



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

Number: **200606044**

Release Date: 2/10/06

SE:T:EO:RA:T:1

UIL: 501.00-00

Date: 11/14/05

Contact Person:

Identification Number:

Contact Number:

Employer Identification Number:

Form Required To Be Filed:
1120

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. Due to the disruption of the hurricane, we granted you additional time to respond. Because we have not received a protest, and your representative confirmed in a telephone conversation that you did not intend to protest, the proposed adverse determination is now final.

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.

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,

Lois G. Lerner
Director, Exempt Organizations
Rulings & Agreements

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 6, 2005

Contact Person:

Identification Number:

Contact Number:

Employer Identification Number:

Legend:

You or X =

Dear _____ :

We have considered your application for recognition of exemption from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). Based on the information submitted, we conclude that you have failed to establish a basis for exemption under that section.

Facts

Two brothers and their father incorporated you in May 2002 under the nonprofit laws of your state for the purpose of "debt management and negotiation," according to your original Articles of Incorporation. In July of 2003, you amended the articles to include a statement that your purposes are "exclusively religious, charitable, scientific, literary or educational within the meaning of...section 501(c)(3)." The amendments also added clauses covering dissolution and proscriptions of inurement and political action, among others.

Since your incorporation, you have been operating as a debt negotiator. The descriptions of your activities in your application and in your communication of February 7, 2005 give a detailed picture of your activities. After signing a contract, your clients direct payments on their credit card debt to you rather than to their creditors. You keep the first month's payment as an initial installment of your fee, and then accumulate your client's funds until you have a sufficient amount to proffer in satisfaction of the debt. Your literature and website describe a negotiation process, but there may be less negotiation involved than you admit to your customers. In your narrative description of activities in your application, you suggest that you are seeking exempt

status because exempt organizations “have access to pre-negotiated rates with various creditors.”

You are entirely funded by fees, and do not contemplate a fundraising program in the future. The fee that you charge for this service is “25% of the savings resulting after a 50% reduction of the total amount of debts under management. In certain cases an additional contingent fee may be charged if the total debt reduction is in excess of 50% of the debts under management.” (Application) After the first payment, clients’ monthly payments are allocated 22.5 % to you and 77.5% applied towards funding settlement of creditor claims. As a part of the contract, the clients agree that you can withdraw money from their “creditor reserve funds” to pay any fees when there are insufficient funds to pay fees due.

The following description of your organization and operations is taken from your correspondence of February 7, 2005. You obtain clients primarily through purchased leads, for which you spend an average of \$2500 per month for 150 contacts. Many of the leads are purchased from credit card companies, such as Visa and American Express. A few clients approach you through your website.

The Sales department is the primary point of contact for new and prospective clients...from one to three highly trained people calling purchased leads, responding to web inquiries, and working with new clients to see that they are fully prepared to make the most of their program...manager and/or sales people are paid a commission based on the client’s level of debt. No part of these commissions is paid to any director of the company.

Sales people determine whether a potential client is eligible for the program by comparing income to debt and other financial responsibilities. You do not accept those who cannot handle the monthly payments, which you calculate as those who make less than \$2,200 a month in pre-tax income. As a “matter of policy,” you do not work with clients who have less than \$15,000 in unsecured debt, or who are unemployed. Clients are given some basic information about other ways of handling debt such as credit counseling, bankruptcy, loans, and self-payment, and those who do not qualify are given recommendations that they “look into solutions ranging from bankruptcy to simply contacting their creditors for relief.” In your correspondence of August 4, 2005, you said that if “a caller is found to owe less than this amount, our employees will supply information on credit council ling [sic] and direct the individual to search the internet or government sources for methods of budgeting and repaying debts.” You estimate that only about 120 people that you speak to each year ultimately become clients.

The Managing Director, assisted by the Customer Service Manager, contacts creditors and negotiates settlements. Employees are required to sign a confidentiality and non-compete agreement. It explicitly refers to “information, trade secrets or know-how...relating to X, its present or future products, technologies, sales, customers, employees, investors, prospects markets or businesses...in which there is a proprietary interest and that there is a legitimate business reason for guarding against unauthorized use or disclosure.” It contains agreement to liquidated damages of \$250,000 for disclosure of such information and express waiver of rights to contest an injunction against violation of the non-compete clauses.

There is no financial education material on your website, and you have not described any education provided by your employees, either through public seminars, or through counseling to individuals. Your managing director worked for a credit card issuer as collections manager, and your sales director has worked with several credit counseling organizations as a “salesperson/counselor.”

Neither your trust nor your operating accounts have been audited by an independent party.

The contract that you use with your clients includes a paragraph that refers to “my attorneys...whom I have engage [sic] separately to assist me and X...” The package of client materials that you provided also includes a contract with a law firm. The contract asserts that its purpose is “to assist you and your agent, X, who you have advised us that you have engaged separately as your agent to reduce, settle, and otherwise use their best efforts to compromise your debts with your creditors.” In correspondence dated August 4, 2005, you stated that you do not provide any compensation to the attorney, nor share any fees with him or his firm. He assists your clients in reducing calls from collection agents, and provides “an hour of free consultation to any client who desires it for help with credit and financial matters.” You stated that you have not considered working with or referring clients to other attorneys because this one has worked with your clients for a long time and you have had no complaints about his services.

Law

Section 501(c)(3) of the Code exempts from federal income tax corporations organized and operated exclusively for charitable, educational, and certain other enumerated purposes, provided that no part of the net earnings inure to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations provides that, in order to be exempt as an organization described in 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 test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(b)(1)(i) of the regulations provides that an organization is organized exclusively for one or more exempt purposes only if its articles of organization:

- (a) Limit the purposes of such organization to one or more exempt purposes; and
- (b) Do not expressly empower the organization to engage, otherwise than as an insubstantial part of its activities, in activities that in themselves are not in furtherance of one or more exempt purposes.

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). 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) defines the words “private shareholder or individual” in section 501 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 requires an applicant organization to show that it serves a public rather than a private interest and specifically 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.

Section 1.501(c)(3)-1(d)(2) of the regulations provides that the term “charitable” is used in section 501(c)(3) of the Code in its generally accepted legal sense and includes the relief of the poor and distressed or of the underprivileged as well as the advancement of education.

In Better Business Bureau of Washington, D.C., Inc. v. United States, 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. The Court found that the trade association had an “underlying commercial motive” that distinguished its educational program from one carried out by a university.

In American Institute for Economic Research v. United States, 302 F. 2d 934 (Ct. Cl. 1962), the court considered an organization that provided analyses of securities and industries and of the economic climate in general. It sold subscriptions to various periodicals and also services providing advice for purchases of individual securities. The court noted that education is a broad concept, and assumed, for the sake of argument, that the organization had an educational purpose. However, it held that the organization had a significant non-exempt commercial purpose that was not incidental to the educational purpose, and therefore the organization was not entitled to exemption.

In B.S.W. Group, Inc. v. Commissioner, 70 T.C. 352 (1978), the court found that a corporation formed to provide consulting services was not exempt under section 501(c)(3) 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, nor scientific, but commercial. The court found that the corporation failed to demonstrate that its services were not in competition with commercial businesses. In addition, the court found that the organization’s financing did not resemble that of the typical 501(c)(3) organization. It had not solicited, nor had it received, voluntary contributions from the public. Its only source of income was from fees from services, and those fees were set high enough to recoup all projected costs, and to produce a profit. Moreover, it did not appear that the corporation ever planned to charge a fee less than “cost.” And finally, the corporation had failed to limit its clientele to organizations that were section 501(c)(3) exempt organizations.

In Easter House v. U.S., 12 Ct. Cl. 476 (1987), aff’d 846 F. 2d 78 (Fed. Cir 1988), the court found that adoption services were the primary activity of the organization. In deciding that the organization conducted adoption services for a business purpose rather for a charitable purpose, the court considered the manner in which the organization operated. The record established a number of factors that characterize a commercial activity and which were evident in the operations of Easter House also. The court determined that the organization competed with other commercial organizations providing similar services; fees were the only source of revenue; it accumulated very substantial profits, because it set its fees in order to generate a profit; the accumulated capital was substantially greater than the amounts spent on charitable and educational activity; and the organization did not solicit and did not plan to solicit contributions. The court also found a corporate-type structure in the classes of memberships (including a single life member having inherent power that the holder could transfer like stock), and dependence on paid employees.

In Living Faith, Inc. v. Commissioner, 950 F. 2d 365 (7th Cir. 1991) aff’g 70 T.C. 352 (1978), the court held that a vegetarian restaurant and health foods store that adhered to the

principles of the Seventh Day Adventist Church was not operated exclusively for exempt religious purposes, but rather for a substantial commercial purpose. The court examined the method of operations to infer the purposes. Although the organization catered to the dietary restrictions of the Church, its primary activities were managing a restaurant and health food store, operated in competition with commercial entities, charging competitive prices set by formulas common in the retail food business, and using commercial promotional methods.

In *Airlie Foundation v. Commissioner*, 283 F. Supp. 2d 58 (D.D.C., 2003), the court concluded that the Foundation was operated for a substantial non-exempt purpose. It based this conclusion on the manner in which the organization managed a conference center. “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.” Thus, the court looked at the business methods of the organization as a method of inferring whether its purpose was to serve the public or whether there was a substantial non-exempt purpose of operating a business for profit. See section 1.501(c)(3)-1(e), of the regulations.

The Credit Repair Organizations Act (“CROA”), 15 U.S.C. section 1679 et seq., effective April 1, 1997, imposes restrictions on credit repair organizations, including forbidding the making of untrue or misleading statements and forbidding advance payment, before services are fully performed. 15 U.S.C. section 1679b. Section 501(c)(3) organizations are excluded from regulation under the CROA. The CROA defines a credit repair organization as:

- (A) any person who uses any instrumentality of interstate commerce or the mails to sell, provide, or perform (or represent that such person can or will sell, provide, or perform) any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of—
 - (i) improving any consumer’s credit record, credit history, or credit rating, or
 - (ii) providing advice or assistance to any consumer with regard to any activity or service described in clause (i).

15 U.S.C. section 1679a(3). The Federal Trade Commission’s policy is that if an entity communicates with consumers in any way about the consumers’ credit situation, it is providing a service covered by the CROA. In Re National Credit Management Group, LLC, 21 F. Supp. 2d 424, 458 (N.D.N.J. 1998).

Section 1.501(c)(3)-1(d)(3) of the regulations provides that the term “educational” refers 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 about 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.

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 had financial problems by providing them with individual counseling, and if necessary, by establishing budget plans. Under the budget plan, the debtor voluntarily made fixed payments to the organization, which held the funds in a trust account and disbursed them on a partial payment basis to the creditors. The organization did not charge fees for counseling services or proration services. The debtor received full credit against his debts for all amounts paid. The organization did not make loans to debtors or negotiate loans on their behalf. Finally, the organization relied upon contributions, primarily from the creditors participating in the organization's budget plans, for its support.

The Service found that, by aiding low-income individuals and families who have financial problems and by providing, without charge, counseling and a means for the orderly discharge of indebtedness, the organization was relieving the poor and distressed. Moreover, by providing the public with information on budgeting, buying practices, and the sound use of consumer credit, the organization 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 Consumer Credit Counseling Service of Alabama, Inc. v. United States, 44 A.F.T.R.2d (RIA) 5122 (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 Consumer Credit Counseling Service of Alabama is an umbrella organization made up of numerous credit counseling service agencies. These agencies provided information to the general public through the use of speakers, films, and publications on the subjects of budgeting, buying practices, and the sound use of consumer credit. They also provided counseling on budgeting and the appropriate use of consumer credit to debt-distressed individuals and families. They did not limit these services to low-income individuals and families, but they did provide such services free of charge. As an adjunct to the counseling function, they offered a debt management plan. Approximately 12 percent of a professional counselor's time was applied to the debt management plan as opposed to education. The agencies charged a nominal fee of up to \$10 per month for the debt management plan. This fee was waived in instances when payment of the fee would work a financial hardship.

The agencies received the bulk of their support from government and private foundation grants, contributions, and assistance from labor agencies and the United Way. An incidental amount of their revenue was from service fees.

The court found the organizations exempt under section 501(c)(3) because providing information to the public regarding the sound use of consumer credit is charitable in that it

advances and promotes education and social welfare. These programs were also educational because they instructed the public on subjects useful to the individual and beneficial to the community. The counseling assistance programs were likewise charitable and educational in nature. Because the community education and counseling assistance programs were the agencies' primary activities, the agencies were organized and operated for charitable and educational purposes. The court also concluded that the limited debt management services were an integral part of the agencies' counseling function, and thus charitable, but stated further that even if this were not the case, these activities were incidental to the agencies' principal functions.

Finally, the court found that the law did not require that an organization must perform its exempt functions solely for the benefit of low-income individuals to qualify under section 501(c)(3) or to provide its services solely without charge. Nonetheless, these agencies did not charge a fee for the programs that constituted their principal activities. They charged nominal fees for services that were incidental. Moreover, even this nominal fee was waived when payment would work a financial hardship.

Rationale

Based on the information that you have submitted, we cannot find that you are entitled to exempt status under section 501(c)(3) of the Code because you are operated for a significant non-exempt commercial purpose, rather than exclusively for exempt purposes.

The first requirement for organizations desiring to be recognized as exempt from federal income tax under section 501(c)(3) is to be operated exclusively for an exempt purpose. Section 1.501(c)(3)-1(a)(1) of the regulations, *supra*. The sole service that you provide is to hold funds for debtors and attempt to use them to pay off debts. You do not claim to restrict your services to a charitable class. In fact, you require a potential customer to have a job and at least \$2,200 in monthly income. You do not claim to provide any education, unlike the organizations in Rev. Rul. 69-241 and Consumer Credit Counseling of Alabama, *supra*.

It is clear that you are offering financial services to the general public in a commercial manner. The court in Living Faith, *supra* held that one may infer the purpose of an organization by examining its methods of operation. Many aspects of your operations resemble those of for-profit enterprises. You do not restrict your services to low-income individuals or some other charitable class. You purchase names and telephone numbers, referred to as "leads" from for-profit enterprises, including the credit card companies. The process of calling people who have not contacted you in order to sell them something is the commercial process known as telemarketing. If the leads do not meet the criteria for your financial product, you do not counsel the people whom you have called, or provide a different financial service, but simply tell them to search the internet.

Your staff structure also reflects your commercial operation. You hired managers with experience in commercial, not educational or charitable, organizations. You refer to the employees who speak with potential customers as your "sales department." Their job is to contact people who have never heard of you through phone numbers you purchased from a

commercial broker. The sales employees are rewarded with commissions based upon the amount of debt that customers bring to your program. Because your revenue is derived entirely from fees linked to the amount of debt, this means that you are rewarding employees for increasing your earnings rather than for providing any benefit to customers or the community.

Competition with commercial entities is a factor used by many courts to assess commercial purpose. See, B.S.W. Group, Living Faith, and Airlie Foundation, *supra*. The confidentiality and non-competition agreement that your employees are required to sign is a strong indication of your commercial purpose. It is premised on the idea that you are competing with other debt negotiation and debt reduction firms and therefore would be irreparably harmed by disclosure of your trade secrets to your competitors or by your employees working for your competitors. The agreement defines confidential information as any information “in which there is a proprietary interest and that there is a legitimate business reason for guarding against unauthorized use or disclosure.” Only for-profit entities have proprietary interests. The difference between commercial and exempt organizations is that commercial ones are operated for the benefit of the owners, and thus have proprietary, or ownership, interests, while exempt organizations are operated for the benefit of the public. The business reason for guarding them is to maintain the highest level of return to the owners. Exempt organizations create benefit for the community, and do not attempt to maximize the return to those running the organization.

Your financial structure also resembles that of a for-profit entity rather than an exempt organizations. See, B.S.W. Group, and Easter House, *supra*. You do not plan to solicit grants, donations, or volunteer services. Rather you charge fees based upon the amount of debt held by your clients rather than on the cost of the services that you provide. The fees you charge are very significant, often thousands of dollars. The entire first month’s payment from each customer is retained for your fee. Thereafter, you deduct 22.5% of each month’s payment as your fee. This slows the accumulation of the amounts to pay off the debts. If a customer terminates his program, your fees are not returned to him.

You offer no financial education: no public seminars, no private counseling, no information on your web site, and no printed materials.

Only an insubstantial portion of the activity of an exempt organization may further a non-exempt purpose. As the Supreme Court held in Better Business Bureau of Washington D.C., Inc. v. United States, *supra*, 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. Even if we agreed that you were organized and operated for an exempt purpose, the fact that you also have a substantial non-exempt purpose would make you ineligible for exempt status. Specifically, the court in Better Business Bureau held that if education is conducted for a non-exempt purpose, the organization will not be recognized as exempt.

When an organization has an additional commercial purpose, it must demonstrate that the commercial purpose is not primary, but merely “incidental to the exempt purpose.” American Institute for Economic Research, *supra*. In that case, the court assumed that the organization’s publication of materials concerning economic issues and individual securities was an educational activity. However, the organization had an additional, significant commercial purpose. The court found evidence that the organization charged fees for the materials that earned profit, that its methods were commercial ones, and that it was engaged in a service

commonly associated with a commercial enterprise. It concluded that the business purpose was primary and not incidental to an educational purpose, and therefore the organization was not entitled to be regarded as exempt. American Institute for Economic Research, *supra*.

One commercial purpose for which you seek exempt status is shelter from the Credit Repair Organizations Act (CROA), *supra*. CROA forbids any untrue or misleading statements concerning credit repair, and forbids advance payment, meaning payment before services are rendered. It defines credit repair as anyone using interstate commerce to perform or represent that the person can or will perform, any service to improve a consumer's credit record, credit history, or credit rating. Section 501(c)(3) organizations are excluded from regulation under CROA. Because you require payment in advance of services, and make statements that may be challenged as misleading, CROA would prevent you from conducting your business as a for-profit enterprise. This reason for seeking exempt status is a commercial purpose.

A second commercial purpose is to direct earnings to a few, related persons. An organization that seeks exemption from federal income taxes must benefit the public rather than its creator, shareholders, or persons having a personal or private interest in the activities of the organization. See section 1.501(c)(3)-1(d)(1)(ii) and section 1.501(a)-1(c)(2), *supra*. Your organizational structure and manner of operation create a risk of benefit to your creator and primary employee. The compensation of the managing director is decided by your three-person board, all of whom are close family members. You do not have an independent board, accountability to a public body or to donors, or any other mechanism to prevent inurement or private benefit. Using exempt status to avoid the restrictions of CROA augments this private benefit. In addition, it appears that you may provide more than an incidental amount of private benefit to an affiliated law firm, by referring all of your clients to one attorney. The agreement that you give to each client names a specific attorney.

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 of the Code.

You have the right to protest this ruling if you believe it is incorrect. To protest, you should submit a statement of your views to this office, with a full explanation of your reasoning. This statement, signed by one of your officers, must be submitted within 30 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practices Requirements.

If you do not protest this ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Code provides, in part, that a declaratory judgment or decree under this section 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 administrative remedies available to it within the Internal Revenue Service.

If we do not hear from you within 30 days, this ruling will become final and a copy will be forwarded to the Ohio Tax Exempt and Government Entities (TE/GE) office. Thereafter, any questions about your federal income tax status should be directed to that office, either by calling 877-829-5500 (a toll free number) or sending correspondence to: Internal Revenue Service, TE/GE Customer Service, P.O. Box 2508, Cincinnati, OH 45201. The appropriate State Officials will be notified of this action in accordance with Code section 6104(c).

In the event this ruling becomes final, it will be made available for public inspection under section 6110 of the Code after certain deletions of identifying information are made. For details, see enclosed Notice 437, *Notice of Intention to Disclose*. A copy of this ruling with deletions that we intend to make available for public inspection is attached to Notice 437. If you disagree with our proposed deletions, and do not intend to protest our denial of exempt status, you should follow the instructions in Notice 437.

If you decide to protest this ruling, your protest statement should be sent to the address shown below. If you also disagree with our proposed deletions, you should send your comments on the deletions with your protest statement, and not to the address shown in Notice 437.

Internal Revenue Service
TE/GE (SE:T:EO:RA:T:)

1111 Constitution Ave, N.W., PE
Washington, D.C. 20224

If you do not intend to protest this ruling, and if you agree with our proposed deletions as shown in the letter attached to Notice 437, you do not need to take any further action.

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

Sincerely,

Lois G. Lerner
Director, Exempt Organizations
Rulings & Agreements

Enclosure
Notice 437