

Internal Revenue Service

Department of the Treasury

Date: January 31, 2012

Patriots Educating Concerned Americans Now
1347 East Cypress Avenue
Redding, CA 96002

Case Number:
[REDACTED]

Person to Contact – Group #EOG:7888:

Elizabeth Marquez
ID #0246191

Contact Telephone Numbers:

(949) 389-4412 Phone

(949) 389-5017 Fax

Response Due Date:

February 21, 2012

Dear Sir or Madam:

We need more information before we can complete our consideration of your application for exemption. Please provide the information requested on the enclosure by the response due date shown above. Your response must be signed by an authorized person or an officer whose name is listed on your application. Also, the information you submit should be accompanied by the following declaration:

Under penalties of perjury, I declare that I have examined this information, including accompanying documents, and, to the best of my knowledge and belief, the information contains all the relevant facts relating to the request for the information, and such facts are true, correct, and complete.


To facilitate processing of your application, **please attach a copy of this letter to your response.** This will enable us to quickly and accurately associate the additional documents with your case file.

If we do not hear from you within that time, we will assume you no longer want us to consider your application for exemption and will close your case. As a result, the Internal Revenue Service will treat you as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new application.

In addition, if you do not respond to the information request by the due date, we will conclude that you have not taken all reasonable steps to complete your application for exemption. Under Code section 7428(b)(2), you must show that you have taken all the reasonable steps to obtain your exemption letter under IRS procedures in a timely manner and exhausted your administrative remedies before you can pursue a declaratory judgment. Accordingly, if you fail to timely provide the information we need to enable us to act on your application, you may lose your rights to a declaratory judgment under Code section 7428.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,


Elizabeth Marquez
Exempt Organizations Specialist

Enclosure: Information Request

Letter 1312 (TEDS)

Additional Information Requested:

PLEASE SEE ATTACHED

PLEASE DIRECT ALL CORRESPONDENCE REGARDING YOUR CASE TO:

US Mail:

**Internal Revenue Service
TE/GE:EOG:7888:em
24000 Avila Road, Mail Stop 3000
Laguna Niguel, CA 92677**

Street Address:

**Internal Revenue Service
TE/GE:EOG:7888:em
24000 Avila Road, Room 4308
Laguna Niguel, CA 92677**

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ADDITIONAL INFORMATION

NOTE: Your response to this letter must be submitted over the signature of an authorized person or of an officer whose name is listed on the application. Also, the information you submit should be accompanied by the following declaration:

Under penalties of perjury, I declare that I have examined this information, including accompanying documents, and, to the best of my knowledge and belief, the information contains all the relevant facts relating to the request for the information.

1. Please submit details regarding educational, work and philanthropic backgrounds for each of the organization's officers, directors, board members and trustees. Please also ensure to include information pertaining to specific qualifications and experience.
2. Please provide information as follows pertaining to each of the organization's officers, directors or trustees:
 - a. Please fully describe the duties that each individual performs for the organization.
 - b. Other than serving as an officer, director and/or board member for the organization, please provide the names and addresses of each individual's employer/business, the nature of their employment/business, and the number of hours devoted to their employment/business.
3. Please sign and return the enclosed page 12 of the form 1023.
4. Please provide complete copies of the organization's web pages from its website www.joinpecan.com.
5. Please submit the following concerning the organization's relationship with the Redding Tea Party Patriots (RTPP).
 - a. Please provide a complete list of all current officers and all founding officers that the two organizations have in common.
 - b. Please provide copies of all contracts or agreements (including past and current) between the two organizations.
 - c. Describe in detail how the organization will ensure that all activities, revenues and expenses, and assets and liabilities are kept separate from those of RTPP.
 - d. Describe in detail all plans the two organizations have to work together in any way including sharing of any assets, liabilities, incomes, or expenses.
 - e. Provide a detailed list describing any financial transactions that have occurred between the two organizations.

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6. Please provide the following information pertaining to RTPP.
 - a. Please provide a complete description of RTPP's activities.
 - b. Please provide all promotional materials relating to RTPP.
 - c. Please provide the federal identification number for RTPP.
 - d. Please fully explain if RTPP submitted Form 1024 with the Internal Revenue Service. If so, please fully explain if exemption has been granted. Please ensure to submit a complete copy of its federal exemption letter.
 - e. Please fully describe how the activities of RTPP differ from those of the organization.
7. Please provide copies of all of the organization's promotional material.
8. Please submit copies of all materials (i.e. research and briefing materials), which resulted from the organization's research studies.
9. Please provide copies of all materials used in the organization's workshops.
10. Please fully describe the activities that the organization conducts that influence legislation.
11. Please fully explain what percentage of the organization's time (including volunteer labor) and funds are/will be devoted to attempting to influence legislation.
12. Please submit copies of all contracts and agreements that the organization has entered into or plans to enter into.
13. Part VIII, Item 10 on Page 6 of Form 1023 indicates that the organization will own or have rights to intellectual property. Please provide details pertaining to this activity. Also, please describe who owns or will own any copyrights, patents or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are will be produced, distributed and marketed.
14. The organization is located in California but incorporated in Washington DC. Please fully explain if the organization has obtained the proper licenses to operate in California. If so, please submit complete evidence.
15. Describe in detail the organization's fundraising through mail solicitations, email solicitations, and personal solicitations. Please submit copies of all solicitation materials that the organization distributes.
16. Does/Will the organization engage in the sale of services (i.e. speaking engagements, workshops, consulting, etc.)? If "yes", submit the following:

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- a. Describe each service.
 - b. Explain to whom the services will be available.
 - c. Please submit a complete copy of the organization's service fee schedule.
 - d. Explain how the amount of total annual gross receipts that the organization expects will be derived from the sale of services.
 - e. Explain how the amount of fees the organization charges will be determined. Will they be based upon a rate above its cost, at cost, or below cost?
17. Please submit complete copies of the organization's financial statements and balance sheets for the following:
- a. Fiscal year ending December 31, 2010 and
 - b. Fiscal year ending December 31, 2011.
18. Please fully explain the nature of "Gross receipts" that is reflected on Line 9 on Page 9 of Form 1023.
19. Please fully explain the nature of the following expenses as reflected on Page 9 of Form 1023:
- a. Fundraising (Line 14),
 - b. Occupancy (Line 20), and
 - c. Professional fees (Line 22), and
 - d. Travel (Attachment).
20. Please submit the organization's proposed budgets (including revenues and expenses) for fiscal years ending December 31, 2011 and December 31, 2012.
21. Is the organization a membership organization? If so, submit the following:
- a. Please indicate how many members the organization has currently.
 - b. Please fully explain what the organization's memberships consist of (i.e. individuals, businesses, organizations, etc.).
 - c. Please provide a numerical breakdown of members in each membership class.
 - d. Please provide a complete copy of the member application/registration form.
 - e. Please provide the membership agreement and rules that govern members.
 - f. Please provide a membership fee schedule.
 - g. Please fully describe the requirements for membership.
 - h. Please fully describe what services and benefits are available only to the organization's membership.
 - i. Please fully describe the members' roles and duties within the organization.
 - j. Please provide complete copies of the organization's website that is accessible to members only.

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22. The attachment to Part IV of Form 1023 indicates that the organization will conduct research on "specific economic problems and threats," which will include topics on energy production and market uses, agriculture and industrial depletion, government waste and fraud, etc. Please submit the following:
 - a. Please provide more details pertaining to the organization's research topics.
 - b. Please fully describe how the organization's research activities will be conducted.
 - c. Please fully describe what sources the organization will use in conducting its research activities.
23. Will anyone use the organization's facility other than for the purpose of directly carrying out its work? Will any of the directors or employees reside and/or work (e.g. not related to the organization's activities) at the facility? If so, explain fully. Please fully explain if the owner of the facility is related to the organization and/or its officers, directors, etc. in any way other than as landlord?
24. The attachment to Part V, Lines 9b-f indicates that its "Agreement for Allocation of Cost and Reimburse of Expenses" was attached; however, the referenced agreement could not be found. Please submit a complete copy of the agreement.
25. In the attachment to Part VIII, Lines 13b-g, it states, "...grants to RTPP will be to carry out activities that PECAN could itself engage in." Please submit the following:
 - a. Please provide more details pertaining to this statement.
 - b. Please fully explain what grant-funded activities will be conducted by RTPP.
 - c. Considering that the organization was formed to conduct research and public education, please fully explain why PECAN will not be engaged in the educational activities that are to be carried out by RTPP.