



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

Release Number: **200802036**
Release Date: 1/11/08
Date: October 17, 2007

Contact Person:

Identification Number:

UIL No.
501.03-25
501.03-30

Contact Number:

Employer Identification Number:

Form Required To Be Filed:

Tax Years:

Dear :

This is our final determination that you do not qualify for exemption from Federal income tax under Internal Revenue Code section 501(a) as an organization described in Code section 501(c)(3).

We made this determination for the following reasons:

You have not established that you are operated exclusively for exempt purposes described in section 501(c)(3) of the Code. You are not operated for an exempt purpose listed in section 1.501(c)(3)-1(d)(1)(i) of the Income Tax Regulations. You have not established that your operations relieve the poor or distressed or of the underprivileged or otherwise serve a charitable purpose as defined in section 1.501(c)(3)-1(d)(2).

Because you do not qualify for exemption as an organization described in Code section 501(c)(3), donors may not deduct contributions to you under Code section 170. You must file Federal income tax returns on the form and for the years listed above within 30 days of this letter, unless you request an extension of time to file. 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.

If you decide to contest this determination under the declaratory judgment provisions of Code section 7428, you must initiate a suit in the United States Tax Court, the United States Court of Federal Claims, or the District Court of the United States for the District of Columbia before the 91st day after the date that we mailed this letter to you. Contact the clerk of the appropriate court for rules for initiating suits for declaratory judgment. Filing a declaratory judgment suit under Code section 7428 does not stay the requirement to file returns and pay taxes.

We will make this letter and our proposed adverse determination letter available for public

inspection under Code section 6110, after deleting certain identifying information. Please read the enclosed Notice 437, Notice of Intention to Disclose, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, you should follow the instructions in Notice 437. If you agree with our deletions, you do not need to take any further action.

In accordance with Code section 6104(c), we will notify the appropriate State officials of our determination by sending them a copy of this final letter and the proposed adverse letter. You should contact your State officials if you have any questions about how this determination may affect your State responsibilities and requirements.

If you have any questions about this letter, please contact the person whose name and telephone number are shown in the heading of this letter. If you have any questions about your Federal income tax status and responsibilities, please contact IRS Customer Service at 1 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,

Robert Choi
Director, Exempt Organizations
Rulings & Agreements

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



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

Date: August 24, 2006

Contact Person:

UIL No.
501.03-25
501.03-30

Identification Number:

Contact Number:

Employer Identification Number:

Legend:

L =

M =

Date 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 have concluded that you do not qualify for exemption under that section. The basis for our conclusion is set forth below.

Facts

You were incorporated on Date x as a nonprofit membership corporation under the laws of the State of L. Your sole member is M, a religious organization described in section 501(c)(3) of the Code.

Your Articles of Incorporation state that your purposes include:

- Offering services to disadvantaged individuals in the L Metropolitan area through charitable, cultural and recreational activities, seminars, work opportunities, presentations and group discussions.
- Stimulating the adoption and development of programs designed to accomplish the services described above, including the promotion of cooperative initiatives among organizations with similar socially conscious objectives.

In your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3), you stated that:

The organization will retain the services of physically and mentally disabled, temporarily and longer-term unemployed, elderly and other individuals facing difficulty

being placed in a conventional work environment for the purposes of providing back-office and other services and engaging in light manufacturing and production of goods.

You also stated in your application that your first anticipated business venture is the fabrication and sale of gift baskets that will be fabricated by people in third-world countries and filled with items made by other religious and charitable organizations. You stated that the baskets will be "compiled, packaged, and mailed to the organization's customers by disabled people who live in [your] community. [You] will sell the gift baskets, both at retail and wholesale."

You also stated that, in addition, you will provide translation services. You stated that your organization, through its affiliation with its sole member, has access to numerous multi-lingual people, both physically disabled and third-world workers. You plan to "use their linguistic abilities as a foundation for [your] commercial translation service."

In subsequent correspondence, you stated that currently, your revenues are derived from:

Manufactured Goods	%
Travel Services	%
Third Party Goods	%

You stated that in the future, you intend that your revenues will be derived from:

Manufactured Goods	%
Travel Services	%
Sale of Third Party Goods	%
Back Office Other Than Travel	%

Revenues from Manufactured Goods will consist of the sale of gift baskets assembled by part-time and/or temporary workers using products you purchase from domestic and foreign tax-exempt organizations that manufacture the products. Currently, the products consist mostly of baked food items but also include some other non-food items. Your workers include persons who are handicapped, elderly and developmentally disabled. Presently, you market the baskets through quarterly newsletters that go out to benefactors of your sole member. You provide in-house training of basic skills such as stuffing and assembling envelopes for mailings. You intend to pursue state and federal funding to provide more comprehensive training.

Revenues from Travel Services will consist of organizing group tours for pilgrimages to various foreign countries. Presently, a group of people with physical disabilities performs your packaging and mailing work for the pilgrimages. You expect to expand to have senior citizens and those with other types of disabilities who have good communication skills to perform other tasks relating to conducting the pilgrimages. Workers will be part-time and/or temporary and will be primarily low-income individuals. Eventually, you may hire some persons as full-time employees. You will provide in-house training of basic skills such as stuffing and assembling envelopes for mailings. You intend to pursue state and federal funding to provide more

comprehensive training. The pilgrimages are priced to be competitive with comparable packages offered by commercial travel companies that offer pilgrimages to the same or similar destinations. You advertise the pilgrimages in church bulletins, in your member's newsletter and in the newspapers of four archdiocese in the metropolitan area.

Revenues from Back Office Other Than Travel will include preparing bulk mailings, providing telephone answering services and facilitating a translation service (i.e., faxing and emailing documents to be translated, then printing and delivering the translated documents back to the clients). Workers will be part-time and/or temporary, will consist primarily of low-income individuals and will include persons who are handicapped, elderly and developmentally disabled. Eventually, you may hire some persons as full-time employees. You will provide basic in-house training of basic skills such as stuffing and assembling envelopes for mailings. You intend to pursue state and federal funding to provide more comprehensive training. You will price these services to be competitive with comparable services offered by commercial entities. You intend to disseminate information about these services to your existing benefactors and to those of your sole member who are active in the corporate world. You also intend to advertise in business-oriented publications in the metropolitan area.

In addition to revenues from the services described above, you expect to be supported by working capital loans from your member, from tax-exempt bond financing and from public donations.

Law

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for charitable or educational purposes.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations provides that to be exempt, an organization must be both organized and operated exclusively for one or more exempt purposes.

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

Section 1.501(c)(3)-1(b)(1)(iii) of the regulations states that an organization is not organized exclusively for one or more exempt purposes if its articles expressly empower it to carry on, otherwise than as an insubstantial part of its activities, activities which are not in furtherance of one or more exempt purposes, even though the organization is, by the terms of the articles, created for a purpose that is no broader than the purpose specified in section 501(c)(3) of the Code.

Section 1.501(c)(3)-1(b)(1)(iv) of the regulations states that in no case shall an organization be considered to be organized exclusively for one or more exempt purposes, if by

the terms of its articles, the purposes for which such organization is created are broader than the purposes specified in section 501(c)(3) of the Code.

Section 1.501(c)(3)-1(c) of the regulations states that an organization will be regarded as "operated exclusively" for one or more exempt purpose only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3) of the Code.

Section 1.501(c)(3)-1(d)(1) of the regulations states that an organization may be exempt as an organization described in section 501(c)(3) of the Code if it is organized and operated exclusively for one or more exempt purposes, such as for charitable purposes.

Section 1.501(c)(3)-1(d)(2) of the regulations defines the term "charitable," as used in section 501(c)(3) of the Code, as including the relief of the poor and distressed or of the underprivileged, and the advancement of education.

Section 1.501(c)(3)-1(d)(3)(i)(a) of the regulations defines the term "educational," as used in section 501(c)(3) of the Code, as including the instruction or training of the individual for the purpose of improving or developing his or her capabilities.

Section 1.501(c)(3)-1(e)(1) of the regulations provides that an organization may meet the requirements of section 501(c)(3) of the Code although it operates a trade or business as a substantial part of its activities, if the operation of the trade or business is in furtherance of the organization's exempt purpose or purposes and 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. In determining the existence or nonexistence of this primary purpose, all the circumstances must be considered, including the size and extent of the trade or business and the size and extent of the activities which are in furtherance of one or more exempt purposes.

Section 1.513-1(d)(3) of the regulations provides that in determining whether activities contribute importantly to the accomplishment of an exempt purpose, the size and extent of the activities involved must be considered in relation to the nature and extent of the exempt function which they purport to serve. Thus, where income is realized by an exempt organization from activities which are in part related to the performance of its exempt functions, but which are conducted on a larger scale than is reasonably necessary for performance of these functions, the gross income attributable to that portion of the activities in excess of the needs of exempt functions constitutes gross income from the conduct of unrelated trade or business. This income is not derived from the production or distribution of goods or the performance of services which contribute importantly to the accomplishment of any exempt purpose of the organization.

In Rev. Rul. 73-127, 1973-1 C.B. 221, a nonprofit organization operated a retail grocery store to sell food to residents of a poverty area at prices substantially below those charged by competing grocery stores, to provide free grocery delivery service to residents who needed it, to participate in the federal food stamp program, and to provide job training for unemployed residents. The store was operated by employees experienced in the retail food industry. It was operated in a manner similar to profit-making businesses in the area, but had a smaller markup

than the competing stores. About four percent of the store's earnings was allocated for use in a continuous training program for the hardcore unemployed. The organization selected only individuals from the hardcore unemployed of the poverty area for training in the various jobs in a retail food store. The training program included lectures, demonstrations of retail store techniques and on-the-job training. A trainee received a small salary during the training period. At the conclusion of the training period, the trainee was qualified for employment in the retail food industry. The organization did not plan for the majority of its trainees to continue as its employees. Rather, they were expected to seek employment elsewhere in the retail food industry and the organization selected new trainees for the program.

This revenue ruling stated that the organization's purpose of providing job training for the hard-core unemployed was charitable and educational within the meaning of the common law concept of charity, section 501(c)(3) of the Code and sections 1.501(c)(3)-1(d)(2) and 1.501(c)(3)-1(d)(3)(i) of the regulations. However, the organization's purpose of operating a retail grocery store where food was sold to residents of a poverty area at low prices was neither charitable nor educational.

Although the nature of the job training in this situation was primarily "on-the-job" training and thus required the existence of an operating business as its base, the size and manner of the food store operation and the facts relating to the actual purpose of the activity established that the operation of the store as a low cost retail grocery outlet was an independent objective of the organization, notwithstanding that the store operation was used in part as a vehicle for the training program. The store operation was conducted on a scale larger than was reasonably necessary for the performance of the organization's training program and was not intended to, nor did it in fact, serve solely as a vehicle for carrying out the training program of the organization.

Nor was the store operation an investment or business activity for the production of income for use in carrying on qualified charitable purposes of the organization. The facts demonstrated that this is not the purpose of the store, but that it was operated in part for the purpose of providing a low-cost retail grocery outlet in the community as an end in itself.

This revenue ruling concluded that the operation of the store and the operation of the training program were two distinct purposes of the organization. Therefore, since operating a store was not a recognized charitable purpose, the organization was not organized and operated exclusively for charitable purposes.

In Rev. Rul. 73-128, 1973-1 C.B. 222, a nonprofit organization was formed to provide educational and vocational training and guidance to non-skilled persons who were unable to find employment or could not advance from poorly paid employment due to inadequate education. The organization operated a number of community programs including classes in remedial reading and language skills, general counseling services, and job training programs. The organization's job training program centered around the manufacture and sale of a line of toy products. The organization recruited unskilled individuals who were mostly residents of a particular economically depressed community and who were unemployed or under-employed, and provided them with new skills through on-the-job training while they were earning a living.

A substantial number of the management and administrative staff were unskilled trainees. People hired as trainees were not hired as permanent employees and the organization tried to place them in permanent positions in the community as soon as they were adequately trained. Most of the merchandise produced was sold through regular commercial channels.

This revenue ruling explained that although charitable organizations may, in general, engage in community endeavors for the production of income to be used in carrying on charitable programs and activities, the manufacture and sale of commercial items as an end in itself does not constitute a charitable purpose. Providing vocational training and guidance to the unskilled and under-employed, however, may qualify as a charitable purpose if the manner of its achievement is otherwise charitable.

The issue in this revenue ruling was whether the organization was conducting its manufacturing and merchandise operation as an end in itself or as a means by which it accomplishes a charitable purpose other than through the production of income. The revenue ruling states that the facts supported the conclusion that the manufacturing and merchandising operation was the means of accomplishing the organization's declared charitable objectives. There was a clear and distinct causal relationship between the manufacturing activity and the training of individuals for the purpose of improving their individual capabilities. In addition, there was no evidence that these activities were being conducted on a larger scale than was reasonably necessary to accomplish the organization's charitable purpose. The revenue ruling concluded that the organization's activities were charitable and educational.

In Rev. Rul. 76-94, 1976-1 C.B. 171, an organization exempt from federal income tax under section 501(c)(3) of the Code was formed for the purpose of providing a residence facility and a therapeutic program for emotionally disturbed adolescents. As part of the program, the organization operated a grocery store under the supervision of a manager who was experienced in both the retail food industry and in working with disturbed adolescents. All other employees were emotionally disturbed adolescents who participated in the organization's program. Adolescents were paid for working in the store.

The grocery store was operated at a level to utilize only the number of adolescents residing at the facility. The training program connected with the store was not operated primarily to provide vocational or occupational rehabilitation but rather to help the adolescent become a responsible and self-supporting citizen. Thus, the development of job skills was secondary to the goal of emotional rehabilitation of the adolescents through job satisfaction and personal achievement.

The revenue ruling explained that the organization's training program connected with operating the grocery store provided the emotionally disturbed adolescents an opportunity to respond to the psychiatric treatment of their emotional problems, and thus become able to be reintegrated into the community. The operation of the grocery store enabled the resident adolescents to become involved with society, assume responsibility and exercise business judgment, all of which contributed to their rehabilitation.

This revenue ruling distinguished this organization's activities from the grocery store operation in Rev. Rul. 73-127 because the grocery store in that revenue ruling was conducted on a much larger scale than reasonably necessary for the organization's training program. However, the grocery store in this revenue ruling was almost fully staffed by the adolescent residents and thus was operated on a scale no larger than was reasonably necessary for the organization's training and rehabilitation program. Therefore, the organization's operation of the grocery store in this revenue ruling contributed importantly to the organization's charitable program and was not an unrelated trade or business under section 513 of the Code.

In Aid to Artisans, Inc. v. Commissioner, 71 T.C. 202 (1978), the primary purpose of the organization was to promote, improve and expand the handicraft output of disadvantaged artisans in developing societies of the world. The organization's primary activities were the purchase, import and sale of handicrafts undertaken to alleviate economic deficiencies in communities of disadvantaged artisans, educate the American public in the artistry, history and cultural significance of handicrafts from these communities, preserve the production of authentic handicrafts and achieve economic stabilization in disadvantaged communities where handicrafts are central to the economy. The Tax Court found that these activities advanced charitable and educational objectives and that the furtherance of non-exempt purposes, *i.e.*, the benefit to non-disadvantaged artisans, was an insubstantial part of its activities. The court held that the first of these activities relieved the poor and distressed or underprivileged.

In B.S.W. Group, Inc. v. Commissioner, 70 T.C. 352 (1978), the Tax Court held that an organization did not qualify for exemption under section 501(c)(3) of the Code because it was primarily engaged in an activity that was characteristic of a trade or business and ordinarily carried on by for-profit commercial businesses. The Tax Court stated:

We must agree with the Commissioner that petitioner's activity constitutes the conduct of a consulting business of the sort which is ordinarily carried on by commercial ventures organized for profit

70 T.C. at 358.

In Easter House v. U.S., 12 Cl. Ct. 476 (1987), aff'd in an unpub. opinion, 846 F.2d 78 (Fed. Cir. 1988), cert. den., 488 U.S. 907 (1988), the organization, in exchange for a fee, provided adoption services to parents seeking to adopt a child, including services to pregnant women who intended to place their newborns for adoption. These fees were the organization's sole source of income. The Claims Court concluded that the organization's business purpose of operating an adoption service, not the advancement of educational and charitable activities, was its primary goal. It competed with other commercial organizations providing similar services. Thus, "[p]laintiff's competition provides its activities with a commercial hue." 12 Cl. Ct. at 486. Accordingly, the organization did not qualify for exemption under section 501(c)(3) of the Code.

In Airlie Foundation v. I.R.S., 283 F. Supp.2d 58 (D. D.C. 2003), the District Court found that the organization was formed principally to organize, host, conduct and sponsor educational and other charitable functions in its facilities. The organization's patrons were not limited to tax-exempt entities, but included patrons of a private and corporate nature. The organization paid significant advertising and promotional expenses and derived substantial income from weddings

and special events held at its conference center. The court determined that the organization's activities competed with a number of commercial, as well as non-commercial entities, which strongly evidenced a commercial nature and purpose. The court concluded that although the organization carried out a number of charitable and educational activities, these were incidental to its primary activity of operating a for-profit conference center. The court stated:

While plaintiff's organizational purpose is exempt and the foundation operates, in important respects, in an exempt fashion, there is a distinctive "commercial hue" to the way Airlie carries out its business.

283 F. Supp.2d at 65.

Rev. Proc. 90-27, 1990-1 C.B. 514, provides in part that exempt status will be recognized in advance of operations if proposed operations can be described in sufficient detail to permit a conclusion that the organization will clearly meet the particular requirements of the section under which exemption is claimed. A mere statement of purposes or a statement that proposed activities will be in furtherance of such purposes will not satisfy this requirement. The organization must fully describe the activities in which it expects to engage, including the standards, criteria, procedures, or other means adopted or planned, and the nature of the contemplated expenditures. Where the organization cannot demonstrate to the satisfaction of the Service that its proposed activities will be exempt, a record of actual operations may be required before a ruling or determination letter will be issued.

RATIONALE

Your Articles of Incorporation state that your purposes include:

- Offering services to disadvantaged individuals in the metropolitan area through charitable, cultural and recreational activities, seminars, work opportunities, presentations and group discussions.
- Stimulating the adoption and development of programs designed to accomplish the services described above, including the promotion of cooperative initiatives among organizations with similar socially conscious objectives.

These purposes are not inherently charitable purposes. Furthermore, your Articles do not expressly limit your activities to those that further only charitable purposes. Nor do your Articles expressly limit your activities that do not further charitable purposes to only an insubstantial part of your total activities.

Therefore, you are not organized exclusively for one or more exempt purposes as required in section 1.501(c)(3)-1(b)(1) of the regulations.

Currently and in the future, your operations will consist of three principal activities: assembling gift baskets using products you purchase from exempt organizations; organizing group tours for pilgrimages to various foreign countries; and providing various "back office"

clerical functions. Your workers are part-time and/or temporary and include persons who are low-income, handicapped, elderly and developmentally disabled. You train these workers in such skills as stuffing and assembling envelopes for mailings.

To qualify for exemption under section 501(c)(3) of the Code, an organization must operate primarily for one or more exempt purposes, such as a charitable purpose. Section 1.501(c)(3)-1(d)(2) of the regulations defines the term "charitable" as including the relief of the poor and distressed or of the underprivileged and the advancement of education. Section 1.501(c)(3)-1(d)(3)(i)(a) of the regulations defines the term "educational" as including the instruction or training of the individual for the purpose of improving or developing his or her capabilities.

Even though an organization operates a trade or business as a substantial part of its activities, as long as the trade or business is in furtherance of its exempt purpose and it is not operated for the primary purpose of carrying on an unrelated trade or business, an organization may qualify for exemption under section 501(c)(3) of the Code.

You hire as part-time or temporary workers persons who have low-incomes, who are chronically unemployed or who are handicapped, elderly or developmentally disabled. However, employing these types of individuals, in and of itself, does not constitute an activity that furthers the charitable purpose of providing relief of the poor and distressed or of the underprivileged within the meaning of section 1.501(c)(3)-1(d)(2) of the regulations.

Furthermore, the training and education activities that you conduct for the benefit of these persons are negligible, consisting of only stuffing and assembling envelopes for mailings. Thus, it is apparent that your primary activity is the operation of these businesses for commercial purposes, rather than primarily for the purpose of providing meaningful training or educational services to a class of persons who are in need of these services. Your three principal activities are similar to the types of business activities carried on by commercial ventures organized for profit. See B.S.W. Group, Inc. v. Commissioner, *supra*. Your activities have the same type of "commercial hue" that the courts in Easter House v. U.S., *supra*, and in Airlie Foundation v. I.R.S., *supra*, held were activities that furthered commercial, rather than charitable, purposes.

Furthermore, your operations are similar to the retail grocery store operations carried on by the organization in Rev. Rul. 73-127, *supra*. By contrast, your operations are unlike those of the organization in Rev. Rul. 73-128, *supra*, whose activities were primarily educational. In addition, your operations are different from the grocery store operated by the organization in Rev. Rul. 76-94, *supra*, which operated primarily to provide job skill training to needy adolescents. Your operations are also unlike those carried on by the organization in Aid to Artisans, Inc. v. Commissioner, *supra*, whose primary activities, alleviating economic deficiencies in communities of disadvantaged artisans, relieved the poor and distressed or underprivileged.

Therefore, you are not operated exclusively for one or more exempt purposes as required in section 1.501(c)(3)-1(a) of the regulations.

Rev. Proc. 90-27, supra, requires an applicant to submit sufficient information during the application process for the Service to conclude that the organization is in compliance with the organizational and operational requirements of section 501(c)(3) before a ruling is issued. You have not sufficiently and fully described your activities as they relate to the number of people you expect to hire, where they will come from, how long they will stay or what they will do. You haven't provided information as to the percentage of the workforce that will constitute a "charitable" class. Rather, it is clear that all managerial functions will be accomplished by trained personnel who need not be members of any charitable class. Further, you have not established any program to place temporary workers in more permanent positions to help alleviate their status as low-income workers.

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

1111 Constitution Ave, N.W.
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.

In accordance with the Power of Attorney currently on file with the Internal Revenue Service, we are sending a copy of this letter to your authorized representative.

Sincerely,

Lois G. Lerner
Director, Exempt Organizations
Rulings & Agreements

Enclosure
Notice 437