



DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

TE/GE: EO Examination

625 Fulton Street, Room 503

Brooklyn, NY 11201

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Release Number: **200739014**

Release Date: 9/28/07

Date: June 27, 2007

UIL Code: 501.03-01

Taxpayer Identification Number:

Person to Contact:

Identification Number

Contact Telephone Number:

LAST DATE FOR FILING A PLEADING
WITH THE TAX COURT, THE CLAIMS
COURT, OR THE UNITED STATES
DISTRICT COURT FOR THE DISTRICT
OF COLUMBIA:

Dear _____ :

This is a final determination regarding your exempt status under section 501(c)(3) of the Internal Revenue Code (IRC). Recognition of your exemption from Federal income tax as an organization described in Internal Revenue Code section 501(c)(3) is retroactively revoked to because it is determined that you have not established that you are observing the conditions required for the continuation of an exempt status.

IRC 501(c)(3) exempts from taxation organizations which are organized and operated exclusively for charitable or educational purposes, no part of the net earnings of which inure to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation and which do not participate in, or intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office.

IRC 6033 provides that every organization, except as provided therein, exempt from taxation under section 501(a) of the Code shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and shall keep such records, render under oath such statements, make such other returns and comply with such rules and regulations as the Secretary of the Treasury or his delegate may from time to time prescribe.

Revenue Ruling 59-95, 1959-1 CB 627 held that failure or inability to file the required

information return or otherwise to comply with the provision of section 6033 of the Code and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of an exempt status.

In accordance with IRC 6033 and Revenue Ruling 59-95, we have determined that the organization has not established that it is observing the conditions required for continuation of exempt status.

In addition to your failure to observe the conditions of exemption by providing reasonably requested information, it appears that a substantial part of your activities consisted of providing down payment assistance to home buyers. It further appears that to finance the assistance you relied on home sellers and other real-estate related businesses that stood to benefit from these down payment assistance transactions. It further appears that your receipts of a payment from the home sellers corresponded to the amount of the down payment assistance provided in substantially all of your down payment assistance transactions. Such operations demonstrate you were operated primarily to further your insiders' business interests, which is a substantial nonexempt purpose. In addition, your operations appear to have furthered the private interests of the persons that finance your activities.

We are revoking your exemption from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code effective

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code.

You are required to file Federal income tax returns on Form 1120. These returns should be filed with the appropriate Service Center for all years beginning

Processing of income tax returns and assessment of any taxes due will not be delayed should a petition for declaratory judgment be filed under section 7428 of the Internal Revenue Code.

If you decide to contest this determination in court, you must file a pleading seeking a declaratory judgment in the United States Tax Court, the United States Court of Federal Claims, or the United States District Court for the District of Columbia before the 91st day after the date this final determination was mailed to you. Please contact the clerk of the appropriate court for rules regarding filing pleadings for declaratory judgments and refer to the enclosed Publication 892. You may write to these courts at the following addresses:

United States Tax Court
400 Second Street, NW
Washington, D.C. 20217

United States Court of Federal Claims
717 Madison Place, NW
Washington, D.C. 20005

United States District Court for the District of Columbia
333 Constitution Avenue, NW
Washington, D.C. 20001

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call too-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at: Internal Revenue Service,,

We will notify the appropriate State Officials of this action, as required by section 6104(c) of the Internal Revenue Code.

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

Sincerely Yours,

Enclosure:
Publication 892

Form 886-A (Rev. January 1994)	EXPLANATIONS OF ITEMS	Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended

ISSUE

Whether, Inc. (hereinafter Foundation) qualifies for exemption under Section 501(c)(3) of the Internal Revenue Code.

FACTS

The Foundation is a not-for-profit corporation incorporated on is listed as the registered agent for the Foundation. The CEO and CFO is listed as of The Foundations' last know address is The Secretary of State's office records indicate that this is the address for the Foundation. It further indicates that the last annual registration filed by the Foundation was for the tax year.

The Foundation applied for recognition as a tax-exempt organization under I. R. C. 501(c)(3) on Form 1023. In....., based on the information that the Foundation provided in its application for exemption and on the assumption that the Foundation would operate in the manner represented in its application, the Foundation was recognized as a tax exempt organization as described in Section 501(c)(3).

Since the Foundation has made grants to low-income individuals for the purchase of new or resale housing. The Foundation also provides educational counseling assistance for qualified home buyers. On Form letter was mailed to the Foundation with Pub I and Information document request 1 from, All correspondence was returned to to on On Form 872 was mailed to the Foundation and to the POA. No response received. From the correspondence in the case file the POA did not represent the Foundation but an Organization in, The POA was associated with the case file by error as can be determined.

On attempts were made to contact the Foundation. Attempts were made to find the officers listed on Part V of Form 990 without any success. Part VI of the Form 990 listed as having the books and records (registered agent for the Foundation). Could not reach the individual who prepared the Form 990. Left message for a Partner to contact me. Mr. contacted me after hours and indicated that the Firm prepares the Form 990 for the Foundation but has not had any dealings with the Foundation in over a year. Mr. indicated that the Firm has made attempts to contact the Foundation without any success. Mr indicated that the Foundation still owes the Firm money for past services.

On visited the Foundation's Website, The information on the website had not been updated since The telephone number listed is no longer in service. On prepared Form 4759 after researching the Internet for the correct post office to fax the form. On the Post Office in faxed back the Form 4759 indicating that the was a personal mail box and that Post Office could not help me.

On, Form Letter 3606, PUB I and Information Document Request 1 was again mailed to the last know address of the Foundation Certified mail. The Foundation has failed to respond to the Internal Revenue Service correspondence for the tax period ending

LAW

Section 6033(a)(1) of the Internal Revenue Code (hereinafter Code) provides , except as provided in section 6033(a)(2), every organization exempt from tax under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts and disbursements, and such other information for the purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Section 1.6033-1(h)(2) of the regulations provides that every organization which has established its right to exemption from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the district director for the purpose of enabling him to inquire further into its exempt status and to administer the provisions of subchapter F (section 501 and the following), Chapter 1 of the Code and section 6033.



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY

Internal Revenue Service
TE/GE EO Examinations
1100 Commerce Street
Dallas, TX 75242

MAR 12 2007

Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

Person to Contact/ID Number:

Contact Numbers:

Telephone:

Fax:

Certified Mail - Return Receipt Requested

Dear _____ :

We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code (Code) is necessary.

If you accept our findings, take no further action. We will issue a final revocation letter.

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days from the date of this letter to protest our decision. Your protest should include a statement of the facts, the applicable law, and arguments in support of your position.

An Appeals officer will review your case. The Appeals office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, *The Examination Process*, and Publication 892, *Exempt Organizations Appeal Procedures for Unagreed Issues*, explain how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

You may also request that we refer this matter for technical advice as explained in Publication 892. If we issue a determination letter to you based on technical advice, no further administrative appeal is available to you within the IRS regarding the issue that was the subject of the technical advice.

If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of examination. If you do not protest this proposed determination within 30 days from the date of this letter, the IRS will consider it to be a failure to exhaust your available administrative remedies. Section 7428(b)(2) of the Code provides, in part: "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted its administrative remedies within the Internal Revenue Service." We will then issue a final revocation letter. We will also notify the appropriate state officials of the revocation in accordance with section 6104(c) of the Code.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

Enclosures:
Publication 892
Publication 3498
Report of Examination