



Department of the Treasury  
Internal Revenue Service  
Tax Exempt and Government Entities  
PO Box 2508  
Cincinnati, OH 45201

Date:  
February 8, 2022  
Employer ID number:

Form you must file:

Tax years:

Person to contact:  
Name:  
ID number:  
Telephone:

Number: 202218026  
Release Date: 5/6/2022

501.00-00, 501.03-00, 501.03-30, 501.35-00

Dear :

This letter is our final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3). 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 IRC Section 501(c)(3), donors generally can't deduct contributions to you under IRC Section 170.

We may notify the appropriate state officials of our determination, as required by IRC Section 6104(c), by sending them a copy of this final letter along with the proposed determination letter.

You must file the federal income tax forms for the tax years shown above within **30 days** from the date of this letter unless you request an extension of time to file. For further instructions, forms, and information, visit [www.irs.gov](http://www.irs.gov).

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection after deleting certain identifying information, as required by IRC Section 6110. Read the enclosed Letter 437, Notice of Intention to Disclose Rulings, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in the Letter 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

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

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures:

Letter 437

Redacted Letter 4034

Redacted Letter 4038



Department of the Treasury  
 Internal Revenue Service  
 PO Box 2508  
 Cincinnati, OH 45201

Date: December 14, 2021

Employer ID number:

Person to contact:

Name:  
 ID number:  
 Telephone:  
 Fax:

**Legend:**

B -- Date  
 C = State  
 D = City  
 x dollars = amount

**UIL:**

501.00-00  
 501.03-00  
 501.03-30  
 501.35-00

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

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

**Issues**

Do you qualify for exemption under IRC Section 501(c)(3)? No, for the reasons stated below.

**Facts**

You submitted Form 1023-EZ Streamline Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

You attest that you were incorporated on B in C. You also attest that you are organized and operated exclusively to further charitable and educational purposes and that you have not conducted and will not conduct prohibited activities under Section 501(c)(3).

Your mission as stated on the Form 1023-EZ is, "To create a sense of community, togetherness and education for members to exist and thrive as \_\_\_\_\_ in the legal profession; to provide freedom, support and resources to overcome unique issues in both personally and professionally".

Your Certificate of Formation states that your purpose is to perform one or more activities within the meaning of IRC Section 501(c)(6). Specifically, 1) Sanctuary - to create a sense of community and togetherness for members to simply be themselves without judgement or indictment, to provide freedom to honestly deal with \_\_\_\_\_ issues in our members personal and professional lives and 2) \_\_\_\_\_ to enrich the quality of life for \_\_\_\_\_ through encouragement and mentorship; to uplift our

members both spiritually, mentally and emotionally; to empower our members to better manage their personal and professional lives.

During review of your Form 1023-EZ, we sent a request for information regarding your activities to supplement the above information.

You responded that you “provide refuge for \_\_\_\_\_ who face nuanced challenges in the legal environment, career opportunities and a forum for professional networking, and a platform for professional development, mentorship, and sponsorship”. Your members include local judges, law professors, district attorneys, city attorneys, in-house counsel, outside counsel, solo practitioners, diversity and inclusion practitioners, legal consultants, and governmental attorneys.

Your activities include providing professional and leadership development programming, networking events, mentorship and sponsorship, and career advancement opportunities. You conduct approximately 10-25 events per year throughout the greater D area. Funds are raised via individual donations, law firm sponsorships, and membership dues (which are x dollars annually). Your website lists various luncheons and other networking events attended by members.

In a later response, you provided the following breakdown of your activities:

- Fundraising: 30% of your time is spent on fundraising for the organization through individual donors, corporate organizations and law firms, and membership dues.
- Education: 40% of your time is spent on providing professional development through educational programs, initiatives, and workshops.
- Social: 40% of your time is spent planning and executing social events for networking, relationship building, and organizational development purposes.

#### **Law**

IRC Section 501(c)(3) provides for the exemption from federal income tax of organizations organized and operated exclusively for religious, charitable, or other purposes as specified in the statute. No part of the net earnings may inure to the benefit of any private shareholder or individual.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) states that in order to qualify under IRC Section 501(c)(3), 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 or operational test, it is not exempt.

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

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 of such exempt purposes specified in IRC Section 501(c)(3). 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)(2) provides the term “charitable” is used in IRC Section 501(c)(3) in its generally accepted legal sense and includes relieving the poor and distressed or the underprivileged, combating community deterioration, lessening neighborhood tensions, and eliminating prejudice and discrimination.

Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i) provides that the term “educational,” as used in IRC Section 501(c)(3), relates to the instruction or training of the individual for the purpose of improving or developing his capabilities or the instruction of the public on subjects useful to the individual and beneficial to the community.

In Revenue Ruling 71-504, 1971-2 C.B. 231, a city medical society exempt under IRC Section 501(c)(6), that primarily directs its activities to the promotion of the common business purposes of its members may not be reclassified as an educational or charitable organization under Section 501(c)(3). The society was created for the purpose of promoting the art of medicine, the betterment of public health, and the unity, harmony, and welfare of members of the medical profession. Membership is open to all doctors in the community. Activities included presentations on new procedures and clinical care, an extensive library of medical books for use by members, a monthly medical journal, supporting medical education and local health programs, a patient referral service for members, meetings concerned with matters affecting the promotion and practice of medicine and enhancing and improving the public image of the medical profession. While some of the society’s activities are charitable or educational, several are instead directed primarily at the promotion of the medical profession and thus further the common business purposes of its members.

In Better Business Bureau of Washington, D.C., Inc v. United States, 326 U.S. 279 (1945), the Supreme Court of the United States interpreted the requirement in IRC Section 501(c)(3) that an organization be “operated exclusively” by indicating that an organization must be devoted to exempt purposes exclusively. The presence of a single non-exempt purpose, if more than insubstantial in nature, will destroy the exemption regardless of the number and importance of truly exempt purposes.

#### **Application of law**

IRC Section 501(c)(3) sets forth two main tests for qualification of exempt status. Per Treas. Reg. Section 1.501(c)(3)-1(a)(1), an organization must be both organized and operated exclusively for purposes described in Section 501(c)(3).

Your organizing document states that your purpose is to perform one or more activities within the meaning of IRC Section 501(c)(6). As explained in Treas. Reg. Section 1.501(c)(3)-1(b)(1)(i), you do not meet the organizational test because your articles do not limit your purposes to one or more exempt purposes under IRC Section 501(c)(3).

You do not meet the operational test of Treas. Reg. Section 1.501(c)(3)-1(a)(1). You are not operating “exclusively” for exempt purposes as required by Treas. Reg. Section 1.501(c)(3)-1(c)(1). Furthering the interests of your members in the legal profession and providing social events for member networking, relationship-building, and career advancement constitute a substantial, non-exempt purpose. These purposes and activities are not charitable per Treas. Reg. Section 1.501(c)(3)-1(d)(2) or educational per Treas. Reg. Section 1.501(c)(3)-1(d)(3)(i).

Like the organization in Rev. Rul. 71-504, some of your activities may be educational or charitable. However, several such as your social, networking, relationship-building, and career advancement activities, do not further

“exclusively” exempt purposes. Thus, like the organization in Better Business Bureau, you have a substantial non-exempt purpose that destroys exemption regardless of the number and importance of truly exempt purposes.

### **Conclusion**

Based on the information submitted, you do not qualify for exemption under IRC Section 501(c)(3). You do not meet the organizational test because your articles do not limit your purposes to one or more exempt purposes. You do not meet the operational test because you are operated for a substantial non-exempt purpose.

### **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.

### **If you don't agree**

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

- Your name, address, employer identification number (EIN), and a daytime phone number
- A statement of the facts, law, and arguments supporting your position
- A statement indicating whether you are requesting an Appeals Office conference
- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization or your authorized representative
- The following declaration:

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

Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the request or the modification contains all relevant facts relating to the request, 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 they haven'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 gave us a basis to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't given us a basis for reconsideration, we'll send your case to the Appeals Office and notify you. You can find more information in Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

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

### **Where to send your protest**

Send your protest, Form 2848, if applicable, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service  
EO Determinations Quality Assurance  
Mail Stop 6403  
PO Box 2508  
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service  
EO Determinations Quality Assurance  
550 Main Street, Mail Stop 6403  
Cincinnati, OH 45202

You can also fax your protest 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 they received it.

You can get the forms and publications mentioned in this letter by visiting our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800 TAX FORM (800 829 3676). If you have questions, you can contact the person listed at the top of this letter.

**Contacting the Taxpayer Advocate Service**

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or if you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit [www.taxpayeradvocate.irs.gov](http://www.taxpayeradvocate.irs.gov) or call 877-777-4778.

Sincerely,

Stephen A. Martin  
Director, Exempt Organizations  
Rulings and Agreements