

February 14 1985

FEB 26 1985

Dear Applicant:

We have completed consideration of your application for recognition of exemption for Federal income tax under section 501(c)(3) of the Internal Revenue Code and have determined that you do not qualify.

A review of your application and supporting documents indicates that the corporation was formed on [REDACTED], pursuant to the [REDACTED] Nonprofit Corporation Act.

Your Articles of Incorporation state the central purpose of the corporation shall be to serve as fiduciary of charitable trusts, including charitable remainder trusts.

[REDACTED] was formed to provide greater public access to and interest in charitable investments, thereby increasing the total volume of private individual charitable support. Marketing charitable remainder unitrusts is the current effort, while making available cost-effective fiduciary services with low, minimum, investment amounts and personalized trust documentation.

Your proposed budgets indicate that total support will come from fiduciary fee revenues. Expenses will consist of marketing, administration, and salaries.

Section 501(c)(3) of the Code provides, in part, that corporations organized and operated exclusively for religious, charitable, scientific, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in any political campaign, on behalf of any candidate for public office.

Section 1.501(c)(3)-1(d)(2) defines the term "charitable" as including 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 the burdens of government, and promotion of social welfare.

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Surname							
Date							

Internal Revenue Service ruled on that date that it is a corporation organized to other than exclusively providing for nonprofit organizations model. The corporation did not operate exclusively for charitable, educational, or scientific purposes. Corporation's primary purpose was to operate commercial business producing profit since its services were in competition with commercial institutions. Also, corporation's financing did not resemble tax exempt organization. It did not solicit voluntary contributions for the public and its only source of income was from fees. (Declaratory Judgment Case).

S.S.F. Group, Inc., 78 F.R. No. 31, Dec. 10, 1973, 68-778, P-8 8-7, 327, #70, 11 P-S V.C., Nov 30, 1978:

Although charitable trusts themselves are not considered exempt organizations, an organization marketing charitable trusts is not considered to be operated exclusively for exempt purposes as required by IRC 501(c)(3).

Therefore, we conclude that you do not qualify for exemption from Federal income tax under section 501(c)(3) of the Code.

You are required to file Federal income tax returns on Form 1120.

Contributions to your organization are not deductible under section 170 of the Code.

You have the right to protest this ruling if you believe that it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement, signed by one of your principal officers, must be submitted within 30 days from the date of this letter. You also have the 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 principal officers, he/she must file a proper power of attorney and otherwise qualify under the Conference and Practice Requirements.

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(d)(2) of the Internal Revenue Code provides, in part, that "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the District Court of the United States for the District of Columbia determines that the organization

involved has adequate administrative resources available to it within the Internal Revenue Service.

If we do not hear from you within 30 days, this rating will become final and the appropriate State officials will be notified of this action in accordance with section 6109(c) of the Code.

Sincerely yours,

[REDACTED]

District Director

Enclosure:

Publication 872

[REDACTED]