

INTERNAL REVENUE SERVICE  
District Director

Department of the Treasury

McCaslin Industrial Park  
2 Cupania Circle  
Monterey Park, CA 91755-7406  
Attn: [REDACTED]

Date: FEB 25 1997

Employer Identification Number:  
[REDACTED]

Case Number:  
[REDACTED]

Person to Contact:  
[REDACTED]

Telephone Number:  
[REDACTED]

Refer Reply to:  
[REDACTED]

Dear Applicant,

This is in reference to your application for exemption from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code.

In a previous contact made with your organization, you were informed that it was our opinion that you did not qualify for exemption from Federal income tax as an organization described in section 501(c)(3) of the Code. We have previously informed you of your rights of appeal in this matter, and if you were in agreement with our conclusion, we requested that you execute an agreement Form 6018, Consent to Proposed Adverse Action Form.

You have indicated your agreement to our conclusion that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(3) by executing and returning the Consent to Proposed Adverse Action Form 6018.

Accordingly, we conclude that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(3) of the Code. Furthermore, contributions made to you are not deductible by the donors for Federal income tax purposes.

Cordially Yours,  
[REDACTED]

District Director

INTERNAL REVENUE SERVICE  
District Director  
Los Angeles

Department of the Treasury

McCaslin Industrial Park  
2 Cupania Circle  
Monterey Park, CA 91755  
Attn: [REDACTED]

Date: January 13, 1997

Person to Contact:  
[REDACTED]

Telephone Number:  
[REDACTED]

Employer Identification No.:  
[REDACTED]

Case Number:  
[REDACTED]

Response Due Date:  
January 31, 1997

Dear Applicant:

This is in reference to your application for exemption from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code (IRC).

From reviewing the information you submitted, it appears that your organization is not organized or operated exclusively for any of the purposes within the meaning of section 501(c)(3) of the IRC. While your Articles of Incorporation stated that you are organized for the purpose of public benefit.

Section 501(c)(3) of the Internal Revenue Code describes certain organizations exempt from income tax under section 501(a) and reads in part as follows:

..."(3) Corporations, and any community chest, fund, or foundation organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, 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 legislation, (except as otherwise provided in subsection (h), and which does not participate in, or intervene in (including the publishing or distribution of statement), any political campaign on behalf of (or in opposition to) any candidate for public office."

Section 1.501(c)(3)-1(c)(1) of the Income Tax 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 of such 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.

[REDACTED]

Section 1.501(c)(3)-1(d)(1)(ii) of the Regulations provides that an organization is not organized or operated exclusively for the purposes specified in section 501(c)(3) unless it serves a public rather than a private interest. To meet this requirement, an organization must establish that it is not organized or operated for the benefit of private interests such as designated individuals, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

Your primary activity appears to consist of obtaining legal counselling and filing litigations against a housing development. Also, your main concern is to protect your area and lifestyle against land developers. It appears that your activities do not further "public" purposes, but rather private interests and that you are operating for the benefit of designated individuals or for the persons who created it.

To be considered for tax exempt status under section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in that section. As you are not primarily engaged in an activity specified in section 501(c)(3) of the Internal Revenue Code, you did not meet the organizational and operational tests. That is, you are not organized and operated exclusively for one or more exempt purposes as required by Income Tax Regulations sections 1.501(c)(3)-1(b) and (c).

If you are in agreement with this determination, we request that you sign, date, and return both copies of the enclosed agreement Form 6018, Consent To Proposed Adverse Action. Please note the instructions for signing on the reverse side of this form.

If you do not agree, please explain your position or provide any additional information or comments that you believe is misleading.

Please advise us how you plan to continue with your exemption process.

Sincerely yours,

[REDACTED]  
Internal Revenue Agent

Enclosed:  
Form 6018  
Pub. 892

Form **6018**  
(Rev. August 1983)

Department of the Treasury-Internal Revenue Service  
**Consent to Proposed Adverse Action**  
(All references are to the Internal Revenue Code)

Prepare In  
Duplicate

Case Number [REDACTED]	Date of Latest Determination Letter
Employer Identification Number [REDACTED]	Date of Proposed Adverse Action

*Rec'd  
2-29-97*

Name and Address of Organization  
[REDACTED]

I consent to the proposed adverse action relative to the above organization as shown by the box(es) checked below. I understand that if Section 7428, Declaratory Judgments Relating to Status and Classification of Organizations under Section 501(c)(3), etc. applies, I have the right to protest the proposed adverse action.

**NATURE OF ADVERSE ACTION**

- Denial of exemption
- Revocation of exemption, effective
- Modification of exempt status from section 501(c)( ) to 501(c)( ), effective
- Classification as a private foundation (section 509(a)), effective
- Classification as a non-operating foundation (section 4942(j)(3)), effective
- Classification as an organization described in section 509(a)( ), effective
- Classification as an organization described in section 170(b)(1)(A)( ), effective

If you agree to the adverse action shown above, please sign and return this consent. You should keep a copy for your records.

If you sign this consent before you have exhausted your administrative appeal rights, you may lose your rights to a declaratory judgment under section 7428.

*(Signature instructions are on the back of this form.)*

Name of Organization  
[REDACTED]

Signature and Title [REDACTED] <i>treas</i>	Date <i>1-30-97</i>
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Signature and Title	Date
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