



**Department of the Treasury
Internal Revenue Service**

P.O. Box 2508
Cincinnati, OH 45201

Number: **201739016**
Release Date: 9/29/2017

Date: July 3, 2017

Employer ID number:

Contact person/ID number:

Contact telephone number:

Form you must file:

Tax years: All

UIL: **501.03-30**

Dear :

This letter is our final determination that you don't qualify for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (the Code). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

Because you don't qualify as a tax-exempt organization under Section 501(c)(3) of the Code, donors can't deduct contributions to you under Section 170 of the Code. You must file federal income tax returns for the tax years listed at the top of this letter using the required form (also listed at the top of this letter) within 30 days of this letter unless you request an extension of time to file.

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection (as required under Section 6110 of the Code) 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 the Notice 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

We'll also notify the appropriate state officials of our determination by sending them a copy of this final letter and the proposed determination letter (under Section 6104(c) of the Code). You should contact your state officials if you have questions about how this determination will affect your state responsibilities and requirements.

If you have questions about this letter, you can contact the person listed at the top of this letter. If you have questions about your federal income tax status and responsibilities, call our customer service number at 1-800-829-1040 (TTY 1-800-829-4933 for deaf or hard of hearing) or customer service for businesses at 1-800-829-4933.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:

Notice 437

Redacted Letter 4036, *Proposed Adverse Determination Under IRC Section 501(c)(3)*

Redacted Letter 4038, *Final Adverse Determination Under IRC Section 501(c)(3) - No Protest*



**Department of the Treasury
Internal Revenue Service**

P.O. Box 2508
Cincinnati, OH 45201

Date: May 8, 2017

Employer ID number:

Contact person/ID number:

Contact telephone number:

Contact fax number:

Legend:

B = Name

C = LLC Name

D = Date

E = State

F = Social Media Websites

x dollars = Amount

UIL:

501.03-30

Dear _____ :

We considered your application for recognition of exemption from federal income tax under Section 501(a) of the Internal Revenue Code (the Code). Based on the information provided, we determined that you don't qualify for exemption under Section 501(c)(3) of the Code. This letter explains the basis for our conclusion. Please keep it for your records.

Issues

- 1) Do you meet the operational test for exemption under Section 501(c)(3) of the Code? No, for the reasons described below.
- 2) Do you meet the provisions described in Section 501(q) of the Code? No, for the reasons described below.

Facts

You incorporated as a non-profit corporation under the state law of E on date D. Your Articles of Incorporation filed with E indicate you are organized pursuant to the E Nonprofit Corporation Code.

You also submitted another document titled Articles of Incorporation which were not filed with E. This document states your purposes are:

1. Originating loans to assist individuals seeking help with mortgage financing, credit counseling, and helping those who are disenfranchised.
2. Helping members in the community with their mortgage needs, through special programs and projects.

You attested that you amended your Articles to include required Section 501(c)(3) language; however, to this date there is no evidence of such an amendment on the Secretary of State website and it actually indicates you are administratively dissolved.

Your founder and president, B, is the owner of C, a for profit business providing financial consulting services. You stated that there will be no relationship or referrals between you and B's for profit business, C. B is experienced with loan modifications and also has ten years of experience as a senior mortgage broker and four years of experience as a mortgage advisor. B is currently your sole employee and based on your financial data, will receive x dollars as compensation. Besides B, you have two other individuals on your board of directors.

When we asked you to describe your activities, you responded that you will originate loans for first-time homebuyers at par rate and assist low income individuals to qualify them in purchasing their homes, by using all down-payment assistant programs, and closing cost programs. You explained that the par rate is the lowest interest rate given by Wall Street every morning as a reference point for mortgage lenders. Banks may increase the rate as they wish for whatever product they are offering. In addition, you will also provide comprehensive counseling to homeowners having difficulties making their mortgage payment including establishing payment agreements and working with homeowners to avoid foreclosure.

Moreover, you stated that your loan origination program is open to the general public Monday through Friday during regular business hours. Any individual regardless of income may participate in your loan origination program. You indicated that you will not charge a fee to any individual seeking to obtain a home loan. Additionally, you will not make any solicitations for public donations and that none of your income will be derived from the general public. Instead, you stated that your income will be from broker fees paid to you from lenders for the loans you originate on their behalf. You provided that you will charge lenders a loan origination fee of one percent of loan value on each loan you broker. You also indicated that you hope to eventually do in-house processing of loans.

Concerning the step-by-step process for your loan origination program, numerous realtors with whom B has worked with for many years will provide you a list of their clients needing a mortgage. You indicated that the mortgage process has guidelines which must be followed and will take effect once you start operations. Either B or other loan officers whom B has known for several years will conduct this activity. Some of the loan officers will also be coming to work for you. When B originates the loan, he will follow the process from start to finish. When others are originating the loan, the file must be approved by B or the sales manager before the process can be completed. Your loan origination program is done through an application process that either qualifies an individual or disqualifies them. You will require the same financial information from your borrowers as a regular mortgage would require. This information consists of proof of income or check stubs from last year, proof of stocks and bonds if any, proof of second income if any and bank statements for the last three months. After one's loan application is reviewed, the applicant is presented with a letter explaining the status concerning whether the applicant qualifies and then you go from there.

You will advertise and receive referrals through churches, social media, word of mouth through realtors and loan officers, and school teachers' meetings. In addition, when affordable you will advertise through local papers. You will also advertise on F. You will not receive customer referrals through the purchase of notice default lists, mortgage lists or lead lists and you will not be paid to give referrals to any institution.

You stated that you will provide financial counseling/seminars to the general public freely along with other programs to properly prepare borrowers for the challenges of home ownership. You will provide a home buyers' seminar that details the responsibilities of home ownership, as well as the pitfalls and challenges to expect. You will offer literature to the public and have experienced professionals in the real estate, mortgage, and legal areas lecture from time-to-time. In addition, you will have experienced professionals conduct seminars for loss mitigation, credit counseling, loan modification, foreclosures and how to negotiating payments with mortgage companies on your payments. Additionally, you indicated that your excess revenues over expenses will be used to conduct classes in the following subjects:

- a. First time home buyers seminars;
- b. Credit counseling;
- c. Loan modification training programs;
- d. Bankruptcy training/counseling;
- e. Foreclosure counseling;
- f. Helping borrowers negotiate payment arrangements of their mortgages
- g. Loss mitigation.

When we asked you if you require counseling participants to engage in ongoing educational programs during the course of their counseling, you responded that "We are not yet legal and therefore have not prepared any of these yet. We must first have the legal rights to operate before we can start spending money on the creations of all these programs and at that time we will be glad to furnish your office with copies of all documents you need."

When we asked you to state the number of time you meet with a borrower before recommending a particular approach and the average amount of time your counselors spend in speaking with each borrower during an initial inquiry and during subsequent follow-up inquiries, you replied that "All that is not yet prepared, we must have legal rights to operate before preparing all these documents."

When we asked you to state the percentage of time and money that is spent on any workshops, classes, seminars on mortgage foreclosure intervention, financial counseling, mortgage loss mitigation, consumer budgeting assistance, or other educational programs, you stated that "These sessions have not started yet and therefore I cannot give you any time or money spent on them."

It was first stated that your revenue will be from gifts, grants, and contributions, but you later clarified that your revenues would be from broker fees paid to you from lenders for the loans that you originate on their behalf. You stated that you will charge lenders a loan origination fee of one percent of the loan value on each loan that you broker and that these fees will fund your operations. Your expenses will be compensation to officers, directors, and trustees and occupancy expenses. You have not allocated time or resources to education or counseling of the public. Your financial data does not show that you dedicate any revenues to activities involving educational or counseling programs or allocate any expenses to the training of employees to provide educational or counseling programs.

Law

Section 501(c)(3) of the Internal Revenue Code provides that corporations may be exempt 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:

(1)(A) The organization--

- (i) provides 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.

(1)(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.

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

- (i) requires 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.

(1)(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).

Section 501(q)(4)(A) of the Code 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.

Treasury Regulation Section 1.501(c)(3)-1(e)(1) states an organization may qualify for tax exemption under IRC § 501(c)(3) although it operates a trade or business as a substantial part of its activities,

1. if the operation of such trade or business is in furtherance of the organization's exempt purpose or purposes
2. and also if the organization is not organized or operated for the primary purpose of carrying on an unrelated trade or business, as defined in Section 513 of the Code.

Treas. Reg. Section 1.501(c)(3)-1(a)(1) 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.

Treas. Reg. Section 1.501(c)(3)-1(c)(1) 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 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.

Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i) provides that the term "educational," as used in section 501(c)(3) of the Code, relates to:

- (a) The instruction or training of the individual for the purpose of improving or developing his capabilities; or
- (b) The instruction of the public on subjects useful to the individual and beneficial to the community.

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. Its board of directors was comprised of representatives from religious organizations, civic groups, labor unions, business groups, and educational institutions.

In Better Business Bureau of Washington, D.C. v. U.S., 326 U.S. 279, (1945) the Supreme Court held that the “presence of a single [non-exempt] purpose, if substantial in nature, will destroy the exemption regardless of the number or importance of truly [exempt] purposes.

In B.S.W. Group, Inc. v. Commissioner, 70 T.C. 352 (1978), the Tax Court found that a corporation formed to provide consulting services did not satisfy the operational test under Section 501(c)(3) of the Code because its activities constituted the conduct of a trade or business that is ordinarily carried on by commercial ventures organized for profit. Its primary purpose was not charitable, educational, or scientific, but rather commercial. In addition, the court found that the organization's financing did not resemble that of the typical section 501(c)(3) organizations. It had not solicited, nor had it received, voluntary contributions from the public. Its only source of income was fees from services, and those fees were set high enough to recoup all projected costs and to produce a profit.

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.

In Easter House v. U.S., 12 Cl. Ct. 476, 486 (1987), *aff'd*, 846 F.2d 78 (Fed. Cir. 1988), the Claims Court found an organization that operated an adoption agency was not exempt because a substantial purpose of the agency was a non-exempt commercial purpose. The court concluded that the organization did not qualify for exemption under section 501(c)(3) of the Code 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 incidental 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 Living Faith, Inc. v. Commissioner, 950 F.2d 365 (1991), the Court of Appeals upheld a Tax Court decision that an organization operating restaurants and health food stores in a manner consistent with the doctrines of the Seventh Day Adventist Church did not qualify for exemption under section 501(c)(3) of the Code because the organization was operated for a substantial non-exempt commercial purpose. The court found that the organization's activities were “presumptively commercial” because the organization was in competition with other restaurants, engaged in marketing, and generally operated in a manner similar to commercial businesses.

In Airlie Foundation v. Internal Revenue Service, 283 F. Supp. 2d 58 (D.D.C., 2003), the District 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, among other things, whether the organization uses commercial promotional methods (e.g., advertising) and the extent to which the organization receives charitable donations."

Application of Law

Organizational and Operational Tests

Section 501(c)(3) of the Internal Revenue 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) of the Code and Treas. Reg. Section 1.501(c)(3)-1(a)(1). You provided questionable evidence that you met the organizational test and you failed the operational test.

Your primary activity is to operate as a mortgage broker to originate loans and serve as an intermediary between the borrower and the lender. As a mortgage broker, you are compensated by the lender a fee of one percent of the loan value on any mortgage loans you broker. Operating as a mortgage broker for a fee on a regular and continuous basis is an unrelated trade or business for profit within the meaning of Section 513 of the Code. Pursuant to Treas. Reg. Section 1.501(c)(3)-1(e)(1), you do not meet the requirements for recognition of tax exemption under Section 501(c)(3) of the Code as your primary purpose is the operation of an unrelated trade or business for profit within the meaning of Section 513 of the Code.

To satisfy the operational test, an organization must be operated exclusively for one or more 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. Treas. Reg. Section 1.501(c)(3)-1(c)(1). As a mortgage broker, rather than serving the public at large, you assist lenders in finding borrowers for their products and services. Operating as a mortgage broker for a fee from lenders does not serve an exempt purpose. Thus, you are not engaged primarily in activities which accomplish one or more of the exempt purposes specified in Section 501(c)(3) of the Code, and more than an insubstantial part of your activities is not in furtherance of an exempt purpose. Therefore, you are not operated exclusively for an exempt purpose as provided in Section 501(c)(3) of the Code and you fail the operational test as provided in Treas. Reg. Section 1.501(c)(3)-1(c)(1).

Specifically, you are operated for a substantial nonexempt purpose in contravention of the requirements of Treas. Reg. Section 1.501(c)(3)-1(c)(1). In Better Business Bureau of Washington, D.C., Inc., the United States Supreme Court provided 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." Since your primary purpose is the conduct of an unrelated trade or business for profit, by operating as a mortgage broker, you serve a substantial nonexempt purpose, which precludes tax exemption under Section 501(c)(3) of the Code.

Applying the factors cited in Airlie Foundation, Inc., you are operated for a substantial nonexempt commercial purpose. As a mortgage broker, you are in direct competition with other mortgage brokers in the industry that provide services to lenders in exchange for a fee. You provide a service to lenders for which you are compensated at market rates. You charge lenders a loan origination fee of one percent of loan value on each loan that you broker. In addition, you will advertise your services on F and possibly through the local newspapers. You will make no solicitations for funding from the public. You will receive zero funding from public donations or grants. You are solely funded by broker fees you receive from lenders for loan origination

services you provide on their behalf. Thus, you meet most of the factors provided in Airlie Foundation, Inc. indicating that you are operated for a substantial nonexempt commercial purpose.

You are similar to the organizations described in B.S.W. Group, Inc., Easter House, and Living Faith because you are operating for a substantial nonexempt commercial purpose rather than for a tax-exempt purpose. You are in direct competition with other mortgage brokers in the mortgage loan industry. Like a commercial for profit business, you are open to the general public Monday through Friday during regular business hours. Your loan origination services are available to anyone in the general public. Your borrowers are not limited to a charitable class of individuals. Your borrowers however, must qualify for your loan origination services based on the financial information they provide.

Your Activities Are Not Educational

You do not operate a substantive, ongoing counseling or public educational program. You have not demonstrated that your activities are described in Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i). You stated that you will provide educational programs and counseling but you were unable to provide details of any programs you may offer. You only provided a list of possible subjects that you may cover and that experts from time to time will present these programs. When we asked you the amount of time and resources you will spend on counseling and educational activities, you stated that as you have not started these activities, you are unable provide us the amount of time or resources you will spend on these activities. In addition, your financial information only shows resources devoted to the salary of a director and rent. Your budgets show that you have no financial resources devoted to counseling or educational activities.

You have not shown that your activities are designed to provide instruction or training “useful to the individual and beneficial to the community” within the meaning of Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i). Thus, you are not operated exclusively for educational purposes within the meaning of Section 501(c)(3) of the Code.

You are not like the organizations in Consumer Credit Counseling Service of Alabama and Rev. Rul. 69-441 because you have not shown that you provide educational programs that are structured to improve the borrower’s understanding of their financial problems or their skills in solving them. Your goal is to determine if borrowers are eligible for your loan origination services.

Section 501(q) of the Code

You do not meet the requirements of Section 501(q) of the Code because you do not provide credit counseling services tailored to the specific needs and circumstances of consumers as described in Section 501(q)(1)(A)(i) of the Code. You do not conduct initial or follow-up meetings with potential borrowers to gather information to understand their particular financial situation or needs, or to council individuals on how to improve their financial situations. Your goal is gather financial information only to the extent to determine a potential borrower’s eligibility for your loan origination services.

You also do not comply with Section 501(q)(1)(A)(ii) of the Code. You are negotiating loans on behalf of debtors for which you are compensated by the lender at a rate of one percent of the total loan value. Therefore, you fail to meet the requirement of section 501(q)(1)(A)(ii) of the Code.

Furthermore, you do not meet Section 501(q)(1)(D)(ii) of the Code because your founder/president is a compensated employee and is one of your three board members. Your governing body does not comply with Section 501(q)(1)(D)(ii) of the Code that requires that at all times the organization must have a board of directors or other governing body 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, because one out of three of your board members will benefit financially from your operation.

Therefore, had you established that you otherwise met the requirements of section 501(c)(3), your failure to satisfy the requirements of Section 501(q) of the Code would prevent you from being exempt from taxation under Section 501(a) of the Code.

Your position

You stated that you have already submitted the information in your application and reasoning based in law explaining how you are organized and operated exclusively for the purposes described in Section 501(c)(3) of the Code. You stated you have spoken to the Service and re-iterated how your activities and operations comply with the requirements under Section 501(c)(3) of the Code. You stated that it is beyond your understanding why there is a delay in granting the tax-exempt status for your organization.

Our response to your position

Your primary activity is to provide mortgage broker services to lenders for a fee. You are not operated exclusively for a tax-exempt purpose under Section 501(c)(3) of the Code. You are operated for a substantial nonexempt purpose rather than a tax-exempt purpose as specified under Section 501(c)(3) of the Code. You fail the operational test as described in Treas. Reg. Section 1.501(c)(3)-1(c)(1).

Conclusion

We hold that you do not meet the requirements for recognition of tax exemption under Section 501(c)(3) of the Code. You are not operated exclusively for a tax-exempt purpose as specified under section 501(c)(3) of the Code. As your primary purpose is to serve as a mortgage broker on behalf of lenders for a fee, you are operated for a substantial nonexempt purpose. Moreover, exemption under Section 501(c)(3) of the Code is precluded because your primary purpose is the operation of an unrelated trade or business as defined under Section 513 of the Code. Furthermore, you do not operate a substantive, ongoing program of public education or counseling, and you do not meet the requirements of Section 501(q) of the Code.

If you don't agree

You have a right to file a protest if you don't agree with our proposed adverse determination. To do so, you must send a statement to us within 30 days of the date of this letter. The statement must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A copy of this letter highlighting the findings you disagree with
- An explanation of why you disagree, including any supporting documents
- The law or authority, if any, you are relying on

- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization, or your authorized representative
- One of the following declarations:

For an officer, director, trustee, or other official who is authorized to sign for the organization:

Under penalties of perjury, I declare that I 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.

For authorized representatives:

Under penalties of perjury, I declare that I prepared 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.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, *Power of Attorney and Declaration of Representative*, with us if he or she hasn't already done so. You can find more information about representation in Publication 947, *Practice Before the IRS and Power of Attorney*.

We'll review your protest statement and decide if you provided a basis for us to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't provided a basis for reconsideration, we'll forward your case to the Office of Appeals and notify you. 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*.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court at a later date because the law requires that you use the IRS administrative process first (Section 7428(b)(2) of the Code).

Where to send your protest

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

U.S. mail:

Internal Revenue Service
EO Determinations Quality Assurance
Room 7-008
P.O. Box 2508
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Room 7-008
Cincinnati, OH 45202

You can also fax your statement and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that he or she received it.

If you agree

If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

You can find all forms and publications mentioned in this letter on our website at www.irs.gov/formspubs. If you have questions, you can contact the person listed at the top of this letter.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosure:
Publication 892