :

This is our final determination that you do not qualify for exemption from Federal income tax as an organization described in Internal Revenue Code section 501(c)(3). Recently, we sent you a letter in response to your application that proposed an adverse determination. The letter explained the facts, law and rationale, and gave you 30 days to file a protest. Since we did not receive a protest within the requisite 30 days, the proposed adverse determination is now final.

Because you do not qualify for exemption as an organization described in Code section 501(c)(3), donors may not deduct contributions to you under Code section 170. You must file Federal income tax returns on the form and for the years listed above within 30 days of this letter, unless you request an extension of time to file. File the returns in accordance with their instructions, and do not send them to this office. Failure to file the returns timely may result in a penalty.

We will make this letter and our proposed adverse determination letter available for public inspection under Code section 6110, after deleting certain identifying information. Please read the enclosed Notice 437, *Notice of Intention to Disclose*, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in Notice 437. If you agree with our deletions, you do not need to take any further action.

In accordance with Code section 6104(c), we will notify the appropriate State officials of our determination by sending them a copy of this final letter and the proposed adverse letter. You should contact your State officials if you have any questions about how this determination may affect your State responsibilities and requirements.

If you have any questions about this letter, please contact the person whose name and telephone number are shown in the heading of this letter. If you have any questions about your Federal income tax status and responsibilities, please contact IRS Customer Service at 1-800-829-1040 or the IRS Customer Service number for businesses, 1-800-829-4933. The IRS Customer Service number for people with hearing impairments is 1-800-829-4059.

Sincerely,

Elizabeth Kastenber

Lois G. Lerner
Director, Exempt Organizations

Enclosure
Notice 437
Redacted Proposed Adverse Determination Letter
Redacted Final Adverse Determination Letter



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Date: December 29, 2010

Contact Person:

Identification Number:

Contact Number:

FAX Number:

Employer Identification Number:

Legend

M =
State =
Date 1 =
Date 2 =
Date 3 =
Date 4 =
Letter 1 =
Letter 2 =
Letter 3 =
Bishop S =
Bishop T =

Dear :

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code (the Code). Based on the information submitted, we conclude that you are not organized or operated exclusively for the exempt purposes described in section 501(c)(3). Our reasons for this conclusion, and the facts on which it is based, are explained below.

Facts

The information you submitted indicates that you were formed on Date 1 under the laws of State. You mailed your original Form 1023 to the IRS, which recorded receipt of the application on Date 2.

Attached to your Form 1023, you submitted two sets of Articles of Incorporation (AOI), "Articles 1" (4 pages) and "Articles 2" (5 pages). Neither one of these articles is signed, dated, or contain evidence they were filed with and approved by an appropriate state authority. Articles 1 contain sections on your board of directors, place of business, and purposes. Articles 1 state that you are "organized and operated exclusively for religious, charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code." Articles 2 contain sections on your duration, powers and purposes, address, corporate management, initial

directors, corporate nature, members, and amendments. Articles 2 also state that the "purposes for which [you] are organized and operated are exclusively religious, charitable, scientific, literary and educational within the meaning of Section 501(c)(3)."

As part of your original Form 1023, you submitted Schedule E, "Organizations Not Filing Form 1023 Within 27 Months of Formation." You replied "No" in response to question number 1, which asks, "Are you a church, association of churches, or integrated auxiliary of a church." In addition, you failed to attach a statement describing your past, present, and planned activities, as required by Part IV of the 1023. The Bylaws attached to your Form 1023 are not signed and do not show the date they were adopted.

Letter 1 was sent to you requesting additional information to help determine whether you qualify for exemption from federal income tax under section 501(c)(3) of the Code. We did not receive a response to that letter.

On Date 3, we called you to inquire whether you wanted to continue with the processing of your application. The person answering the call identified himself as Bishop S, and confirmed that you did want to proceed with your application. Thereafter, we sent Letter 2 which requested information related to your organizational structure, as well as your operations, to you to help determine whether you qualify for exemption under section 501(c)(3). You did not provide a response by the deadline specified.

Having received no response, we called you on Date 4 and spoke with Bishop T, who indicated that he was a consultant for the church. He also stated that Bishop S had passed away about four months before, which was several months before the phone conversation indicated above had occurred. We had a subsequent phone conversation with Bishop T and your secretary in which Bishop T and your secretary acknowledged receiving a copy of Letter 2. Your secretary requested two extensions of time in which to reply to Letter 2, both of which were granted.

Again, receiving no response to Letter 2 by the extension deadline, we sent you Letter 3 stating that we had closed your case for failure to timely respond to our request for additional information. Thereafter, we received the following information from you:

- (1) A new Form 1023 application.
- (2) A one page "Certificate of Formation" from State indicating you were formed on Date 1.
- (3) A 16-page document entitled "Articles of Incorporation," which differs in substance from Articles 1 and Articles 2 that were filed with your original Form 1023 application. Throughout this document there are statements indicating that these articles pertain to M.
- (4) A schedule of events for services you held in March and April 2010
- (5) A copy of a letter from the IRS acknowledging receipt of your original Form 1023 and user fee paid.

This new Form 1023 continues to list Bishop S as your primary contact person. You did not attach a statement to the new Form 1023 describing your past, present, and planned activities, as required by Part IV of the 1023.

You also state on the new Form 1023 that you have a close connection with another

organization; you did not explain what this organization is or the details of your relationship to it. You provided a Statement of Revenue and Expenses that contains the exact information included on the Statement of Revenue and Expenses submitted with your original Form 1023, but you changed the dates from the three years ended 2004, 2005, and 2006 to the three years ended 2007, 2008, and 2009. On Schedule E, Organizations Not Filing form 1023 Within 27 Months of Formation, you replied "No" to the question of "Are you a church, association of churches, or integrated auxiliary of a church?."

Attached to your new Form 1023 application, are two Schedules A, Churches, on which you answered questions relating to your potential status as a church. With your original Form 1023 application, you also attached a copy of Schedule A, Churches. As to the question of whether you have an established congregation or other regular membership group, you did not answer this question on two of the Schedules A, and on the third schedule you answered, "no." As to the question of whether you have a minister or religious leader, you answered "yes" on all three Schedules A, but you did not describe this person's role or explain whether he or she was ordained, commissioned, or licensed after a prescribed course of study. As to the question of whether you have a school for the religious instruction of the young, on two of the Schedules A you answer "yes," and on the other schedule you answer "no." As to the question of whether you have a formal code of doctrine and discipline, you answer "yes" on all three schedules but you did not describe your code of doctrine and discipline. As to the question of whether you have regularly scheduled services, you answered "yes" on two Schedules A, and on the other schedule you answered "no."

While you submitted new and updated information, you failed to respond to the questions posed in Letter 2.

Law

Section 170(b)(1)(A)(i) of the Code describes a church or convention or association of churches.

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for religious, charitable, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(a)-1(b)(1)(iii) and section 1.501(c)(3)-1(b)(1)(v) of the Income Tax Regulations ("regulations") provides that an organization described in section 501(c)(3) must submit with its application for exempt status a detailed statement of its proposed activities.

Section 1.501(a)-1(b)(2) of the regulations provides that the IRS may require any additional information deemed necessary for a proper determination of whether a particular organization is exempt under section 501(a).

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

Section 1.501(c)(3)-1(b)(1) of the regulations provides that an organization is organized exclusively for one or more exempt purposes only if its articles of organization limit the purposes of the organization to one or more exempt purposes and do not expressly empower the organization to engage otherwise than in an insubstantial part of its activities in activities which in themselves are not in furtherance of one or more exempt purposes.

Section 1.501(c)(3)-1(b)(4) of the regulations provides that an organization is not organized exclusively for one or more exempt purposes unless its assets are dedicated to an exempt purpose. An organization's assets will be considered dedicated to an exempt purpose, for example, if upon dissolution, such assets would, by reason of a provision in the organization's articles or by operation of law, be distributed for one or more exempt purposes, or to the federal government, or to a state or local government, for a public purpose, or would be distributed by a court to another organization to be used in such manner as in the judgment of the court will best accomplish the general purposes for which the dissolved organization was organized.

Section 1.501(c)(3)-1(c)(1) of the regulations provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities that accomplish one or more of the exempt purposes specified in section 501(c)(3) of the Code. An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(f)(1) of the regulations provides that an organization applying for recognition of exemption under section 501(a) as an organization described in section 501(c)(3) must establish its eligibility for exemption. The IRS may deny an application for exemption for failure to establish any of section 501(c)(3)'s requirements for exemption.

Section 4, of Rev. Proc. 2010-9, 2010-2 I.R.B. 258, provides that a favorable determination letter will be issued to an organization only if its application and supporting documents establish that it meets the particular requirements of the section under which exemption from federal income tax is claimed. A determination letter on exempt status is issued based solely upon the facts and representations contained in the administrative record. The applicant is responsible for the accuracy of any factual representations contained in the application. The failure to disclose a material fact or a misrepresentation of a material fact on the application may adversely affect the reliance that would otherwise be obtained through issuance by the IRS of a favorable determination letter.

In Nelson v. Comm'r, 30 T.C. 1151 (1958), the Tax Court held, "Exemptions as well as deductions are matters of legislative grace, and a taxpayer seeking either must show that he comes squarely within the terms of the law conferring the benefit sought."

In Founding Church of Scientology v. United States, 188 Ct. Cl. 490, 412 F.2d 1197 (1969), cert. denied, 397 U.S. 1009 (1970), the Supreme Court examined whether the net earnings of the Scientology Church inure to the benefit of private individuals. The court drew inferences from the facts presented to conclude that the organization had failed to prove its entitlement to exempt status under section 501(c)(3) of the Code. The court concluded that the payments the organization made to the private individuals were distributions of the organization's earnings, reasoning, "the logical inference can be drawn that these payments were disguised and unjustified distributions of [the organization's] earnings."

In Christian Echoes Nat'l Ministry v. United States, 470 F.2d 849 (10th Cir. 1972), cert. denied, 414 U.S. 864 (1973), the court held that a religious organization was not exempt from tax under section 501(c)(3) of the Code, because a substantial part of the organization's activities consisted of carrying on propaganda or attempting to influence legislation. In reaching this conclusion, the court stated that "exemption is a privilege, a matter of grace rather than right," adding that "taxpayers have the burden of establishing their entitlement to exemption."

In Universal Life Church v. United States, 372 F. Supp. 770 (E.D. Cal. 1974), the court concluded that "one seeking a tax exemption has the burden of establishing his right to a tax-exempt status."

In Levy Family Tribe Found. v. Comm'r, 69 T.C. 615 (1978), the Tax Court held that an organization failed to qualify for recognition of exemption under section 501(c)(3) of the Code. The court concluded, "The record is replete with unsupported generalizations. These explanations are too general and lack the facts necessary to establish public, rather than personal, purposes of the organization."

In Am. Guidance Found., Inc. v. United States, 490 F. Supp. 304 (D. D.C. 1980), aff'd in an unpublished opinion (D.C. Cir. 1981), the court upheld the IRS's determination that a nonprofit corporation failed to qualify as a "church" for purposes of exemption under section 501(c)(3). "Faced with the difficult task of determining whether or not religious organizations are in fact churches," the court explained, "the IRS has developed fourteen criteria which it applies on an ad hoc basis to individual organizations." That is, in applying the analysis to determine whether a religious organization may properly be characterized as a church, the Service considers whether the organization has the following characteristics:

- (1) a distinct legal existence
- (2) a recognized creed and form of worship
- (3) a definite and distinct ecclesiastical government
- (4) a formal code of doctrine and discipline
- (5) a distinct religious history
- (6) a membership not associated with any other church or denomination
- (7) an organization of ordained ministers
- (8) ordained ministers selected after completing prescribed studies
- (9) a literature of its own
- (10) established places of worship
- (11) regular congregations
- (12) regular religious services
- (13) schools for the religious instruction of the young
- (14) schools for the preparation of its ministers

The court added that no single factor is controlling in making this determination, although some are "relatively minor" in importance while others are of "central importance," including the existence of an established congregation served by an organized ministry, the religious education of the young, the dissemination of a doctrinal code, and the provision of regular religious services. At a minimum, the court concluded, a church includes a body of believers or communicants that assembles regularly in order to worship.

In Bubbling Well Church of Universal Love v. Comm'r, 74 T.C. 531 (1980), aff'd, 670 F.2d 104 (9th Cir. 1981), the Tax Court held that an organization failed to establish that no part of its net earnings inure to the benefit of private individuals and, thus, the organization was not exempt from taxation under section 501(c)(3) of the Code. A claim for tax-exempt status, the court held, “calls for open and candid disclosure of all facts bearing upon [an organization’s] organization, operations, and finances so that the Court, should it uphold the claimed exemption, can be assured that it is not sanctioning an abuse of the revenue laws. If such disclosure is not made, the logical inference is that the facts, if disclosed would show that [the organization] fails to meet the requirements of section 501(c)(3).”

In Basic Bible Church v. Comm'r, 74 T.C. 846 (1980), aff'd sub nom., Kile v. Comm'r, 739 F.2d 265 (7th Cir. 1984), the Tax Court held that an organization seeking exemption under section 501(c)(3) of the Code has the burden of proving it is entitled to exempt status.

In Peoples Prize v. Comm'r, 87 T.C.M. (CCH) 813 (2004), the Tax Court concluded that an organization failed to establish that it was operated for exempt purposes under section 501(c)(3) of the Code. The court stated that the organization had “for the most part, provided only generalizations in response to repeated requests by [the IRS] for more detail on prospective activities.” These “generalizations do not satisfy us,” the court concluded, that the applicant qualifies for exemption.

In New Dynamics Found. v. United States, 70 Fed. Cl. 782 (2006), the U.S. Court of Federal Claims held that the IRS properly denied tax exempt status under section 501(c)(3) to a nonprofit corporation that was organized to promote and contribute to charitable causes. In reaching this conclusion, the court stated, “It is well-accepted that, in initial qualification cases [any] gaps in the administrative record are resolved against the applicant,” adding that courts “can draw inferences adverse to a taxpayer seeking exempt status where the taxpayer fails to provide evidence concerning its operations, or where the evidence is vague or inconclusive.”

Analysis

Based on the information submitted, you have failed to establish that you are organized and operated exclusively for exempt purposes within the meaning of section 501(c)(3) of the Code and the related income tax regulations. You do not qualify for exemption as an organization described in section 501(c)(3) because you are not organized or operated exclusively for exempt purposes within the meaning of section 501(c)(3). Even if you had shown that you were otherwise qualified as an organization described in section 501(c)(3), you would not be classified as a “church” within the meaning of section 170(b)(1)(A)(i).

To be exempt under section 501(c)(3) of the Code, an organization must meet both an organizational and an operational test. Section 1.501(c)(3)-1(a)(1) of the regulations. Our analysis of the information you submitted shows that you do not meet either of these tests. You have not submitted sufficient information in support of your application for exempt status under section 501(c)(3) for us to conclude that you are organized or operated exclusively for charitable, religious, or educational purposes as specified in section 501(c)(3).

For an organization claiming the benefits of section 501(c)(3) of the Code, “exemption is a privilege, a matter of grace rather than right.” Christian Echoes Nat'l Ministry, 470 F.2d at 857. It is well-established that the law imposes on the applicant the burden of proving that it is

entitled to exemption. See, Section 1.501(f)(1) of the regulations; Basic Bible Church, 74 T.C. at 855; and Universal Life Church, 372 F. Supp. at 775. The applicant has the burden of showing it “comes squarely within the terms of the law conferring the benefit sought.” Nelson, 30 T.C. at 1154. A favorable determination letter will be issued to an organization only if its application and supporting documents establish that it meets the particular requirements of the section under which exemption from federal income tax is claimed. Section 1.501(f)(1) of the regulations and Section 4, of Rev. Proc. 2010-9. In all, your application and supporting documents do not satisfy your burden of showing that you fall “squarely within the terms” of section 501(c)(3), because you have provided insufficient, incomplete, or inconsistent information in support of your application for exempt status.

An organization is deemed organized exclusively for one or more exempt purposes only if its articles of organization limit the organization’s purposes to one or more exempt purposes. Section 1.501(c)(3)-1(b)(1) of the regulations. In addition, the articles must contain a provision dedicating the organization’s assets to exempt purposes upon dissolution of the organization. Section 1.501(c)(3)-1(b)(4) of the regulations. Attached to your original Form 1023 application and your second Form 1023 application, you submitted three different articles of incorporation, and each of them contains language pertaining to your purposes. It is unclear which one of these, if any, however, is your actual organizing document. In addition, none of these articles is signed, dated, or show evidence that they were filed with an appropriate state agency. You also submitted a single-paged “Certificate of Formation,” showing evidence that it was filed with State; however, this certificate does not contain a proper purpose clause or dissolution provision. Thus, you do not meet the organizational test under section 501(c)(3) of the Code.

An organization is deemed operated exclusively for one or more exempt purposes only if it engages primarily in activities that accomplish one or more of the exempt purposes specified in section 501(c)(3) of the Code. Section 1.501(c)(3)-1(c)(1) of the regulations. In Letter 2, we asked you specific questions to help determine whether you operate exclusively for an exempt purpose specified in section 501(c)(3) of the Code. As noted above, you failed to respond to those questions and instead submitted additional documents that did not provide a response to some of the key questions that we asked in Letter 2 pertaining to your activities.

Specifically, we asked you to provide more detailed information about why you submitted two copies of articles of incorporation with your initial Form 1023 application; a statement confirming whether you would be willing to amend your AOI to contain an adequate dissolution provision; a copy of your signed bylaws showing the date they were adopted; an updated list of the names, titles, mailing addresses, qualifications, average hours worked, and duties of each of your officers, directors, and trustees; more information about your fundraising programs; an updated Statement of Revenues and Expenses for your most recent four tax years; more information about your sources of revenues; and more detailed information to determine whether you are a “church.” You did not provide a specific response to these questions. In addition, you did not submit with your first or second Form 1023 the required narrative statement detailing your past, present, or planned activities, as required by the Form 1023, sections 1.501(a)-1(b)(1)(iii) and 1.501(c)(3)-1(b)(v) of the regulations, and Letter 2.

Courts have been persuaded to rule unfavorably on a tax exemption issue when the nature of the proposed activities is especially ambiguous. Levy Family Tribe Found., 69 T.C. at 619. The Tax Court has stated that an application for tax-exempt status “calls for open and candid disclosure of all facts bearing upon [an applicant’s] organization, operations, and finances [to

assure that there is no] abuse of the revenue laws. “If such disclosure is not made, the logical inference is that the facts, if disclosed, would show that the [applicant] fails to meet the requirements of section 501(c)(3).” Bubbling Well Church, 74 T.C. at 535. See also, Founding Church of Scientology, 412 F.2d at 1201. Furthermore, the courts have repeatedly upheld the Service’s determination that an organization has failed to establish exemption where the organization fails to provide requested information. When an application “has, for the most part, provided only generalizations in response to repeated requests by [the Service] for more detail on prospective activities,” those “generalizations do not satisfy us that [the applicant] qualifies for the exemption.” Peoples Prize, 87 T.C.M. at 814.

You have not provided requested information and have not been open and candid in disclosing all facts bearing upon your organization, operations, or finances. Because you have not done so, the logical inference is that the facts, if disclosed, would show that you fail to meet the requirements of section 501(c)(3) of the Code. The IRS may deny an application for exemption for failure to establish any of the section 501(c)(3)’s requirements for exemption. Section 1.501(f)(1) of the regulations.

Finally, there are several of key gaps within your application. For example, you have not explained why you submitted three different articles of incorporation with your application documents, or why you submitted articles that appear to be the organizing document for M. Attached to both your original Form 1023 and your second Form 1023 you attach a Schedule A, indicating you are apparently applying for exempt status as a church; however, you replied “No” in response to question number 1 on Schedule E in response to whether you are a church. You also have not explained why you list the late Bishop S as your primary contact person on your new Form 1023 or explained who acknowledged himself as Bishop S when talking with us on the telephone after Bishop S’s death. You also state on the new Form 1023 that you have a close connection with another organization, but you did not explain what this organization is or the details of your relationship to it. Finally, you provided the exact information on the new Form 1023 that you had on your original Form 1023 on your Statement of Revenue and Expenses, but you simply altered the dates of the years at issue.

As the U.S. Court of Federal Claims stated in New Dynamics Found., 70 Fed. Cl. 782, “It is well-accepted that, in initial qualification cases . . . gaps in the administrative record are resolved against the applicant,” adding that courts “can draw inferences adverse to a taxpayer seeking exempt status where the taxpayer fails to provide evidence concerning its operations, or where the evidence is vague or inconclusive.” Id. at 802. Thus, the gaps in the administrative record in this case, combined with your failure to provide conclusive and clear documentation concerning your operations, leads us to infer that you are not operating for an exempt purpose under section 501(c)(3). You, therefore, do not meet the operational test defined in section 1.501(c)(3)-1(c)(1) of the regulations.

Even if you had met the organizational and operational tests of section 501(c)(3) of the Code, we would determine that you are a private foundation under section 509(a) because you have also failed to establish that you are a “church” described in section 170(b)(1)(A)(i). As explained below, you have specifically not established that you meet the 14 criteria used to determine whether an organization may properly be characterized as a church. See Am. Guidance Found., 490 F. Supp. 304. In all, you have submitted three Schedules A, Churches, with your application documentation. Each of these Schedules A contains different answers, in some instances, to the same question, or you have failed to submit additional documentation

describing or explaining a particular answer you provided.

For example, as to the question of whether you have an established congregation or other regular membership group, you did not answer this question on two of the Schedules A, yet on the third schedule you answered, "no." As to the question of whether you have a minister or religious leader, you answered "yes" on all three Schedules A, but you did not describe this person's role or explain whether he or she was ordained, commissioned, or licensed after a prescribed course of study. As to the question of whether you have a school for the religious instruction of the young, on two of the Schedules A you answered "yes," yet on the other schedule you answered "no." As to the question of whether you have a formal code of doctrine and discipline, you answered "yes" on all three schedules but you failed to describe your code of doctrine and discipline. Finally, as to the question of whether you have regularly scheduled services, you answered "yes" on two Schedules A, but on the other schedule you answered "no."

These inconsistencies and gaps in your application and supporting documentation (combined with all the other inconsistencies and gaps mentioned above) make it impossible for us to evaluate whether you meet the 14 criteria discussed in Am. Guidance Found., 490 F. Supp. 304. Again, as the U.S. Court of Federal Claims stated in New Dynamics Found., 70 Fed. Cl. 782, gaps in the administrative record can be resolved against you, and we can draw adverse inferences when you provide vague or inconclusive evidence, as you have done here.

Moreover, you have also provided inconsistent or insufficient information on some of the most important of the 14 factors used to classify a church, including whether you have an established congregation served by an organized ministry, a school for the education of the young, a doctrinal code, and regular religious services. At a minimum, you have not established that you even have a body of believers that assemble regularly in order to worship. See, Am. Guidance Found., 490 F. Supp. 304. In all, the gaps in the administrative record relating to whether you qualify as a church, combined with your failure to provide conclusive and clear documentation on this issue, lead us to conclude that you are not a church for purposes of section 170(b)(1)(A)(i).

Conclusion

For these reasons, we conclude that you do not qualify for recognition of exemption from federal income tax under section 501(c)(3) of the Code, and you must file federal income tax returns.

You have the right to file a protest if you believe this determination is incorrect. To protest, you must submit a statement of your views and fully explain your reasoning. You must submit the statement, signed by one of your officers, within 30 days from the date of this letter. We will consider your statement and decide if the information affects our determination.

Your protest statement should be accompanied by the following declaration, over the signature of one of your principal officers or directors:

Under penalties of perjury, I declare that I have examined this protest statement, including accompanying documents, and, to the best of my knowledge and belief, the statement contains all the relevant facts, and such facts are true, correct, and complete.

You also have a right to request a conference to discuss your protest. This request should be made when you file your protest statement. An attorney, certified public accountant, or an individual enrolled to practice before the Internal Revenue Service may represent you. If you want representation during the conference procedures, you must file a proper power of attorney, Form 2848, *Power of Attorney and Declaration of Representative*, if you have not already done so. For more information about representation, see Publication 947, *Practice Before the IRS and Power of Attorney*. All forms and publications mentioned in this letter can be found at www.irs.gov, Forms and Publications.

If you do not file a protest within 30 days, you will not be able to file a suit for declaratory judgment in court because the IRS will consider the failure to protest as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Code provides, in part, that a declaratory judgment or decree shall not be issued in any proceeding unless the Tax Court, the United States Court of Federal Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted all of the administrative remedies available to it within the IRS.

If you do not intend to protest this determination, you do not need to take any further action. If we do not hear from you within 30 days, we will issue a final adverse determination letter. That letter will provide information about filing tax returns and other matters.

Send your protest statement, Form 2848, and any supporting documents to this address:

You may also fax your statement using the fax number shown in the heading of this letter. If you fax your statement, please call the person identified in the heading of this letter to confirm that he or she received your fax.

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

Sincerely,

Robert Choi
Director, Exempt Organizations
Rulings & Agreements