



Department of the Treasury  
Internal Revenue Service  
P.O. BOX 2508  
CINCINNATI OH 45201

In reply refer to: 9999999999  
May 19, 2014 LTR 3367C S0  
000000 00  
00029772  
BODC: TE

COMPACT FOR AMERICA EDUCATIONAL  
FOUNDATION INC  
2650 FOUNTAIN VIEW DR STE 110  
HOUSTON TX 77057



029769

Employer identification number:  
Tax form: 1023  
Document locator number: 17053-122-34701-4  
For assistance, call: 1-877-829-5500

Dear Applicant,

We received your application for exemption from federal income tax and your user fee payment.

During the initial review process, applications for exemption are separated into two groups:

1. Those that can be processed based on information submitted
2. Those that require additional information to be processed

If your application falls in the first group you'll receive a determination letter within approximately 90 days from the date of this notice stating that you re exempt from federal income tax.

If your application falls in the second group, you'll be contacted when your application has been assigned to an Exempt Organizations specialist for review. You can expect to be contacted within approximately 180 days from the date of this notice. After 180 days, if you haven't been notified your application was assigned to a specialist, you can contact Customer Account Services Monday through Friday at the toll-free number shown above to check on its status. The individual calling on your behalf will need the following information:

- \* Your name
- \* Your employer identification number (EIN)
- \* The document locator number listed above and assigned to your request
- \* A proper power of attorney submitted with your exemption application, unless the individual calling is an officer or director and legally authorized to represent you

The IRS doesn't issue "tax-exempt numbers" or "tax-exempt certificates" for state or local sales or income taxes. If you need exemption from these taxes, contact your state or local tax offices.

Most organizations are required to file an annual information return

COMPACT FOR AMERICA EDUCATIONAL  
FOUNDATION INC  
2650 FOUNTAIN VIEW DR STE 110  
HOUSTON TX 77057

(Form 990, Form 990-EZ, or Form 990-PF) or electronic notice (Form 990-N, the e-Postcard) while their applications for exemption or miscellaneous determination requests are pending. If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked. Visit [www.irs.gov](http://www.irs.gov) and type "annual exempt organization return: who must file" in the search box for information on the types of organizations that are required to file annual returns or notices.

To receive the Exempt Organizations' EO Update, an electronic newsletter with information for tax-exempt organizations and tax practitioners, go to [www.irs.gov/charities](http://www.irs.gov/charities) and click on "Free e-Newsletter."

For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

Sincerely yours,



Tamera Ripperda  
Director, Exempt Organizations



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- Ship a Package
- Send Mail
- Manage Your Mail
- Shop
- Business Solutions

# USPS Tracking™



**Customer Service**  
Have questions? We're here to help.

Tracking Number: 9114901230803460089042



**DELIVERED**

Expected Delivery Day: Thursday, May 1, 2014

## Product & Tracking Information

Postal Product: Priority Mail 2-Day™  
 Features: \$50 insurance included, USPS Tracking™

DATE & TIME	STATUS OF ITEM	LOCATION
May 1, 2014, 11:00 am	Delivered	COVINGTON, KY 41011
Your item was delivered at 11:00 am on May 1, 2014 in COVINGTON, KY 41011.		
May 1, 2014, 8:52 am	Out for Delivery	COVINGTON, KY 41011
May 1, 2014, 8:42 am	Sorting Complete	COVINGTON, KY 41011
May 1, 2014, 3:59 am	Arrival at Post Office	COVINGTON, KY 41011
May 1, 2014, 2:34 am	Depart USPS Sort Facility	CINCINNATI, OH 45235
April 30, 2014, 10:10 pm	Processed through USPS Sort Facility	CINCINNATI, OH 45235
April 30, 2014, 2:14 am	Depart USPS Sort Facility	NORTH HOUSTON, TX 77315
April 29, 2014, 6:49 pm	Processed through USPS Sort Facility	NORTH HOUSTON, TX 77315
April 29, 2014, 4:37 pm	Depart Post Office	WEBSTER, TX 77598
April 29, 2014, 1:34 pm	Acceptance	WEBSTER, TX 77598

## Available Actions

- USPS Text Tracking™
- Email Updates

## Track Another Package

What's your tracking (or receipt) number?

### LEGAL

- Privacy Policy
- Terms of Use
- FOIA
- No FEAR Act EEO Data

### ON USPS.COM

- Government Services
- Buy Stamps & Shop
- Print a Label with Postage
- Customer Service
- Delivering Solutions to the Last Mile

### ON ABOUT.USPS.COM

- About USPS Home
- Newsroom
- USPS Service Alerts
- Forms & Publications
- Careers

### OTHER USPS SITES

- Business Customer Gateway
- Postal Inspectors
- Inspector General
- Postal Explorer
- National Postal Museum

WEBSTER  
WEBSTER, Texas  
775989998  
4841490598-0095

04/29/2014 (800)275-8777 01:35:12 PM

===== Sales Receipt =====

Product Description	Sale Unit Qty	Final Price
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@ ~ COVINGTON KY 41012		\$5.60
------------------------	--	--------

Zone-5

Priority Mail 2-Day

Flat Rate Env

9.40 oz.

Expected Delivery: Thu 05/01/14

USPS Tracking #:

911490123080346008904?

Includes \$50 insurance

Issue PVI: =====  
\$5.60

(Forever) 1 \$9.80 \$9.80  
Star-Spangled Banner PSA BKLT/20

Total: =====  
\$15.40

Paid by:  
Debit Card \$15.40

Account #: XXXXXXXXXXXX7370

Approval #: 153555

Transaction #: 382

23903140903

Receipt#: 001555

@@ For tracking or inquiries go to  
USPS.com or call 1-800-222-1811.

In a hurry? Self-service kiosks  
offer quick and easy check-out. Any  
Retail Associate can show you how.

Compact for America Educational Foundation, Inc.  
2650 Fountain View Dr, Ste 110  
Houston, TX 77057

0992  
35-2/1130 TX  
376

DATE 4-28-2014

PAY TO THE ORDER OF Internal Revenue Service \$ 850.00

Eight hundred fifty and NO/100 DOLLARS

**Bank of America** 

EIN: 46-5469141

FOR User fee pymt for Form 1023

Harold R. DeMunnitt

MP

# Form 1023 Checklist

## (Revised December 2013)

### Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code

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**Note.** Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

**Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.**

- Assemble the application and materials in this order:
  - ✓ ● Form 1023 Checklist
  - N/A ● Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
  - N/A ● Form 8821, *Tax Information Authorization* (if filing)
  - N/A ● Expedite request (if requesting)
  - ✓ ● Application (Form 1023 and Schedules A through H, as required)
  - ✓ ● Articles of organization
  - N/A ● Amendments to articles of organization in chronological order
  - ✓ ● Bylaws or other rules of operation and amendments
  - N/A ● Documentation of nondiscriminatory policy for schools, as required by Schedule B
  - ✓ ● Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
  - ✓ ● All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.
  
- User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.
  
- Employer Identification Number (EIN)
  
- Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
  - You must provide specific details about your past, present, and planned activities.
  - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
  - Describe your purposes and proposed activities in specific easily understood terms.
  - Financial information should correspond with proposed activities.
  
- Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.

Schedule A	Yes ___ No <input checked="" type="checkbox"/>	Schedule E	Yes ___ No <input checked="" type="checkbox"/>
Schedule B	Yes ___ No <input checked="" type="checkbox"/>	Schedule F	Yes ___ No <input checked="" type="checkbox"/>
Schedule C	Yes ___ No <input checked="" type="checkbox"/>	Schedule G	Yes ___ No <input checked="" type="checkbox"/>
Schedule D	Yes ___ No <input checked="" type="checkbox"/>	Schedule H	Yes ___ No <input checked="" type="checkbox"/>

- An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.
  - Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number) [Pg.1, Art. V, Par. 1](#)
  - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law [Pg. 2, Art. V, Par 1](#)
- Signature of an officer, director, trustee, or other official who is authorized to sign the application.
  - Signature at Part XI of Form 1023.
- Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service  
P.O. Box 192  
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service  
201 West Rivercenter Blvd.  
Attn: Extracting Stop 312  
Covington, KY 41011

**Application for Recognition of Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**

(00)

OMB No. 1545-0056

**Note:** If exempt status is approved, this application will be open for public inspection.

▶ (Use with the June 2006 revision of the Instructions for Form 1023 and the current Notice 1382)

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at [www.irs.gov](http://www.irs.gov) for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

**Part I Identification of Applicant**

<b>1</b> Full name of organization (exactly as it appears in your <b>organizing document</b> )		<b>2</b> c/o Name (if applicable)	
<b>Compact for America Educational Foundation, Inc.</b>			
<b>3</b> Mailing address (Number and street) (see instructions)	Room/Suite	<b>4</b> Employer Identification Number (EIN)	
<b>2650 Fountain View Dr</b>	<b>110</b>		
City or town, state or country, and ZIP + 4		<b>5</b> Month the annual accounting period ends (01 - 12)	
<b>Houston, TX 77057</b>		<b>12</b>	
<b>6</b> Primary contact (officer, director, trustee, or <b>authorized representative</b> )		<b>b</b> Phone: <b>281-235-8311</b>	
<b>a</b> Name: <b>Harold R. DeMoss, III</b>		<b>c</b> Fax: (optional) <b>281-946-8177</b>	
<b>7</b> Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b>	
<b>8</b> Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b>	
<b>9a</b> Organization's website: <b>None</b>			
<b>b</b> Organization's email: (optional)			
<b>10</b> Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b>	
<b>11</b> Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)		<b>04 / 21 / 2014</b>	
<b>12</b> Were you formed under the laws of a <b>foreign country</b> ? If "Yes," state the country.		<input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b>	



**Part II Organizational Structure**

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1** Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification.  **Yes**  **No**
- 2** Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application.  **Yes**  **No**
- 3** Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments.  **Yes**  **No**
- 4a** Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments.  **Yes**  **No**
- b** Have you been funded? If "No," explain how you are formed without anything of value placed in trust.  **Yes**  **No**
- 5** Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected.  **Yes**  **No**

**Part III Required Provisions in Your Organizing Document**

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1** Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): Page 1, Article V, Paragraph 1
- 2a** Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b** If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. Page 2, Article V, Paragraph 1
- 2c** See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state: \_\_\_\_\_

**Part IV Narrative Description of Your Activities**

Using an attachment, describe your *past, present, and planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

**Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors**

- 1a** List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
Harold R. DeMoss, III	President / Director	2650 Fountain View Dr #110 Houston, TX 77059	None
Julianne Thompson	VP / Director	.....	None
Jeffrey S. Utsch	Treasurer / Director	.....	None
Kevin Gutzman	Secretary / Director	.....	None
		.....	

**Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)**

**b** List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
None			

**c** List the names, names of businesses, and mailing addresses of your five highest compensated **independent contractors** that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
UMAT Resources, LLC	Administration	2650 Fountain View Dr, #110 Houston, TX 77059	\$150,000
Tucson Acq. & Dev. Corp.	Education	6141 N Pomona Rd Tucson, AZ 85704	\$100,000
Spoke DC, LC	Website development	2200 Pennsylvania Ave NW Washington, DC 20037	\$350,000
Message & Mobilization, Inc.	Education	4432 Rocky Peake Ct Suwanee, GA 30024	\$120,000
Ceterus, Inc.	Accounting	259 E Michigan Ave, Ste 107 Kalamazoo, MI 49007	\$80,000

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

**2a** Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship.  Yes  No

**b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees.  Yes  No

**c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship.  Yes  No

**3a** For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

**b** Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement.  Yes  No

**4** In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

**a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy?  Yes  No

**b** Do you or will you approve compensation arrangements in advance of paying compensation?  Yes  No

**c** Do you or will you document in writing the date and terms of approved compensation arrangements?  Yes  No

**Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)**

- d** Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements?  **Yes**  **No**
- e** Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.  **Yes**  **No**
- f** Do you or will you record in writing both the information on which you relied to base your decision and its source?  **Yes**  **No**
- g** If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.
- 
- 5a** Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c.  **Yes**  **No**
- b** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?
- Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.
- 
- 6a** Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.  **Yes**  **No**
- b** Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.  **Yes**  **No**
- 
- 7a** Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases.  **Yes**  **No**
- b** Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales.  **Yes**  **No**
- 
- 8a** Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f.  **Yes**  **No**
- b** Describe any written or oral arrangements that you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at arm's length.
- e** Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f** Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.
- 
- 9a** Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f.  **Yes**  **No**

**Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)**

- b** Describe any written or oral arrangements you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at arm's length.
- e** Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f** Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

**Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You**

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1a** In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals.  **Yes**  **No**
- b** In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations.  **Yes**  **No**
- 2** Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program.  **Yes**  **No**
- 3** Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds.  **Yes**  **No**

**Part VII Your History**

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1** Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G.  **Yes**  **No**
- 2** Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E.  **Yes**  **No**

**Part VIII Your Specific Activities**

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1** Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain.  **Yes**  **No**
- 2a** Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a.  **Yes**  **No**
- b** Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities.  **Yes**  **No**
- 3a** Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data.  **Yes**  **No**
- b** Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements.  **Yes**  **No**
- c** List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

**Part VIII Your Specific Activities** (Continued)

<b>4a</b>	Do you or will you undertake <b>fundraising</b> ? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.)	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>
	<input checked="" type="checkbox"/> mail solicitations <input checked="" type="checkbox"/> email solicitations <input checked="" type="checkbox"/> personal solicitations <input type="checkbox"/> vehicle, boat, plane, or similar donations <input checked="" type="checkbox"/> foundation grant solicitations		<input checked="" type="checkbox"/> phone solicitations <input checked="" type="checkbox"/> accept donations on your website <input type="checkbox"/> receive donations from another organization's website <input type="checkbox"/> government grant solicitations <input type="checkbox"/> Other
	Attach a description of each fundraising program.		
<b>b</b>	Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements.	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>
<b>c</b>	Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements.	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>
<b>d</b>	List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.		
<b>e</b>	Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors.	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>
<b>5</b>	Are you <b>affiliated</b> with a governmental unit? If "Yes," explain.	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>
<b>6a</b>	Do you or will you engage in <b>economic development</b> ? If "Yes," describe your program.	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>
<b>b</b>	Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.		
<b>7a</b>	Do or will persons other than your employees or volunteers <b>develop</b> your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees.	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>
<b>b</b>	Do or will persons other than your employees or volunteers <b>manage</b> your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees.	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>
<b>c</b>	If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.		
<b>8</b>	Do you or will you enter into <b>joint ventures</b> , including partnerships or <b>limited liability companies</b> treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate.	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>
<b>9a</b>	Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10.	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>
<b>b</b>	Do you provide child care so that parents or caretakers of children you care for can be <b>gainfully employed</b> (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k).	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>
<b>c</b>	Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k).	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>
<b>d</b>	Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k).	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>
<b>10</b>	Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other <b>intellectual property</b> ? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed.	<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>

**Part VIII Your Specific Activities** (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution.  **Yes**  **No**
- 
- 12a** Do you or will you operate in a **foreign country or countries?** If "Yes," answer lines 12b through 12d. If "No," go to line 13a.  **Yes**  **No**
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
- 
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a.  **Yes**  **No**
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract.  **Yes**  **No**
- d** Identify each recipient organization and any **relationship** between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i)** Do you require an application form? If "Yes," attach a copy of the form.  **Yes**  **No**
- (ii)** Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused.  **Yes**  **No**
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
- 
- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15.  **Yes**  **No**
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries.  **Yes**  **No**
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors.  **Yes**  **No**
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information.  **Yes**  **No**
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately.  **Yes**  **No**

**Part VIII Your Specific Activities** (Continued)

- |           |  |                                     |   |
|-----------|--|-------------------------------------|---|
| <b>15</b> | Do you have a <b>close connection</b> with any organizations? If "Yes," explain.   | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>16</b> | Are you applying for exemption as a <b>cooperative hospital service organization</b> under section 501(e)? If "Yes," explain.  | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>17</b> | Are you applying for exemption as a <b>cooperative service organization of operating educational organizations</b> under section 501(f)? If "Yes," explain.  | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>18</b> | Are you applying for exemption as a <b>charitable risk pool</b> under section 501(n)? If "Yes," explain.   | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>19</b> | Do you or will you operate a <b>school</b> ? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity.   | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>20</b> | Is your main function to provide <b>hospital or medical care</b> ? If "Yes," complete Schedule C.  | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>21</b> | Do you or will you provide <b>low-income housing</b> or housing for the <b>elderly</b> or <b>handicapped</b> ? If "Yes," complete Schedule F.  | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |
| <b>22</b> | Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. | <input type="checkbox"/> <b>Yes</b> | <input checked="" type="checkbox"/> <b>No</b> |

**Note: Private foundations** may use Schedule H to request advance approval of individual grant procedures.

**Part IX Financial Data**

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

**A. Statement of Revenues and Expenses**

	Type of revenue or expense	3 prior tax years or 2 succeeding tax years				(e) Provide Total for (a) through (d)
		(a) From 5/1/14 To 12/31/14	(b) From 7/1/15 To 12/31/15	(c) From 7/1/16 To 12/31/16	(d) From To	
	<b>1</b> Gifts, grants, and contributions received (do not include unusual grants)	(Note; all figures shown herein are estimates as this is a newly-formed entity and expenditures will adjusted based upon actual revenues received)				<b>25,000,000</b>
<b>Revenues</b>	<b>2</b> Membership fees received					
	<b>3</b> Gross investment income					
	<b>4</b> Net unrelated business income					
	<b>5</b> Taxes levied for your benefit					
	<b>6</b> Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)					
	<b>7</b> Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)					
	<b>8</b> Total of lines 1 through 7	<b>7,000,000</b>	<b>10,000,000</b>	<b>8,000,000</b>		<b>25,000,000</b>
	<b>9</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)					
	<b>10</b> Total of lines 8 and 9	<b>7,000,000</b>	<b>10,000,000</b>	<b>8,000,000</b>		<b>25,000,000</b>
	<b>11</b> Net gain or loss on sale of capital assets (attach schedule and see instructions)					
<b>12 Unusual grants</b>						
<b>13</b> Total Revenue Add lines 10 through 12	<b>7,000,000</b>	<b>10,000,000</b>	<b>8,000,000</b>		<b>25,000,000</b>	
<b>Expenses</b>	<b>14</b> Fundraising expenses	<b>700,000</b>	<b>1,000,000</b>	<b>800,000</b>		
	<b>15</b> Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	<b>3,100,000</b>	<b>5,300,000</b>	<b>4,000,000</b>		
	<b>16</b> Disbursements to or for the benefit of members (attach an itemized list)					
	<b>17</b> Compensation of officers, directors, and trustees					
	<b>18</b> Other salaries and wages	<b>1,000,000</b>	<b>1,500,000</b>	<b>1,000,000</b>		
	<b>19</b> Interest expense					
	<b>20</b> Occupancy (rent, utilities, etc.)	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>		
	<b>21</b> Depreciation and depletion					
	<b>22</b> Professional fees	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>		
	<b>23</b> Any expense not otherwise classified, such as program services (attach itemized list)					
<b>24</b> Total Expenses Add lines 14 through 23	<b>7,000,000</b>	<b>10,000,000</b>	<b>8,000,000</b>			



**Part IX Financial Data (Continued)** (Note: as this is a newly-formed entity, these are estimates for the balances at year end)

**B. Balance Sheet (for your most recently completed tax year)**

Year End: **12/2014**

<b>Assets</b>		(Whole dollars)
1	Cash . . . . .	<b>500,000</b>
2	Accounts receivable, net . . . . .	
3	Inventories . . . . .	
4	Bonds and notes receivable (attach an itemized list) . . . . .	
5	Corporate stocks (attach an itemized list) . . . . .	
6	Loans receivable (attach an itemized list) . . . . .	
7	Other investments (attach an itemized list) . . . . .	
8	Depreciable and depletable assets (attach an itemized list) . . . . .	
9	Land . . . . .	
10	Other assets (attach an itemized list) . . . . .	
11	<b>Total Assets (add lines 1 through 10)</b> . . . . .	<b>500,000</b>
<b>Liabilities</b>		
12	Accounts payable . . . . .	
13	Contributions, gifts, grants, etc. payable . . . . .	
14	Mortgages and notes payable (attach an itemized list) . . . . .	
15	Other liabilities (attach an itemized list) . . . . .	
16	<b>Total Liabilities (add lines 12 through 15)</b> . . . . .	<b>0</b>
<b>Fund Balances or Net Assets</b>		
17	<b>Total fund balances or net assets</b> . . . . .	<b>500,000</b>
18	<b>Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)</b> . . . . .	<b>500,000</b>
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Part X Public Charity Status**

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

- 1a** Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions.  Yes  No
- b** As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.
- 2** Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI.  Yes  No
- 3** Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4.  Yes  No
- 4** Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation?  Yes  No
- 5** If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
- The organization is not a private foundation because it is:
- a** 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
  - b** 509(a)(1) and 170(b)(1)(A)(ii)—a **school**. Complete and attach Schedule B.
  - c** 509(a)(1) and 170(b)(1)(A)(iii)—a **hospital**, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
  - d** 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

**Part X Public Charity Status** (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

**6** If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

**a Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at [www.irs.gov](http://www.irs.gov) or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

**Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code**

For Organization

.....  
(Signature of Officer, Director, Trustee, or other authorized official)

.....  
(Type or print name of signer)

.....  
(Date)

.....  
(Type or print title or authority of signer)

For IRS Use Only

.....  
IRS Director, Exempt Organizations

.....  
(Date)

**b Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

**(i) (a)** Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. \_\_\_\_\_

**(b)** Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.

**(ii) (a)** For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.

**(b)** For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

**7** Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual.  **Yes**  **No**

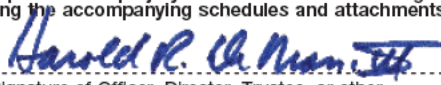
**Part XI User Fee Information**

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$850. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$400. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at [www.irs.gov](http://www.irs.gov) and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000?  Yes  No  
 If "Yes," check the box on line 2 and enclose a user fee payment of \$400 (Subject to change—see above).  
 If "No," check the box on line 3 and enclose a user fee payment of \$850 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$400 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$850 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please  
Sign  
Here

  
 (Signature of Officer, Director, Trustee, or other  
 authorized official)

**Harold R. DeMoss, III**

(Type or print name of signer)

**4/24/2014**

(Date)

**Director**

(Type or print title or authority of signer)

**Reminder:** Send the completed Form 1023 Checklist with your filled-in-application.

Form **1023** (Rev. 12-2013)

**Part I, Line 1 - Copy of Articles of Organization**

**Form 202**

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709

Filing Fee: \$25



**Certificate of Formation  
Nonprofit Corporation**

**Filed in the Office of the  
Secretary of State of Texas  
Filing #: 801974610 04/21/2014  
Document #: 540013710002  
Image Generated Electronically  
for Web Filing**

**Article 1 - Corporate Name**

The filing entity formed is a nonprofit corporation. The name of the entity is :

**COMPACT FOR AMERICA EDUCATIONAL FOUNDATION, INC.**

**Article 2 – Registered Agent and Registered Office**

A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

**Name:**

**Harold R DeMoss III**

C. The business address of the registered agent and the registered office address is:

**Street Address:**

**2650 Fountain View Drive  
Suite 110 Houston TX 77057**

**Consent of Registered Agent**

A. A copy of the consent of registered agent is attached. **CFAEFI - Consent of registered agent.pdf**

OR

B. The consent of the registered agent is maintained by the entity.

**Article 3 - Management**

A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **Harold Raymond DeMoss III**

Title: **Director**

Address: **2650 Fountain View Drive Suite 110 Houston TX, USA 77057**

Director 2: **Jeffrey S. Utsch**

Title: **Director**

Address: **6141 N Pomona Rd Tucson AZ, USA 85704**

Director 3: **Julianne Thompson**

Title: **Director**

Address: **4432 Rocky Peake Ct Suwanee GA, USA 30024**

**Article 4 - Organization Structure**

A. The corporation will have members.

or

B. The corporation will not have members.

**Article 5 - Purpose**

The corporation is organized for the following purpose or purposes:

**exclusively for any or all lawful purposes for which non-profit corporations may be incorporated under Texas law as an exempt organization, including for such**

purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, The corporation is a non-stock, non-share, and non-member entity with no intent of pecuniary gain or profit. In furtherance of the foregoing purpose, and subject to its limitations, the corporation is formed primarily to educate elected officials, citizens and residents of the United States and the several states on the use of an interstate compact agreement and counterpart federal legislation to coordinate the use of Article V of the U.S. Constitution by state legislatures and the US Congress to originate, propose and ratify constitutional amendments. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the educational purposes set forth herein. Except as allowed by section 501(h) of the Internal Revenue Code, or the corresponding section of any future federal tax code, no substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

**Supplemental Provisions / Information**

[The attached addendum, if any, is incorporated herein by reference.]

**CFAEFI - Consent to use similar name .pdf**

**Effectiveness of Filing**

A. This document becomes effective when the document is filed by the secretary of state.

**OR**

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

**Organizer**

The name and address of the organizer are set forth below.

**Harold R. DeMoss, III      2650 Fountain View Dr., Ste. 110, Houston, TX 77057**

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The

undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Harold R. DeMoss, III**

Signature of organizer.

**FILING OFFICE COPY**

**Part I, Line 5 - Copy of Bylaws**



**BYLAWS**  
**COMPACT FOR AMERICA EDUCATIONAL FOUNDATION, INC.**  
A Non-stock, Non-share and Non-member Texas Not-for-Profit Corporation

**ARTICLE I**  
**NAME AND PURPOSE OF CORPORATION**

**Section 1.01 Name.** The name of the corporation is Compact for America Educational Foundation, Inc.

**Section 1.02 Purpose.** The corporation is a non-stock, non-share, and non-member entity organized exclusively for any or all lawful purposes for which non-profit corporations may be incorporated under Texas law as an exempt organization, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, with no intent of pecuniary gain or profit. In furtherance of the foregoing purpose, and subject to its limitations, the corporation is formed primarily to educate elected officials, citizens and residents of the United States and the several states of the use of an interstate compact agreement and counterpart federal legislation to coordinate the use of Article V of the U.S. Constitution by state legislatures and the US Congress to originate, propose and ratify constitutional amendments. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the educational purposes set forth herein. Except as allowed by section 501(h) of the Internal Revenue Code, or the corresponding section of any future federal tax code, no substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## ARTICLE II OFFICES

**Section 2.01 Offices.** The Corporation shall have its registered office in the state Texas in which it is incorporated, and may have such other offices and places of business within or without such state as the Board of Directors may from time to time determine or the business of the Corporation may require.

## ARTICLE III DIRECTORS

**Section 3.01 Board of Directors.** The management of the affairs, property and business of the Corporation shall be vested in a Board of Directors.

**Section 3.02 Number.** The number of directors shall be five, or more as fixed from time to time by the Board of Directors. The initial directors shall be designated in the Certificate of Formation to be filed in the State of Texas.

**Section 3.03 Term of Directors.** The term of office for appointment to the Board of Directors is two years. Each director shall hold office until the expiration of such term and until his successor, if any, has been elected and qualified, or until his earlier resignation or removal.

**Section 3.04 Election of Directors. Annual and Regular Meetings.** The annual meeting of directors shall be held on such date as may be determined by the Board of Directors. At such meeting, the directors shall elect a Board of Directors and transact such other business as may properly come before the meeting. Regular meetings of the Board of Directors may be held at such times as the Board of Directors may from time to time determine. No notice shall be required for the annual or any regular meeting of the Board of Directors.

**Section 3.05 Special Meetings.** Special meetings of the Board of Directors may be called by the President, by an officer of the corporation who is also a director or by any two directors, upon one day's notice to each director either personally or by mail, email, telephone, telecopier or telegraph, and if by telephone, confirmed in writing before or after the meeting, setting forth the time and place of such meeting. Notice of any special meeting need not be given, however, to any director who submits a signed waiver of notice, before or after the meeting, or who attends the meeting without objecting to the transaction of business.

**Section 3.06 Place of Meetings.**

(a) The Board of Directors may hold its meetings, regular or special, at such places, either within or without the State of Texas, as it may from time to time determine or as shall be set forth in any notice of such meeting.

(b) Any meeting of the Board of Directors may be held by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and such participation shall constitute presence at the meeting.

**Section 3.07 Adjourned Meetings.** A majority of the directors present, whether or not a quorum, may adjourn any meeting of the Board of Directors to another time and/or place. Notice of the new time and/or place of such adjourned meeting shall be announced at the meeting at which the adjournment is taken.

**Section 3.08 Quorum of Directors.** A majority of the total number of directors shall constitute a quorum for the transaction of business. The total number of directors means the number of directors the Corporation would have if there were no vacancies.

**Section 3.09 Action of the Board of Directors.** The vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the question or action is one upon which a different vote is required by express provision of statute, the Certificate of Incorporation or these By-Laws, in which case such provision shall govern the vote on the decision of such question or action. Each director present shall have one vote.

**Section 3.10 Action by Written Consent of Directors.** Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if a written consent thereto is signed by all members of the Board of Directors or of such committee, and such written consent is filed with the minutes of proceedings of the Board of Directors or committee. Consent may be given by email.

**Section 3.11 Resignation.** A director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt by the Board of Directors or such officer, and acceptance of the resignation shall not be necessary.

**Section 3.12 Removal of Directors.** Any or all of the directors may be removed with or without cause by majority vote of the directors.

**Section 3.13 Vacancies.** Vacancies occurring in the Board of Directors for any reason may be filled by a vote of the majority of the directors then in office, although less than a quorum. A director elected to fill a newly created directorship or to fill any vacancy shall hold office until the next annual meeting of directors, and until his successor, if any, has been elected and qualified.

**Section 3.14 Chairman.** At all meetings of the Board of Directors the Chairman of the Board or, if one has not been elected or appointed or in his absence, a chairman chosen by the directors present at such meeting, shall preside.

**Section 3.15 Committees Appointed by the Board of Directors.** The Board of Directors may, by resolution passed by a majority of the entire Board of Directors or by written consent of all of the directors, designate one or more committees, each committee to consist of one or more of the directors. The Board may also designate one or more directors as alternate members of any committee who may replace any absent or disqualified committee member at any committee meeting. Any such committee, to the extent provided in the resolution, except as restricted by law, shall have and may exercise the powers of the Board of Directors in the management of the affairs, business and property of the Corporation, and may authorize the seal of the Corporation, if any, to be affixed to all papers which may require it.

**Section 3.16 Compensation.** Unless otherwise restricted by law, the certificate of incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. No such compensation shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

## **ARTICLE IV OFFICERS**

### **Section 4.01 Offices, Election and Term.**

(a) At its annual meeting, the Board of Directors shall elect or appoint a President and a Secretary and may, in addition, elect or appoint at any time such other officers as it may determine. Any number of offices may be held by the same person.

(b) Unless otherwise specified by the Board of Directors, each officer shall be elected or appointed to hold office until the annual meeting of the Board of Directors next following his election or appointment and until his successor, if any, has been elected or appointed and qualified, or until his earlier resignation or removal.

(c) Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of the resignation shall not be necessary to make it effective.

(d) Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause. Any vacancy occurring in any office by reason of death, resignation, removal or otherwise may be filled by the Board of Directors.

**Section 4.02 Powers and Duties.** The officers, agents and employees of the corporation shall each have such powers and perform such duties in the management of the affairs, property and business of the Corporation, subject to the control of and limitation by the Board of Directors, as generally pertain to their respective offices, as well as such powers and duties as may be authorized from time to time by the Board of Directors.

## **ARTICLE V STEERING COMMITTEE**

**Section 5.01 General Function.** The Steering Committee is an advisory body officially recognized by the Corporation; it is not a committee or division of the Corporation and has no implied power or authority to act on behalf of the Corporation. The sole function of the Steering Committee and its members shall be to advise and make non-binding recommendations to the Board of Directors with respect to matters within the areas of their respective experience and expertise. In rendering advice to the Board of Directors, the Steering Committee shall have no obligation to conduct any individual research or investigation and shall be entitled to rely solely and exclusively upon the facts and information available to it at the time of the making of its recommendations, including, but not limited to, such facts and information as may be provided to the Steering Committee by the Corporation. The Board of Directors shall have no obligation to adopt, or otherwise be bound to act upon, any recommendation of the Steering Committee, but shall, in its sole and absolute discretion, have the ability to take the Steering Committee's recommendations under advisement. By accepting appointment and furnishing such advice, the members of the Steering Committee do not thereby become employees, agents, fiduciaries, managers, officers, directors or principals of the Corporation; members of the

Steering Committee may only perform or assume additional roles or obligations pursuant to separate written agreement with the Corporation. However, members of the Steering Committee shall keep all communications relating to their advisory role confidential from third parties unless such confidentiality is expressly waived in writing by the Corporation.

**Section 5.02 Membership.** The Board of Directors shall determine the number of members of the Steering Committee and shall appoint such members. Members of the Steering Committee serve at the pleasure of the Board of Directors from the date they are appointed or until their earlier resignation, removal by the Board of Directors, or death. The Board of Directors shall have the authority, in its sole and absolute discretion, to remove any member of the Steering Committee at any time for any reason.

**Section 5.03 Qualifying Expertise.** Individuals qualify to be appointed to the Steering Committee only if they possess expertise in the following fields:

- (a) State legislatures, governors and state legislators
- (b) U.S. Congress, members of Congress
- (c) The state legislative process
- (d) The federal legislative process
- (e) Nationwide fundraising
- (f) Constitutional law
- (g) Non-profit law
- (h) American history
- (i) Grass-roots engagement
- (j) Grass-roots education
- (k) Nationwide coalition building
- (l) Social media outreach
- (m) Chamber of commerce and business community involvement

**Section 5.04 Steering Committee Action.** The Steering Committee shall act only upon formal or informal request of the Board of Directors. The sole responsibility of the members of the Steering Committee shall be to make recommendations to the Board of Directors as to matters within the areas of their experience and expertise. The Board of Directors may request that the Steering Committee confirm such advice and counsel to fellow Steering Committee members, staff members, state and federal government officials, key funding sources, national leaders, and key strategic partners. In addition, the Board of Directors may request attendance of Steering Committee members at key meetings that may occur at various locations throughout the nation as the Compact for America initiative is implemented.

**Section 5.05 Compensation and Expense Reimbursements.** The members of the Steering Committee may receive such compensation for services in such capacities as the Board of Directors of the Corporation in its sole and absolute discretion shall deem proper; however, the Board of Directors shall pay only reasonable compensation based on a consideration of comparable market rates and only pursuant to written agreement with the Corporation. The members of the Steering Committee shall be entitled to reimbursement from the Corporation for all reasonable expenses incurred by them in connection with their Steering Committee services upon the presentation to the Corporation of written

documentation for such expenses. However, expenses reasonably anticipated by members of the Steering Committee to exceed \$1,000 separately or, if directly related, in the aggregate shall only be reimbursed by the Corporation upon review and prior approval by the Board of Directors.

**Section 5.06 Liability.** Unless a different understanding is expressly reached by separate, written agreement with the Corporation, the members of the Steering Committee shall have no liability or obligations whatsoever for any actions or omissions taken by them solely in their capacities as such. Any member of the Steering Committee made, or threatened to be made, a party to any threatened, pending, or contemplated action or proceeding, whether civil, criminal, administrative, or investigative, arising out of or related to such member's service on the Steering Committee, shall be indemnified by the Corporation, and the Corporation may advance to such member related expenses incurred in defense of such action, to the fullest extent permitted by applicable law (including, but not limited to, under the applicable laws of the State of Texas). For purposes hereof, "member" shall include such member's heirs and personal representatives. The Corporation acknowledges that the foregoing indemnification is a material inducement to the members of the Steering Committee to serve in their capacities as such, and that such members would not agree to serve on the Steering Committee in the absence of the foregoing indemnification.

## **ARTICLE VI INDEMNIFICATION**

**Section 6.01 Indemnification.** To the fullest extent provided in the laws of the state of Texas, the directors and officers shall not be held personally liable for any action or omission of the Corporation; nor shall the directors and officers be held personally liable by the Corporation or any third party for actions or omissions made within the scope of reasonable business judgment. The Corporation shall indemnify the directors and officers and may, by action of the Board of Directors, indemnify its agents and employees in the manner and to the fullest extent provided in the laws of the state of Texas. Such indemnification may be in addition to any other rights to which any person seeking indemnification may be entitled under any agreement, vote of directors, any provision of these By-Laws or otherwise. The directors, officers, employees and agents of the Corporation shall be fully protected individually in making or refusing to make any payment or in taking or refusing to take any other action under this Article VI in reliance upon the advice of counsel. Expenses incurred in defending any action or proceeding for which indemnification is required or permitted and authorized by the Board of Directors shall be paid by the Corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined that the indemnified party is not entitled to be indemnified as authorized in this article VI. The Corporation acknowledges that the foregoing indemnification is a material inducement to the officers and directors to serve in their capacities as such, and that such officers and directors would not agree to serve in the absence of the foregoing indemnification.

**ARTICLE VII  
MISCELLANEOUS**

**Section 7.01 Corporate Seal.** The corporation shall not have a corporate seal.

**Section 7.02 Execution of Instruments.** All corporate instruments and documents shall be signed or countersigned, executed, and, if desired, verified or acknowledged by a proper officer or officers or such other person or persons as the Board of Directors may from time to time designate.

**Section 7.03 Fiscal Year.** The fiscal year of the Corporation shall be from January 1 through December 31, or as otherwise determined by the Board of Directors.

**Section 7.04 Dissolution.** Upon the dissolution of the corporation, its assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

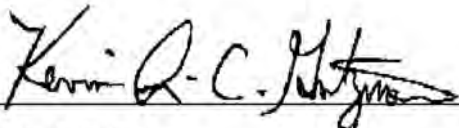
**ARTICLE VIII  
AMENDMENTS**

**Section 8.01 Amendments.** These By-Laws may be altered, amended or repealed from time to time by the directors subject to the provisions of the Corporation’s certificate of formation, as amended from time to time.

**Approval and Certification:**

4/24/2014 \_\_\_\_\_

Date approved by the Board of Directors

 \_\_\_\_\_

Kevin R.C. Gutzman  
Corporate Secretary

4/24/2014 \_\_\_\_\_

Date

## Part IV – Narrative Description of Activities

1. The provision in Article V of the U.S. Constitution that allows the states to both propose and ratify amendments to the Constitution has never been utilized. Recently, there has been much interest expressed by elected officials, citizens and residents of the United State, and state legislators to find out how this process works and whether it could be used to make improvements to our nation’s guiding document. Accordingly, included among the educational initiatives of Compact for America Educational Foundation, Inc. (“CFAEFI”) are the following:
  - a. The history of Article V of the U.S. Constitution and its use to-date
  - b. Guidance from the founders regarding the intended use of Article V
  - c. The mechanics of how the Article V process works
  - d. The Article V process that allows state-initiated amendment proposals
  - e. Drafting conventions vs single-amendment conventions
    - i. Timing differences
    - ii. Resource differences
    - iii. Goal and objective differences
    - iv. Procedural differences
    - v. Comparative risk analysis
    - vi. Required decision points
  - f. The role of the state legislatures in proposing amendments
  - g. Developing consensus on the nature of amendments desired
  - h. Developing consensus on actual amendment text
  - i. Outline and discuss nature of potential future legislation required to
    - i. appoint of delegates to attend the convention
    - ii. determine the authority, restrictions, limitations and instructions to the delegates
    - iii. determine the rules associated with the required convention to propose amendments
    - iv. determine the location and duration of the convention
    - v. designate prohibitions on convention actions contrary to rules
    - vi. issue the resolution to apply to Congress to call the required Article V convention
    - vii. issue the resolution to ratify an amendment that has been proposed at the convention
    - viii. receive the required authorization from the U.S. Congress
  - j. The nature of interstate compacts and how the U.S. Constitution contemplates their use by the states
  - k. The historical use of interstate compacts by the state legislatures
  - l. Current interstate compacts that are in existence
  - m. How an interstate compact can be utilized by the states to organize and deploy their Article V power to propose amendments to the constitution
  - n. How a compact can streamline and simplify the Article V process
  - o. How a compact becomes binding state and federal law
  - p. How all the necessary legislative actions can be combined into an interstate compact agreement
  - q. The use of contingent effective dates in the compact
  - r. The nature of potential amendments that would be candidates for proposal by compact
  - s. When Congressional consent is required for a compact
  - t. Why a compact is not a prohibited alliance, confederation or treaty
  - u. The role of state governors in a compact
  - v. The roles of the President in a compact
  - w. The role of the compact commission that is established in the compact
  - x. The role of the compact administrator
  - y. How states join the compact
  - z. When compact activities can commence
  - aa. How the “one-man, one-vote” principle is incorporated into the compact
  - bb. Comparison of the compact approach to other Article V approaches



- cc. How the use of a compact allows the states, working together, to reassert their proper role within the Constitution's balance of federalism
  - dd. How a compact can resolve the fears of a "runaway" convention
  - ee. Potential amendment concepts that have been identified in recent years include:
    - i. Requirement for a balanced federal budget
    - ii. Congressional term limits
    - iii. Campaign finance reform
    - iv. Limits on federal spending and taxation
    - v. Clarification of Congress' power to regulate commerce
    - vi. Clarification of the 10th Amendment separation of powers and powers reserved to the states
      - 1. Education
      - 2. School prayer
      - 3. Marriage issues
      - 4. Life and death issues
      - 5. Regulation of sexual activity
    - vii. State veto power over Congressional legislation
    - viii. State veto power over Supreme Court rulings
    - ix. Supreme Court term limits
    - x. Apportionment of members of the U.S. House of Representatives
    - xi. Repeal of the 16th Amendment - federal income tax
    - xii. Repeal of the 17th Amendment – direct election of Senators
    - xiii. Repeal of the 22nd Amendment - Presidential term limits
    - xiv. Presidential line item veto
    - xv. Prohibition on U.S. flag desecration
    - xvi. Repeal of the Affordable Healthcare Act
    - xvii. Limits on the federal bureaucracy
    - xviii. Protection of private property and just compensation for takings
    - xix. Requirement for proper voter ID
    - xx. Elimination of the federal electoral college
2. CFAEFI will utilize personal meetings, local events, regional events and social media, including its website and Facebook pages, to educate elected officials, citizens and residents of the United States and the several states of the use of an interstate compact agreement and a counterpart congressional resolution to coordinate the use of Article V of the U.S. Constitution by state legislatures and the US Congress to allow states to originate, propose and ratify constitutional amendments under the power granted to the states in Article V of the U.S. Constitution..
  3. The educational components will utilize blog entries, videos, emails, press releases, advertisements, and Facebook posts to describe how an interstate compact will help to organize the States and Congress to allow for constitutional change that is initiated by the states – something that has never happened before but is specifically allowed by Article V of the U.S. Constitution.
  4. Social media will be used to track and monitor interest in particular amendment concepts, as opposed to any specific amendment text. The website and Facebook pages will include an interactive maps so that viewers can see who supports what amendment concepts in their own neighborhood, city, county or state.
  5. Members of Congress and state legislators will be provided a page to register their support or disapproval of particular amendment concepts that will be viewable by constituents and others across the country.
  6. Visitors to the social media pages will be allowed to register and access the educational pages, and also register support for the CFAEFI interstate compact organizing initiative, and support for particular amendment concepts. These viewers will have the option to receive updates, metrics, graphs and charts on the amendment concepts that they support that will show how many new people in their city, state, and nation have signed on for support of that amendment concept.
  7. A Facebook connect button will be available so that viewers can see if their family and friends also support the same amendment proposals and visitors to invite friends to sign up and support the proposed amendments concepts.

8. Each proposed amendment concept will have its own web page with its own interactive map. Clickable links will show the picture, contact information, and stated position of all the state legislators that agree to register their views on particular amendment concepts. Contact information for national, state, and regional CFAEFI representatives for the proposed amendment concepts. All the groups within the state that support that amendment concept and videos of the pros and cons of the proposed amendment concept, along with the Facebook feed will also appear. All analysis will be fair and balanced, and no recommendations will be made by CFAEFI..
9. Benefits to be provided to individuals and organizations for the efforts described above are detailed in Part VI below.
10. Funding activities for the efforts described above are described in Part VIII below.

## **Part V, Lines 2b and 2c – Business Relationships with Officers and Directors**

Line 2b – Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If “Yes,” identify the individuals and describe the business relationship with each of your officers, directors, or trustees.

Line 2c - Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If “Yes,” identify the individuals and explain the relationship.

Answer to both questions:

Harold R. DeMoss, III, who is an officer and a director, is a member of UMAT Resources, LLC, a Texas limited liability company

Jeffrey S. Utsch, who is an officer and a director, is a shareholder in Tucson Acquisition & Development Corporation, a Nevada corporation

Julianne Thompson, who is an officer and a director, is a shareholder in Message & Mobilization, Inc., a Georgia corporation

## **Part V, Line 3a – Name, Qualifications, Average Hours Worked and Duties**

### **Board of Directors:**

#### **HAROLD R. (“CHIP”) DeMOSS, III. CPA, CGMA, Managing Director - Tanglewood Capital Partners, LLC**

Chip DeMoss is both a Certified Public Accountant and a Chartered Global Management Accountant, and is a long-time member of the American Institute of Certified Public Accountants. He is currently taking a leave of absence from Tanglewood Capital Partners, LLC, a Houston-based investment banking firm specializing in linking growing businesses in the energy-sector with debt and equity investors. Chip is a Registered FINRA Broker, a licensed Certified Public Accountant, and a designated Chartered Global Management Accountant. He is a graduate of Texas A&M University and holds a masters degree from Massachusetts Institute of Technology (MIT).

Chip began his career in the audit assurance and business consulting segments in the Houston office of the firm now known as PricewaterhouseCoopers (PWC). PWC is now the world’s largest professional services firm and the largest of the “Big Four” accountancy firms. While at PWC, Chip specialized in assisting clients in the real estate and energy sectors. Chip left PWC after 5 years to assume the controllership position for a master-plan community land developer in Central Florida. After obtaining his MS degree in Real Estate Development from

MIT, Chip spent the next 15 years working for land development firms in California and Texas, where he developed a reputation for being able to plan and execute complex multi-year and multi-phase real estate master-planned developments. This means he was involved in project management on a daily basis with: city planners, development attorneys and council members dealing with planning and zoning issues; state legislators and legislative attorneys in developing project-specific and state-wide land use regulations; community interest groups who either supported or opposed the planned development; debt and equity investors who provided project funding; and architects and engineers who designed and constructed the projects. Lately, Chip has moved into the field of investment banking to utilize his project management skills to assist start-ups and young growing businesses in navigating the extremely difficult area of obtaining growth capital.

It is expected that Chip will spend approximately 5 hours per week dealing with CFAEFI board matters.

**KEVIN R.C. GUTZMAN, JD, PhD, Professor of History – Western Connecticut State University**

Kevin Gutzman is the New York Times best-selling author of four books. Professor of History at Western Connecticut State University, Gutzman holds a bachelor's degree, a master of public affairs degree, and a law degree from the University of Texas at Austin, as well as an MA and a PhD in American history from the University of Virginia. Happy to be a former attorney, Gutzman devotes his intellectual energy to teaching courses in the Revolutionary and constitutional history of the United States, to writing books and articles in these fields, and to public speaking on related topics. Dr. Gutzman's first book was the New York Times best-seller *The Politically Incorrect Guide to the Constitution*, an account of American constitutional history from the pre-Revolutionary days to the present. This work is unique in joining the fruits of the latest scholarship, a very readable presentation, and a distinctly Jeffersonian point of view. His second book, *Virginia's American Revolution: From Dominion to Republic, 1776-1840*, explores the issue what the Revolutionaries made of the Revolution in Thomas Jefferson's home state. After that, he co-authored *Who Killed the Constitution? The Federal Government vs. American Liberty from World War I to Barack Obama* with New York Times best-selling author Thomas E. Woods, Jr. Gutzman's new book is *James Madison and the Making of America*, and he is already at work on *At Swords' Point: Thomas Jefferson, Alexander Hamilton, and the Rivalry that Shaped America* (New York: St. Martin's Press, 2014 (forthcoming)). Gutzman has edited new editions of John Taylor of Caroline's *Tyranny Unmasked* and *New Views of the Constitution of the United States*. His essay "Lincoln as Jeffersonian: The Colonization Chimera" appeared in editor Brian Dirck's collection *Lincoln Emancipated: The President and the Politics of Race*, and his "Ratification (including the Virginia Ratification Convention and the First Federal Elections)" will appear in editor Stuart Leibiger's *A Companion to James Madison and James Monroe* (Blackwell 2012 (forthcoming)). Gutzman has appeared on well over 200 radio programs, including syndicated shows such as *The Michael Medved Show*, the *Janet Parshall Show*, the *Curtis Sliwa Show*, and multiple programs on *Air America*, on *Sirius Satellite Radio's Mike Church Show* (including as guest host), on *America's Radio News Network*, as well as on *C-SPAN 2's "BookTV," CNN's "Lou Dobbs Tonight,"* and *Fox News's "The Glenn Beck Program."* He has also been interviewed by reporters from the AP, the *Washington Times*, the *Philadelphia Enquirer*, the *Washington Post*, the *Hartford Business Journal*, the *Houston Chronicle* online, and the *New York Times*. Kevin Gutzman has served as technical advisor to two documentary CDs and one feature film project. In addition, he was a featured expert in the documentary films "Nullification: The Rightful Remedy," and "John Marshall: Citizen, Statesman, Jurist."

It is expected that Kevin will spend approximately 3 hours per week on CFAEFI board matters.

**JEFFREY S. UTSCH, Founder – Streamlined Performance, LLC**

Jeff Utsch has 20 years' experience as President and CEO of a small company and 18 years' experience training U.S. military personnel. As President and CEO of **Western Associates Development** for 18 years, Jeff bought and sold more than 700 Real Estate properties worth more than \$100 million, including more than 2,500 lots in subdivisions in Southern Arizona. Using his aerospace engineering undergraduate degree, he currently consults with **Paradynamics**, a Tucson-based powered parafoil company contracted with U.S. Government to develop parachute type canopies capable of flying specific missions as required by the Defense Advance Research Agency (DARPA). He currently is assisting in contracting, business development, company structure, and prototype testing.

Using the skills he developed as an All-American swimmer and Captain of the University of Arizona swim team, Through Streamlined Performance, Jeff currently serves as an Instructor to the Navy SEALs / Naval Special Warfare community where he teaches Navy SEALs and support personal specialized tactical swimming. He also served as a Director and Ambassador for the **Navy SEAL Foundation**, where he assisted in establishing an endowment within the Foundation and helped increase the Foundation's assets from less than \$500,000 to over \$30 million. At the Foundation, Jeff chaired the Development Committee and organized and assisted with benefit galas in Tucson, AZ, Coronado, CA, and Virginia Beach, VA.

Jeff is a self-taught constitutional scholar and historian with a keen interest in the founding of this wonderful country. He started a monthly constitution study group 9 years ago that continues to this day. He currently can be heard as one of the constitutional experts for the weekly constitution segment of the James T. Harris Show on 104.1 The Truth FM radio in Tucson.

It is expected that Jeff will spend approximately 3 hours per week on CFAEFI board matters.

#### **JULIANNE THOMPSON, President – Free America Foundation**

Julianne Thompson President of Free America Foundation, a national, non-partisan citizen action organization. She is also a Co-Founder of the Atlanta Tea Party Patriots. She Co-Chairs the Capitol Coalition of Conservative Leaders, an advocacy group of 39 organizations that represent over 1 million Georgians collectively. Julianne worked as a legislative aide in the US House of Representatives and as Press Secretary of the Georgia Republican Party. She is well-known for building bi-partisan coalitions to promote and/or defeat targeted legislation. Julianne is a member of the Electoral College and serves as one of Georgia's 16 Presidential Electors. A news contributor both locally and nationally, she is a well-respected expert on grassroots coalition building, messaging and mobilization.

It is expected that Julianne will spend approximately 3 hours per week dealing with CFAEFI board matters.

#### **Independent Contractors:**

**UMAT Resources, LLC** – will be responsible for overseeing the daily operations of CFAEFI. The Company has extensive experience in corporate management, administration, legal affairs, funding, publicity and public affairs. It is expected that the Company will spend approximately 60 hours per week dealing with these matters.

**Tucson Acquisition and Development Corp.** – will be responsible for developing and implementing the CFAEFI speaker bureau training program across the country. The Company has extensive experience in public presentations, special events, constitutional history, group training, and media speaking engagements. It is expected that the company will spend approximately 50 hours per week dealing with these matters.

**Spoke DC, LC** - will be responsible for the development and maintenance of the interactive CFAEFI website. The Company has extensive experience in custom design and development shop focused on addressing the significant and increasing demands to integrate third party products (association membership management products, advocacy tools, event management tools, etc.) with other products, with websites, or to add non-native capabilities to the products. It is expected that the company will spend upwards of 1,000 hours in the first ninety days after engagement to complete the website.

**Message & Mobilization, Inc.** – will be responsible for education on effective coalition building, grassroots mobilization, and media training across the country. The Company has extensive experience in each of these areas and is expected to spend approximately 50 hours per week dealing with these matters.

**Ceterus, Inc.** – will be responsible for the company back-office, including financial reporting, accounting, maintenance of bank records, receipt of funds and issuance of checks, and filings related to the IRS and state non-profit registrations. The Company has extensive experience in these matters and will spend approximately 40 hours per week with these activities.

**Form 5768 - Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation**

**Election/Revocation of Election by an Eligible  
Section 501(c)(3) Organization To Make  
Expenditures To Influence Legislation**

(Under Section 501(h) of the Internal Revenue Code)

▶ Information about Form 5768 and its instructions is at [www.irs.gov/form5768](http://www.irs.gov/form5768).For IRS  
Use Only ▶

Name of organization <u>Compact for America Educational Foundation, Inc.</u>	Employer identification number
Number and street (or P.O. box no., if mail is not delivered to street address) <u>2650 Fountain View Dr</u>	Room/suite <u>Ste 110</u>
City, town or post office, and state <u>Houston, TX</u>	ZIP + 4 <u>77057</u>

- 1 Election**— As an eligible organization, we hereby elect to have the provisions of section 501(h) of the Code, relating to expenditures to influence legislation, apply to our tax year ending 12/31/2014 and all subsequent tax years until revoked. (Month, day, and year)

**Note:** This election must be signed and postmarked within the first taxable year to which it applies.

- 2 Revocation**— As an eligible organization, we hereby revoke our election to have the provisions of section 501(h) of the Code, relating to expenditures to influence legislation, apply to our tax year ending \_\_\_\_\_ and all subsequent tax years (until a new election is made). (Month, day, and year)

**Note:** This revocation must be signed and postmarked before the first day of the tax year to which it applies.

Under penalties of perjury, I declare that I am authorized to make this (check applicable box) ▶  election  revocation on behalf of the above named organization.

Harold R. DeMoss, III  
(Signature of officer or trustee)

Harold R. DeMoss, III - Director  
(Type or print name and title)

4/24/2014  
(Date)

**General Instructions**

Section references are to the Internal Revenue Code.

Section 501(c)(3) states that an organization exempt under that section will lose its tax-exempt status and its qualification to receive deductible charitable contributions if a substantial part of its activities are carried on to influence legislation. Section 501(h), however, permits certain eligible section 501(c)(3) organizations to elect to make limited expenditures to influence legislation. An organization making the election will, however, be subject to an excise tax under section 4911 if it spends more than the amounts permitted by that section. Also, the organization may lose its exempt status if its lobbying expenditures exceed the permitted amounts by more than 50% over a 4-year period. For any tax year in which an election under section 501(h) is in effect, an electing organization must report the actual and permitted amounts of its lobbying expenditures and grass roots expenditures (as defined in section 4911(c)) on its annual return required under section 6033. See Part II-A of Schedule C (Form 990 or Form 990-EZ). Each electing member of an affiliated group must report these amounts for both itself and the affiliated group as a whole.

To make or revoke the election, enter the ending date of the tax year to which the election or revocation applies in item 1 or 2, as applicable, and sign and date the form in the spaces provided.

**Eligible organizations.** A section 501(c)(3) organization is permitted to make the election if it is not a disqualified organization (see below) and is described in:

1. Section 170(b)(1)(A)(ii) (relating to educational institutions),
2. Section 170(b)(1)(A)(iii) (relating to hospitals and medical research organizations),
3. Section 170(b)(1)(A)(iv) (relating to organizations supporting government schools),
4. Section 170(b)(1)(A)(vi) (relating to organizations publicly supported by charitable contributions),
5. Section 509(a)(2) (relating to organizations publicly supported by admissions, sales, etc.), or
6. Section 509(a)(3) (relating to organizations supporting certain types of public charities other than those section 509(a)(3) organizations that support section 501(c)(4), (5), or (6) organizations).

**Disqualified organizations.** The following types of organizations are not permitted to make the election:

- a. Section 170(b)(1)(A)(i) organizations (relating to churches),

- b. An integrated auxiliary of a church or of a convention or association of churches, or
- c. A member of an affiliated group of organizations if one or more members of such group is described in a or b of this paragraph.

**Affiliated organizations.** Organizations are members of an affiliated group of organizations only if (1) the governing instrument of one such organization requires it to be bound by the decisions of the other organization on legislative issues, or (2) the governing board of one such organization includes persons (i) who are specifically designated representatives of another such organization or are members of the governing board, officers, or paid executive staff members of such other organization, and (ii) who, by aggregating their votes, have sufficient voting power to cause or prevent action on legislative issues by the first such organization.

For more details, see section 4911 and section 501(h).

**Note.** A private foundation (including a private operating foundation) is not an eligible organization.

**Where to file.** Mail Form 5768 to:  
Department of the Treasury  
Internal Revenue Service Center  
Ogden, UT 84201-0027

**Part V, Line 5a – Copy of Conflict of Interest Policy Adopted by the Board of Directors**

## **Compact for America Educational Foundation, Inc. Conflict of Interest Policy**

### **Article I Purpose**

The purpose of the conflict of interest policy is to protect Compact for America Educational Foundation, Inc.'s (the "Foundation") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **Article II Definitions**

#### **1. Interested Person**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

#### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement,
- b. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the governing board or appropriate governing committee decides that a conflict of interest exists.

### **Article III Procedures**

#### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

#### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.



### **3. Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Foundation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

### **4. Violations of the Conflicts of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Article IV**

#### **Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Article V**

#### **Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Article VI**

**Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Article VII**

**Periodic Reviews**

To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm’s length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article VIII**

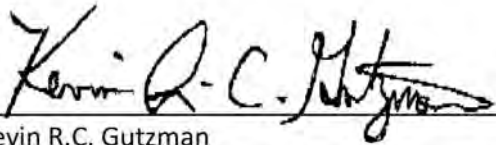
**Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**Approval and certification:**

4/21/2014

\_\_\_\_\_  
Date approved by the Board of Directors

  
\_\_\_\_\_  
Kevin R.C. Gutzman  
Corporate Secretary

4/22/2014

\_\_\_\_\_  
Date

## **Part VI, Lines 1a and 1b – Benefits Provided to Individuals and Organizations**

Line 1a – In carrying out exempt purposes, describe each program that provides goods, services, or funds to individuals.

Answer: CFAEFI intends to provide funds as they become available to Members of the Board of Directors, members of the Steering Committee and to qualified and designated CFAEFI educators to cover out of pocket expenses, including travel, administrative expenses and if necessary, fair-market compensation, to allow them to carry out their educational activities across the country..

Line 1b - In carrying out exempt purposes, describe each program that provides goods, services, or funds to organizations.

Answer: CFAEFI intends to provide funds as they become available to not-for-profit entities in the various states that will arrange educational meetings to further the CFAEFI exempt purposes. The funds are intended to cover out of pocket expenses, including travel, facilities and administrative expenses, and if necessary, fair market compensation to allow them to carry out their educational activities across the country.

## Part VIII, Lines 4a and 4b – Fundraising Activities

Line 4a – Attach a description of each fundraising program you will undertake.

Answer:

Mail solicitations to potential donors may be made by members of the Board of Directors, members of the Advisory Council, State Directors, Regional Organizers and Regional Representatives to persons or organizations known to these individuals.

Email solicitations to potential donors may be made by members of the Board of Directors, members of the Advisory Council, State Directors, Regional Organizers and Regional Representatives to persons or organizations known to these individuals.

Personal solicitations to potential donors may be made by members of the Board of Directors, members of the Advisory Council, State Directors, Regional Organizers and Regional Representatives to persons or organizations known to these individuals.

Foundation grant solicitations to potential donors may be made by members of the Board of Directors, or members of the Advisory Council.

Phone solicitations to potential donors may be made by members of the Board of Directors, members of the Advisory Council, State Directors, Regional Organizers and Regional Representatives to persons or organizations known to these individuals.

CFAEFI will also accept donations from participants in CFAEFI social media web pages. Viewers can become registered participants in social media activities by making annual education and participation donations that are based upon the number of potential amendment concepts that are supported by the donor and the level of participation desired by the donor.

Line 4b – Do you or will you have written or oral contracts with any individuals or organizations to raise money for you? If “Yes”, describe these activities.

Answer: Yes, CFAEFI anticipates that it will have written contracts with knowledgeable fundraising individuals and professional fundraising organizations to raise money on behalf of CFA. At this time, there are no oral or written contracts in effect. The standard written fundraising contract is attached hereto.

**Part VIII, Line 4b - Copy of Standard Fundraising Contract**

## INDEPENDENT CONTRACTOR AGREEMENT

As of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_ (the "Effective Date"), Compact for America Educational Foundation, Inc., a Texas non-profit corporation, (the "Foundation") and \_\_\_\_\_, a \_\_\_\_\_, ("Contractor") agree as follows:

1. Term of Agreement. The term of Contractor's engagement shall begin on the Effective Date and shall extend to \_\_\_\_\_, unless earlier terminated as set forth herein. Upon expiration of the initial term, this Agreement may be renewed upon mutual agreement of the parties.
  
2. Duties. Contractor, its employees and its subcontractors, if any, shall perform services as described: raise money from individuals, non-profit organizations, and foundations to further the Foundation's exempt purposes. The Foundation has other contractors who are also raising money from similar organizations, so Contractor must identify the potential donor in advance in writing to the Foundation so that the Foundation can make sure that there is no conflict between any contractors representing the Foundation. Contractor can also target for-profit corporations and businesses with the Foundation's prior written approval. Contractor shall perform its duties in a diligent, good and professional manner, and to the reasonable satisfaction of the Foundation. The Foundation reserves the right to perform background checks on Contractor, its employees and its subcontractors, and to exclude from this agreement any individuals or entities who do not meet the background or integrity standards of the Foundation.
  
3. Commission. Commencing on the Effective Date, Contractor shall earn a Commission equal to 8% of gross revenue from donations received by the Foundation that are procured solely by Contractor while this Agreement is in effect. Donations shall be deemed procured by Contractor only if the donation is received by the Foundation within forty-five (45) days of a documented solicitation of the respective donor by Contractor or an agent of Contractor unless the documented solicitation specifies a different pledge date, in which case the donation shall be deemed procured by Contractor if the donation is received by the Foundation within fourteen (14) days of the documented pledge date. If necessary and with prior written approval of the Foundation, provision will be made for reasonable extensions of donation receipt dates. If the Foundation provides leads to Contractor and requests that Contractor work such leads, then the Commission earned on donations received from such leads shall equal to 2% of gross revenue from such donations. Payment of the Commission to Contractor will be on the first day of every month, and shall include payment for all donations received during the time period of the 21<sup>st</sup> day of the second preceding month to the 20<sup>th</sup> day of the preceding month.

4. Status as Independent Contractor. Contractor is engaged only as independent contractor. Contractor acknowledges and agrees that it will be responsible for all income taxes, self-employment taxes, business licenses, and any other licenses, fees, or taxes imposed upon independent contractors. The Foundation shall provide Contractor with none of the benefits provided to the Foundation's employees. The Foundation and Contractor agree that there does not exist between them the relationship of employer-employee, principal-agent, or master-servant, either express or implied, but that the relationship of the parties hereto is strictly on an independent contractor basis, Contractor being free from interference or control on the part of the Foundation with respect to the means, methods, and details of how the services are performed.

5. Agency and Liability. The Foundation and Contractor agree that this Agreement is not intended to create an agency relationship of any kind; and both agree not to contract any obligations in the name of the other, not to use the other's credit in conducting any activities under this Agreement, and not to represent that either is acting on behalf of the other except where appropriate when Contractor is performing services for the Foundation.

6. Where Services Are To Be Performed. The Foundation agrees and understands that, except as otherwise required by the nature of the work to be performed, Contractor will not ordinarily use the Foundation's office space for the performance of its obligations hereunder, and therefore that Contractor will not maintain regular office hours at the Foundation's offices. Furthermore, Contractor's services need not be rendered during regular business hours, and may, at Contractor's option, be rendered during evening hours and on weekends.

7. Expense Reimbursement. Contractor must receive preapproval from the Foundation for expenses to be reimbursed. With such preapproval and upon receipt of a written expense report that includes appropriate documentation of the approved expenses, the Foundation shall reimburse Contractor for such expenses. Any complying expense reimbursement request submitted on or before the 20<sup>th</sup> of the month shall be paid on the 1<sup>st</sup> of the following month. Contractor and the Foundation shall determine together if an expense advance is warranted under certain circumstances, and any such expense advances shall be reconciled with following expense reports.

8. Ownership of Products. Any written product produced or created by Contractor pursuant to this Agreement shall be the sole property of the Foundation, and the Foundation shall have the exclusive right to register such product pursuant to the United States and international copyright law. All donor and prospect lists are and shall remain the sole and exclusive property of the Foundation.

9. Disclosure of Information. The Contractor acknowledges that all lists of the Foundation's members, contributors, prospects and subscribers, and information concerning its methods of operation, are valuable, special, and unique assets of the Foundation. Lists of members, contributors, prospects and subscribers procured by Contractor during the term of this Agreement shall also be deemed the valuable, special, and unique assets of the Foundation. The Contractor shall not use (except as necessary to perform this Agreement) or disclose, either during or after the term of this Agreement, any part of the Foundation's member, contributor, prospect or subscriber lists or any other knowledge, document, method, practice, procedure, proprietary information, system or trade secret regarding matters confidential to the Foundation, or any other confidential information concerning the Foundation's methods of operation to any person, firm, corporation, association, or other entity for any reason or purpose. In the event of the Contractor's breach or threatened breach of this paragraph, the Foundation shall be entitled to a temporary restraining order or an injunction restraining and enjoining the Contractor from disclosing all or any part of the Foundation's contributor or prospect list or other information, and from rendering any services to any person, firm, corporation, association, or other entity to whom all or any part of such lists or information has been, or is threatened to be, disclosed. In addition to or in lieu of the above, the Foundation may pursue all of the remedies available to the Foundation for such breach or threatened breach, including the recovery of damages from the Contractor.

10. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

11. Entire Agreement and Modification. This Agreement contains the entire agreement between the parties and supersedes all previous agreements between them. Each party acknowledges that it has read this Agreement and understands its full force and effect. This Agreement may not be modified except by a later written agreement signed by both parties.

12. Termination. Either party may terminate this Agreement without cause upon 15 days' written notice to the other party. Either party may terminate this Agreement immediately upon written notice of termination to the other in the event the other is in substantial breach of this Agreement, and the breach is not cured within 5 days of written notice of the breach by the non-breaching party to the breaching party. All notices under this section shall be sent by electronic mail or by overnight delivery and, if sent to the Foundation, be addressed to the respective addresses set forth on the signature page or the addressee's last known e-mail address.

13. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Texas (excluding the conflicts of laws rules thereof). In addition, all disputes arising under this Agreement shall be resolved in any local or federal court in the State of Texas that properly has subject matter jurisdiction and



venue with respect to such a lawsuit, and each party agrees, solely for purposes of this Agreement, to submit to the personal jurisdiction of that court.

IN WITNESS WHEREOF, each of the parties has executed this Agreement as of the Effective Date:

**Compact for America Educational Foundation, Inc.**

By: \_\_\_\_\_

2650 Fountain View Dr., Ste 110

Name: \_\_\_\_\_

Houston, TX 77057

Title: \_\_\_\_\_

**Contractor**

By: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

## **Part VIII, Line 4d - Fundraising Activities**

Line 4d – List all state and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for you own organization, you fundraise for another organization, or another organization fundraises for you.

Answer: It is anticipated that CFAEFI fundraising activities will take place with donors located in local jurisdictions across the nation and in all 50 states, primarily through the CFAEFI website and social media crowd-funding opportunities. CFAEFI will have opportunities in all 50 states to fundraise on behalf of CFAEFI, to fundraise to donate to other non-profit entities to further the CFAEFI educational purpose, and to receive donations from other non-profit entities that fundraise on behalf of CFAEFI to further is educational exempt purposes.

## **Part IX, Section A – Lines 15 and 23 – Statement of Revenues and Expenses Itemized Listings**

Line 15 – Contributions, gifts, grants and similar amounts paid out – amounts forecasted to be paid out to qualified educational organizations to further the educational activities in the various states

Line 23 – Any expense not otherwise classified, such a program expenses – amounts forecasted to be paid out to as described in Part VI, Lines 1a and 1b