



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

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

Release Number: **201405023**

Release Date: 1/31/2014

Date: November 8, 2013

UIL Code: 501.03-05

501.35-00

501.36-00

501.36-01

Contact Person:

Identification Number:

Contact Number:

Employer Identification Number:

Form Required To Be Filed:

Tax Years:

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.

Since 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.

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, you should follow the instructions in Notice 437. If you agree with our deletions, you do not need to take any further action.

Letter 4038 (CG) (11-2005)  
Catalog Number 47632S

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,

Kenneth Corbin  
Acting Director, Exempt Organizations

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



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

TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

Date: September 24, 2013

Contact Person:

Identification Number:

Contact Number:

FAX Number:

Employer Identification Number:

**LEGEND:**

B = individual  
C = individual  
D = individual  
E = fund  
F = LLC  
g = dollar amount  
h = dollar amount  
j = dollar amount  
O = state  
P = date

**UIL:**

501.03-05  
501.35-00  
501.36-00  
501.36-01

Dear \_\_\_\_\_ :

We have considered your application for recognition of exemption from federal income tax under Internal Revenue Code section 501(a). Based on the information provided, we have concluded that you do not qualify for exemption under Code section 501(c)(3). The basis for our conclusion with respect to your tax-exempt status is set forth below.

**Issues**

Do you qualify for exemption under section 501(c)(3) of the Code? No, for the reasons explained below.

Do you meet the requirements under section 501(q) of the Code? No, for the reasons described below.

**Facts**

You were formed in the state of O on P. Your Articles of Incorporation state you are a

Letter 4034 (CG) (11-2011)  
Catalog Number 47628K

“foreclosure-defense referral firm helping homeowners locate the resources and services necessary to save their homes.” Your articles do not contain a dissolution clause. You have not adopted Bylaws.

You initially listed three individuals on your governing body, later changing that to only two: B and C. B is listed as your president, CEO, and owner.

You will be providing referral services for ‘any and all’ homeowners in the state of O, those in past due status, current status, or foreclosure. Your services are for any homeowners looking for assistance, there are no limitations, including financial, for who can participate. You do not solicit financial information from potential participants, asking them to complete only a five to seven question survey. You meet with clients only if they are a ‘walk-in’. You do not offer any workshops, classes or seminars. These are provided, however, by your affiliates.

The affiliates are E and F, two for-profit entities. You make client referrals to E and F in return for commission. F pays g dollars per referral including a 10% residual monthly payment per client. When asked specifically how many referrals you have made since your formation you stated, ‘many’, but also stated you refer 15-25 clients per month.

Both B and C are projected to receive compensation; however, you stated only B had just begun to receive compensation - “E and F only paid me (B) h and j dollars this year”.

You provided a contract showing you are a “contractor” and will market F’s services, obtain information from clients and maintain client contact. The contract was signed by B and D. While D is not on your governing body you indicated a connection with him as you are ‘carrying out the welcoming and forward the call for E and F managed by D’. You did not indicate you had a contract with E.

Your website includes the following statements:

We are a non-profit organization whose purpose is to help homeowners who cannot afford their monthly mortgage payment fight to keep their homes. We offer mortgage reduction through an affiliation of companies determined to face your lender on your behalf. If you are undergoing an eviction or foreclosure process, we can help! We guarantee you will remain in your home for 18 to 24 months while our attorneys negotiate a substantial reduction of your current principal mortgage. Also during this time you are not responsible for paying taxes or insurance on the home and you will not have to deal with your creditors, we will deal with them for you! As for your credit, no negative remarks will be reported during this period of time, being that you are taking legal actions regarding this

matter. Call us today and let our specialists take the tremendous pressure involve in this process off your shoulders. Results are guaranteed!

Are you a Victim of Deceptive Predatory Lending Practices? Is your value of your home UPSIDE DOWN? Fight Back against Deceptive and Predatory Loan Schemes! Find out if you may be a Victim of Mortgage Compliance Violations Involving Predatory, Deceptive, Discriminatory and Unfair Lending and Servicing Practices. These Unfair Lending Practices have placed thousands of Homeowners all over the United States into Non-Affordable Mortgage Programs.

If you are current on your monthly payments but want to have your principal mortgage reduced all you need to send us is four documents and we can review them for free. Once these documents are received our attorneys will search for evidence of predatory lending.

Did you know that 9 out of 10 people who have a "no document" or "stated income program" are victims of predatory lending? The service we offer is "THE" answer to the predatory lending that has hurt so many families. Again, we guarantee our services!

You provided only limited financial information to us. Your receipts on Form 1023 are only from investment income. When asked further about your sources of revenue you stated "my annual gross receipts is not over \$10000", and referred instead to the amounts E and F have paid B for commission. Your expenditures were for salaries and wages as well as occupancy and professional fees.

#### Law

Section 501(c)(3) of the Code provides that corporations may be exempted from tax if they are organized and operated exclusively for charitable or educational purposes and no part of their net earnings inures to the benefit of any private shareholder or individual.

Section 501(q) of the Code provides that organizations which provide "credit counseling services" as a substantial purpose shall not be exempt from taxation under section 501(a) unless they are described in sections 501(c)(3) or 501(c)(4) and they are organized and operated in accordance with the following requirements:

(A) The organization--

(i) provide credit counseling services tailored to the specific needs and circumstances of consumers,

(ii) makes no loans to debtors (other than loans with no fees or interest) and does not negotiate the making of loans on behalf of debtors,

(iii) provides services for the purpose of improving a consumer's credit record, credit history, or credit rating only to the extent that such services are incidental to providing credit counseling services, and

(iv) does not charge any separately stated fee for services for the purpose of improving any consumer's credit record, credit history, or credit rating.

(B) The organization does not refuse to provide credit counseling services to a consumer due to the inability of the consumer to pay, the ineligibility of the consumer for debt management plan enrollment, or the unwillingness of the consumer to enroll in a debt management plan.

(C) The organization establishes and implements a fee policy which--

(i) requires that any fees charged to a consumer for services are reasonable,

(ii) allows for the waiver of fees if the consumer is unable to pay, and

(iii) except to the extent allowed by State law, prohibits charging any fee based in whole or in part on a percentage of the consumer's debt, the consumer's payments to be made pursuant to a debt management plan, or the projected or actual savings to the consumer resulting from enrolling in a debt management plan.

(D) At all times the organization has a board of directors or other governing body-

(i) which is controlled by persons who represent the broad interests of the public, such as public officials acting in their capacities as such, persons having special knowledge or expertise in credit or financial education, and community leaders,

(ii) not more than 20 percent of the voting power of which is vested in persons who are employed by the organization or who will benefit financially, directly or indirectly, from the organization's activities (other than through the receipt of reasonable directors' fees or the repayment of consumer debt to creditors other than the credit counseling organization or its affiliates), and

(iii) not more than 49 percent of the voting power of which is vested in persons who are employed by the organization or who will benefit financially, directly or indirectly, from the organization's activities (other than through the receipt of reasonable directors' fees).

(F) The organization receives no amount for providing referrals to others for debt management plan services, and pays no amount to others for obtaining referrals of consumers.

Section 501(q)(2)(A)(i) provides that if an organization is described in section 501(c)(3) and is providing credit counseling services as a substantial purpose, it may be exempted from tax only if it does not solicit contributions from consumers during the initial counseling process or while the consumer is receiving services from the organization.

Section 501(q)(4)(A) defines, for purposes of section 501(q), the term "credit counseling services" to mean (i) the providing of educational information to the general public on budgeting, personal finance, financial literacy, saving and spending practices, and the sound use of consumer credit; (ii) the assisting of individuals and families with financial problems by providing them with counseling; or (iii) a combination of the activities described above.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations ("regulations") provides that, in order 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 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.

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 such 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(c)(3)-1(c)(2) of the regulations provides that 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(a)-1(c) of the regulations defines the words "private shareholder or individual" in section 501 of the Code to refer to persons having a personal and private interest in the activities of the organization.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations provides that an organization is not organized or operated exclusively for one or more exempt purposes unless it serves a public rather than a private interest. Thus, to meet the requirements of this subsection, it is necessary for an organization 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 Rev. Rul. 69-441, 1969-2 C.B. 115, the Service found that a nonprofit organization formed to help reduce personal bankruptcy by informing the public on personal money management and aiding low-income individuals and families with financial problems was exempt under section 501(c)(3) of the Code. The organization provided information to the public on budgeting, buying practices, and the sound use of consumer credit through the use of films, speakers, and publications. It aided low-income individuals and families who have financial problems by providing them with individual counseling, and if necessary, by establishing budget plans. The organization did not charge fees for counseling services or proration services and relied upon contributions, primarily from the creditors participating in the organization's budget plans, for its support. The Service found that the organization was relieving the poor and was instructing the public on subjects useful to the individual and beneficial to the community. Thus, the organization was exempt from federal income tax under section 501(c)(3) of the Code.

In Better Business Bureau of Washington, D.C. v. U.S., 326 U.S. 279, 283, 66 S. Ct. 112, 90 L. Ed. 67 (1945), the Supreme Court held that the "presence of a single . . . [nonexempt] purpose, if substantial in nature, will destroy the exemption regardless of the number or importance of truly . . . [exempt] purposes."

In Consumer Credit Counseling Service of Alabama, Inc. v. United States, 78-2 U.S.T.C. 9660 (D.D.C. 1978), the court held that an organization that provided free information on budgeting, buying practices, and the sound use of consumer credit qualified for exemption from income tax because its activities were charitable and educational.

The professional counselors employed by the organizations spent about 88 percent of their time in activities such as information dissemination and counseling assistance rather than those connected with the debt management programs. The primary sources of revenue for these organizations were provided by government and private foundation grants, contributions, and assistance from labor agencies and United Way. An incidental amount of their revenue was from service fees. Thus, the court concluded that "each of the plaintiff consumer credit counseling agencies was an organization described in section 501(c)(3) as a charitable and educational organization." See also, Credit Counseling Centers of Oklahoma, Inc. v. United States, 79-2 U.S. Tax Case. 9468 (D.D.C. 1979), in which the facts were virtually identical and the law was identical to those in Consumer Credit Counseling Service of Alabama, Inc. v. United States, discussed immediately above.

In People of God Community v. Commissioner of Internal Revenue, 75 T.C. 127 (1980), the court found that part of an organization's net earnings inured to the benefit of private individuals because their compensation was based on a percentage of the organization's gross receipts with no upper limit. The court held that the petitioner was

not exempt as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954.

In Easter House v. U.S., 12 Cl. Ct. 476, 486 (1987), aff'd, 846 F. 2d 78 (Fed. Cir.) cert. denied, 488 U.S. 907, 109 S. Ct. 257, 102 L. Ed. 2d 246 (1988), the court found an organization that operated an adoption agency was not exempt under section 501(c)(3) of the Code because a substantial purpose of the agency was a nonexempt commercial purpose. The court concluded that the organization did not qualify for exemption under section 501(c)(3) because its primary activity was placing children for adoption in a manner indistinguishable from that of a commercial adoption agency. The court rejected the organization's argument that the adoption services merely complemented the health related services to unwed mothers and their children. Rather, the court found that the health-related services were merely incident to the organization's operation of an adoption service, which, in and of itself, did not serve an exempt purpose. The organization's sole source of support was the fees it charged adoptive parents, rather than contributions from the public. The court also found that the organization competed with for-profit adoption agencies, engaged in substantial advertising, and accumulated substantial profits. Accordingly, the court found that the "business purpose, and not the advancement of educational and charitable activities purpose, of plaintiff's adoption service is its primary goal" and held that the organization was not operated exclusively for purposes described in section 501(c)(3).

In Airlie Foundation v. Commissioner, 283 F. Supp. 2d 58 (D.D.C., 2003), the court relied on the "commerciality" doctrine in applying the operational test. Because of the commercial manner in which this organization conducted its activities, the court found that it was operated for a non-exempt commercial purpose, rather than for a tax exempt purpose. As the court stated: Among the major factors courts have considered in assessing commerciality are competition with for profit commercial entities; extent and degree of below cost services provided; pricing policies; and reasonableness of financial reserves. Additional factors include, inter alia, whether the organization uses commercial promotional methods (e.g. advertising) and the extent to which the organization receives charitable donations.

In Solution Plus, Inc. v. Commissioner, T.C. Memo. 2008-21, the Tax Court held that a credit counseling organization was not exempt under section 501(c)(3) because it was not organized and operated exclusively for educational or charitable purposes and impermissibly served private interests. The organization did not have any meaningful educational program or materials for providing to people who contacted the organization, and its financial education seminars for students constituted an insignificant part of the organization's overall activities. The Court held that the organization's purposes were not educational because its "activities are primarily structured to market, determine eligibility for, and enroll individuals in DMPs." (Debt Management Plans) The Tax Court also held that the organization's purposes were not

charitable because "its potential customers are not members of a [charitable] class that are benefited in a 'non-select manner. The Tax Court further held the organization would operate for the private interests of its founder because the founder and spouse were the only directors, the founder was the only officer and employee, and his compensation was based in part on the organization's DMP sales activity levels. Finally, the Tax Court held that the facts in *Credit Counseling Services of Alabama v. United States*, 78-2 U.S.T.C. 9660 (D.D.C. 1978) "stand in stark contrast" because "the sale of DMPs is the primary reason for [Solution Plus's] existence, and its charitable and educational purposes are, at best, minimal."

### **Application of Law**

Section 501(c)(3) of the Code sets forth two main tests for an organization to be recognized as exempt. An organization must be both organized and operated exclusively for purposes described in section 501(c)(3) as specified in section 1.501(c)(3)-1(a)(1) of the regulations. You fail both tests.

### **Organizational Test**

To satisfy the organizational test an organization must have valid purpose and dissolution clauses in its organizing document. Your Articles provide that your specific purpose is to act as "a foreclosure-defense referral firm helping homeowners locate the resources and services necessary to save their homes." Your Articles do not limit your purposes to one or more exempt purposes. Therefore, you do not have a valid purpose clause. Your articles also do not contain a dissolution clause. Therefore, you do not meet the organizational test.

### **Operational Test**

To satisfy the operational test, an organization must establish that it is operated exclusively for one or more exempt purposes, as stated in section 1.501(c)(3)-1(c)(1) of the regulations. You failed to establish that you operate exclusively for one or more exempt purposes.

### ***Your Activities Are Not Educational***

You are a contractor for E and F. You conduct your activities only to satisfy your contract terms as specified in that contract. You do not conduct any educational activities such as seminars or workshops. You are distinguishable from the organizations in Consumer Credit Counseling Service of Alabama, *supra*, and Rev. Rul. 69-441 by the methodology you use to conduct your counseling activities. Unlike those organizations, you offer no counseling or planning sessions, and disseminate no information. You provided no evidence that your employee(s) does anything more than review a client's financial situation and refer them to E or F.

You do not operate a substantive on-going educational program. You do not dedicate any revenue to activities involving educational programs. You do not allocate any

expenses to training employees. Like the organization in Solution Plus, supra, you did not provide evidence that you help clients develop an understanding of the cause of their financial problems or a plan to address their financial problems. You provided no evidence that you intend to establish long-term counseling relationships with your clients. Your service consists of gathering a client's personal information as required by your contract with E or F for referral.

Your operational focus and efforts are on generating revenue in the form of fees from your referral services. You refer your clients to E or F per your contract agreements for a fee. Like the organizations described in Solution Plus, supra, Better Business Bureau, supra, and Easter House, supra, your activities have an underlying commercial motive. Thus, your activities are not educational within the meaning of section 501(c)(3).

#### *Your Activities Are Not Charitable*

Most of your time and resources are devoted to gathering a client's personal information for referral to E or F. F pays you a commission rate per each client referral. The information gathering for referral does not provide relief to the poor and distressed or serve any other purpose recognized as charitable. You state your services are available to anyone regardless of their financial situation.

You represent that you offer your services free of charge to your clients. Your services are referral services not support services. You submitted no evidence that you limit your services to low income individuals or to any charitable class of individuals. "All" is not synonymous with "poor and distressed". Accordingly, you are unlike the organizations described in Consumer Credit Counseling Service of Alabama, supra and Rev. Rul. 69-441, supra, which aided low-income individuals and families who have financial problems, thereby relieving the poor and distressed.

You are unlike the organizations in Consumer Credit Counseling Service of Alabama; supra, and Rev. Rul. 69-441, supra, even though you do not charge a fee to your clients. Your clients will be charged a fee by E or F. You, in turn, receive a referral fee from E or F. Thus, you failed to establish that your activities are charitable within the meaning of section 501(c)(3) of the Code.

#### *You Have a Substantial Nonexempt Commercial Purpose*

The courts have developed guidelines intended to help discern whether an organization has a substantial nonexempt commercial purpose. (See Easter House, Airlie) Generally, the factors proffered by courts focus on the nature of the activities and how an organization conducts its business.

Your activities consist of gathering individuals' personal information or data and referring such individuals to for-profit entities. Providing referral services for commission demonstrates that you are operating like a commercial organization

seeking to maximize profits, rather than a charitable or educational organization seeking to serve the public. Thus, similar to the organization in Easter House, the profit-making fee structure of your referral services overshadows any of your other purposes.

Your finance structure further demonstrates that you operate for a substantial nonexempt commercial purpose. You indicated that your main source of support is from the referral fees. There is also no evidence that you have received contributions or gifts from disinterested members of the public. Accordingly, you are unlike the organizations described in Consumer Credit Counseling Service of Alabama, supra, that received the bulk of their support from government and private foundation grants, contributions, and assistance from labor agencies and the United Way (only an incidental amount of their revenue was from fees). Your operations are financed only by commissions from E or F. As noted in Easter House, receiving support substantially from fees for services is indicative of a nonexempt purpose.

Like the organizations in Easter House or Airlie, you are in direct competition with commercial businesses because you conduct activities generally conducted for a profit. You conduct many of your activities in the same manner as commercial enterprises. Accordingly, your commercial activities evidence a substantial nonexempt commercial purpose.

The activities you identify as "educational" are merely incidental to your business of providing housing counseling. Thus, more than an insubstantial part of your activities is in furtherance of a nonexempt purpose, in contravention of section 1.501(c)(3)-1(c)(1) of the regulations. Therefore, you are not operated for an exempt purpose.

#### Inurement

Section 501(c)(3) of the Code and section 1.501(c)(3)-1(c)(2) of the regulations state that 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.

You receive a set commission per referral made as well as a monthly residual. You indicate no limits as to the compensation that could be earned as a result of this arrangement. You have two board members, both of whom were projected to receive compensation, and provided no evidence of compensation being decided without conflict of interest. Compensation without limits has been held to be inurement in People of God Community. Here, compensation is tied directly to the number of referrals made to E or F, directly benefitting B and/or C without set limits, resulting in inurement.

#### Private Benefit

An organization is not organized or operated exclusively for exempt purposes unless it

serves a public rather than a private interest as stated in section 1.501(c)(3)-1(d)(1)(ii) of the regulations. You are serving a private interest by providing referrals to individuals for a fee. Your clients are not limited to a charitable class. Anyone can benefit from your services if they want to improve their personal mortgage situation. Therefore, the benefit of the service provided does not serve an exempt purpose, nor is the benefit incidental because the referral services are main focus of the organization. The referral services relieve your clients of the responsibility of securing a referral to E and/or F while E and F both still benefit from those referrals. Therefore, you have not demonstrated that your operations serve a public rather than a private interest as required by section 1.501(c)(3)-1(d)(1)(ii) of the regulations.

#### Section 501(q) of the Code

An organization that provides educational information on financial topics or financial counseling is providing "credit counseling services" within the meaning of section 501(q)(4)(A) of the Code. Providing a credit counseling service and information regarding credit may fall within the parameters of the above definition. Thus, even if you had established that you engage in educational activities as a substantial purpose, to be exempt from taxation you must, in addition to complying with the requirements of section 501(c)(3), comply with the provisions of section 501(q). You do not comply with certain provisions of section 501(q) of the Code.

IRC section 501(q)(1)(D) states that credit counseling organizations must be governed by a board controlled by persons representing the broad interests of the public rather than by persons who benefit from the organization's activities. All of the voting power of your board of directors is vested in persons who are employed by or are related to you. More than 20% of the voting power of your board is vested in individuals who will benefit financially, directly or indirectly, from your activities (other than through the receipt of reasonable directors' fees or the repayment of consumer debt to creditors other than the credit counseling organization or its affiliates). In fact, all of your directors are paid or will be paid. Accordingly, you do not have a board of directors that is controlled by persons who represent the broad interests of the public as required by section 501(q)(1)(D)(i). You also fail to meet the requirements of sections 501(q)(1)(D)(ii) and (iii), which generally specify the percent of voting power that is allowed to be vested in financially interested persons.

Even though you do not charge a fee for your services from the clients you receive referral fees from for-profit entities per client. Section 501(q)(2)(A)(i) states that an organization providing credit counseling services as a substantial purpose may be exempted from tax only if it does not solicit contributions from consumers during the initial counseling process or while the consumer is receiving services from the organization.

You failed to establish that you provide educational information on financial topics or

financial counseling to homeowners who are at risk of foreclosure as an exclusive purpose. In addition, your failure to satisfy the requirements of section 501(q) prevents you from being exempt from taxation under section 501(a).

### **Conclusion**

Based on the facts and information provided, you are not organized or operated exclusively for exempt purposes. You fail both the organizational and operational tests, you are operated for commercial rather than educational or charitable purposes, and you are providing referral services to for profit affiliates. Your earnings will inure to insiders and you are serving private not public interests. Also, you do not meet the requirements of 501(q).

Accordingly, you do not qualify for exemption as an organization described in section 501(c)(3) of the Code and you must file federal income tax returns. Contributions to you are not deductible under section 170.

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. If your statement does not provide a basis to reconsider our determination, we will forward your case to our Appeals Office. You can find more information about the role of the Appeals Office in Publication 892, How to Appeal an IRS Decision on Tax Exempt Status.

*Types of information that should be included in your protest can be found on page 1 of Publication 892, under the heading Filing a Protest. The statement of facts (item 4) must be accompanied by the following declaration:*

*"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 relevant facts, and such facts are true, correct, and complete."*

*The declaration must be signed by one of your officers or trustees with personal knowledge of the facts.*

*Your protest will be considered incomplete without this statement.*

*If your representative submits a protest, a substitute declaration must be included stating that the representative prepared the protest and accompanying documents; and whether the representative knows personally that the statements of facts contained in the protest and accompanying documents are true and correct.*

An attorney, certified public accountant, or an individual enrolled to practice before the Internal Revenue Service may represent you during the appeal process. To be represented during the appeal process, 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](http://www.irs.gov), Forms and Publications.

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 to you. That letter will provide information about filing tax returns and other matters.

Please send your protest statement, Form 2848 and any supporting documents to the applicable address:

Mail to:

Internal Revenue Service  
EO Determinations Quality Assurance

Deliver to:

Internal Revenue Service  
EO Determinations Quality Assurance

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, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

Kenneth Corbin  
Acting Director, Exempt Organizations

Enclosure: Publication 892