



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

Date:
12/19/2022
Employer ID number:

Tax years:

Person to contact:

Release Number: 202311006

Release Date: 3/17/2023

UIL: 501.03-00

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.

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:
October 26, 2022
Employer ID number:

Person to contact:
Name:
ID number:
Telephone:
Fax:

Legend:

B = state
C = date
D = strategy
F = level 1
G = level 2
H = level 3
J = level 4
K = program
r dollars = amount 1
s dollars = amount 2
t dollars = amount 3
u dollars = amount 4
v dollars = amount 5

UIL:
501.03-00

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.
Do you meet the requirements under IRC Section 501(q)? No, for the reasons stated below.

Facts

You were incorporated in B on C. You are organized exclusively for charitable and educational purposes under IRC Section 501(c)(3). You currently have _____ directors.

You state in your application for exemption that you conduct the following activities:

- Provide credit score literacy and reputational help to individuals and families facing financial hardships. You state you will not be providing credit repair services. You provide education to individuals and

families on how to understand credit, the importance of credit, and how to maintain/fix credit. You educate clients to be able to achieve their credit goals, and % of time is spent on this activity.

- Provide budgeting, savings, and spending best practices that will lead to success. You provide the roadmap for your clients to become debt-free by educating them on how to make on-time payments and make wise financial decisions. % of your time is spent on this activity.

Activities are conducted by your employees and volunteers remotely within the community and at your physical location. You state activities are funded through grants, sponsorships, fundraisers, and donations, and that you do not charge for these services. You have not received any grants to date.

Information verified from your website states you provide a new approach to credit repair. You are an organization designed to help people without knowledge of how credit works to take back control of their finances. Above all, your mission is to help individuals get the respect they deserve from lending and credit card companies who often can't see beyond " ". Your primary goal is to educate people around the world on credit improvement and development, leading to the success of your clients. You use leading edge tactics most credit repair companies have only just begun to learn about, including D, to repair your clients' credit scores. Despite the Covid-19 pandemic, you have continued to evolve and serve underprivileged communities, revolutionizing the credit repair industry one happy client at a time. Your business aims to assist your clients in improving their credit ratings through a variety of channels. Many of your clients get excellent credit as a result of your services and are able to make smarter financial decisions.

Your website indicates that you offer packages for purchase. A F package for r dollars (a plan), G package for s dollars, H package for t dollars, and a J package for u dollars. You have packages where clients can provide donations on each package.

The F package provides:

- months of unlimited disputes
- 24/7 online portal access
- Inquiry removal up to inquiries per Bureau
- Extensive credit audit
- Credit Rebuilding Guide-Boost your score up to points
- Credit Rebuilding Coaching Session
- Unlimited Case Reviews Every days
- Unlimited Telephone/Email Support/Text Support
- -months service warranty K

The G package provides:

- months of unlimited disputes
- 24/7 online portal access
- Inquiry removal up to inquiries per Bureau
- Extensive credit audit
- Credit Rebuilding Guide-Boost your score up to points
- Credit Rebuilding Coaching Session
- Case Reviews Every days
- Telephone/Email Support/Text Support

- -months service warranty K

The H package provides:

- months of unlimited disputes
- Removal of outdated Personal Information
- 24/7 online portal access
- Inquiry removal
- Bankruptcy Removal
- Credit Rebuilding session
- Advance Tactic Disputes and Strategies
- Debt Validation To Collection Agencies
- Custom Letters Sent to Creditors and Credit Bureaus
- Disputes on "New" Derogatory accounts added
- -months service warranty K

The J (works exclusively with) package provides:

- Includes one on one case review sessions/working directly with and of disputes
- months of disputes
- Bankruptcy Removal
- Case Reviews Every days
- Credit Rebuilding session
- Advance Tactic Disputes and Strategies
- Debt Validation To Collection Agencies
- Custom Letters Sent to Creditors and Credit Bureaus Made by
- Free Authorized Users Lines of Credit
- Guaranteed one high limit k or above
- Advanced Fast Track Tactics
- -months service warranty K

When asked, you stated you do not facilitate credit repair; rather, you help clients prepare/draft documents to dispute inaccurate and unverifiable or erroneous items on their credit file.

You will pull up your clients' report and look for things that do not line up or may be inaccurate and coach the client on how to prepare documents. The client has the option to allow you to prepare the documents for them or you can instruct and coach them on how to prepare their own documents. You state that facilitation of credit repair is sending and mailing and/or faxing the documents. The client must facilitate the credit repair on their own by faxing or mailing the documents themselves as well as sign their own signatures to their documents and answer any creditors and credit bureaus request. You are on standby as a support team and consultant.

Clients sign a contract and agree to make a donation based on the package they choose. The contract does state that the agreed upon donation is not for credit repair and you do not facilitate credit repair or send off by mail or fax any form of documents or disputes regarding credit. The contract also states that the entire contract period and forever thereafter, clients agree not to attack, slander, or criticize you or any of your employees, vendors, associates, colleagues, principals, or independent contractors on public forums, consumer review websites,

blogs, social networks, or any other public place. Should any slanderous, defamatory, or negative complaints or discussions be posted by the client, the client will be liable for any damages incurred by you.

You go through the credit report and go over a budget to assist clients in paying down their revolving credit and credit cards. You discuss paying and structuring the settling of debts as well. You coach clients on budgeting and assisting them with saving to purchase a home to set aside a down payment. All this is included in certain packages. You have stated that you provide free services to _____ and individuals who have incomes under v dollars.

Your website has links to other companies that provide loans and services; primarily you work with _____ other companies and do not offer funding. If a client fills out the information for funding or any other service, the form goes to one of the partner companies. All other services are not a part of your company.

You state you are only involved in credit and budgeting counseling along with assistance in document preparation. You also offer eBooks and videos that you have created personally to educate clients on credit and finances and to be responsible with their credit file.

Law

IRC Section 501(a) provides that an organization described in Section 501(c)(3) shall be exempt from taxation.

IRC Section 501(c)(3) provides that corporations may be exempted from tax if they are organized and operated exclusively for charitable or educational purposes and no part of their net earnings inures to the benefit of any private shareholder or individual.

IRC Section 501(q) provides that organizations which provide "credit counseling services" as a substantial purpose shall not be exempt from taxation under Section 501(a) unless they are described in Sections 501(c)(3) or 501(c)(4) and they are organized and operated in accordance with the following requirements:

(A) The organization--

- (i) provides credit counseling services tailored to the specific needs and circumstances of consumers,
- (ii) makes no loans to debtors (other than loans with no fees or interest) and does not negotiate the making of loans on behalf of debtors,
- (iii) provides services for the purpose of improving a consumer's credit record, credit history, or credit rating only to the extent that such services are incidental to providing credit counseling services, and
- (iv) does not charge any separately stated fee for services for the purpose of improving any consumer's credit record, credit history, or credit rating.

(B) The organization does not refuse to provide credit counseling services to a consumer due to the inability of the consumer to pay, the ineligibility of the consumer for debt management plan enrollment, or the unwillingness of the consumer to enroll in a debt management plan.

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

- (i) requires that any fees charged to a consumer for services are reasonable,
- (ii) allows for the waiver of fees if the consumer is unable to pay, and
- (iii) except to the extent allowed by State law, prohibits charging any fee based in whole or in part on a percentage of the consumer's debt, the consumer's payments to be made pursuant to a debt management

plan, or the projected or actual savings to the consumer resulting from enrolling in a debt management plan.

(D) At all times the organization has a board of directors or other governing body-

(i) which is controlled by persons who represent the broad interests of the public, such as public officials acting in their capacities as such, persons having special knowledge or expertise in credit or financial education, and community leaders,

(ii) not more than 20 percent of the voting power of which is vested in persons who are employed by the organization or who will benefit financially, directly or indirectly, from the organization's activities (other than through the receipt of reasonable directors' fees or the repayment of consumer debt to creditors other than the credit counseling organization or its affiliates), and

(iii) not more than 49 percent of the voting power of which is vested in persons who are employed by the organization or who will benefit financially, directly or indirectly, from the organization's activities (other than through the receipt of reasonable directors' fees).

(F) The organization receives no amount for providing referrals to others for debt management plan services and pays no amount to others for obtaining referrals of consumers.

IRC Section 501(q)(2)(A)(i) that if an organization is described in Section 501(c)(3) and is providing credit counseling services as a substantial purpose, it may be exempted from tax only if it does not solicit contributions from consumers during the initial counseling process or while the consumer is receiving services from the organization.

IRC Section 501(q)(4)(A) defines, for purposes of Section 501(q), the term "credit counseling services" to mean (i) the providing of educational information to the general public on budgeting, personal finance, financial literacy, saving and spending practices, and the sound use of consumer credit; (ii) the assisting of individuals and families with financial problems by providing them with counseling; or (iii) a combination of the activities described above.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) provides that, in order to be exempt as an organization described in 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 test or the 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:

(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.

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 that the term “charitable,” is used in IRC Section 501(c)(3) in its generally accepted legal sense and includes the relief of the poor and distressed or of the underprivileged.

In Rev. Rul. 69-441, 1969-2 C.B. 115, the Service found that a nonprofit organization formed to help reduce personal bankruptcy by informing the public on personal money management and aiding low-income individuals and families with financial problems was exempt under IRC Section 501(c)(3). 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 have 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, holding the funds in a trust account and disbursing the funds 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 Better Business Bureau of Washington, D.C. v. U.S., 326 U.S. 279 (1945), the Supreme Court held that the “presence of a single . . . [nonexempt] purpose, if substantial in nature, will destroy the exemption regardless of the number or importance of truly . . . [exempt] purposes.”

In B.S.W. Group, Inc. v. Commissioner, 70 T.C. 352 (1978), the court found that a corporation formed to provide consulting services did not satisfy the operational test under section 501(c)(3) of the Code because its activities constituted the conduct of a trade or business that is ordinarily carried on by commercial ventures organized for profit. Its primary purpose was not charitable, educational, or scientific, but rather commercial.

In Consumer Credit Counseling Service of Alabama, Inc. v. United States, 78-2 U.S.T.C. 9660 (D.D.C. 1978), the court held that an organization that provided free information on budgeting, buying practices, and the sound use of consumer credit qualified for exemption from income tax because its activities were charitable and educational.

The professional counselors employed by the organizations spent about 88 percent of their time in activities such as information dissemination and counseling assistance rather than those connected with the debt management programs. The primary sources of revenue for these organizations were provided by government and private foundation grants, contributions, and assistance from labor agencies and United Way. An incidental amount of their revenue was from service fees. Thus, the court concluded that “each of the plaintiff consumer credit counseling agencies was an organization described in section 501(c)(3) as a charitable and educational

organization.” See also, Credit Counseling Centers of Oklahoma, Inc. v. United States, 79-2 U.S. Tax Case. 9468 (D.D.C. 1979), in which the facts were virtually identical, and the law was identical to those in Consumer Credit Counseling Service of Alabama, Inc. v. United States, discussed immediately above.

In Easter House v. U.S., 12 Cl. Ct. 476, 486 (1987), aff'd, 846 F. 2d 78 (Fed. Cir.), cert. denied, 488 U.S. 907 (1988), the court found an organization that operated an adoption agency was not exempt under section 501(c)(3) of the Code because a substantial purpose of the agency was a nonexempt commercial purpose. The court concluded that the organization did not qualify for exemption under section 501(c)(3) because its primary activity was placing children for adoption in a manner indistinguishable from that of a commercial adoption agency. The court rejected the organization's argument that the adoption services merely complemented the health related services to unwed mothers and their children. Rather, the court found that the health-related services were merely incident to the organization's operation of an adoption service, which, in and of itself, did not serve an exempt purpose. The organization's sole source of support was the fees it charged adoptive parents, rather than contributions from the public. The court also found that the organization competed with for-profit adoption agencies, engaged in substantial advertising, and accumulated substantial profits. Accordingly, the court found that the "business purpose, and not the advancement of educational and charitable activities purpose, of plaintiff's adoption service is its primary goal" and held that the organization was not operated exclusively for purposes described in section 501(c)(3).

In Living Faith, Inc. v. Commissioner, 950 F.2d 365 (1991), the Court of Appeals upheld a Tax Court decision that an organization operating restaurants and health food stores in a manner consistent with the doctrines of the Seventh Day Adventist Church did not qualify for exemption under section 501(c)(3) of the Code because the organization was operated for a substantial nonexempt commercial purpose. The court found that the organization's activities were "presumptively commercial" because the organization was in competition with other restaurants, engaged in marketing, and generally operated in a manner similar to commercial businesses.

In Airlie Foundation v. Commissioner, 283 F. Supp. 2d 58 (D.D.C., 2003), the court relied on the "commerciality" doctrine in applying the operational test. Because of the commercial manner in which this organization conducted its activities, the court found that it was operated for a non-exempt commercial purpose, rather than for a tax exempt purpose. As the court stated:

Among the major factors courts have considered in assessing commerciality are competition with for profit commercial entities; extent and degree of below cost services provided; pricing policies; and reasonableness of financial reserves. Additional factors include, inter alia, whether the organization uses commercial promotional methods (e.g. advertising) and the extent to which the organization receives charitable donations.

In Solution Plus, Inc. v. Commissioner, T.C. Memo. 2008-21, the Tax Court held that a credit counseling organization was not exempt under section 501(c)(3) because it was not organized and operated exclusively for educational or charitable purposes and impermissibly served private interests. The organization was formed by an individual with experience selling debt management plans. The founder and his spouse were the only members of the organization's board of directors. The organization did not have any meaningful educational program or materials for providing to people who contacted the organization, and its financial education seminars for students constituted an insignificant part of the organization's overall activities.

The Court held that the organization's purposes were not educational because its "activities are primarily structured to market, determine eligibility for, and enroll individuals in DMPs." (Debt Management Plans) Its

purposes are not to inform consumers "about understanding the cause of, and devising personal solutions to, consumers' financial problems," or "to consider the particular knowledge of individual callers about managing their personal finances." The Tax Court also held that the organization's purposes were not charitable because "its potential customers are not members of a [charitable] class that are benefited in a 'non-select manner * * * because they will be turned away unless they meet the criteria of the participating creditors."

The Tax Court further held the organization would operate for the private interests of its founder because the founder and spouse were the only directors, the founder was the only officer and employee, and his compensation was based in part on the organization's DMP sales activity levels. The organization was "a family-controlled business that he personally would run for financial gain, using his past professional experience marketing DMPs and managing a DMP call center." The Court further held that the organization's principal activity of providing DMP services, which were only provided if approved by a caller's creditors, furthered the benefit of private interests.

Finally, the Tax Court held that the facts in Credit Counseling Services of Alabama v. United States, 78-2 U.S.T.C. 9660 (D.D.C. 1978) "stand in stark contrast" because "the sale of DMPs is the primary reason for [Solution Plus's] existence, and its charitable and educational purposes are, at best, minimal."

Application of Law

IRC Section 501(c)(3) sets forth two main tests for an organization to be recognized as exempt. An organization must be both organized and operated exclusively for purposes described in Section 501(c)(3) as specified in Treas. Reg. Section 1.501(c)(3)-1(a)(1). You are not operated exclusively for purposes described in Section 501(c)(3).

In your application and your response to correspondence you state that you do not provide credit repair services since you do not send or fax documents to creditors or credit bureaus. It is the client's responsibility to fax or mail documents. The fact that you do not submit documents directly to creditors and credit bureaus does not change the fact that your primary purpose is to provide credit repair services to individuals for a fee. You prepare the documents and the level of service a client receives is based on the package the client chooses and pays the required "donation". Your website describes you as a credit repair company and how successful you are at repairing client's credit.

Your operational focus is on generating revenue in the form of "donations" from your credit repair activities. Your efforts are focused on repairing the bad credit of clients in exchange for "donations." Like the organizations described in Solution Plus, Better Business Bureau, and Easter House, your activities have an underlying commercial motive, and any educational or charitable purpose is minimal. Thus, your activities are not educational within the meaning of IRC Section 501(c)(3).

Your Activities Are Not Charitable

Most of your time and resources are devoted to providing credit repair services to individuals who are not part of a charitable class. The credit repair services you provide to individuals do not provide relief to the poor and distressed within the meaning of Treas. Reg. Section 1.501(c)(3)-1(d)(2) or serve any other substantial purpose recognized as charitable.

You represent that you offer free services to _____ and low income individuals. You submitted no evidence that you limit your services to low income individuals or to any charitable class of individuals. Your primary

focus is providing credit repair services to individuals in exchange for a fee. Accordingly, you are unlike the organizations described in Consumer Credit Counseling Service of Alabama and Rev. Rul. 69-441, which aided low-income individuals and families who have financial problems, thereby relieving the poor and distressed.

While you state you do not charge a fee to your clients for your services, you do solicit donations while services are being provided. These donations are a de facto fee in that the provision of the service is connected to the solicitation of the donation. Unlike the organizations in Consumer Credit Counseling Service of Alabama; and Rev. Rul. 69-441, you solicit donations for your services. “[P]rimarily providing services for a fee ordinarily does not further charitable purposes.” Solution Plus. Thus, you failed to establish that your activities are charitable within the meaning of IRC Section 501(c)(3).

You Have a Substantial Nonexempt Commercial Purpose

The courts have developed guidelines intended to help discern whether an organization has a substantial nonexempt commercial purpose. See e.g., B.S.W. Group, Easter House, Airlie, Living Faith. Generally, the factors proffered by courts focus on the nature of the activities and how an organization conducts its business.

Your primary activity consists of providing credit repair services to individuals. Any educational programs or services is insubstantial. Your purpose is to improve consumers credit for a fee. Helping clients remove bad/negative credit, outdated credit, inaccurate credit, obsolete credit, erroneous credit, or incomplete credit from the client’s credit report or otherwise upgrade the credit report under the law is not an exempt purpose, as recognized by statute or by case law, but rather a substantial nonexempt commercial purpose. This is evidenced by the fact that you offer different levels of service to your clients based on the “donation” they make to your organization. Thus, similar to the organization in Easter House, the profit-making fee structure of your consulting services overshadows any of your other purposes.

Your finance structure further demonstrates that you operate for a substantial nonexempt commercial purpose. You indicated that you will fundraise and solicit government grants. However, you have not received any grants. There is also no evidence that you have received contributions or gifts from disinterested members of the public. Accordingly, you are unlike the organizations described in Consumer Credit Counseling Service of Alabama, that received the bulk of their support from government and private foundation grants, contributions, and assistance from labor agencies and the United Way (only an incidental amount of their revenue was from fees). Your operations are financed by "donations" earned from providing services to clients. As noted in Easter House, receiving support primarily from donations solicited while providing services is indicative of a nonexempt purpose.

Like the organizations in Easter House, Airlie, and Living Faith you are in direct competition with commercial businesses because you conduct activities generally conducted for a profit. You conduct many of your activities in the same manner as commercial enterprises. Accordingly, your commercial activities evidence a substantial nonexempt commercial purpose.

The activities you identify as “educational” are merely incidental to your business of providing credit repair services. Thus, more than an insubstantial part of your activities is in furtherance of a nonexempt purpose, in contravention of Treas. Reg. Section 1.501(c)(3)-1(c)(1). Therefore, you are not operated for an exempt purpose.

Section 501(q) of the Code

An organization that provides educational information on financial topics or financial counseling is providing “credit counseling services” within the meaning of IRC Section 501(q)(4)(A). Providing a credit repair service and information regarding credit may fall within the parameters of the above definition. Thus, even if you had established that you engage in educational activities as a substantial purpose, to be exempt from taxation you must, in addition to complying with the requirements of Section 501(c)(3), comply with the provisions of Section 501(q). You do not comply with certain provisions of Section 501(q) of the Code.

Your solicitation of donations through your website is inconsistent with the requirements of IRC Section 501(q)(2)(A)(i) which states that an organization providing credit counseling services as a substantial purpose may be exempted from tax only if it does not solicit contributions from consumers during the initial counseling process or while the consumer is receiving services from the organization.

Therefore, had you established that you provide educational information on financial topics or financial counseling as a substantial purpose, and that you otherwise met the requirements of IRC Section 501(c)(3), your failure to satisfy the requirements of Section 501(q) would prevent you from being exempt from taxation under Section 501(a).

Conclusion

Based on the facts and information provided, you are not organized or operated exclusively for exempt purposes. You are not organized exclusively for exempt purposes as required by Treas. Reg. Section 1.501(c)(3)-1(b)(1)(i). You are not operated exclusively for an exempt purpose as required by Treas. Reg. Sections 1.501(c)(3)-1(a)(1) and 1.501(c)(3)-1(c)(1). You are organized and operated for commercial purposes in contravention of Treas. Reg. Section 1.501(c)(3)-1(c)(1). Any public purposes for which you may operate are only incidental to this primary nonexempt purpose. Therefore, you are not described in IRC Section 501(c)(3).

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 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 or call 877-777-4778.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements