



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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Release Number: **201213030**
Release Date: 3/30/2012
Date: 1/6/2012
UIL Code: 501.32-00

Contact Person:
Identification Number:
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 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. Since we did not receive a protest within the requisite 30 days, the proposed adverse determination is now final.

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.

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.

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 1-800-829-1040 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

Enclosure
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: November 1, 2011

Contact Person:

Identification Number:

Contact Number:

FAX Number:

Employer Identification Number:

LEGEND:

B = Name
C = Name
D = Name
E = Name
F = State
G = Date
h dollars = Amount
j dollars = Amount
k dollars = Amount

UIL:

501.32-00
501-32-01
501.33-00
501.35-00

Dear

We have considered your application for recognition of exemption from federal income tax under Internal Revenue Code section 501(a). Based on the information provided, we have concluded that you do not qualify for exemption under Code section 501(c)(3). The basis for our conclusion is set forth below.

Issues

Do you qualify for exemption under section 501(c)(3) of the Code? No, for the reasons described below.

Do you meet the organizational test under section 501(c)(3) of the Code? No, for the reasons described below.

Do you meet the operational test under section 501(c)(3) of the Code? No, for the reasons described below.

Letter 4036(CG) (11-2005)
Catalog Number 47630W

Facts

You were incorporated on G as a non-profit corporation under F law. Your Articles of Incorporation ("Articles") state, in Article II, that your specific purpose is:

"...to assist homeowners to refinance their existing mortgages by providing individual homeowners with financial assistance to cover the costs associated with refinancing their existing home loan(s) in way that can lower the cost of their mortgage or provide greater financial stability."

Your Articles also provide:

"The corporation is organized and operated exclusively for charitable purposes within the meaning of Internal Revenue Code section 501(c)(3)."

"The property of this corporation is irrevocably dedicated to charitable purposes and no part of the income or assets of this corporation may ever inure to the benefit of any director, officer or member thereof, or to the benefit of any private person."

Your Form 1023 ("application") indicates that you provide funds to individuals who are eligible private mortgage loan borrowers. The donations are intended to reimburse fund recipients for various costs and expenses directly associated with refinancing home mortgage transactions. The donated funds may be used to reduce loan balances for at risk borrowers, pay title fees, insurance, appraisal fees, as well as lender and broker origination fees including discount points. The activity is intended to enable home mortgage refinancing on preferable and beneficial terms to fund recipients by paying down the expenses associated with a home mortgage refinance transaction.

The assistance activity will be conducted nationwide, although preference may be given to geographic areas particularly affected by the current home mortgage crisis. You are not otherwise involved or associated with any entity in the refinance process. The activity is ordinarily conducted prior to and during the refinancing and closing process. You will be funded by donations solicited from individuals and institutional benefactors as well as unrelated business income.

Your Board of Directors is composed of three individuals, all of whom are related through blood or business interests. B is your President, Treasurer, and Secretary as well as a member of your Board of Directors. C and D are members of your Board of Directors but do not serve as officers. B is C's son. B and D are business partners in E. E is a for-profit company providing mortgage technology and consulting with the goal of providing consumers with optimal mortgage options at the lowest combination of costs and interest rates and to address the multitude of problems that can occur with the mortgage origination process.

You have a conflict of interest policy ("COI"). The COI was adopted by your governing body. The COI defines an "interested person" as "[a]ny director, principal officer or member of a committee with governing board delegated powers, who has a direct or indirect 'financial

interest.' . . ." "Financial interest" is defined to include: a direct or indirect ownership or investment interest in any entity in which you have a transaction or arrangement; and, a compensation arrangement with you or any other entity or individual with which you have a transaction or arrangement. The COI provides for a duty to disclose actual or possible conflicts of interest. After disclosure, the person with the conflict must leave the governing board or committee meeting while the remaining board decides if a conflict of interest exists. The COI does not discuss procedures for addressing situations where all three directors have a duty to disclose a "financial interest."

You applied as a private operating foundation. Your budgets include unrelated business income of h dollars, j dollars and k dollars for 2008, 2009 and 2010 respectively. You have also included revenue from gifts, grants, and contributions for 2009 and 2010 that constitute less than % of your total revenue. You utilize a website providing basic information about your mission and contact information.

In response to our correspondence, you submitted additional information regarding your operations as well as copies of your website pages.

You focus on borrowers who are in residential mortgage backed securities (RMBS) because it is difficult for borrowers to get a modification or otherwise work with their servicer because the loan is not owned by a single entity. The unrelated business income shown on page 9 of Form 1023 is consulting income from analyzing RMBS portfolios to identify who the actual borrowers are and who would be eligible for your assistance. Borrowers are eligible as long as they qualify for a new loan according to current lenders underwriting guidelines and would realize a tangible benefit from your assistance. Borrowers are selected by you through rigorous research. You advertise your services through your website and direct communication methods.

E works closely with you to research borrowers and determine eligibility. In addition, E and other investment firms compensate you for research performed to get more data on borrowers and property in RMBS portfolios. Your sample contract states that you get paid a consulting fee as well as a success fee per record identified. You do not purchase leads. E helps you identify which RMBS portfolios might be the best candidates to focus on and then pays you a fee to help identify borrowers.

You provided two actual examples of beneficiaries to whom you have provided assistance. Example one involved an individual with an adjustable rate mortgage (ARM) loan where the property was worth approximately % less than the amount owed on the loan. You reduced her mortgage balance and refinanced her into a new loan with a balance below the value of the property. In addition, you paid her closing costs on the loan. The funds provided to the beneficiary totaled over \$. Example two involved an individual with a mortgage balance that was higher than the value of the home. You paid down the loan balance to enable the borrower to qualify for a new loan and paid the closing costs on the loan. The borrower used substantial funds of her own to help pay down the loan. No income limits were used to determine eligibility for assistance. The only objective criteria used was whether the borrower would realize a tangible benefit from your assistance.

Law

Section 501(c)(3) of the Code 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.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations (“regulations”) provides that, in order to be exempt as an organization described in section 501(c)(3) of the Code, 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) of the Code. 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(d)(1)(ii) of the regulations provides that an organization is not organized and operated exclusively for exempt purposes under Section 501(c)(3) of the Code unless it serves a public rather than a private interest. Thus, an organization must establish that it is not organized or operated for the benefit of private interest, such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled 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) in its generally accepted legal sense and includes: Relief of the poor and distressed or of the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening of the burdens of Government; and promotion of social welfare by organizations designed to accomplish any of the above purposes, or (i) to lessen neighborhood tensions; (ii) to eliminate prejudice and discrimination; (iii) to defend human and civil rights secured by law; or (iv) to combat community deterioration and juvenile delinquency.

Section 1.501(c)(3)-1(d)(3)(i) of the regulations provides that the term “educational,” as used in section 501(c)(3) of the Code, relates 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.

Rev. Rul. 67-138, 1967-1, C.B. 129 - The organization's training of low-income families on various aspects of house-building and homeownership is "educational" since the training is useful to and develops the capabilities of the individuals who receive it and benefits the community. The organization's other activities in assisting families in need to obtain adequate housing are "charitable" since they provide relief to the underprivileged, lessen the burdens of government, and are a means of combating community deterioration. Accordingly, the organization is exempt from federal income tax under section 501(c)(3) of the Code.

Rev. Rul. 69-441, 1969-2, C.B. 115 - 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 is relieving the poor and distressed. Furthermore, by providing the public with information on budgeting, buying practices, and the sound use of consumer credit, the organization is instructing the public on subjects useful to the individual and beneficial to the community. Accordingly, the organization is exempt from federal income tax under section 501(c)(3) of the Code.

Rev. Rul. 70-585, 1970-2, C.B. 115 - Provides four situations where an organization is formed for charitable purposes and accomplishes its charitable purposes through a program of providing housing for low and, in certain circumstances, moderate income families, it is entitled to exemption under section 501(c)(3) of the Code. Situation 1 - By providing homes for low income families who otherwise could not afford them, the organization is relieving the poor and distressed. Thus, it is held that this organization is organized and operated exclusively for charitable purposes, and it is exempt from federal income tax under section 501(c)(3) of the Code. Situation 2 - the organization's activities are designed to eliminate prejudice and discrimination and to lessen neighborhood tensions, it is engaged in charitable activities within the meaning of section 501(c)(3) of the Code. Situation 3 - the organization's purposes and activities combat community deterioration by assisting in the rehabilitation of an old and run-down residential area, they are charitable within the meaning of section 501(c)(3) of the Code. Situation 4 - The organization plans to erect housing that is to be rented at cost to moderate income families. The organization is financed by mortgage money obtained under federal and State programs and by contributions from the general public. Since the organization's program is not designed to provide relief to the poor or to carry out any other charitable purpose, the organization is not exempt under Section 501(c)(3).

In Better Business Bureau of Washington, D.C. v. U.S., 326 U.S. 279, 283, 66 S. Ct. 112, 90 L. Ed. 67 (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 addition, the court found that the

organization's financing did not resemble that of the typical section 501(c)(3) organizations. 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 did not limit its clientele to organizations that were section 501(c)(3) exempt organizations.

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, 109 S. Ct. 257, 102 L. Ed. 2d 246 (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). Easter House, 12 Cl. Ct. at 485-486.

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.

Application of Law

Section 501(c)(3) of the Code 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). Section 1.501(c)(3)-1(a)(1). You fail both tests.

Organizational Test

To demonstrate that it is organized exclusively for exempt purposes, thus satisfying the organizational test, an organization must have a valid purpose clause and a valid dissolution provision. Sections 1.501(c)(3)-1(b)(1)(i) of the regulations. You do not have a valid purpose clause. Therefore, you do not meet the organizational test. A valid purpose clause limits the organization's purposes to one or more exempt purposes and does 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(b)(1)(i) of the regulations.

Your Articles provide that your specific purpose is to:

"...to assist homeowners to refinance their existing mortgages by providing individual homeowners with financial assistance to cover the costs associated with refinancing their existing home loan(s) in way that can lower the cost of their mortgage or provide greater financial stability."

Your Articles do not limit your purposes to one or more exempt purposes. Specifically, assisting homeowners to refinance their existing mortgages is not an exempt purpose. Therefore, you do not have a valid purpose clause. Accordingly, you are not organized for exempt purposes.

Operational Test

To satisfy the 501(c)(3) operational test, an organization must establish that it is operated exclusively for one or more exempt purposes. Section 1.501(c)(3)-1(c)(1) of the regulations. You failed to establish that you are operated exclusively for one or more exempt purposes.

Your Activities Are Not Charitable

All of your time and resources are devoted to providing services for a fee to commercial entities or to providing grants to individuals who are not part of a charitable class. The research services you provide to E and other investors do not further charitable purposes. Helping E and other investors identify borrowers in need of mortgage loan refinancing services does not provide relief to the poor and distressed within the meaning of section 1.501(c)(3)-1(d)(2) of the regulations or serve any other purpose recognized as charitable.

The grants you provide to individuals do not further charitable purposes. You represent that borrowers are eligible for assistance as long as they qualify for a new loan according to current lender underwriting guidelines and would realize a tangible benefit from your assistance. Therefore, your services are not directed exclusively to low-income individuals. Accordingly, you are unlike the organizations described in Rev. Rul. 67-138, *supra* and Rev. Rul. 69-441, *supra*, which aided low-income individuals and families who have financial problems, thereby

relieving the poor and distressed. You are similar to the organization described in Situation 4 of Rev. Rul. 70-585 in that you are providing assistance to individuals that are not poor and distressed. Thus, you failed to establish that your activities are charitable within the meaning of section 501(c)(3) of the Code.

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, *supra*; Easter House, *supra*; Airlie, *supra*; Living Faith, *supra*. Generally, the factors proffered by courts focus on the nature of the activities and how an organization conducts its business.

A substantial part of your activities consists of providing research services to E and other investors for a fee. Researching borrowers and property in RMBS portfolios is not an exempt purpose, as recognized by statute or by case law, but rather a substantial nonexempt commercial purpose.

Your finance structure further demonstrates that you operate for a substantial nonexempt commercial purpose. You indicated that you will solicit donations from individuals and institutional benefactors. Your actual financial data for four months in 2008 includes approximately half of your revenue from donations received from F and the other half received through the provisions of consulting services to for-profit entities. There is no evidence that you have received contributions or gifts from disinterested members of the public. Accordingly, you are like the organization described in B.S.W. Group, *supra* its financing did not resemble that of the typical section 501(c)(3) organizations. 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. Your operations are financed entirely by revenue earned from selling services to E and other investment firms and donations from E, a related entity. Receiving support primarily from consulting fees is indicative of a nonexempt purpose. Easter House, *supra*.

Like the organizations in Easter House, *supra*, Airlie, *supra*, and Living Faith, *supra*, you are in direct competition with commercial businesses because you conduct consulting activities generally conducted for a profit. In fact, you work closely with E, a for-profit company providing mortgage technology and consulting services, to research borrowers. In addition, E and other investment firms compensate you for research performed to get more data on borrowers and property in RMBS portfolios. Your sample contract states that you get paid a consulting fee as well as a success fee per record identified. E helps you identify which RMBS portfolios might be the best candidates to focus on and then pays you a fee to help identify borrowers. You conduct your consulting activities in the same manner as commercial enterprises. For example, you use similar pricing, financial structure, and relationships with other for-profit companies. Accordingly, your commercial activities evidence a substantial nonexempt commercial purpose. The activities you identify as "charitable" are merely incidental to your business of providing consulting services for a fee. Your operational focus is on generating consulting fees from your consulting activities. Like the organizations described in Better Business Bureau, *supra*, and Easter House, *supra*, your activities have an underlying commercial motive that distinguishes your activities from those carried out by a charitable organization. Thus, more than an

insubstantial part of your activities are in furtherance of a nonexempt purpose, in contravention of section 1.501(c)(3)-1(c)(1) of the regulations. Therefore, you are not operated for an exempt purpose.

Inurement

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 501(c)(3) of the Code; Section 1.501(c)(3)-1(c)(2) of the regulations.

You do not have adequate safeguards to protect you in your dealings with E. Your conflict of interest policy (COI) was executed by your governing body. Under the terms of your COI, all three of your directors are prevented from determining whether a conflict exists with regards to transactions or arrangements with the for-profit organization, E. B and D are co-owners of E and C is related by blood to B. Thus, you failed to demonstrate that insiders will not benefit from your relationship with E.

Private Benefit

An organization is not organized or operated exclusively for exempt purposes unless it serves a public rather than a private interest. See section 1.501(c)(3)-1(d)(1)(ii) of the regulations. The consulting services you provide substantially benefit for-profit corporations. You perform a research function on behalf of E and other investment firms they would otherwise have to perform. In addition, your financial assistance to homeowners in refinancing their mortgages directly benefits the homeowner by paying down mortgage balances as well as closing costs and other fees required to refinance mortgages where the value of the home is less than the mortgage balance.

Therefore, you have not demonstrated that your operations serve a public rather than a private interest as required by section 1.501(c)(3)-1(d)(1)(ii).

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 because your purpose is not limited to 501(c)(3) purposes. You are not operated exclusively for an exempt purpose because you are operating for commercial purposes. Any public purposes for which you may operate are only incidental to this primary nonexempt purpose. You have not demonstrated that you do not allow your net earnings to inure to private individuals. You do not serve a public interest but rather a private interest.

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.

You have the right to file a protest if you believe this determination is incorrect. To protest, you must submit a statement of your views and fully explain your reasoning. You must submit the

statement, signed by one of your officers, within 30 days from the date of this letter. We will consider your statement and decide if the information affects our determination. If your statement does not provide a basis to reconsider our determination, we will forward your case to our Appeals Office. You can find more information about the role of the Appeals Office in Publication 892, *Exempt Organization Appeal Procedures for Unagreed Issues*.

Types of information that should be included in your appeal can be found on page 2 of Publication 892. These items include:

1. The organization's name, address, and employer identification number;
2. A statement that the organization wants to appeal the determination;
3. The date and symbols on the determination letter;
4. A statement of facts supporting the organization's position in any contested factual issue;
5. A statement outlining the law or other authority the organization is relying on; and
6. A statement as to whether a hearing is desired.

The statement of facts (item 4) must be declared true under penalties of perjury. This may be done by adding to the appeal the following signed declaration:

"Under penalties of perjury, I declare that I have examined the statement of facts presented in this appeal and in any accompanying schedules and statements and, to the best of my knowledge and belief, they are true, correct, and complete."

Your appeal will be considered incomplete without this statement.

If an organization's representative submits the appeal, a substitute declaration must be included stating that the representative prepared the appeal and accompanying documents; and whether the representative knows personally that the statements of facts contained in the appeal and accompanying documents are true and correct.

An attorney, certified public accountant, or an individual enrolled to practice before the Internal Revenue Service may represent you during the appeal process. If you want representation during the appeal process, you must file a proper power of attorney, Form 2848, *Power of Attorney and Declaration of Representative*, if you have not already done so. You can find more information about representation in Publication 947, *Practice Before the IRS and Power of Attorney*. All forms and publications mentioned in this letter can be found at www.irs.gov, Forms and Publications.

If you do not file a protest within 30 days, you will not be able to file a suit for declaratory judgment in court because the Internal Revenue Service (IRS) will consider the failure to appeal as a failure to exhaust available administrative remedies. Code section 7428(b)(2) provides, in part, that a declaratory judgment or decree 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 all of the administrative remedies available to it within the IRS.

If you do not intend to protest this determination, you do not need to take any further action. If we do not hear from you within 30 days, we will issue a final adverse determination letter. That letter will provide information about filing tax returns and other matters.

Please send your protest statement, Form 2848, and any supporting documents to the applicable address:

Mail to:

Internal Revenue Service
EO Determinations Quality Assurance
Room 7-008
P.O. Box 2508
Cincinnati, OH 45201

Deliver to:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Room 7-008
Cincinnati, OH 45202

You may fax your statement using the fax number shown in the heading of this letter. If you fax your statement, please call the person identified in the heading of this letter to confirm that he or she received your fax.

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
Rulings & Agreements

Enclosure, Publication 892