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

NO PROTEST RECEIVED
Release copies to District
Date 8/27/99
Surname [redacted]

JUN 14 1999

Contact Person: [redacted]
ID Number: [redacted]
Telephone Number: [redacted]

[redacted]

Employer Identification Number: [redacted]

Dear Applicant:

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 [redacted], under the nonprofit laws of the [redacted] Your stated purposes are to be organized and operated exclusively for charitable, educational and scientific purposes within the meaning of section 501(c)(3) of the Code, including to operate a not for profit home care service for individuals in [redacted] and its environs.

Your sole member is [redacted], a [redacted] nonprofit corporation ([redacted]). [redacted] elects all your trustees, other than ex officio trustees and the trustee designated by [redacted]. [redacted] is an IRC 501(c)(3) organization and the sole member of [redacted] is also the parent of [redacted], an IRC 501(c)(3) hospital.

Your services include a venipuncture program for individuals who are unable due to illness, injury, or disability to leave the home for routine blood work. You provide health care professionals who make home visits to draw patients' blood and arrange for blood testing.

[redacted]

In addition, you have entered into a joint venture with [redacted] ("[redacted]") to form [redacted], a [redacted] limited liability company ("LLC"). [redacted] is a [redacted] for-profit corporation in the business of providing pharmaceutical therapy, support services and related supplies to patients in the home. The LLC is treated as a partnership for federal income tax purposes. LLC provides complete infusion services, including antibiotics, parenteral nutrition, enteral nutrition, pain management and chemotherapy, as well as patient assessment and evaluation, patient and family education and training, patient compliance monitoring, laboratory testing and follow-up case management. You and [redacted] each own fifty percent of the LLC.

You and [redacted] have entered into an Operating Agreement. The Operating Agreement provides that the number of the managers of the governing board of the LLC shall be four or such other number as shall be approved by unanimous vote of the members. You indicated that there are currently five managers on the LLC's governing board, of which you appoint three. The Operating Agreement requires that all matters upon which the managers are entitled to vote require the unanimous consent of all managers for approval.

There is a mechanism for either member to dissolve the LLC in the event the parties are unable to make a management decision due to an unresolved dispute. The members of the LLC are considered deadlocked if such dispute adversely affects or threatens to adversely affect the business operations of the LLC and such deadlock is not resolved within ninety days after the issue first arose. If a deadlock occurs, either party may implement a mandatory buy-sell procedure which requires the other party to sell its ownership interests to the offeror or to purchase all of the offeror's ownership interests at fair market value.

The purposes of the LLC as stated in the Operating Agreement are to establish, manage and operate an agency which provides outpatient infusion therapy and services and home infusion therapy services for local residents. The LLC does not have a charity care policy. The LLC was designed to provide services to a managed care population. Once identified, a patient is either serviced by the LLC or referred to the [redacted] home care program. Per the Operating Agreement, the LLC also does not provide Medicare or Medicaid services, nor is it certified to do so. The LLC is not qualified as a "home health agency" as defined in section 1861(o) of the Social Security Act.

Pursuant to the Operating Agreement, the LLC entered into a Management Agreement with [redacted] is responsible for the management, supervision and

[redacted]

administration of the day to day operations of the LLC, subject to general oversight and directives from the governing board. Young provides all upper level management and administrative personnel. Such executive officers and employees are employees of [redacted] As compensation for its services, LLC pays [redacted] a management fee of fifteen percent of LLC's annual gross income.

In addition, [redacted] and the LLC entered into a Pharmaceutical Therapy Agreement. Under the terms of the therapy agreement, [redacted] assists, advises, and consults with LLC and LLC staff members concerning the candidacy of patients for pharmaceutical therapy and support services. Young also provides all prescription and nonprescription pharmaceuticals (including drugs and nutritional solutions for administration by means of enteral, parenteral, injection or inhalation) and all ancillary equipment and supplies necessary for a patient's pharmaceutical therapy. All pharmaceutical drugs and supplies are provided at [redacted] cost thereof (defined as net of applicable discounts) plus [redacted] cost of direct labor therefor (salary plus fringe benefits).

[redacted] and the LLC entered into a Home Health Agency Services Agreement. Under the services agreement, [redacted] provides skilled nursing and home health services to patients of the LLC. [redacted] is responsible for the care of the patients it serves, including administrative authority and general supervisory responsibility. As compensation for its services, LLC pays [redacted] for its direct labor costs (salary plus fringe benefits).

You stated that you have no employees. Instead, you arrange for the use of several types of employees, including registered nurses and phlebotomists on a part-time basis from the [redacted] a related hospital. You then make these individuals available to the LLC. Under this arrangement, the individuals remain as [redacted] employees. All other personnel necessary for the provision of the LLC's services are under subcontract with [redacted] and are [redacted] employees.

Patients of the [redacted] who need the services of the LLC after discharge become patients of the LLC, and are no longer patients of the [redacted] Physicians, hospitals, and other sources refer patients to the LLC. A patient who has been hospitalized at the [redacted] and needs infusion services upon discharge may choose to use the services of the LLC but is not required to do so.

APPLICABLE LAW

Stand Alone Basis for Exemption

[redacted]

Section 501(c)(3) of the Code describes as exempt from federal income tax, as provided under section 501(a), organizations organized and operated exclusively for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(a) of the Income Tax Regulations provides that to be exempt under section 501(c)(3) of the Code an organization must be organized and operated exclusively for the purposes specified therein. The purposes specified in section 501(c)(3) include charitable 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 which accomplish one or more exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(c)(3)-1(d)(1) of the regulations provides that an organization is not organized or operated exclusively for an exempt purpose 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 designated individuals.

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. The promotion of health has long been recognized as a charitable purpose. See Restatement (Second) of Trusts, sections 368, 372 (1959); 4A Scott and Fratcher, The Law of Trusts, sections 368, 372 (4th ed. 1989).

Rev. Rul. 69-545, 1969-2 C.B. 117, sets forth standards under which a nonprofit hospital may qualify for recognition of exemption under section 501(c)(3) of the Code. This revenue ruling gave consideration to two separate hospitals, only one of which was determined to qualify for exempt status under section 501(c)(3). By weighing all the relevant facts and circumstances, the revenue ruling analyzed whether both the control and use of the hospitals were for the benefit of the public or for the benefit of private interests. The hospital that qualified for exemption was found to be organized and operated to further the charitable purpose of promoting health by satisfying a community benefit standard that included, among other factors, a board of directors that broadly represented the interests of the community. The hospital that did not qualify for recognition of exemption was found to be operating for the private benefit of those who controlled it rather than for the benefit of the public.

[redacted]

Rev. Rul. 72-209, 1972-1 C.B. 148, provides that a nonprofit organization formed to provide low cost home health care for people of a community may qualify for exemption under section 501(c)(3) of the Code as a charitable organization. The revenue ruling concludes that by providing home nursing and therapeutic care in the manner described, the organization serves many of the same health care needs of the community that hospitals traditionally serve, and therefore, is promoting health within the meaning of the general law of charity.

Rev. Rul. 98-15, 1998-12 I.R.B. 6, compares two situations where an exempt hospital forms a joint venture with a for-profit entity and then contributes its hospital and all of its other operating assets to the joint venture, which then operates the hospital.

In Situation 1, the revenue ruling concludes that the exempt organization will continue to further charitable purposes when it participates in the joint venture. Favorable factors include the commitment of the joint venture to give charitable purposes priority over maximizing profits; the community make-up and structure of the board; the voting control held by the exempt organization's representatives on the board; the specifically enumerated powers of the board; and, that the terms and conditions of the management contract are reasonable.

In Situation 2, the revenue ruling concludes that the organization will fail the operational test when it participates in the joint venture because activities of the joint venture will result in greater than incidental private benefit to the for-profit partner. Factors leading to this conclusion include: shared voting control with the for-profit partner; no binding obligation to serve the community; the joint venture's operation as a business enterprise will not necessarily give priority to the health needs of the community over maximizing profits; the chief executives of the joint venture have a prior relationship to the for-profit partner and the management company, a subsidiary of the for-profit partner; and, the management company is given broad discretion over activities and assets and may unilaterally renew the contract.

In Better Business Bureau of Washington, D.C. v. United States, 326 U.S. 279, 283 (1945), the Court stated 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 Geisinger Health Plan v. Commissioner, 985 F.2d 1210 (3d Cir. 1993) ("Geisinger II"), rev'g 62 T.C.M. 1656 (1991) ("Geisinger I"), the Circuit Court held that a health maintenance organization that provided no significant benefits to anyone other than its paying subscribers failed to demonstrate that it primarily benefitted the community and did not qualify for tax exempt status under section 501(c)(3) of the

[redacted]

Code. The court determined that a charitable health care organization must meet a flexible community benefit test, based upon the totality of the circumstances, to show it is operated in furtherance of a charitable purpose.

In Plumstead Theatre Society, Inc. v. Commissioner, 74 T.C. 1324 (1980), aff'd 675 F.2d 244 (9th Cir. 1982), the Tax Court held that a charitable organization's participation as a general partner in a limited partnership did not jeopardize its exempt status. The organization co-produced a play as one of its charitable activities. Prior to the opening of the play, the organization encountered financial difficulties in raising its share of the costs. In order to meet its funding obligations, the organization formed a limited partnership in which it served as a general partner and two individuals and a for-profit corporation were the limited partners. Significant factors in the Tax Court's finding included that the limited partners played a passive role as investors only, that the organization remained in control of all aspects of the play, that none of the limited partners were directors or officers of the organization, and that the investors' interests in the particular play were not intrusive or indicative of serving private interests.

In Housing Pioneers v. Commissioner, 65 T.C.M. (CCH) 2191 (1993), aff'd, 49 F.3d 1395 (9th Cir. 1995), amended 58 F.3d 401 (9th Cir. 1995), the Tax Court concluded that the organization did not qualify as an organization described in section 501(c)(3) of the Code because its activities performed as co-general partner in limited partnerships substantially furthered nonexempt purposes, and private interests were served by its activities. The organization entered into partnerships as a one percent co-general partner of existing limited partnerships for the purpose of splitting the tax benefits with the for-profit partners. Under the management agreement, the organization's authority as co-general partner was narrowly circumscribed. It had no management responsibilities and could describe only a vague charitable function of surveying tenant needs.

Integral Part Basis for Exemption

Section 502 of the Code states that an organization operated for the primary purpose of carrying on a trade or business for profit is not tax exempt on the ground that all of its profits are payable to one or more tax-exempt organizations.

Section 1.502-1(b) of the regulations provides that a subsidiary organization of a tax exempt organization may be exempt on the ground that the activities of the subsidiary are an integral part of the exempt activities of the parent organization. However, the subsidiary is not exempt from tax if it is operated for the primary purpose of carrying on a trade or business which would be an unrelated trade or business if regularly carried on by the parent organization.

[redacted]

Section 512(c)(1) of the Code provides that if a trade or business regularly carried on by a partnership of which an organization is a member is an unrelated trade or business with respect to such organization, this organization, in computing its unrelated business taxable income, must include its share (whether or not distributed) of the gross income of the partnership from such unrelated trade or business and its share of the partnership deductions directly connected with such gross income. See also section 1.512(c)-1 of the regulations.

Section 513(a) of the Code defines the term "unrelated trade or business" as any trade or business the conduct of which is not substantially related (aside from the need of the organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of the purpose or function constituting the basis for its exemption.

Section 1.513-1(a) of the regulations defines unrelated business taxable income to mean gross income derived by an organization from any unrelated trade or business regularly carried on by it, less directly connected deductions and subject to certain modifications. Therefore, gross income of an exempt organization subject to the tax imposed by section 511 of the Code is includible in the computation of unrelated business taxable income if: (1) it is income from trade or business; (2) such trade or business is regularly carried on by the organization; and (3) the conduct of such trade or business is not substantially related (other than through the production of funds) to the organization's performance of its exempt functions.

Section 1.513-1(b) of the regulations states that the phrase "trade or business" includes activities carried on for the production of income which possess the characteristics of a trade or business within the meaning of section 162 of the Code. Section 1.513-1(c) of the regulations explains that regularly carried on has reference to the frequency and continuity with which the activities productive of the income are conducted and the manner in which they are pursued.

Section 1.513-1(d)(1) of the regulations states that the presence of the substantially related requirement necessitates an examination of the relationship between the business activities which generate the particular income in question -- the activities, that is, of producing or distributing the goods or performing the services involved -- and the accomplishment of the organization's exempt purposes.

Section 1.513-1(d)(2) of the regulations states that a trade or business is related to exempt purposes only where the conduct of the business activity has a causal relationship to the achievement of an exempt purpose, and is substantially related for purposes of section 513, only if the causal relationship is a substantial one. Thus, for

[redacted]

the conduct of a trade or business from which a particular amount of gross income is derived to be substantially related to purposes for which exemption is granted, the production or distribution of the goods or the performance of the services from which the gross income is derived must contribute importantly to the accomplishment of those purposes.

Rev. Rul. 68-375, 1968-2 C.B. 245, concludes that the sale of pharmaceutical supplies by an exempt hospital to private patients of physicians with offices in a hospital-owned medical building results in unrelated business taxable income to the hospital.

Rev. Rul. 78-41, 1978-1 C.B. 148, concludes that a trust created by a hospital to accumulate and hold funds to pay malpractice claims against the hospital qualified for exemption under section 501(c)(3) of the Code as an integral part of the hospital. The hospital provided the funds for the trust, and the banker-trustee was required to make payments to claimants at the direction of the hospital. The organization conducted an activity that the hospital could perform itself.

Geisinger Health Plan v. Commissioner, 100 T.C. 394 (1993), ("Geisinger III"), aff'd, 30 F.3d 494 (3rd Cir. 1994) ("Geisinger IV"), held that a prepaid health plan did not qualify for exemption under section 501(c)(3) of the Code based on the integral part doctrine of section 1.502-1(b) of the regulations.

RATIONALE

We have concluded that you are not operated exclusively for exempt purposes as described in section 501(c)(3) of the Code.

Stand Alone Basis for Exemption

To be described in section 501(c)(3) of the Code, an organization must be organized and operated exclusively for exempt purposes, including charitable purposes. An organization will be regarded as operated exclusively for charitable purposes only if it engages primarily in activities which accomplish those exempt purposes. An organization does not operate exclusively for charitable purposes if more than an insubstantial part of its activities do not further charitable purposes. Section 1.501(c)(3)-1(c)(1) of the regulations. Also, see Better Business Bureau v. United States, supra.

An organization is not operated exclusively for exempt purposes unless it serves a public rather than a private interest. An organization must establish that it does not

[redacted]

operate for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests. Section 1.501(c)(3)-1(d)(1) of the regulations.

For federal income tax purposes, the activities of a partnership are generally considered to be the activities of its partners. See, e.g., Butler v. Commissioner, 36 T.C. 1097 (1961), acq., 1962-2 C.B. 4. This is also consistent with the treatment of partnerships for purposes of the unrelated business income tax under section 512(c) of the Code. Thus, the activities of an LLC treated as a partnership for federal income tax purposes are considered to be the activities of a nonprofit organization that is a member of the LLC when evaluating whether the nonprofit organization is operated exclusively for charitable or educational purposes. Accordingly, when participating in a partnership is the only activity of a nonprofit organization, the exempt organization fails the operational test under section 1.501(c)(3)-1(c)(1) of the regulations if more than an insubstantial amount of the partnership's activities do not further a charitable purpose.

An organization may participate in a partnership, including an LLC treated as a partnership for federal income tax purposes, and meet the operational test if participation in the partnership furthers a charitable purpose and the partnership arrangement permits the exempt organization to act exclusively in furtherance of its exempt purpose and only incidentally for the benefit of the for-profit members or partners. See Plumstead Theatre Society, Inc. v. Commissioner, supra; and Housing Pioneers v. Commissioner, supra. Also see Rev. Rul. 98-15, supra.

The promotion of health has long been recognized as a charitable purpose. The promotion of health includes patient care through home health services. See Rev. Rul. 72-209, supra. Whether a hospital or other health care organization promotes health in a charitable manner is determined under a community benefit standard. Rev. Rul 69-545, supra; Geisinger II, supra. Under the community benefit standard, all the facts must be examined to determine whether a health care organization primarily benefits the community. Whether a health care organization whose sole activity is the participation in a joint venture with a for-profit entity is primarily engaged in activities that satisfy the community benefit standard also depends on all the facts and circumstances. Rev. Rul. 98-15, supra.

The submitted information establishes that you seek exemption based on your sole activity of participating in a limited liability company with a for-profit entity. We conclude that LLC is not engaged in activities that primarily further a charitable purpose, as required under section 1.501(c)(3)-1(c)(1) of the regulations. Your participation in the LLC does not permit you to act exclusively in furtherance of your charitable purpose and allows for greater than incidental benefits to [redacted] the for-profit partner.

[redacted]

The facts in your case are substantially different from those listed in Situation 1 of Rev. Rul. 98-15, and more closely resemble those discussed in Situation 2 of Rev. Rul. 98-15.

Similar to Situation 2, LLC will own and operate the infusion services business. Assets of an exempt organization have been contributed to the LLC that will operate the facility. Under the Operating Agreement, LLC was formed to carry on a business for profit. There is no obligation in the Operating Agreement for LLC to serve charitable purposes or otherwise benefit the community as a whole, and for such charitable purposes to take precedence over any profit motive.

The lack of an exempt purpose in LLC's operations is apparent from the facts disclosed in your application. Unlike the organization described in Rev. Rul. 72-209, supra, LLC is not a qualified home health agency and does not provide skilled nursing services. Its activities involve medication infusion therapy in a home setting. Fees charged will be sufficient to ensure a profit, as determined by market rate. LLC is not providing low cost home health care as described in Rev. Rul 72-209.

Further, both you and [redacted] have equal ownership rights and voting rights regarding major decisions to be undertaken by the Partnership. Also, [redacted] is the manager of the LLC's activities. Thus, [redacted] decides major financial, clinical business, and personnel decisions not specifically requiring your consent.

Your veto power on the board of managers is not the same as having meaningful control over the decision-making process. You are unable to exert any decisive influence or actual control although you have a significant stake in the LLC's earnings. Instead, [redacted] has the actual control over the LLC's activities and your assets due to their position as equal owners and as the manager and administrator of the day to day activities of the LLC.

Although you technically have equal voting power to the for-profit interests, with veto power retained by your representatives over major decisions, this structure does not allow you the ability to definitively affect policy or direction, or initiate programs within the LLC to serve new health care needs of the community. This is especially true considering that [redacted] will have control over the day to day management of the agency, as well as power over the full time staff and the billing services. The influence possessed by [redacted] over the business and staff makes it unlikely that any of them would ensure that a charitable program would take precedence over the business concerns of [redacted]. This control will influence the staff to be more responsive to [redacted] profit agenda such as in fee schedules, services provided and patients served.

[redacted]

The key executives also have the authority to determine what matters are brought to the attention of the partners.

What distinguishes charitable health care providers from their investor-owned counterparts is the willingness of charities to subjugate concern for the bottom line to concern for mission. An exempt entity participating in a partnership with a for-profit entity generally has to take into account the for-profit partner's pecuniary interests. When the exempt entity is in control of the partnership, however, it can take steps to satisfy this need while assuring the accomplishment of its exempt purpose.

However, you have almost no resources to exercise your limited role in the LLC. You are virtually a shell. You have no paid employees; your activities other than the LLC activity is limited; and you cannot control the activities of the LLC.

The present situation is distinguishable from the joint venture described in Plumstead Theatre Society v. Commissioner because in Plumstead the joint venture was limited in scope and the charity maintained full management control over the activities of the partnership. Instead, you are like the organization in Housing Pioneers v. Commissioner, which did not control the activity of the partnerships. The direct and indirect control maintained by [redacted] as (a) an equal owner with required unanimous decisions by the board, irregardless of your board representation, and (b) manager and administrator of the business, gives private interests broad discretion over the LLC's activities and assets.

Therefore, based on all these facts and circumstances, you cannot establish that the activities you conduct through the LLC primarily further exempt purposes. Further, the benefit to [redacted] resulting from the activities you conduct through the LLC will not be incidental to the furtherance of exempt purposes.

Integral Part Basis for Exemption

In addition, you do not qualify for exemption as an integral part of [redacted] or of the [redacted]. Section 1.502-1(b) of the regulations, in discussing the integral part basis for exemption, provides that an organization may derive exemption from a controlling exempt organization if the subordinate organization is not engaged in an activity that would be an unrelated trade or business if the activity were performed by the controlling organization.

Thus, for the integral part test to apply, two requirements must be satisfied: (1) the exempt organization must exercise sufficient control and close supervision, based on all the facts and circumstances, to establish the equivalent of a parent and subsidiary

relationship, and (2) the subordinate entity must perform essential services for the exempt parent.

[redacted] is affiliated with you, but as a sister corporation to your parent entity, not as a parent corporation that exercises control and supervision over you. Therefore, the relationship test is not satisfied regarding [redacted] is the exempt parent of your parent, [redacted] It has indirect control through your parent entity.

Nevertheless, you do not satisfy the essential service component of the integral part test. Under section 1.502-1(b) of the regulations, a subordinate organization provides essential services for its controlling organization if the subordinate's activities would not be an unrelated trade or business if they were performed by the controlling organization. Thus, an organization that is operated for the sole purpose of furnishing electric power to its exempt parent would qualify for exemption as an integral part of its parent. However, if the subsidiary furnished electric power to consumers other than its exempt parent and the parent's exempt subsidiaries, it would not be exempt.

Whether the activities of a subordinate organization would be an unrelated trade or business if the parent performed the activities is based on all the facts and circumstances.

Thus, in the present case, it is necessary to determine if the distributive share of ordinary income from the LLC would constitute unrelated business taxable income if [redacted], rather than you, were a partner. In order to make this determination, it is necessary to determine whether the LLC's trade or business is substantially related to HSS's exempt purpose under section 501(c)(3) of the Code.

The facts show that if either [redacted] or [redacted] was a member of the LLC, it would have invested in an entity that does not promote community health in a charitable manner and provides impermissible private benefit to [redacted]. Therefore, the LLC's activities would not have a substantial causal relationship, as described in section 1.513-1(d)(2) of the regulations, to the achievement of [redacted] or of [redacted] exempt purposes. Thus, the distributive share of ordinary income from the LLC to either [redacted] or to [redacted] would constitute unrelated business taxable income.

In Geisinger III, supra, the Tax Court held that a prepaid health plan created by an exempt hospital system was not an integral part of the system because a substantial portion of the enrollees of the plan, approximately 20 percent, were not patients of the exempt hospitals in the hospital system. The Tax Court reasoned that providing services to such a significant number of nonsystem patients precluded a finding that the plan's activities were devoted to furthering the exempt purposes of the hospitals in the

[redacted].

system. Geisinger III is similar to the present situation because the activities of the LLC do not further the exempt purposes of either [redacted] or of [redacted].

CONCLUSION

Accordingly, based on all the facts and circumstances, we conclude that you do not qualify for recognition of exemption from federal income tax as described under section 501(c)(3) of the Code.

You are, therefore, required to 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 judgement 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 EP/EO key district 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, EP/EO 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).

[redacted].

When sending additional letters to us with respect to this case, you will expedite their receipt by using the following address:

Internal Revenue Service
OP:E:EO:T:1-[redacted], Rm. 6514
1111 Constitution Ave, N.W.
Washington, D.C. 20224

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,

Marvin Friedlander

Marvin Friedlander
Chief, Exempt Organizations
Technical Branch 1

bcc: [redacted]
bcc: [redacted]
bcc: [redacted]

OP:E:EO:T:1
[redacted]
6-9-99

OP:E:EO:T:1
Friedlander
[redacted]
6/10/99