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8
 9 IN THE UNITED STATES DISTRICT COURT
 10 FOR THE EASTERN DISTRICT OF CALIFORNIA
 11 SACRAMENTO DIVISION

12
 13 **CENTER FOR COMPETITIVE
 POLITICS,**

2:14-cv-00636-MCE-DAD

14 Plaintiff,

**DEFENDANT ATTORNEY GENERAL
 KAMALA D. HARRIS'S OPPOSITION
 TO PLAINTIFF'S MOTION FOR
 PRELIMINARY INJUNCTION**

15 v.

16
 17 **KAMALA HARRIS, in her Official
 Capacity as Attorney General of the State of
 18 California,**

Date: April 17, 2014
 Time: 2:00 p.m.
 Courtroom: 7, 14th Floor
 Judge: Hon. Morrison C. England, Jr.
 Trial Date: None Set
 Action Filed: March 7, 2014

19 Defendant.

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24
25
26
27
28

TABLE OF CONTENTS

	Page
INTRODUCTION	1
BACKGROUND	2
I. The Facts, as Alleged in the Complaint	2
II. The Relevant Statutory Schemes	2
A. The Confidentiality and Disclosure Requirements of the Internal Revenue Code	2
B. The Supervision of Trustees and Fundraisers for Charitable Purposes Act	3
ARGUMENT	5
I. Legal Standard	5
II. Plaintiff Has Failed to Show a Likelihood of Success on the Merits	6
A. Federal Law Does Not Preempt State Law Disclosure Requirements for Tax Exempt Organizations	6
B. State Law Reporting Requirements Do Not Violate the First Amendment	10
1. Plaintiff has not made a prima facie showing of a violation of its associational rights	11
2. The State reporting and disclosure requirements at issue would survive any level of scrutiny	13
III. Plaintiffs Have Failed to Demonstrate Irreparable Injury or Demonstrate that the Balance of Harms and the Public Interest Weigh in Favor of an Injunction	14
CONCLUSION	16

TABLE OF AUTHORITIES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Page

CASES

Alliance for the Wild Rockies v. Cottrell
632 F.3d 1127 (9th Cir. 2011)..... 6

Bates v. Little Rock
361 U.S. 516 (1960)..... 12, 13

Brock v. Local 373, Plumbers Int’l Union of America
860 F.2d 346 (9th Cir. 1988)..... 11

Buckley v. Valeo
424 U.S. 1 (1976)..... 13

Chemical Specialties Mfrs. Ass’n, Inc. v. Allenby
958 F.2d 941 (9th Cir. 1992)..... 8

Coalition for Econ. Equity v. Wilson
122 F.3d 718 (9th Cir. 1997)..... 6

Cupolo v. Bay Area Rapid Transit
5 F. Supp. 2d 1078 (N.D. Cal. 1997) 6

D’Amico v. Bd. of Medical Examiners
11 Cal. 3d 1 (1974) 4

Dex Media West, Inc. v. City of Seattle
790 F. Supp. 2d 1276 (W.D. Wash. 2011)..... 14

Dole v. Local Union 375, Plumbers Int’l Union of America
921 F.2d 969 (9th Cir. 1990)..... 11, 12, 13

Dole v. Local Union 375, Plumbers Int’l Union of America
950 F.2d 1456 (9th Cir. 1991)..... 12

Florida Lime & Avocado Growers, Inc. v. Paul
373 U.S. 132 (1963)..... 7

Gibson v. Florida Legislative Investigation Committee
372 U.S. 539 (1963)..... 13

Goldie’s Bookstore, Inc. v. Superior Ct.
739 F.2d 466 (9th Cir. 1984)..... 14, 15

Hardman v. Feinstein
195 Cal. App. 3d 157 (1987)..... 4

TABLE OF AUTHORITIES
(continued)

		<u>Page</u>
1		
2		
3	<i>Hillsborough County Fla. v. Automated Med Labs., Inc.</i>	
4	471 U.S. 707 (1985).....	10
5	<i>Jones v. Rath Packing Co.</i>	
6	430 U.S. 519 (1977).....	7
7	<i>Maryland v. King</i>	
8	133 S. Ct. 1 (2012).....	15
9	<i>NAACP v. Alabama</i>	
10	357 U.S. 449 (1958).....	11, 12, 13
11	<i>Oakland Tribune, Inc. v. Chronicle Pub. Co., Inc.</i>	
12	762 F.2d 1374 (9th Cir. 1985).....	15
13	<i>Pacific Gas & Electric Co. v. State Energy Resources Cons. and Dev. Comm.</i>	
14	461 U.S. 190 (1983).....	7
15	<i>Pharmaceutical Research and Mfrs. of America v. Walsh</i>	
16	538 U.S. 644 (2003).....	8
17	<i>ProtectMarriage.com v. Bowen</i>	
18	599 F. Supp. 2d. 1197 (E.D. Cal. 2009).....	11, 13, 14
19	<i>Retail Clerks Int’l Ass’n v. Schermerhorn</i>	
20	375 U.S. 96 (1963).....	7
21	<i>Rice v. Santa Fe Elevator Corp.</i>	
22	331 U.S. 218 (1947).....	7
23	<i>Riley v. Nat’l Fed’n of the Blind of N. Carolina, Inc.</i>	
24	487 U.S. 781 (1988).....	13, 15
25	<i>Sampson v. Murray</i>	
26	415 U.S. 61 (1974).....	15
27	<i>Ting v. AT&T</i>	
28	319 F.3d 1126 (9th Cir. 2003).....	7, 10
	<i>United States v. Mayer</i>	
	503 F.3d 740 (9th Cir. 2007).....	11
	<i>West v. Atkins</i>	
	487 U.S. 42 (1988).....	14

TABLE OF AUTHORITIES

(continued)

	<u>Page</u>
<i>Winter v. Natural Res. Def. Council, Inc.</i> 555 U.S. 7 (2008).....	6, 15
<i>Younger v. Wisdom Society</i> 121 Cal. App. 3d 683 (1981).....	4
STATUTES	
California Business and Professions Code	
§ 17200.....	14
§§ 17510-17510.95	4
California Code of Regulations Title 11	
§ 301 (2014).....	2, 5, 15
§ 306 (2014).....	5, 15
California Corporations Code	
§ 5110.....	4
§ 5227.....	14
§ 5233.....	14
§ 5236.....	14
California Evidence Code	
§ 1040.....	5
California Government Code	
§ 6254.....	5
§ 12580.....	1
§ 12581.....	4, 13
§ 12584.....	4, 15
§ 12585.....	4
§ 12586.....	4, 15
§ 12588.....	4
§ 12589.....	4
§ 12590.....	5
§ 12598.....	4, 13
California Revenue & Taxation Code	
§ 23703.....	5
Internal Revenue Code	
§ 501.....	2
§ 6033.....	2
§ 6103.....	3, 8
§ 6104.....	3, 8

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF AUTHORITIES

(continued)

Page

Treasury Regulation	
§ 1.6033-2	10
§ 1.6033-3	9
§ 501.....	9

United States Code, Title 42	
§ 1983.....	2, 14

CONSTITUTIONAL PROVISIONS

California Constitution	
Article V § 13.....	4

United States Constitution	
Article VI, Clause 2.....	1, 2, 7
First Amendment.....	passim

OTHER AUTHORITIES

13 Mertens Law of Federal Income Taxation, § 47:2 (2014)	9
General Explanation of the Tax Reform Act of 1976.....	8, 9

INTRODUCTION

1
2 The California Attorney General has primary responsibility for the supervision and
3 regulation of charitable organizations in California. State law, including the Supervision of
4 Trustees and Fundraisers for Charitable Purposes Act, California Government Code sections
5 12580 et seq., vests the Attorney General with broad authority to carry out these enforcement
6 responsibilities, including the power to require charitable organizations to furnish information and
7 reports. Plaintiff takes issue with one such requirement: that it annually submit to the Attorney
8 General a complete copy of its IRS Form 990, Schedule B, which lists the names and addresses of
9 its major contributors. The Attorney General maintains this information in the Registry of
10 Charitable Trusts, where it is kept confidential and is used exclusively for law enforcement
11 purposes.

12 Although this reporting requirement is both an ordinary exercise of the State’s police power
13 and a critical enforcement tool, plaintiff insists that it violates its constitutional rights.
14 Specifically, plaintiff alleges that the Attorney General’s demand for the same Schedule B on file
15 with the IRS violates both the Supremacy Clause and its First Amendment right to freedom of
16 association, and has moved to preliminarily enjoin enforcement of that demand.

17 The Attorney General respectfully submits that this Court should deny the motion because
18 plaintiff has not met the standard for issuance of a preliminary injunction: it has not
19 demonstrated either a likelihood of success on the merits of its claims or that it will be injured if
20 an injunction does not issue. There is no evidence that Congress intended to preempt state
21 reporting requirements nor is there any conflict between the relevant federal and state laws.
22 Similarly, plaintiff has offered no evidence that the disclosure of donor information to a
23 confidential state registry would have any effect on, let alone infringe, its associational rights.
24 Moreover, even if plaintiffs could establish a prima facie case of infringement, the challenged
25 requirement is narrowly tailored to achieve a compelling state interest and would therefore be
26 constitutional. Thus, plaintiff cannot show a likelihood of success on the merits of either of its
27 claims for relief. Plaintiff’s motion is also unsubstantiated by any evidence of injury that it would
28 suffer in the absence of injunctive relief. By contrast, the harm to the State’s ability to effectively

1 enforce its laws and to the public interest, were a preliminary injunction to issue, would be
2 considerable. Accordingly, the law, the balance of equities, and the public interest all weigh
3 against issuing a preliminary injunction.

4 BACKGROUND

5 I. THE FACTS, AS ALLEGED IN THE COMPLAINT

6 Plaintiff Center for Competitive Politics is a non-profit corporation organized under I.R.C.
7 section 501(c)(3). *See* Complaint for Declaratory and Injunctive Relief (“Complaint”) ¶ 3. In
8 order to solicit tax-deductible contributions in California, plaintiff is registered with the State’s
9 Registry of Charitable Trusts. *Id.* ¶¶ 5-9. Although it is required by state law to file an
10 unredacted copy of its IRS Form 990 Schedule B with the Registry, *see e.g.*, Cal. Code Regs. tit.
11 11, § 301 (2014), plaintiff is not in the habit of doing so and apparently this omission had not
12 been caught before this year, *see* Complaint ¶ 8. Plaintiff received a letter from the Attorney
13 General’s Office dated February 6, 2014, instructing it to submit a complete copy of its Schedule
14 B as filed with the Internal Revenue Service. *Id.*, Exh. 1. Plaintiff alleges that this demand
15 violates the Supremacy Clause, the First Amendment, and 42 U.S.C. section 1983 and asks that
16 this Court enjoin the Attorney General from enforcing and demanding that plaintiff comply with
17 state law.¹

18 II. THE RELEVANT STATUTORY SCHEMES

19 A. The Confidentiality and Disclosure Requirements of the Internal Revenue 20 Code

21 Most tax exempt organizations, such as those organized under Internal Revenue Code
22 section 501(c)(3), are required to file with the IRS an annual information return — the Form 990
23 or some variation thereof. *See* I.R.C. § 6033. The Form 990 is an eleven-part core form and
24 schedules to be completed by those organizations that satisfy the applicable requirements for each
25 schedule. *See* Declaration of Alexandra Robert Gordon in Support of Defendant’s Opposition to

26 ¹ Although plaintiff ostensibly challenges only the Attorney General’s letter demanding
27 the complete copy of its Schedule B, this demand cannot be properly understood or evaluated
28 except in the context of the statutory scheme pursuant to which it is made. Accordingly, the
relevant state law is set forth and analyzed herein.

1 Motion for Preliminary Injunction (“Gordon Decl.”), ¶ 3, Exh. A. Exempt organizations,
2 including 501(c)(3) corporations, must make their annual returns available to the public, and must
3 provide copies upon request. *See* I.R.C. § 6104(d). Exempt organizations, however, need not
4 provide the names and addresses of contributors in response to such requests by the public. *Id.*
5 § 6104(d)(3)(A). Thus, many exempt organizations maintain a “public disclosure” copy of their
6 Schedule B that omits identifying information about their contributors. In contrast, contributor
7 names and addresses listed on an organization’s application for exempt status remain subject to
8 disclosure requirements. *See* Gordon Decl. ¶ 5, Exh. C.

9 As a general rule, the IRS cannot disclose tax returns or tax return information. I.R.C.
10 § 6103(a). However, there are exceptions. IRC section 6104 provides rules for public inspection
11 at IRS offices of the information returns, annual reports, applications, contributions, expenditures,
12 and other information pertaining to exempt organizations. Section 6104 also provides rules
13 pursuant to which the IRS can disclose to Congress and “appropriate” state officials certain
14 information pertaining to tax-exempt organizations. *Id.* § 6104(a)-(c). No such disclosures can
15 be made unless the agency, body, or commission to which disclosure is made establishes
16 procedures satisfactory to the IRS for safeguarding the tax information they receive. *See* I.R.C.
17 § 6103(p)(4); Treas. Reg. 301.6103(c)-1; *Procedure for Disclosure of Returns and Return*
18 *Information*, U.S. Tax Rep. P 61,034.02. These safeguards must include: a permanent system of
19 standardized records, a secure place to store the information, restrictions on access, protection of
20 confidentiality, reports to the IRS on the procedures to maintain confidentiality, and the return or
21 destruction (or safekeeping, in some cases) of used material. I.R.C. § 6103(p)(4); Treas. Reg.
22 301.6103(c)-1. California has established and maintains such procedures. *See generally*
23 Declaration of Kevis Foley in Support of Defendant’s Opposition to Motion for Preliminary
24 Injunction (“Foley Decl.”).

25 **B. The Supervision of Trustees and Fundraisers for Charitable Purposes Act**

26 Plaintiff incorrectly suggests that the Attorney General does not have authority to
27 “substantiate her demand” for an unredacted copy of its Schedule B. *See* Plaintiff’s Motion for
28 Preliminary Injunction (“Plaintiff’s Motion”) at 2, 6. In fact, the Attorney General’s demand is

1 made pursuant to her extensive and well-established powers under state and common law.
2 Specifically, the Attorney General is the chief law officer of the State of California, CAL. CONST.
3 art. 5, §13, and has broad authority under the California Constitution, statute, and common law to
4 bring actions to enforce the laws of the state and to protect public rights and interests, *see*
5 *D’Amico v. Bd. of Medical Examiners*, 11 Cal. 3d 1, 14 (1974). Of particular relevance here, the
6 Attorney General has primary responsibility, under the Supervision of Trustees and Fundraisers
7 for Charitable Purposes Act (the “Act”), to supervise charitable trusts and public benefit
8 corporations incorporated in, or conducting business in California (of which plaintiff is one) and
9 to protect charitable assets for their intended use. *See* Cal. Gov’t Code §§ 12598(a), 12581; *see*
10 *also* Complaint ¶¶ 3-9. She also has “broad powers under common law and California statutory
11 law to carry out these charitable trust enforcement responsibilities.” Cal. Gov’t Code § 12598(a);
12 *see also* Cal. Bus. & Prof. Code §§ 17510-17510.95; Cal. Corp. Code §§ 5110, et seq.; *Hardman*
13 *v. Feinstein*, 195 Cal. App. 3d 157, 161 (1987). The Attorney General may investigate
14 transactions and relationships to ascertain whether the purposes of the corporation or trust are
15 being carried out. In order to do so, she may require any agent, trustee, fiduciary, beneficiary,
16 institution, association, or corporation, or other person to appear and to produce records. Cal.
17 Gov’t Code § 12588. Any such order has the same force as a subpoena. *Id.* § 12589. The
18 Attorney General has specific authority to require periodic written reports deemed necessary to
19 her supervisory and enforcement duties. *Id.* § 12586.

20 Pursuant to the Act, the Attorney General is required to maintain a register of charitable
21 corporations and their trustees and trusts (the “Registry”), and “to that end,” to obtain “whatever
22 information, copies of instruments, reports, and records are needed for the establishment and
23 maintenance of the register.” *Id.* § 12584. Within 30 days after receiving property, every
24 charitable corporation and trustee subject to the Act must file an initial registration form, *id.*
25 § 12585, and thereafter must also file periodic written reports with the Attorney General, *id.*
26 § 12586(b); *see also* *Younger v. Wisdom Society*, 121 Cal. App. 3d 683, 691 (1981). The
27 Attorney General is required to promulgate rules and regulations as to the time for filing reports,
28 the contents thereof, and the manner of executing and filing them. Cal. Gov’t Code § 12586(b).

1 These regulations state that the “periodic written reports” include: “...the Annual Registration
2 Renewal Fee Report, (“RRF-1”)....which must be filed with the Registry of Charitable Trusts
3 annually, as well as the Internal Revenue Service Form 990, which must be filed on an annual
4 basis with the Registry of Charitable Trusts, as well as with the Internal Revenue Service....”
5 Cal. Code Regs. tit. 11, § 301 (2014). Moreover, “[w]hen requested by the Attorney General any
6 periodic report shall be supplemented to include such additional information as the Attorney
7 General deems necessary to enable the Attorney General to ascertain whether the corporation,
8 trust or other relationship is being properly administered.” *Id.* § 306. If a charitable organization
9 fails to register or file its periodic report with the Registry, its state tax exemption may be
10 disallowed. *See* Cal. Rev. & Tax. Code § 23703(b)(1).

11 To reduce the reporting burden on filers, the California Attorney General’s Office adopted
12 IRS Form 990 as the primary reporting document for charitable entities required to file annual
13 reports with the Registry. *See* Cal. Code Regs. tit. 11, § 301 (2014). Although other documents
14 filed with the Registry are open to public inspection, *see* Cal. Gov’t Code § 12590, the Schedule
15 B filed by public charities has always been treated as a confidential document, *see* Foley Decl.
16 ¶ 6. All confidential documents are kept in separate files that are not available for public
17 viewing. *Id.* Those “files” are now electronic records. *Id.* The confidential documents are
18 scanned separately and labeled confidential. *Id.* The Registry publishes the non-confidential
19 documents on its searchable website, but maintains the schedule B records as confidential
20 records, accessible to in-house staff only. *Id.*²

21 ARGUMENT

22 I. LEGAL STANDARD

23 To prevail on a motion for a preliminary injunction, a plaintiff “must establish that he is
24 likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of
25 preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the

26 ² In response to Public Records Act request for an organization’s filings, only the “public
27 file” is made available for review. The Attorney General does not produce confidential
28 information or documents in response to such requests. *See* Cal. Gov’t Code § 6254(k); Cal.
Evid. Code § 1040.

1 public interest.” *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008). Alternatively,
2 “[a] preliminary injunction is appropriate when a plaintiff demonstrates...that serious questions
3 going to the merits were raised and the balance of hardships tips sharply in the plaintiff’s favor.”
4 *Alliance for the Wild Rockies v. Cottrell*, 632 F.3d 1127, 1134-35 (9th Cir. 2011) (internal
5 quotations omitted). A plaintiff must establish all four *Winter* factors even under the alternative
6 sliding scale test. *Id.* at 1135.

7 “A preliminary injunction is an extraordinary remedy never awarded as a matter of right. In
8 each case, courts must balance the competing claims of injury and must consider the effect on
9 each party of the granting or withholding of the requested relief. In exercising their sound
10 discretion, courts of equity should pay particular regard for the public consequences in employing
11 the extraordinary remedy of injunction.” *Winter*, 555 U.S. at 24 (internal quotations and citations
12 omitted). Because a preliminary injunction is an extraordinary remedy, the moving party must
13 establish the elements necessary to obtain injunctive relief by a “clear showing.” *Id.* at 22. A
14 plaintiff’s burden is particularly heavy when, as here,³ it seeks to enjoin operation of a statute
15 because “it is clear that a state suffers irreparable injury whenever an enactment of its people or
16 their representatives is enjoined.” *Coalition for Econ. Equity v. Wilson*, 122 F.3d 718, 719 (9th
17 Cir. 1997). “A strong factual record is therefore necessary before a federal district court may
18 enjoin a State agency.” *Cupolo v. Bay Area Rapid Transit*, 5 F. Supp. 2d 1078, 1085 (N.D. Cal.
19 1997). In this case, plaintiff cannot meet its burden and the motion for a preliminary injunction
20 should be denied.

21 **II. PLAINTIFF HAS FAILED TO SHOW A LIKELIHOOD OF SUCCESS ON THE MERITS**

22 **A. Federal Law Does Not Preempt State Law Disclosure Requirements for** 23 **Tax Exempt Organizations.**

24 Plaintiff asserts that federal law preempts state law requiring organizations with tax-exempt
25 status to disclose federal tax return information generally, and a complete copy of the Schedule B

26 ³ As noted above, plaintiff’s challenge to the Attorney General’s demand that it comply
27 with state law by furnishing a complete copy of its Schedule B cannot be divorced from the state
28 law that authorizes this request and that the Attorney General is seeking to enforce. Accordingly,
plaintiff’s claim is properly understood as a challenge to the Supervision of Trustees and
Fundraisers for Charitable Purposes Act and should be evaluated as such.

1 form in particular. *See* Plaintiff’s Motion at 7-11. In support of this contention, plaintiff strings
2 together a few IRC provisions in which Congress has generally restricted the authority *of the IRS*
3 to disclose tax returns and information and/or has provided penalties for the illegal disclosure of
4 taxpayer information as purported evidence that Congress intended to displace the exercise of the
5 State’s traditional police power to supervise and regulate charitable trusts and public benefit
6 corporations. This argument is unavailing and plaintiff is therefore unlikely to prevail on the
7 merits of its Supremacy Clause claim. *See, e.g., Ting v. AT&T*, 319 F.3d 1126, 1136 (9th Cir.
8 2003).

9 Federal law may preempt state law in one of three ways, none of which apply here. First,
10 Congress may expressly state its intent to preempt state law in the direct language of a statute.
11 *Jones v. Rath Packing Co.*, 430 U.S. 519, 525 (1977). Second, Congressional intent to preempt
12 state law can be inferred when Congress “occupies the field” by passing a comprehensive
13 legislative scheme that leaves “no room” for supplemental regulation. *Rice v. Santa Fe Elevator*
14 *Corp.*, 331 U.S. 218, 230 (1947). Third, federal law may preempt state law to the extent that state
15 law directly conflicts with federal law. *See Florida Lime & Avocado Growers, Inc. v. Paul*, 373
16 U.S. 132, 141-43 (1963). Conflict preemption requires a showing that “compliance with both
17 federal and state regulations is a physical impossibility,” *id.*, or that state law “stands as an
18 obstacle to the accomplishment and execution of the full purposes and objectives of Congress.”
19 *Pacific Gas & Electric Co. v. State Energy Resources Cons. and Dev. Comm.*, 461 U.S. 190, 204
20 (1983).

21 Congressional intent is the “ultimate touchstone” in every preemption case. *Retail Clerks*
22 *Int’l Ass’n v. Schermerhorn*, 375 U.S. 96, 103 (1963). Preemption analysis “starts with the
23 assumption that the historic police powers of the States [are] not to be superseded by [a] Federal
24 Act unless that is the clear and manifest purpose of Congress.” *Rice*, 331 U.S. at 230; *see also*
25 *Florida Lime & Avocado Growers*, 373 U.S. at 142 (“[F]ederal regulation of a field of commerce
26 should not be deemed preemptive of state regulatory power in the absence of persuasive reasons
27 — either that the nature of the regulated subject matter permits no other conclusion, or that the
28 Congress has unmistakably so ordained”). A court must presume that a state statute is not

1 preempted, and the moving party has the burden of overcoming that presumption.

2 *Pharmaceutical Research and Mfrs. of America v. Walsh*, 538 U.S. 644, 661-662 (2003);

3 *Chemical Specialties Mfrs. Ass'n, Inc. v. Allenby*, 958 F.2d 941, 943 (9th Cir. 1992). Plaintiff has
4 not met and cannot meet this burden.

5 With respect to express and field preemption, there is no credible argument that Congress
6 intended to preempt states from seeking information about donors either generally or by requiring
7 complete copies of a tax exempt organization's informational tax returns and related schedules.
8 Plaintiff seizes primarily upon I.R.C. section 6104 as proof that Congress has "comprehensively
9 regulated" the disclosure of returns and return information and prohibited state officials from
10 demanding an unredacted copy of any 501(c)(3) organization's Schedule B. *See* Plaintiff's
11 Motion at 7-11. This argument is baseless. On its face, section 6104 governs what *the IRS* can
12 and cannot do with information it receives from filers; it does not govern what states may ask of
13 federal filers, including charitable organizations. Further, section 6104 includes exceptions to the
14 general rule that *the IRS* must keep tax returns and return information confidential, *see* I.R.C.
15 § 6103, which authorize *the IRS* to disclose certain information pertaining to tax-exempt
16 organizations under certain circumstances. At most, section 6104 sets forth the procedure by
17 which the Attorney General could obtain tax return information about an exempt organization
18 *from* the IRS. *See* I.R.C. §§ 6104 (c) & (d). Section 6104 does not limit the authority of the
19 Attorney General or other state officials to obtain this or other information, including a complete
20 Schedule B, directly from plaintiff or any other 501(c)(3) organization registered to do business in
21 California. *See* I.R.C. § 6104.

22 Not only does section 6104 fail to evince a "clear and manifest purpose" of Congress to
23 preempt state reporting and disclosure requirements (for charitable organizations), but the
24 legislative history of section 6104 and related provisions demonstrates that Congress had no
25 intent to do so. As explained in the *General Explanation of the Tax Reform Act of 1976*:

26 The [Tax Reform] Act provides that Federal tax returns and return information may
27 be disclosed to State tax officials solely for use in administering the State's tax
28 laws.... No disclosure may be made to any State that requires taxpayers to attach to,
or include in, State tax returns a copy of any portion of the Federal return (or any
information reflected on the Federal return) unless the State adopts provisions of law

1 by December 31, 1978, protecting the confidentiality of the attached copies of the
 2 Federal returns and the included return information. *Although the copies of the*
 3 *Federal returns or the return information required by a State or local government to*
 4 *be attached to, or included in, the State and local return do not constitute Federal*
 5 *“returns of return information” subject to the Federal confidentiality rules, the policy*
 6 *underlying this requirement is that the attached copy of the return and the included*
 7 *information should be treated by State and local governments as confidential rather*
 8 *than effectively as public information. However, it is not intended that States be*
 9 *required to enact confidentiality statutes which are copies of the Federal statutes.*
 10 *Thus, State tax authorities can disclose State returns and return information,*
 11 *including any portion of the Federal return (or the information reflected on the*
 12 *Federal return) which the State requires the tax payer to attach to, or include in, his*
 13 *State tax return, to any State or local officers or employees whose official duties or*
 14 *responsibilities require access to such State return or return information pursuant to*
 15 *the laws of that State.*

16 STAFF OF THE JOINT COMMITTEE ON TAXATION, 94TH CONG., GENERAL EXPLANATION OF THE TAX
 17 REFORM ACT OF 1976, 314 (Comm. Print 1976) (emphasis added), attached to Gordon Decl. ¶ 7,
 18 Exh E, p. 57.⁴

19 Thus, rather than preempting a State’s ability to obtain either federal tax filings or the
 20 information contained in federal tax filings, Congress both explicitly allowed for this and made
 21 clear that state reporting and disclosure requirements are not subject to or affected by federal law.
 22 *See id.* Indeed, there is additional evidence that Congress did not intend to restrict the states’
 23 authority to request copies of federal tax filings. For example, the Instructions to IRS Form 990
 24 Schedule B indicate that States may require exempt organizations to file a Schedule B form. *See*
 25 Gordon Decl. ¶ 4, Exh. B, p. 5 (“If an organization files a copy of Form 90 or 990-EZ, and
 26 attachments, with any state, it should not include its Schedule B (Form 990, 990-EZ, or 990-PF)
 27 in the attachments for the state, unless a schedule of contributors is specifically required by the
 28 state”). And the IRS training on “Form 990 Basics” states that nearly 40 states require Form 990,
 and related schedules in order to regulate charitable and tax exempt organizations.⁵ In light of the

23 ⁴ The Tax Reform Act of 1976 completely overhauled the rules governing the privacy of
 24 federal tax returns. Prior to 1976, income tax returns were deemed to be public records. In
 25 response to Watergate and the resulting loss of public confidence, Congress enacted a general rule
 26 that the government is to keep tax returns and tax return information confidential except as
 27 specifically provided by the Internal Revenue Code, and increased protections against disclosure
 28 by the IRS. *See, e.g.*, 13 Mertens Law of Federal Income Taxation, § 47:2 (2014). As discussed
 above, the Tax Reform Act of 1976 does not address or limit a state’s ability to obtain federal
 returns from a taxpayer or a tax exempt organization directly.

27 ⁵ Pursuant to Treasury Regulation section 1.6033-3(c)(1), 501 (c)(3) organizations that
 28 are private foundations are required to file Form 990-PF with the Attorney General of (1) the state
 (continued...)

1 plain language, legislative history, and operation of the Internal Revenue Code, and because state
2 law unquestionably can and does play a role in the regulation of tax exempt and charitable
3 organizations, there is no express preemption and “field preemption is not an issue.” *Ting*, 319
4 F.3d at 1136.

5 Plaintiff’s conflict preemption argument is similarly flawed. Plaintiff apparently concedes
6 that it is not physically impossible to comply with both the Act and federal law. *See* Plaintiff’s
7 Motion at 10. It argues instead that “Congress wanted to prevent state attorneys general from
8 seeking, willy-nilly, the unredacted Schedule B forms of [section] 501(c)(3) organizations” and
9 thus “expressly blocked them” from obtaining these forms. As discussed above, all the evidence
10 is to the contrary. Congress specifically allowed for state officials to obtain tax returns and tax
11 return information, including a complete Schedule B, and exempted state reporting and disclosure
12 laws from federal confidentiality requirements. *See, e.g.*, Gordon Decl. ¶ 7, Exh E. Accordingly,
13 plaintiff cannot show that the Attorney General’s letter (issued pursuant to her authority under the
14 Act) demanding that plaintiff furnish a complete copy of the Schedule B on file with the IRS,
15 impedes any purpose or objective of Congress. *See Hillsborough County Fla. v. Automated Med*
16 *Labs., Inc.*, 471 U.S. 707, 716 (1985) (a party asserting “conflict” preemption “must...present a
17 showing...of a conflict between a particular local provision and the federal scheme, that is strong
18 enough to overcome the presumption that state and local regulation...can constitutionally coexist
19 with federal regulation.”). Plaintiff thus cannot overcome the strong presumption against
20 preemption, and its preemption claim provides no basis for the requested preliminary injunction.
21 *Ting*, 319 F.3d at 1137, 1152.

22 **B. State Law Reporting Requirements Do Not Violate the First Amendment.**

23 Plaintiff also argues that the demand to furnish a complete copy of its Schedule B
24 unconstitutionally infringes upon its members’ First Amendment right to freedom of association.
25 *See* Plaintiff’s Motion at 11-14. Although compelled disclosure of membership lists can

26 (...continued)

27 in which the foundation's principal office is located (2) the state in which the foundation is
28 incorporated or created, and (3) each state which the foundation is required to list in its annual
information return pursuant to Treasury regulation § 1.6033-2(a)(2)(iv).

1 constitute a substantial infringement on the freedom of association guaranteed by the First and
2 Fourteenth Amendments, *see, e.g., NAACP v. Alabama*, 357 U.S. 449, 462 (1958), plaintiff's
3 claim finds no support in fact or law and thus must fail. As a threshold matter, plaintiff has not
4 provided any evidence that the challenged disclosure requirement will have any impact on, let
5 alone "chill" its associational rights, and thus has not made "a prima facie showing of arguable
6 First Amendment infringement." *See Brock v. Local 373, Plumbers Int'l Union of America*, 860
7 F.2d 346, 349-50 (9th Cir. 1988). Moreover, even if plaintiff could demonstrate that the demand
8 for an unredacted copy of its Schedule B (which the Registry keeps confidential and does not
9 disclose to the public) could harm to its members' associational rights, the Act's reporting and
10 disclosure requirements would survive even the most exacting scrutiny and thus be constitutional.
11 *See, e.g., ProtectMarriage.com v. Bowen*, 599 F. Supp. 2d 1197, 1224 (E.D. Cal. 2009); *cf.*
12 *United States v. Mayer*, 503 F.3d 740, 748 (9th Cir. 2007).⁶

13 **1. Plaintiff has not made a prima facie showing of a violation of its**
14 **associational rights.**

15 To make a prima facie showing of infringement of its right to freedom of association,
16 plaintiff must demonstrate that enforcement of the Act's reporting and disclosure requirements
17 will result in (1) harassment, membership withdrawal, or discouragement of new members, or (2)
18 other consequences that objectively suggest an impact on, or "chilling" of the member's
19 associational rights. *Brock*, 860 F.2d at 350. The prima facie test has two tiers: first, plaintiff
20 "must demonstrate a causal link between the disclosure and the prospective harm to associational
21 rights;" and second, plaintiff "must demonstrate that [it] is the type of association where exposure
22 could incite threats, harassment, acts of retribution, or other adverse consequences from affiliating
23 with it." *Dole v. Local Union 375, Plumbers Int'l Union of America*, 921 F.2d 969, 972 (9th Cir.
24 1990).

25
26 ⁶ As this Court has noted, the appropriate standard of review for reporting and disclosure
27 requirements such as those contained in the Act is "an open question." *ProtectMarriage.com*,
28 599 F. Supp. 2d at 1207. However, because plaintiff's "likelihood of success on the merits is
minimal even under the most stringent review, the Court [can] assume without deciding that strict
scrutiny applies." *Id.*

1 Plaintiff fails to make this showing. It offers only the mere suggestion that by requiring
2 disclosure of donor information to the Attorney General, specifically, the name and address of
3 contributors of more than 5,000 dollars, the Act “threatens to curtail” financial support. *See*
4 Plaintiff’s Motion at 12. However, plaintiff provides absolutely no evidence to support this
5 assertion, and it is not obvious that submitting to the Registry in confidence the same Schedule B
6 filed with the IRS would have any effect on financial support, either generally or to plaintiff in
7 particular. Mere speculation about or opinion of the possible consequences of such disclosure is
8 entirely inadequate. Although plaintiff seeks to “equate[] the mere fact of disclosure with a first
9 amendment chill,” “more than an argument that disclosure leads to exposure” or any other
10 undesired outcome is required. *Dole v. Local Union 375, Plumbers Int’l Union of America*, 921
11 F.2d at 974. Rather, in order to meet their burden, plaintiff must present objective and articulable
12 facts, which go “beyond broad allegations or subjective fears.” *Dole v. Local Union 375,*
13 *Plumbers Int’l Union of America*, 950 F.2d 1456, 1469 (9th Cir. 1991) (citation and internal
14 quotation omitted); *see also Dole*, 921 F.2d at 974 (noting that in addition to failing to offer any
15 objective indicia of an “associational chill,” plaintiffs did not explain “how its subjective fear of
16 reprisals could be realized,” given that government policy protected the information from public
17 disclosure). Because plaintiff has not offered even a single objective fact to show that there is an
18 infringement of its associational rights or a “reasonable probability” that the Act’s reporting and
19 disclosure requirements will subject its members to “threats, harassment, or reprisals from either
20 government officials or private parties,” it cannot succeed on the merits of its freedom of
21 association claim.⁷ *See Dole*, 921 F.2d at 973 (“factual gaps in [plaintiff’s] evidence are fatal to

22
23 ⁷ This complete lack of objective evidence differentiates this case from the cases upon
24 which plaintiff relies. *See, e.g., Dole*, 921 F.2d at 974 (“The cases in which the Supreme Court
25 has recognized a threat to first amendment associational rights, however, have consistently
26 required more than [] argument...”). In *NAACP v. Alabama*, 357 U.S. 449, for example, the
27 plaintiff “made an uncontroverted showing that on past occasions revelation of the identity of its
28 rank and file members [had] exposed these members to economic reprisal, loss of employment,
threat of physical coercion, and other manifestations of public hostility.” *Id.* at 462. Similarly, in
Bates v. Little Rock, 361 U.S. 516 (1960), plaintiff presented “substantial uncontroverted
evidence that public identification of persons in the community as members of the organizations
had been followed by harassment and threats of bodily harm,” as well as evidence that “fear of
community hostility and economic reprisals that would follow public disclosure of the

(continued...)

1 its case”); *see also ProtectMarriage.com*, 599 F. Supp. 2d at 1251 (denying motion for
 2 preliminary injunction on freedom of association claim where “notably absent from this case is
 3 any evidence that those burdens hypothesized by the Supreme Court would befall the current
 4 Plaintiffs.”).

5 **2. The State reporting and disclosure requirements at issue would**
 6 **survive any level of scrutiny.**

7 Because plaintiff has not made a prima facie showing, the Court need not examine whether
 8 the contested Schedule B disclosure requirement is justified by compelling state interests and is
 9 narrowly tailored to achieve those interests. *See Dole*, 921 F.2d at 974. However, even if the
 10 Court were to undertake this analysis, this requirement would be found valid. Although plaintiff
 11 asserts that the Attorney General’s request, and by extension the Act’s disclosure requirements,
 12 are not based on a compelling interest, this argument borders on frivolous. As noted above, the
 13 Attorney General has primary responsibility for supervising charitable trusts and public benefit
 14 corporations in California to protect charitable assets for their intended use. *See Cal. Gov’t Code*
 15 *§§ 12598(a) & 12581*. Her interest, and that of the State, in performing this regulatory and
 16 oversight function and securing compliance with the law is compelling. *See, e.g., Riley v. Nat’l*
 17 *Fed’n of the Blind of N. Carolina, Inc.*, 487 U.S. 781, 792 (1988); *Buckley*, 466 U.S. at 66-68;
 18 *NAACP*, 357 U.S. at 463-64. It is also substantially related to the Act’s challenged disclosure
 19 requirements. Of particular relevance here, the information contained in the IRS Form 990 and
 20 Schedule B filed with the IRS allows the Attorney General to determine, often without
 21 conducting an audit,⁸ whether an organization has violated the law, including laws against self

22 (...continued)

23 membership lists had discouraged new members from joining the organizations and induced
 24 former members to withdraw.” *Id.* at 524. Here, by contrast, “any serious infringement on First
 25 Amendment rights brought about by the compelled disclosure is highly speculative.” *Buckley v.*
 26 *Valeo*, 424 U.S. 1, 69-70 (1976). As demonstrated below, the substantial relationship between
 the Act’s disclosure requirements and the compelling government interest served by those
 requirements also distinguishes this case from *NAACP* and *Bates* as well as from *Gibson v.*
Florida Legislative Investigation Committee, 372 U.S. 539 (1963), where no similar nexus was
 established.

27 ⁸ Given that a ten-year statute of limitations applies to any action by the Attorney General
 28 against any charitable corporation, *see Cal. Gov’t Code § 12596*, an audit can be particularly
 burdensome and disruptive. *See Gordon Decl. ¶ 8, Exh. F.* The reporting and disclosure

(continued...)

1 dealing, Cal. Corp. Code § 5233; improper loans, *id.* § 5236; interested persons, *id.* § 5227; or
 2 illegal or unfair business practices, Cal. Bus. & Prof. Code § 17200. In order to reduce the
 3 burden on filers and insure that the organization is reporting the same information to the state and
 4 federal government, the Attorney General uses the Form 990 and related schedules as a proxy,
 5 which relieves charitable organizations of the burden of providing the same information on a
 6 different, state form. Given that the Registry keeps confidential the identities of contributors
 7 reported on Schedule B, *see* Foley Decl. ¶ 6, the reporting and disclosure requirements of the Act
 8 are narrowly tailored to avoid unnecessarily impinging upon rights of association, if at all. *See*
 9 *ProtectMarriage.com*, 599 F. Supp. 2d at 1211, 1223-24 (citations omitted). Thus, these
 10 requirements are constitutionally valid.⁹

11 **III. PLAINTIFFS HAVE FAILED TO DEMONSTRATE IRREPARABLE INJURY OR**
 12 **DEMONSTRATE THAT THE BALANCE OF HARMS AND THE PUBLIC INTEREST WEIGH**
 13 **IN FAVOR OF AN INJUNCTION**

14 In addition to failing to show a likelihood of success on the merits of its claims, plaintiff
 15 also has not met its burden to demonstrate irreparable injury. As shown above, plaintiff has not
 16 established that it has suffered or would suffer a cognizable injury, and certainly not one that is
 17 irreparable. Although plaintiff asserts that the loss of its First Amendment and constitutional
 18 rights constitutes irreparable injury, *see* Plaintiff’s Motion at 14, where, as here, a constitutional
 19 claim is unsupported and fails as a matter of law, it is “too tenuous” to support the requested
 20 relief. *Goldie’s Bookstore, Inc. v. Superior Ct.*, 739 F.2d 466, 472 (9th Cir. 1984); *see also*
 21 *ProtectMarriage.com*, 599 F. Supp. 2d at 1226 (no risk of irreparable injury where no serious
 22 First Amendment claims are raised); *Dex Media West, Inc. v. City of Seattle*, 790 F. Supp. 2d
 23 1276, 1289 (W.D. Wash. 2011) (“Because the court finds that Plaintiffs have failed to establish
 24 that they are likely to succeed on the merits of their First Amendment claim, the court cannot find

25 _____
 (...continued)

26 requirements of the Act help avoid this disruption and waste of both State and the charitable
 organization resources.

27 ⁹ To the extent that plaintiff alleges a violation of 42 U.S.C. section 1983, this claim fails
 28 along with the underlying constitutional claims, on which it is dependent. *See West v. Atkins*, 487
 U.S. 42, 48 (1988).

1 that Plaintiffs have established that they are likely to suffer irreparable First Amendment injury in
2 the absence of a preliminary injunction.”).

3 Plaintiff’s remaining assertions of injury are also unfounded. It claims that by disclosing
4 the names and addresses of its donors to the Attorney General, it will lose fundraising support,¹⁰
5 and thus will be unable to carry out its mission. However, plaintiff has not provided any evidence
6 to establish that by complying with the law and submitting the required information about its
7 contributors to the Registry, it will lose any meaningful financial support either at all or such that
8 its mission would be compromised.¹¹ Such speculative and unsubstantiated assertions of harm do
9 not constitute irreparable injury. *See Goldie’s Bookstore, Inc.*, 739 F.2d at 472. To the extent
10 that plaintiff contends that the fines that could be imposed under the Act if it fails to furnish a
11 complete copy of its schedule B will cause it harm, it can readily avoid such a consequence by
12 simply complying with the law. *See Winter*, 555 U.S. at 22. Ultimately, plaintiff has not
13 established, and cannot establish harm sufficient to outweigh the injury its requested injunction
14 would inflict on the State. “Any time a State is enjoined by a court from effectuating statutes
15 enacted by representatives of its people, it suffers a form of irreparable injury.” *Maryland v.*
16 *King*, 133 S. Ct. 1, 2 (2012) (quotation and citation omitted). Injury to the State aside, it is not in
17 the public interest to interfere with the Attorney General’s authority to supervise and regulate
18 charitable organizations and to enforce the law by limiting her ability to request and receive
19 highly relevant information. Accordingly, the law, the balance of harms, and the public interest
20 all weigh decisively against entry of a preliminary injunction in this matter.

21
22 ¹⁰ Standing alone, monetary harm or loss of revenue is not sufficient to establish irreparable
23 injury. *See Oakland Tribune, Inc. v. Chronicle Pub. Co., Inc.*, 762 F.2d 1374, 1376 (9th Cir.
24 1985); *see also Sampson v. Murray*, 415 U.S. 61, 90 (1974) (“The key word in this consideration
is irreparable. Mere injuries, however substantial, in terms of money, time and energy necessarily
expended . . . are not enough.”).

25 ¹¹ Plaintiff’s related assertion that absent injunctive relief, its ability to engage in “fully
26 protected fundraising speech” is also entirely unsubstantiated and is particularly weak. The
27 challenged requirements require charitable organizations to furnish information about their
28 donors; they do not place any limitations on protected speech nor do they (unconstitutionally)
compel any speech by fundraisers. *See Cal. Gov’t Code §§ 12584 & 12586*; *Cal. Code Regs. tit.*
11, §§ 301 & 306 (2014); *compare Riley*, 487 U.S. at 788-802.

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CONCLUSION

For the foregoing reasons, the Attorney General respectfully requests that the Court deny plaintiff's motion for a preliminary injunction.

Dated: April 3, 2014

Respectfully Submitted,

KAMALA D. HARRIS
Attorney General of California
TAMAR PACHTER
Supervising Deputy Attorney General

/s/ Alexandra Robert Gordon

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Deputy Attorney General
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8
 9 IN THE UNITED STATES DISTRICT COURT
 10 FOR THE EASTERN DISTRICT OF CALIFORNIA
 11 SACRAMENTO DIVISION

12
 13 **CENTER FOR COMPETITIVE
 POLITICS,**

14 Plaintiff,

15 v.

16
 17 **KAMALA HARRIS, in her Official
 Capacity as Attorney General of the State of
 18 California,**

19 Defendant.

2:14-cv-00636-MCE-DAD

**DECLARATION OF ALEXANDRA
 ROBERT GORDON IN SUPPORT OF
 DEFENDANT ATTORNEY GENERAL
 KAMALA D. HARRIS'S OPPOSITION
 TO PLAINTIFF'S MOTION FOR
 PRELIMINARY INJUNCTION**

Date: April 17, 2014
 Time: 2:00 p.m.
 Courtroom: 7, 14th Floor
 Judge: Hon. Morrison C. England, Jr.
 Trial Date: None Set
 Action Filed: March 7, 2014

1 I, Alexandra Robert Gordon, declare as follows:

2 1. I am a Deputy Attorney General at the California Department of Justice and serve
3 as counsel to Attorney General Kamala D. Harris in the above-titled matter.

4 2. Except as otherwise stated, I have personal knowledge of the facts set forth in this
5 declaration, and if called upon as a witness I could testify competently as to those facts. I make
6 this declaration in support of the Attorney General's Opposition to Plaintiff's Motion for
7 Preliminary Injunction.

8 3. A true and correct copy of Internal Revenue Service (IRS) Form 990 is attached
9 hereto as **Exhibit A**.

10 4. A true and correct copy of IRS Form 990, Schedule B is attached hereto as **Exhibit B**.

11 5. A true and correct copy of guidance provided by the IRS regarding public disclosure
12 of exempt organizations tax returns and return information found at <http://www.irs.gov/Charities->
13 [-&-Non-Profits/Public-Disclosure-and-Availability-of-Exempt-Organizations>Returns-and-](http://www.irs.gov/Charities-&-Non-Profits/Public-Disclosure-and-Availability-of-Exempt-Organizations>Returns-and-)
14 [Applications](http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Charitable-Solicitation-Periodic-State-Reporting) is attached hereto as **Exhibit C**.

15 6. A true and correct copy of guidance provided by the IRS regarding periodic state
16 reporting requirements for charitable organizations found at [http://www.irs.gov/Charities-&-Non-](http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Charitable-Solicitation-Periodic-State-Reporting)
17 [Profits/Charitable-Organizations/Charitable-Solicitation-Periodic-State-Reporting](http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Charitable-Solicitation-Periodic-State-Reporting) is attached
18 hereto as **Exhibit D**.

19 7. A true and correct copy of an excerpt from the General Explanation of the Tax
20 Reform Act of 1976, prepared by the Staff of the Joint Committee on Taxation of the 94th
21 Congress is attached hereto as **Exhibit E**.

22 8. A true and correct copy of a sample audit letter from the Office of the Attorney
23 General to a charitable organization is attached hereto as **Exhibit F**.

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1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing is true and correct.

3 Executed on April 3, 2014, at San Francisco, California.

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/s/ Alexandra Robert Gordon
ALEXANDRA ROBERT GORDON

EXHIBIT A

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at www.irs.gov/form990.

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

A For the 2013 calendar year, or tax year beginning, 2013, and ending, 20

B Check if applicable: C Name of organization, D Employer identification number, E Telephone number, F Name and address of principal officer, G Gross receipts \$, H(a) Is this a group return for subordinates?, H(b) Are all subordinates included?, H(c) Group exemption number

I Tax-exempt status: 501(c)(3), 501(c) (), 4947(a)(1) or 527, J Website, K Form of organization: Corporation, Trust, Association, Other, L Year of formation, M State of legal domicile

Part I Summary

Table with columns for Activities & Governance, Revenue, Expenses, and Net Assets or Fund Balances. Rows include mission description, membership counts, revenue breakdown, expenses, and asset/liability totals.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here: Signature of officer, Date, Type or print name and title

Paid Preparer Use Only: Print/Type preparer's name, Preparer's signature, Date, Check if self-employed, PTIN, Firm's name, Firm's EIN, Firm's address, Phone no.

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O.)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ▶

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A		
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?		
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI		
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional		
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		
14 a	Did the organization maintain an office, employees, or agents outside of the United States?		
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV.		
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV.		
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		
20 a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		
b	If "Yes," enter the name of the foreign country: <input type="text"/> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
d	If "Yes," indicate the number of Forms 8282 filed during the year		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10 Section 501(c)(7) organizations. Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11 Section 501(c)(12) organizations. Enter:			
a	Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b Enter the number of voting members included in line 1a, above, who are independent		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		
6 Did the organization have members or stockholders?		
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?		
b Each committee with authority to act on behalf of the governing body?		
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?		
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13		
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done		
13 Did the organization have a written whistleblower policy?		
14 Did the organization have a written document retention and destruction policy?		
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official		
b Other officers or key employees of the organization		
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ►
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ►

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above.	1f					
	g	Noncash contributions included in lines 1a-1f: \$						
	h	Total. Add lines 1a-1f ▶						
Program Service Revenue				Business Code				
	2a	-----						
	b	-----						
	c	-----						
	d	-----						
	e	-----						
	f	All other program service revenue .						
g	Total. Add lines 2a-2f ▶							
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶						
	4	Income from investment of tax-exempt bond proceeds ▶						
	5	Royalties ▶						
	6a	Gross rents	(i) Real	(ii) Personal				
			Less: rental expenses					
			Rental income or (loss)					
	d	Net rental income or (loss) ▶						
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			Less: cost or other basis and sales expenses					
			Gain or (loss)					
	d	Net gain or (loss) ▶						
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 a						
	b	Less: direct expenses b						
	c	Net income or (loss) from fundraising events . ▶						
	9a	Gross income from gaming activities. See Part IV, line 19 a						
Less: direct expenses b								
Net income or (loss) from gaming activities . . ▶								
10a	Gross sales of inventory, less returns and allowances a							
		Less: cost of goods sold b						
		Net income or (loss) from sales of inventory . . ▶						
Miscellaneous Revenue			Business Code					
11a	-----							
b	-----							
c	-----							
d	All other revenue							
e	Total. Add lines 11a-11d ▶							
12	Total revenue. See instructions. ▶							

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21			
2	Grants and other assistance to individuals in the United States. See Part IV, line 22			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16			
4	Benefits paid to or for members			
5	Compensation of current officers, directors, trustees, and key employees			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)			
7	Other salaries and wages			
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)			
9	Other employee benefits			
10	Payroll taxes			
11	Fees for services (non-employees):			
a	Management			
b	Legal			
c	Accounting			
d	Lobbying			
e	Professional fundraising services. See Part IV, line 17			
f	Investment management fees			
g	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)			
12	Advertising and promotion			
13	Office expenses			
14	Information technology			
15	Royalties			
16	Occupancy			
17	Travel			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials			
19	Conferences, conventions, and meetings			
20	Interest			
21	Payments to affiliates			
22	Depreciation, depletion, and amortization			
23	Insurance			
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)			
a	-----			
b	-----			
c	-----			
d	-----			
e	All other expenses			
25	Total functional expenses. Add lines 1 through 24e			
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)			

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing		1
	2 Savings and temporary cash investments		2
	3 Pledges and grants receivable, net		3
	4 Accounts receivable, net		4
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6
	7 Notes and loans receivable, net		7
	8 Inventories for sale or use		8
	9 Prepaid expenses and deferred charges		9
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	
	b Less: accumulated depreciation	10b	10c
	11 Investments—publicly traded securities		11
	12 Investments—other securities. See Part IV, line 11		12
	13 Investments—program-related. See Part IV, line 11		13
	14 Intangible assets		14
	15 Other assets. See Part IV, line 11		15
16 Total assets. Add lines 1 through 15 (must equal line 34)		16	
Liabilities	17 Accounts payable and accrued expenses		17
	18 Grants payable		18
	19 Deferred revenue		19
	20 Tax-exempt bond liabilities		20
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22
	23 Secured mortgages and notes payable to unrelated third parties		23
	24 Unsecured notes and loans payable to unrelated third parties		24
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25
	26 Total liabilities. Add lines 17 through 25		26
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets		27
	28 Temporarily restricted net assets		28
	29 Permanently restricted net assets		29
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds		30
	31 Paid-in or capital surplus, or land, building, or equipment fund		31
	32 Retained earnings, endowment, accumulated income, or other funds		32
	33 Total net assets or fund balances		33
34 Total liabilities and net assets/fund balances		34	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	
2	Total expenses (must equal Part IX, column (A), line 25)	2	
3	Revenue less expenses. Subtract line 2 from line 1	3	
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		
2b		
2c		
3a		
3b		

EXHIBIT B

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

OMB No. 1545-0047

2013

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

Name of the organization

Employer identification number

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
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Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-----	----- ----- -----	\$-----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$-----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$-----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$-----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$-----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$-----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$-----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization _____ Employer identification number _____

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$-----	-----
-----	----- ----- ----- -----	\$-----	-----
-----	----- ----- ----- -----	\$-----	-----
-----	----- ----- ----- -----	\$-----	-----
-----	----- ----- ----- -----	\$-----	-----
-----	----- ----- ----- -----	\$-----	-----
-----	----- ----- ----- -----	\$-----	-----
-----	----- ----- ----- -----	\$-----	-----
-----	----- ----- ----- -----	\$-----	-----
-----	----- ----- ----- -----	\$-----	-----

Name of organization	Employer identification number
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Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Schedule B (Form 990, 990-EZ, or 990-PF), such as legislation enacted after the schedule and its instructions were published, go to www.irs.gov/form990.

Note. Terms in **bold** are defined in the *Glossary* of the Instructions for Form 990.

Purpose of Schedule

Schedule B (Form 990, 990-EZ, or 990-PF) is used to provide information on contributions the organization reported on:

- Form 990-PF, Return of Private Foundation, Part I, line 1;
- Form 990, Return of Organization Exempt from Income Tax, Part VIII, *Statement of Revenue*, line 1; or
- Form 990-EZ, Short Form Return of Organization Exempt from Income Tax, Part I, line 1.

Who Must File

Every organization must complete and attach Schedule B to its Form 990, 990-EZ, or 990-PF, unless it certifies that it does not meet the filing requirements of this schedule by taking the following action:

- Answering "No" on Form 990, Part IV, *Checklist of Required Schedules*, line 2, or
- Checking the box on
 - Form 990-EZ, line H, or
 - Form 990-PF, Part I, *Analysis of Revenue and Expenses*, line 2.

See the separate instructions for these lines on those forms.

If an organization is not required to file Form 990, 990-EZ, or 990-PF but chooses to do so, it must file a complete return and provide all of the information requested, including the required schedules.

Accounting Method

When completing Schedule B (Form 990, 990-EZ, or 990-PF), the organization must use the same accounting method it checked on Form 990, Part XII, *Financial Statements and Reporting*, line 1; Form 990-EZ, line G; or Form 990-PF, line J.

Public Inspection

- Schedule B is open to public inspection for an organization that files Form 990-PF.

- Schedule B is open to public inspection for a section 527 political organization that files Form 990 or 990-EZ.

- For all other organizations that file Form 990 or 990-EZ, the names and addresses of contributors are not required to be made available for public inspection. All other information, including the amount of contributions, the description of **noncash contributions**, and any other information, is required to be made available for public inspection unless it clearly identifies the contributor.

If an organization files a copy of Form 990 or 990-EZ, and attachments, with any state, it should not include its Schedule B (Form 990, 990-EZ, or 990-PF) in the attachments for the state, unless a schedule of contributors is specifically required by the state. States that do not require the information might inadvertently make the schedule available for public inspection along with the rest of the Form 990 or 990-EZ.

See the Instructions for Form 990, 990-EZ, or 990-PF for information on telephone assistance and the public inspection rules for these forms and their attachments.

Contributors to be Listed on Part I

A *contributor* (person) includes individuals, fiduciaries, partnerships, corporations, associations, trusts, and exempt organizations. In addition, section 509(a)(2), 170(b)(1)(A)(iv), and 170(b)(1)(A)(vi) organizations must also report **governmental units** as contributors.

Contributions

Contributions reportable on Schedule B (Form 990, 990-EZ, or 990-PF) are contributions, grants, bequests, devises, and gifts of money or property, whether or not for charitable purposes. For example, political contributions to section 527 political organizations are included. Contributions do not include fees for the performance of services. See the Instructions for Form 990, Part VIII, line 1, for more detailed information on contributions.

General Rule

Unless the organization is covered by one of the *Special Rules* below, it must list in Part I every contributor who, during the year, gave the organization, directly or indirectly, money, **securities**, or any other type of property that total \$5,000 or more for the organization's **tax year**. In determining the total amount, separate and independent gifts of less than \$1,000 can be disregarded.

Include each contribution included on Form 990, Part VIII, line 1, in calculating a contributor's total contributions and determining whether that contributor must be reported on Schedule B under this General Rule (or one of the following *Special Rules*, if applicable). For example, if an organization that uses the accrual method of accounting reports a pledge of noncash property in Part VIII, line 1, it must include the value of that contribution in calculating whether the contributor meets the General Rule (or one of the *Special Rules*, if applicable), even if the organization did not receive the property during the tax year.

Special Rules

Section 501(c)(3) organizations that file Form 990 or 990-EZ. For an organization described in section 501(c)(3) that meets the 33 $\frac{1}{3}$ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and not just the 10% support test (whether or not the organization is otherwise described in section 170(b)(1)(A)), list in Part I only those contributors whose contribution of \$5,000 or more during the tax year is greater than 2% of the amount reported on Form 990, Part VIII, line 1h, or Form 990-EZ, line 1.

Example. A section 501(c)(3) organization, of the type described above, reported \$700,000 in total contributions, gifts, grants, and similar amounts received on Form 990, Part VIII, line 1h. The organization is only required to list in Parts I and II of its Schedule B each person who contributed more than the greater of \$5,000 or 2% of \$700,000 (\$14,000) during the tax year. Thus, a contributor who gave a total of \$11,000 would not be reported in Parts I and II for this section 501(c)(3) organization. Even though the \$11,000 contribution to the organization was greater than \$5,000, it did not exceed \$14,000.

Section 501(c)(7), (8), or (10) organizations. For contributions to these social and recreational clubs, fraternal beneficiary and domestic fraternal societies, orders, or associations that were not for an exclusively religious, charitable, etc., purpose, list in Part I each contributor who contributed \$5,000 or more during the tax year, as described under *General Rule*, earlier.

For contributions to a section 501(c)(7), (8), or (10) organization received for use exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals (sections 170(c)(4), 2055(a)(3), or 2522(a)(3)), list in Part I each contributor whose aggregate contributions for an exclusively religious, charitable, etc., purpose were more than \$1,000 during the tax year. To determine the more-than-\$1,000 amount, total all of a contributor's gifts for the tax year (regardless of amount). For a noncash contribution, complete Part II.

All section 501(c)(7), (8), or (10) organizations that listed an exclusively religious, charitable, etc., contribution in Part I or II must also complete Part III to provide further information on such contributions of more than \$1,000 during the tax year and show the total amount received from such contributions that were for \$1,000 or less during the tax year.

However, if a section 501(c)(7), (8), or (10) organization did not receive total contributions of more than \$1,000 from a single contributor during the tax year for exclusively religious, charitable, etc., purposes and consequently was not required to complete Parts I through III with respect to these contributions, it need only check the third *Special Rules* box on the front of Schedule B and enter, in the space provided, the total contributions it received during the tax year for an exclusively religious, charitable, etc., purpose.

Specific Instructions



CAUTION Do not attach substitutes for Schedule B or attachments to Schedule B with information on contributors. Parts I, II, and III of Schedule B may be duplicated as needed to provide adequate space for listing all contributors. Number each page of each part (for example, Page 2 of 5, Part II).

Part I. In column (a), identify the first contributor listed as No. 1 and the second contributor as No. 2, etc. Number consecutively. In column (b), enter the contributor's name, address, and ZIP code. Identify a donor as "anonymous" only if the organization does not know the donor's identity. In column (c), enter the amount of total contributions for the **tax year** for the contributor listed.

In column (d), check the type of contribution. Check all that apply for the contributor listed. If a *cash contribution* came directly from a contributor (other than through payroll deduction), check the "Person" box. A cash contribution

includes contributions paid by cash, credit card, check, money order, electronic fund or wire transfer, and other charges against funds on deposit at a financial institution.

If an **employee's** cash contribution was forwarded by an employer (indirect contribution), check the "Payroll" box. If an employer withholds contributions from employees' pay and periodically gives them to the organization, report only the employer's name and address and the total amount given unless you know that a particular employee gave enough to be listed separately.

Check the "Noncash" box in column (d) for any contribution of property other than cash during the tax year, and complete Part II of this schedule. For example, if an organization that uses the accrual method of accounting reports a pledge of noncash property on Form 990, Part VIII, line 1, it must check the "Noncash" box and complete Part II even if the organization did not receive the property during the tax year.

For a section 527 organization that files a Form 8871, Political Organization Notice of Section 527 Status, the names and addresses of contributors that are not reported on Form 8872, Political Organization Report of Contributions and Expenditures, do not need to be reported in Part I if the organization paid the amount specified by section 527(j)(1). In this case, enter "Pd. 527(j)(1)" in column (b) instead of a name, address, and ZIP code; but you must enter the amount of contributions in column (c).

Part II. In column (a), show the number that corresponds to the contributor's number in Part I. In column (b), describe the **noncash contribution** received by the organization during the tax year, regardless of the value of that noncash contribution. Note the public inspection rules discussed earlier.

In columns (c) and (d), report property with readily determinable market value (for example, marked quotations for securities) by listing its **fair market value (FMV)**. If the organization immediately sells **securities** contributed to the organization (including through a broker or agent), the contribution still must be reported as a gift of property (rather than cash) in the amount of the net proceeds plus the broker's fees and expenses. See the Instructions for Form 990, Part VIII, line 1g, which provide an example to illustrate this point. If the property is not immediately sold, measure market value of marketable securities registered and listed on a recognized securities exchange by the average of the highest and lowest quoted selling prices (or the average between the *bona fide* bid and

asked prices) on the contribution date. See Regulations section 20.2031-2 to determine the value of contributed stocks and bonds. When FMV cannot be readily determined, use an appraised or estimated value. To determine the amount of a noncash contribution subject to an outstanding debt, subtract the debt from the property's FMV. Enter the date the property was received by the organization, but only if the donor has fully given up use and enjoyment of the property at that time.

The organization must report the value of any **qualified conservation contributions** and contributions of **conservation easements** listed in Part II consistently with how it reports revenue from such contributions in its books, records, and financial statements and in Form 990, Part VIII, Statement of Revenue.

For more information on noncash contributions, see the instructions for Schedule M (Form 990), Noncash Contributions.

If the organization received a partially completed Form 8283, Noncash Charitable Contributions, from a donor, complete it and return it so the donor can get a charitable contribution deduction. Keep a copy for your records.

Original (first) and successor donee (recipient) organizations must file Form 8282, Donee Information Return, if they sell, exchange, consume, or otherwise dispose of (with or without consideration) charitable deduction property (property other than money or certain publicly traded securities) within 3 years after the date the original donee received the property.

Part III. Section 501(c)(7), (8), or (10) organizations that received contributions for use exclusively for religious, charitable, etc., purposes during the tax year must complete Parts I through III for each person whose gifts totaled more than \$1,000 during the tax year. Show also, in the heading of Part III, the total of gifts to these organizations that were \$1,000 or less for the tax year and were for exclusively religious, charitable, etc., purposes. Complete this information only on the first Part III page if you use duplicate copies of Part III.

If an amount is set aside for an exclusively religious, charitable, etc., purpose, show in column (d) how the amount is held (for example, whether it is commingled with amounts held for other purposes). If the organization transferred the gift to another organization, show the name and address of the transferee organization in column (e) and explain the relationship between the two organizations.

EXHIBIT C



Public Disclosure and Availability of Exempt Organizations Returns and Applications: Contributors' Identities Not Subject to Disclosure

Is a tax-exempt organization required to disclose the names or addresses of its contributors?

A tax-exempt organization is generally not required to disclose publicly the names or addresses of its contributors set forth on its annual return, including Schedule B (Form 990, 990-EZ, or 990-PF). The regulations specifically exclude *the name and address of any contributor to the organization* from the definition of disclosable documents. Contributor names and addresses listed on an exempt organization's exemption application are subject to disclosure, however.

This general exclusion for contributor information on annual returns does not apply to private foundations, or to political organizations described in section 527 of the Internal Revenue Code. Certain tax-exempt political organizations must report *the name and address, and the occupation and employer (if an individual), of any person that contributes in the aggregate \$200 or more in a calendar year* on Schedule A of Form 8872. Tax-exempt political organizations may also be required to file Form 990, including Schedule B. Political organizations must make both of these forms available to the public, including the contributor information.

Page Last Reviewed or Updated: 28-Apr-2013

EXHIBIT D



Charitable Solicitation - Periodic State Reporting

Most states have statutes that require charitable organizations that solicit contributions from the public to register and file periodic financial reports. Many states accept a copy of the Form 990 in place of all or part of their financial report forms. If you use Form 990, Form 990-EZ, or 990-PF to satisfy state or local filing requirements, note the following -

Determine State Filing Requirements

You should consult the appropriate officials of all states and other jurisdictions in which the organization does business to determine their specific filing requirements. "Doing business" in a jurisdiction may include any of the following: (1) soliciting contributions or grants by mail or otherwise from individuals, businesses, or other charitable organizations; (b) conducting programs; (c) having employees within that jurisdiction; (d) maintaining a checking account; or (e) owning or renting property there.

Monetary Tests May Differ

Dollar limitations that apply to Form 990, 990-EZ, or 990-PF, when filed with the IRS may not apply when using the return in place of state or local report forms. Examples of IRS dollar limitations that do not meet some state requirements are the \$25,000 gross receipts minimum that creates an obligation to file Form 990 or 990-EZ with the IRS and the \$50,000 minimum for listing professional fees in Part II of Schedule A (Form 990, 990-EZ, or 990-PF).

Additional Information May Be Required

State or local filing requirements may require you to attach to Form 990, 990-EZ, or 990-PF, one or more of the following: (a) additional financial statements, such as a complete analysis of functional expenses or a statement of changes in net assets; (b) notes to financial statements; (c) additional financial schedules; (d) a report on the financial statements by an independent accountant; and (e) answers to additional questions and other information. Each jurisdiction may require the additional material to be presented on forms they provide. The additional information does not have to be submitted with the return filed with the IRS.

Even if IRS accepts the return that the organization files as complete, a copy of the same return filed with a state will not fully satisfy that state's filing requirement if required information is not provided, including any of the additional information discussed above, or if the state determines that the form was not completed by following the applicable Form 990, 990-EZ, or 990-PF instructions or supplemental state instructions. If so, the organization may be asked to provide the missing information or to submit an amended return.

Use of Audit Guides May Be Required

To ensure that all organizations report similar transactions uniformly, many states require that contributions, gifts, grants, etc., and functional expenses be reported according to the AICPA industry audit and accounting guide, *Not-for-Profit Organizations* (New York, NY, AICPA, 2003), supplemented by *Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations* (Washington, DC, National Health Council, Inc., 1998, 4th edition).

Donated Services And Facilities

Although the two publications named above sometimes call for reporting donated services and facilities as items of revenue and expenses, many states and the IRS do not permit the inclusion of those amounts in Parts I and II of the Form 990 or Form 990-PF or Part I of Form 990-EZ. The optional reporting of donated services and facilities is discussed in the instructions for all three returns.

Amended Returns

If the organization submits supplemental information or files an amended Form 990, 990-EZ, or 990-PF with the IRS, it must also send a copy of the information or amended return to any state with which it filed a copy of the return originally to meet that state's filing requirement.

Method Of Accounting

Most states require that all amounts be reported based on the accrual method of accounting.

Time For Filing May Differ

The deadline for filing Form 990, 990-EZ, or 990-PF with the IRS differs from the time for filing reports with some states.

Public Inspection

Form 990, 990-EZ, or 990-PF information made available for public inspection by the IRS may differ from that made available by the states.

EXHIBIT E

SUMMARY
OF THE
TAX REFORM ACT OF 1976
(H.R. 10612, 94TH CONGRESS, PUBLIC LAW 94-455)

PREPARED BY THE
STAFF OF THE
JOINT COMMITTEE ON TAXATION



OCTOBER 4, 1976

U.S. GOVERNMENT PRINTING OFFICE

77-889 O

WASHINGTON : 1976

JCS-31-76

The Act generally requires any corporation (other than a subchapter S corporation, a family corporation, a nursery or a "small corporation") and any partnership in which a corporation is a partner to use the accrual method of accounting and to capitalize preproductive period expenses.

The exception for family corporations provides that a corporation is a family corporation if the members of one family own, directly or through attribution, at least 50 percent of the voting stock and of all other classes of stock of such corporation. Under the family corporation exception, stock ownership is attributed not only through partnerships and trusts, and (generally) one tier of corporations, but also, under certain circumstances, through two tiers of corporations.¹

The Act also provides an exception to cover small corporations. This provision exempts any corporation whose gross receipts (when combined with the gross receipts of related corporations) do not exceed \$1,000,000 per year. However, once this level of receipts is exceeded for a taxable year beginning after December 31, 1975, the corporation must change to the accrual method of accounting for subsequent taxable years and may not change back to the cash method of accounting for subsequent taxable years even if its receipts subsequently fall below \$1,000,000.

The Act provides an exception to the required accrual accounting rules for nurseries. Thus, a corporation which is engaged in the business of operating a nursery will not be required to utilize the accrual method of accounting by reason of this new provision (sec. 447). No inference is intended, however, with respect to any business operation which is required to utilize the accrual method of accounting under provisions of existing law.

For purposes of this provision, a corporation engaged in forestry or the growing of timber is not thereby engaged in the business of farming.² Consequently, this provision is not intended to affect the method of accounting (or treatment of preproductive period expenses) of corporations engaged in forestry or the growing of timber.

The Act also provides special rules which provide that if a corporation (or its predecessors) has, for a 10-year period prior to the date of enactment, used an "annual" accrual method of accounting (in which preproductive period expenses are either deducted currently or charged to the current year's crops), it may continue to use this method of accounting. Also, a taxpayer who has used, for a 10-year period, the static value method of accounting for the costs of deferred crops may change to the annual accrual method of accounting and be treated as if it had used such method of accounting for that 10-year period.

If a taxpayer is required to change its accounting method because of the application of this new provision, it will be allowed to spread the accounting adjustments required by this change over a period of 10

¹ In determining family ownership under this provision, if the trustee of a trust has discretion to distribute income or principal to family members or charities and if the trustee has made no distributions (or taken deductions for set-asides) to charities, family beneficiaries should be treated as the sole beneficiaries of the trust.

² This exclusion of forestry or the growing of timber from "farming" is consistent with the distinction drawn in regulations relating to provisions of the Code allowing taxpayers engaged in the trade or business of farming to deduct currently expenditures for soil or water conservation, fertilizer for land used in farming, and land clearing (secs. 175, 180, 182 and Regs. §§ 1.175-3, 1.180-1(b), and 1.182-2).

years. This provision applies to taxable years beginning after December 31, 1976.³

Sec. 208. Prepaid Interest

A taxpayer reporting his income on the accrual method of accounting can deduct prepaid interest only in the period or periods in which the interest represents the cost of using the funds during that period. However, a cash method taxpayer has generally been able to deduct expenses in the year he actually paid them. It was unsettled under prior law, however, whether (or under what circumstances) a cash method taxpayer could deduct prepaid interest in full in the year paid. Recent court decisions have supported the Internal Revenue Service in requiring a cash method taxpayer to allocate his deductions for prepaid interest over the period of the loan.

The Act requires a cash method taxpayer to deduct prepaid interest over the period of the loan to the extent the interest represents the cost of using the borrowed funds during each taxable year in the period. This rule applies to interest paid for personal, business or investment purposes. The Act also requires points paid on a loan to be deducted ratably over the term of the loan, except in the case of a mortgage incurred in connection with the purchase or improvement of, and secured by, the taxpayer's principal residence. However, the rule permitting current deductibility of points on a home mortgage applies only if points are generally charged in the geographical area where the loan is made and to the extent of the number of points generally charged in that area for a home loan. These new provisions apply to prepayments of interest on and after January 1, 1976, except for interest paid before January 1, 1977, pursuant to a binding contract or written loan commitment in existence on September 16, 1975 (and at all times thereafter).

Sec. 209. Limitation on Deduction of Investment Interest

Under prior law (sec. 163(d)), the deduction for interest on investment indebtedness was limited to \$25,000 per year plus the taxpayer's net investment income and long-term capital gain plus one-half of any interest in excess of these amounts.

Under the Act, interest on investment indebtedness is limited to \$10,000 per year, plus the taxpayer's net investment income. No offset of investment interest is permitted against long-term capital gain. An additional deduction of up to \$15,000 more per year is permitted for interest paid in connection with indebtedness incurred by the taxpayer to acquire the stock in a corporation, or a partnership interest, where the taxpayer, his spouse, and his children have (or acquire) at least 50 percent of the stock or capital interest in the enterprise. Interest deductions which are disallowed under these rules are subject to an unlimited carryover and may be deducted in future years (subject to the applicable limitation). Under the Act, no limitation is imposed on the deductibility of personal interest.

³ A partnership with a corporate general partner may be required to use the accrual method of accounting and may also be a farming syndicate subject to limitations on deductible expenses for prepaid feed and other farm supplies, expenses for poultry, and certain expenses of orchards, groves and vineyards. However, feed and other farm supplies are required to be inventoried under the accrual method of accounting, and the expenses (of poultry, orchards, groves and vineyards) that must be capitalized under the farming syndicate rules are also capitalizable preproductive period expenses under the accrual method of accounting (as required by this provision). Consequently, the application of both provisions is not inconsistent; the farming syndicate rules do not appear to impose any additional requirements for an organization subject to this provision.

Generally, these rules are applicable to taxable years beginning after December 31, 1975. However, under a transitional rule, prior law (sec. 163(d) before the amendments made under the Act) continues to apply in the case of interest on indebtedness which is attributable to a specific item of property, is for a specified term, and was either incurred before September 11, 1975, or was incurred after that date under a binding written contract or commitment in effect on that date and at all times thereafter (hereinafter referred to as "pre-1976 interest"). As under prior law, interest incurred before December 17, 1969 ("pre-1970 interest") is not subject to a limitation.

Under the Act, carryovers are to retain their character. Thus, carryovers of pre-1976 interest will continue to be deductible under the limitation of prior law. Carryovers of post-1975 interest will be subject to the new rules adopted under the Act.

In a case where the taxpayer has interest which is attributable to more than one period (pre-1970, pre-1976, and post-1975), the taxpayer's net investment income is to be allocated between (or among) these periods. For example, assume a taxpayer has \$30,000 of pre-1976 interest and \$60,000 of post-1975 interest; also assume that the taxpayer has \$45,000 of investment income. Under the Act, one-third of the investment income (\$15,000) is to be allocated to the pre-1976 interest, which would be fully deductible (the \$25,000 allowance, plus the \$15,000 of net investment income—exceeds the \$30,000 of pre-1976 interest, which is therefore fully deductible). Two-thirds of the net investment income (\$30,000) is allocated to the post-1975 interest; this amount, added to the \$10,000 allowance provided under the Act, would result in a total deduction of \$40,000 for the post-1975 interest. The remaining amount (\$20,000) could be carried forward.

Sec. 210. Amortization of Production Costs of Motion Pictures, Books, Records, and Other Similar Property

The Act contains a capitalization rule which requires individuals, trusts, subchapter S corporations, and personal holding companies, to capitalize the costs of producing motion pictures, books, records and other similar property and permits them to deduct these capitalized costs over the life of the income stream generated from the production activity. These rules are only to apply to production costs (including the costs of making prints of the film for distribution) and not to distribution costs. The provision applies to amounts paid or incurred after December 31, 1975, with respect to property the principal production of which begins after December 31, 1975.

Sec. 211. Clarification of Definition of Produced Film Rents

Under present law, "produced film rents" is one category of personal holding company income. Generally, this category covers payments received by a corporation from the distribution and exhibition of motion picture films if these rents arise from an "interest" in the film acquired before the completion of production. Produced film rents are not treated as personal holding company income, however, if such rents constitute 50 percent or more of the corporation's ordinary gross income.

The Act clarifies any ambiguities in present law regarding whether a qualifying "interest" in a film includes interests other than depreciable interests. Under the Act, in the case of a producer who

TITLE XII—ADMINISTRATIVE PROVISIONS

Sec. 1201. Public Inspection of Written Determinations by Internal Revenue Service

Under prior law, private letter rulings and other written determinations of the IRS were made public by the courts under the Freedom of Information Act. Certain confidential and other information was exempted from disclosure by the FOIA, but the taxpayer's identity was disclosed.

Under the Act, IRS written determinations such as letter rulings and technical advice memoranda are to be made public, after deletion of certain information. Deleted material includes the taxpayer's name and other identifying details; commercial or financial information which is privileged or confidential; trade secrets; classified matter; information exempted by statute; bank regulation information; matters of personal privacy; and geological and geophysical information including maps concerning wells. The Act establishes procedures for resolution of disputes regarding deletion of information before public inspection of the written determination is available, including court actions to restrain disclosure and to obtain additional disclosure.

Background file documents related to a written determination are to be made available upon request. Determinations requested before November 1, 1976, are made public, except for certain required rulings, contingent upon funds being appropriated to the IRS for that purpose. Rules are established for the order in which prior determinations will be released, with the more recent determinations given priority.

If the IRS receives a communication concerning a pending request for a written determination from anyone outside the IRS (other than the taxpayer), the contact is to be noted, or "flagged", on the determination when it is made public. Any person may file suit and learn the identity of the taxpayer, if the Tax Court finds evidence that an impropriety occurred or undue influence was exercised with respect to the determination. The Tax Court could also order disclosure of other material previously deleted.

The Act provides that the Secretary may determine any precedential effect of these written determinations by regulation and creates a civil remedy for intentional or willful failure of the IRS to make required deletions or to follow the procedures of this section, including minimum damages of \$1,000 plus costs. It permits the IRS to collect fees for search and duplication costs in making information available on request, and establishes rules for IRS records disposal.

Sec. 1202. Disclosure of Returns and Return Information

(a) *General.*—Under prior law, tax returns were "public records", but they were generally open to inspection only under regulations or executive orders. Additionally, the statute provided a number of specific situations in which tax returns could be disclosed. The Act provides that returns and return information are to be confidential and not subject to disclosure except as specifically provided by statute.

In general, "returns" were defined in the regulations previously in effect as including information returns, schedules, lists, and other written statements filed with the IRS which are supplemental to, or become a part of, the return and other records, reports, information received orally or in writing, factual data, documents, papers, abstracts, memoranda, or evidence taken, or any portion thereof relating to returns and schedules, etc. The Act defines the term "return" to mean any tax or information return, declaration of estimated tax or claim for refund which is required or permitted to be filed with respect to any person. It also includes any amendment, supplemental schedule or attachments filed with the tax return, information return, etc. "Return information" is defined as any data received by or prepared by the Secretary with respect to a return or with respect to the determination of the existence of the liability of any person for any tax, penalty, interest, fine, forfeiture, or other imposition. Information as to whether a taxpayer's return was, is being, or will be examined is also to be considered return information. Under the Act, data in a form that cannot be associated with or otherwise identify a particular taxpayer will not constitute return information.

(b) *Disclosure to Congress.*—Congressional committees were classified in three categories for disclosure purposes under prior law. The tax committees could inspect tax information in executive session. Select committees of the House and Senate could inspect tax information in executive session if specifically authorized to do so by a resolution of the appropriate body. Standing and select committees could inspect tax information under an executive order issued by the President for the committee in question and on the adoption of a resolution (by the full committee) authorizing inspection.

The Act provides that the tax-writing committees, upon written request of their respective chairmen, may have access to returns and return information in executive session. The Chief of Staff of the Joint Committee on Taxation may have access to returns and return information. Nontax committees are to be furnished returns and return information in executive session upon (1) a committee action approving the decision to request such returns, (2) an authorizing resolution of the House or Senate, as the case may be, and (3) a written request by the Chairman of the committee. The resolution of the appropriate body authorizing these committees to obtain returns or return information must specify the purpose for the inspection and that the inspection is to be made only if there is no alternative source of information reasonably available to the committee. The committees, through the committee Chairman and ranking minority member, can designate no more than 4 agents (2 majority and 2 minority) to inspect the returns or return information requested.

Under prior law, the tax committees and select committees authorized to inspect tax information could submit "any relevant or useful" information obtained to the House or Senate. The Act provides that the tax-writing committees may submit tax information to the Senate or House, as the case may be. The nontax-writing committees may submit such information to the Senate or House sitting in executive session. The Joint Committee on Taxation, or its Chief of Staff, may submit tax information to the House Committee on Ways and Means or to the Senate Committee on Finance sitting in executive session.

(c) *Disclosure to the President (and other Federal agencies).*—A previous executive order permitted so-called “tax checks” and inspection of tax returns by the President and certain designated White House employees. Requests for tax checks and inspection were to be in writing and signed by the President personally.

The Act provides that disclosure of returns and return information can be made to the President and/or to certain named employees of the White House Office upon the written request of the President, signed by him personally. A request is to specify, among other things, the reason disclosure is requested. The President (or a duly authorized representative of the Executive Office) and the head of a Federal agency also may make a written request for a “tax check” with respect to prospective appointees. The “tax check” is limited to the inquiry as to whether the individual has filed income tax returns for the last 3 years, has failed to pay any tax within 10 days after notice and demand or has been assessed a negligence penalty within the current or immediately preceding 3 years, has been or is under any criminal tax investigation (and the results of such investigation), or has been assessed a civil penalty for fraud. A prospective employee will be notified by the IRS within 3 days of its receipt of a request for a tax check on the prospective employee. The President and the head of any agency requesting returns and return information under this section will be required to file quarterly a confidential report with the Joint Committee on Taxation identifying the taxpayers, the returns or return information involved, and the reason for requesting such returns or return information. However, the President will not be required to report on requests pertaining to current employees of the executive branch. The reports will be maintained by the Joint Committee on Taxation for a period not exceeding 2 years unless, within that period of time, the Joint Committee on Taxation determines that a disclosure to the Congress is necessary.

(d) *Criminal and civil tax cases.*—Under prior law, tax returns and other tax information of any taxpayer could be furnished upon request, without written application, to U.S. Attorneys and Justice Department attorneys in civil or criminal tax cases referred by the IRS to the Justice Department for prosecution or defense. Where the Justice Department was investigating a possible violation of the civil or criminal tax laws and the matter had not been referred to the Justice Department by the IRS, a Justice Department attorney or U.S. attorney could obtain tax information upon written application where it was “necessary in the performance of his official duties”. The Justice Department could also obtain the returns of potential witnesses and third parties. Also, the IRS would answer an inquiry from the Justice Department as to whether a prospective juror had been investigated by the IRS.

Under the Act, the Justice Department will continue to receive returns and return information with respect to the taxpayer whose civil or criminal tax liability is at issue. Written request is required in cases other than refund cases and cases referred by the IRS. The return or return information of a third party will be disclosed to the Justice Department in the event that the treatment of an item reflected on his return is or may be relevant to the resolution of an issue of the taxpayer’s liability. The return or return information of a third

party will also be disclosed to the Justice Department if the third party's return or return information relates or may relate to a transaction between the third party and the taxpayer whose tax liability is or may be at issue and if the return information pertaining to that transaction may effect the resolution of an issue of the taxpayer's tax liability. A third party return may also be disclosed in a court proceeding, subject to the same item and transactional tests described above, except that the items and transactions must have a direct relationship to the resolution of an issue of the taxpayer's liability. In tax cases, the Justice Department and the taxpayer whose liability is at issue will be allowed to inquire of the IRS as to whether a prospective juror has been under an audit or investigation by the IRS. However, responses to such inquiries are to be limited to the existence or nonexistence of an IRS audit or investigation.

(e) *Nontax criminal cases.*—Under prior law, a U.S. Attorney or an attorney of the Department of Justice could obtain tax information in any case “where necessary in the performance of his official duties”. This could be obtained on written application, giving the name of the taxpayer, the kind of tax involved, the taxable period involved, and the reason inspection was desired. The application was to be signed by the U.S. Attorney involved or by the Attorney General, Deputy Attorney General, or an Assistant Attorney General. Tax information obtained by the Justice Department could be used in proceedings conducted by or before any department or establishment of the Federal Government or in which the United State was a party. The IRS also would answer an inquiry from the Justice Department as to whether a prospective juror had been investigated by the IRS.

Under the Act, tax information may be disclosed to the Justice Department and other Federal agencies for nontax criminal purposes only by order of a U.S. District Court. The order will be issued upon a showing that: (i) there is reasonable cause to believe, based upon information believed to be reliable, that a specific criminal act has been committed; (ii) there is reason to believe that the return or return information is probative evidence of a matter in issue related to the commission of the criminal act; and (iii) the information sought to be disclosed cannot reasonably be obtained from any other source unless it is determined that, notwithstanding the reasonable availability of the information from another source, the return or return information sought constitutes the most probative evidence of a matter in issue relating to the commission of the criminal act.

The first requirement set forth above (“reasonable cause . . .”) is intended to be less strict than the “probable cause” standard for issuing a search warrant, and this “reasonable cause” requirement is to be construed according to the plain meaning of the words involved. The term “criminal act” includes any act with respect to which the criminal penalty provisions of a Federal nontax statute (which may also include civil penalty provisions) would apply. This court procedure contemplates an *in camera* inspection of the return or return information by the judge to determine whether any part or parts thereof meet the requirements outlined above. Only the part or parts of the return or return information determined by the court to meet these requirements would be subject to disclosure under this provision. In this regard, the Congress intends that the more personal the infor-

mation involved (e.g., medical and psychiatric information), the more restrictive the court would be in allowing disclosure.

The return or return information may be introduced in an administrative or judicial hearing if the court finds that it is probative of a matter at issue relevant in establishing the commission of a crime or the guilt of a party. The credibility of a witness does not constitute a matter in issue for purposes of these rules. Thus, under the Act, a return or return information will not be admissible for purposes of "collateral impeachment" (i.e., discrediting a witness on matters not bearing upon the question of the commission of a crime or the guilt of a party). Only those parts of the return determined by the court to be necessary to the investigation or prosecution will be subject to disclosure.

The Act also authorizes the IRS, either upon its own initiative or pursuant to written request, to disclose in writing to the Justice Department or any other Federal agency information relating to the possible violation of a Federal criminal law which is received from sources other than the taxpayer or his representatives.

(f) *Nontax civil matters.*—Under prior law, U.S. Attorneys and officials of other Federal agencies could obtain tax information in nontax civil cases in the same manner and to the same extent as in nontax criminal cases. The Act provides that disclosure of returns and return information cannot be made to the Justice Department or other Federal enforcement agencies in nontax civil cases except in those instances where the Department is defending the United States in a suit involving a renegotiation of contracts previously determined by the Renegotiation Board. Disclosure is also allowed under the Act to Treasury personnel of returns or return information for purposes of tax administration.

(g) *GAO.*—Under prior law, the GAO did not have independent authority to inspect tax returns. It did have access to tax returns when it audited IRS operations as the agent of the Joint Committee on Taxation. The Act authorizes the GAO to inspect returns and return information to the extent necessary in conducting an audit of the IRS or the Bureau of Alcohol, Tobacco and Firearms required by section 117 of the Budget and Accounting Procedures Act of 1950. It is intended that the GAO examine returns and individual tax transactions only for the purpose of, and to the extent necessary to serve as a reasonable basis for, evaluating the effectiveness, efficiency and economy of IRS operations and activities. It is not intended that the GAO would superimpose its judgment upon that of the IRS in specific tax cases. GAO is to notify the Joint Committee on Taxation in writing of the subject matter of the planned audit and any plans for inspection of tax returns. GAO can proceed with its planned audit unless the Joint Committee, by a two-thirds vote of its members, vetoes the GAO audit plan within 30 days of receiving written notice of the proposed audit from GAO.

The Act also authorizes the GAO to review and evaluate the compliance by the Federal and State agencies which have received returns and return information from the IRS with the requirements regarding the use and safeguarding of the returns and return information.

(h) *Statistical use.*—The Census Bureau, the Bureau of Economic Analysis, the Federal Trade Commission, and the Securities & Ex-

change Commission have previously been authorized to use tax returns and return information for statistical purposes. Under the Act, Census, the BEA, the FTC, and non-IRS Treasury personnel can obtain tax returns and limited return information for statistical and research purposes. The BEA and the FTC will only receive corporate tax information. Publication of statistical studies identifying any particular taxpayer is prohibited.

(i) *Inspection by Federal agencies.*—Under prior law, several agencies could generally inspect tax information for qualified purposes without making a specific written request for the information. Inspection of tax information on a general basis was made most often by HEW, the Renegotiation Board and the FTC. Under the Act, limited disclosures on a general basis are permitted to the Social Security Administration, the Railroad Retirement Board, the Department of Labor, the Pension Benefit Guaranty Corporation, and the Renegotiation Board in certain limited situations where the return information is directly related to programs administered by the agency in question.

(j) *State and local governments.*—On the written request of the State Governor, tax returns could previously be inspected by State tax officials for purposes of administering the State's tax laws. Tax information could also be obtained by the States for local governments for their use in administering the local tax laws.

The Act provides that Federal tax returns and return information may be disclosed to State tax officials solely for use in administering the State's tax laws. The tax information will not be available to the State Governor or any other nontax personnel, or to local governments. No disclosure may be made to any State that requires taxpayers to attach to, or include in, State tax returns a copy of any portion of the Federal return (or any information reflected on the Federal return) unless the State adopts provisions of law by December 31, 1978, protecting the confidentiality of the attached copies of the Federal returns and the included return information. Although the copies of the Federal returns or the return information required by a State or local government to be attached to, or included in, the State or local return do not constitute Federal "returns or return information" subject to the Federal confidentiality rules, the policy underlying this requirement is that the attached copy of the return and the included information should be treated by State and local governments as confidential rather than effectively as public information. However, it is not intended that States be required to enact confidentiality statutes which are copies of the Federal statutes. Thus, State tax authorities can disclose State returns and return information, including any portion of the Federal return (or information reflected on the Federal return) which the State requires the taxpayer to attach to, or to include in, his State tax return, to any State or local officers or employees whose official duties or responsibilities require access to such State return or return information pursuant to the laws of that State.

In order to protect the confidentiality of returns which the States receive from the IRS under the present exchange programs, the returns are, in most States, processed on computers used solely by the State tax authorities. In certain States, however, the requirements of the tax authorities are not sufficient to justify a separate computer, and, accordingly, the tax authorities have the Federal tax returns

processed on central computers shared by several State agencies which are operated by State employees who are not in the tax department. In such situations, the IRS requires that tax department personnel be present at all times when the Federal tax returns are being processed. The Act permits those States currently time-sharing with other State agencies to continue to do so to the extent authorized and under the conditions specified in Treasury regulations.

(k) *Taxpayers with a material interest.*—Income tax returns have previously been open to inspection by certain persons with a material interest in those returns. For example, returns were open to the filing taxpayers, trust beneficiaries, partners, heirs of the decedent, etc. Under the Act, persons with a material interest will continue to have the right to inspect returns and, where appropriate, return information to the same extent as provided under current regulations. Return information (in contrast to “returns”) can be disclosed to persons with a material interest only to the extent the IRS determines this would not adversely affect the administration of the tax laws.

(l) *Miscellaneous disclosures.*—Several provisions of prior regulations allowed the disclosure of tax information for miscellaneous administrative and other purposes. In other cases, the statute specifically required public disclosure and certain types of returns (e.g., applications for exempt status by organizations). Under the Act, returns will continue to be open to public inspection in those situations where public disclosure is required in present law. Limited disclosure of returns and return information is permitted in some, but not all, of the miscellaneous situations where disclosure was permitted under prior law.

Under prior law, address information was provided to the Federal Parent Locator Service regarding “absent parents” under Public Law 93-647 (section 453 of the Social Security Act). The Act modifies the rules for the disclosure of return information to the Federal, State and local child support enforcement offices by providing for disclosure of certain information from IRS master files. Disclosure of other return information is permitted only to the extent that it cannot be reasonably obtained from another source.

The Act also authorizes the IRS to disclose to other Federal agencies the mailing addresses of taxpayers from whom the agencies are attempting to collect a claim under the Federal Claims Collection Act.

(m) *Procedures and records concerning disclosure.*—Several different offices of the IRS have had the responsibility for approving the disclosure of tax information to particular agencies. The IRS has maintained records concerning disclosure, but the type of records maintained have not been standardized as between, e.g., Service Centers, and a complete inventory of records has not been maintained. The Act provides that in those cases in which disclosure or inspection of returns or return information is permitted, it is to be permitted only at the times, in the manner, and at the places prescribed by regulations. The IRS and each Federal and State agency receiving tax information will be required to maintain a standardized system of permanent records on the use and disclosure of returns and return information.

(n) *Safeguards.*—Except for the general criminal penalty for unauthorized disclosure, the tax law did not previously provide rules for safeguarding tax information disclosed by the IRS to other agencies.

The IRS had no authority to audit the safeguards established by other agencies or to stop disclosure to other agencies that did not properly maintain safeguards. Under the Act, no tax information is to be furnished by the IRS to another agency (including commissions, States, etc.) unless the other agency complies with a comprehensive system of administrative, technical, and physical safeguards designed to protect the confidentiality of the returns and return information. In the event of an unauthorized disclosure by the other agency or its failure to maintain adequate safeguards, the IRS may (subject to an administrative appeal procedure) terminate disclosure to that agency.

(o) *Reports to Congress.*—Since 1971, the Joint Committee on Taxation has received from the IRS a semi-annual report on disclosure of tax information. The Act requires the IRS to make a confidential report to the Joint Committee each year on all requests (and the reasons therefor) received for disclosure of tax returns or return information. The report is to include, as a separate section to be publicly disclosed, a listing of all agencies receiving tax return information, the number of cases in which disclosure was made to them during the year, and the general purposes for which the requests were made. In addition, the IRS is required to file a quarterly report with the tax committees regarding procedures and safeguards followed by recipients of returns and return information.

(p) *Enforcement.*—Under prior law, unauthorized disclosure of a Federal income tax return or financial information appearing thereon by a Federal or State employee was a misdemeanor punishable by a fine of up to \$1,000 or imprisonment of up to one year, or both. It was also a misdemeanor punishable in the same manner for any person to print or publish an income tax return or financial information appearing therein. Under the Act, the criminal violation of the disclosure rules is a felony punishable by a fine of up to \$5,000 and imprisonment of up to 5 years, or both. It is also a felony, subject to the same penalties, for any person willfully to receive returns or return information as a result of an offer by that person of an item of material value in exchange for the unauthorized disclosure. A civil remedy is provided for any taxpayer damaged by any unlawful disclosure of returns or return information.

(q) *Effective date.*—The provisions in the Act concerning the confidentiality of tax returns are effective as of January 1, 1977.

Sec. 1203. Income Tax Return Preparers

Prior law provided only that tax return preparers must sign returns they prepared. No penalties were provided for failure to sign. Preparers were subject to criminal fraud penalties of fines up to \$5,000 and 3 years' imprisonment for willfully aiding or assisting in the preparation of a fraudulent return. (Also, preparers were subject to penalties for improper disclosure of tax return information.)

Under the Act, the provisions affecting tax return preparers are enlarged and strengthened. Any person who prepares or employs another to prepare a return or claim for refund for compensation must meet specific disclosure requirements and is subject to penalties for negligent or fraudulent preparation of returns. An exception is provided for preparers of refund claims filed as a result of an IRS audit.

EXHIBIT F



«{SELECT(SELECT PROFNAME FROM PROFESSIONALS WHERE PROFTITLE = 'ATTORNEY
AND ISACTIVE='Y')}»
Attorney General

State of California
DEPARTMENT OF JUSTICE

«Firm Contact Address: Uppercase Type Mailing»

Public: «Firm Contact Phone No.: Type Main»
Telephone: «Professional Phone No.»
Facsimile: «Professional Fax No.»
E-Mail: «Professional Internet E-mail»

«Today: July 4, 1996»

«Addressee Address Block, Full Name first: Type Mailing»

RE: [insert charity name] (CT No. «Client Reference Numbers Client Ref #: (List)»)

Dear «Addressee Salutation»: [insert Mr. or Ms. and surname]

The Office of the Attorney General has the duty to supervise charitable organizations under California Corporations Code section 5250, and Government Code sections 12580 through 12599.7. One of the ways the Office performs this duty is by conducting audits of charitable organizations. We have selected [insert charity name] for a correspondence audit. In this regard, please send the below-listed documentation and information to the undersigned within 30 days of the date of this letter. Unless otherwise stated, documents and information produced in response to the below requests are to cover the period from [insert date] to [insert date]. Please send copies rather than original documents.

[Delete any of the below which do not apply and add others which do apply.]

1. Articles of Incorporation;
2. Bylaws;
3. IRS Form 1023 and related correspondence;
4. IRS Forms 990, 990EZ, or 990PF, and Questionnaires;
5. Registry of Charitable Trusts Form RRF-1;
6. Financial statements (audited or unaudited); Management Letters, Auditor's Engagement Letters, and Withdrawal Letters from Auditors;
7. Budgets and Budget Variances;
8. General Ledgers;
9. Cash Receipts and Disbursement Journal;
10. Bank statements for all bank accounts;
11. Canceled checks for all bank accounts;
12. Contracts for goods and/or services;
13. Provider invoices or bills for goods and/or services received;
14. Correspondence related to donations received from the public;

«Addressee Full Name»

«Today: July 4, 1996»

Page 2

15. Names, addresses, and telephone numbers of all past and current members of the board of directors and officers;
16. Minutes of the proceedings of corporate members, board of directors, board committees, and any board resolutions;
17. Records of all grant applications received and grants made;
18. Reports or accountings made to or received from any other state agency, grantor or grantee, and fundraisers;
19. Written information regarding the policies or criteria used in selecting the grant recipients;
20. Names, addresses, and telephone numbers of persons and organizations who have received grants;
21. Copies of all employment contracts, including employees or independent contractors;
22. Names and addresses of all fundraisers;
23. Copies of any agreements or contracts with fundraisers;
24. Conflict of Interest Policy, Whistleblower Policy and Logs, and Record Retention Policy;
25. Policies and procedures related to fiscal controls; and
26. Policies and procedures related to governance.

If you have any questions, I can be reached at the above telephone number.

Sincerely,

«Professional Full Name: Uppercase»

«Professional Title»

For «{SELECT('SELECT PROFNAME FROM PROFESSIONALS WHERE PROFTITLE = 'ATTORNEY GENERAL' AND ISACTIVE='Y')}»

Attorney General

«Professional Initials: Uppercase»:

«Carbon Copy Recipients»

«Blind Carbon Copy Recipients»

«Matter Matter ID»

CHT Initial Desk Audit Letter for Charity (W).doc

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Attorneys for
 7 *Attorney General Kamala D. Harris*

8
 9 IN THE UNITED STATES DISTRICT COURT
 10 FOR THE EASTERN DISTRICT OF CALIFORNIA
 11 SACRAMENTO DIVISION

12
 13 **CENTER FOR COMPETITIVE
 POLITICS,**

14 Plaintiff,

15 v.

16
 17 **KAMALA HARRIS, in her Official
 Capacity as Attorney General of the State of
 18 California,**

19 Defendant.

2:14-cv-00636-MCE-DAD

**DECLARATION OF KEVIS FOLEY IN
 SUPPORT OF DEFENDANT
 ATTORNEY GENERAL KAMALA D.
 HARRIS'S OPPOSITION TO
 PLAINTIFF'S MOTION FOR
 PRELIMINARY INJUNCTION**

Date: April 17, 2014
 Time: 2:00 p.m.
 Courtroom: 7, 14th Floor
 Judge: Hon. Morrison C. England, Jr.
 Trial Date: None Set
 Action Filed: March 7, 2014

1 I, KEVIS FOLEY, declare as follows:

2 1. I am employed by the State of California Department of Justice as Registrar of the
3 Attorney General's Registry of Charitable Trusts (the "Registry").

4 2. Except as otherwise stated, I have personal knowledge of the facts set forth in this
5 declaration, and if called upon as a witness I could testify competently as to those facts. I make
6 this declaration in support of the Attorney General's Opposition to Plaintiff's Motion for
7 Preliminary Injunction.

8 3. Pursuant to the Supervision of Trustees and Fundraisers for Charitable Purposes
9 Act, California Government Code sections 12580, et seq., the Registry is responsible for
10 registering charitable organizations as well as people or entities that hold assets for charitable
11 purposes. The Registry maintains records and files related to such organizations.

12 4. Pursuant to the Act, unless exempt, persons or entities must register within thirty
13 days of receiving charitable assets. Registrants must also file annual reports with the Registry.
14 The annual reporting is accomplished through Form RRF-1, the Registration/Renewal Fee Report
15 ("RRF-1"), which discloses certain financial and operational information about the registrant.
16 Organizations which have more than \$50,000 in assets or annual revenue must also submit the
17 informational return filed with the IRS, known as the Form 990. Information filed with the
18 Registry is available for public inspection. The information assists members of the public in
19 making informed decisions about charitable giving as well as providing relevant information to
20 assist the Attorney General in fulfilling the office's oversight responsibilities over charitable
21 assets and fundraising practices.

22 5. The Registry maintains a database of filings and information related to entities
23 which are registered or required to be registered. As Registrar, I am responsible for overseeing
24 the database.

25 6. Although many documents filed with the Registry are open to public inspection,
26 the Schedule B filed by public charities that file IRS Form 990 or 990-EZ has always been
27 treated as a confidential document. All confidential documents are kept in separate files that are
28 not available for public viewing. Those "files" are now electronic records. Registry staff scans

1 all filings into the Registry's automated database. Prior to scanning Registry staff goes through
2 each filing and removes all confidential data which is scanned separately as a "confidential"
3 document. The Registry publishes the non-confidential documents on its searchable website, but
4 maintains the schedule B records as confidential records, accessible to in-house staff only. This
5 process has been consistent since 2007 when the Registry became automated.

6
7 I declare under penalty of perjury under the laws of the United States of America that the
8 foregoing is true and correct.

9
10 Executed on April 3, 2014, at Sacramento, California.

11
12 */s/ Kevis Foley**

13 _____
14 KEVIS FOLEY
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27 _____
28 * Original signature retained by counsel of record, Alexandra Robert Gordon (Local Rule 131).

CERTIFICATE OF SERVICE

Case Name: **Center for Competitive Politics** No. **2:14-cv-00636-MCE-DAD**
v. Kamala Harris

I hereby certify that on April 3, 2014, I electronically filed the following documents with the Clerk of the Court by using the CM/ECF system:

DEFENDANT ATTORNEY GENERAL KAMALA D. HARRIS'S OPPOSITION TO PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION

DECLARATION OF ALEXANDRA ROBERT GORDON IN SUPPORT OF DEFENDANT ATTORNEY GENERAL KAMALA D. HARRIS'S OPPOSITION TO PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION

DECLARATION OF KEVIS FOLEY IN SUPPORT OF DEFENDANT ATTORNEY GENERAL KAMALA D. HARRIS'S OPPOSITION TO PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION

I certify that **all** participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on April 3, 2014, at San Francisco, California.

N. Newlin
Declarant

/s/ N. Newlin
Signature