

HARMON, CURRAN, SPIELBERG & EISENBERG, LLP

1726 M Street, NW, Suite 600 Washington, DC 20036

(202) 328-3500 (202) 328-6918 fax

Sent via Certified Mail

November 24, 2003

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

**Re: Form 1023: Media Matters for America
Employer ID# 47-0928008**

Dear Madam/Sir:

Enclosed please find Form 1023, Application for Recognition of Exemption under Section 501(a), filed on behalf of my client, Media Matters for America. Also enclosed are a duly executed Power of Attorney form (Form 2848), a duly executed User Fee form (Form 8718), and a check for \$500 to cover the user fee.

If you have any questions, please contact me at (202) 328-3500.

Sincerely,



Paul J. Murphy

enclosures
cc. Darrin Bodner

**User Fee for Exempt Organization
 Determination Letter Request**

▶ Attach this form to determination letter application.
 (Form 8718 is NOT a determination letter application.)

For IRS Use Only

Control number _____
 Amount paid _____
 User fee screener _____

1 Name of organization
Media Matters for America

2 Employer Identification Number
47 : 0928008

Caution: Do not attach Form 8718 to an application for a pension plan determination letter. Use Form 8717 instead.

3 Type of request

- | | | | |
|----------|--------------------------|---|--------------|
| a | <input type="checkbox"/> | Initial request for a determination letter for: | Fee |
| | | <ul style="list-style-type: none"> • An exempt organization that has had annual gross receipts averaging not more than \$10,000 during the preceding 4 years, or • A new organization that anticipates gross receipts averaging not more than \$10,000 during its first 4 years ▶ | \$150 |
| | | Note: If you checked box 3a, you must complete the Certification below. | |

Certification

I certify that the annual gross receipts of _____
name of organization

have averaged (or are expected to average) not more than \$10,000 during the preceding 4 (or the first 4) years of operation.

Signature ▶ _____ Title ▶ _____

- | | | | |
|----------|-------------------------------------|---|--------------|
| b | <input checked="" type="checkbox"/> | Initial request for a determination letter for: | |
| | | <ul style="list-style-type: none"> • An exempt organization that has had annual gross receipts averaging more than \$10,000 during the preceding 4 years, or • A new organization that anticipates gross receipts averaging more than \$10,000 during its first 4 years . ▶ | \$500 |
| c | <input type="checkbox"/> | Group exemption letters | \$500 |

Instructions

The law requires payment of a user fee with each application for a determination letter. The user fees are listed on line 3 above. For more information, see Rev. Proc. 98-8, 1998-1, I.R.B. 225.

Check the box on line 3 for the type of application you are submitting. If you check box 3a, you must complete and sign the certification statement that appears under line 3a.

Attach to Form 8718 a check or money order payable to the Internal Revenue Service for the full amount of the user fee. If you do not include the full amount, your application will be returned. Attach Form 8718 to your determination letter application.

Send the determination letter application and Form 8718 to:
 Internal Revenue Service
 P.O. Box 192
 Covington, KY 41012-0192

If you are using express mail or a delivery service, send the application and Form 8718 to:

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

HARMON, CURRAN, SPIELBERG, & EISENBERG, LLP

1726 M STREET, N.W., SUITE 600
 WASHINGTON, DC 20036

FIRST UNION NATIONAL BANK
 WASHINGTON, DC 20006

5806

5806

15-122/540

Memo:

Five Hundred and 00/100 Dollars

PAY

Nov 24, 2003
 DATE

*****\$500.00
 AMOUNT

TO THE ORDER OF Internal Revenue Service

[Handwritten Signature]

Power of Attorney and Declaration of Representative

OMB No. 1545-0150

For IRS Use Only

Received by:

Name _____

Telephone _____

Function _____

Date / /

▶ See the separate instructions.

Part I Power of Attorney (Please type or print.)

1 Taxpayer information (Taxpayer(s) must sign and date this form on page 2, line 9.)

Taxpayer name(s) and address David Brock, President Media Matters for America 3334 N St, NW Washington, DC 20007	Social security number(s) _____ _____ _____	Employer identification number 47 0928008
	Daytime telephone number 202-478-6346	Plan number (if applicable)

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

2 Representative(s) (Representative(s) must sign and date this form on page 2, Part II.)

Name and address Paul J. Murphy Harmon, Curran, Spielberg & Eisenberg 1726 M St, NW, #600 Washington, DC 20036	CAF No. 03-0037622R Telephone No. 202-328-3500 Fax No. 202-328-6918 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>
Name and address Gail Harmon Harmon, Curran, Spielberg & Eisenberg 1726 M St, NW, #600 Washington, DC 20036	CAF No. 2605-43945R Telephone No. 202-328-3500 Fax No. 202-328-6918 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>
Name and address _____	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax matters

Type of Tax (Income, Employment, Excise, etc.)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s)
Application for Recognition of Exemption	1023	Not applicable

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. (See instruction for **Line 4—Specific uses not recorded on CAF**).

5 Acts authorized. The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative unless specifically added below, or the power to sign certain returns (see instruction for **Line 5—Acts authorized**).

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: _____

Note: In general, an unenrolled preparer of tax returns cannot sign any document for a taxpayer. See Revenue Procedure 81-38, printed as Pub. 470, for more information.

Note: The tax matters partner of a partnership is not permitted to authorize representatives to perform certain acts. See the instructions for more information.

6 Receipt of refund checks. If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ▶ _____


7 Notices and communications. Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2 unless you check one or more of the boxes below.

- a If you want the first representative listed on line 2 to receive the original, and yourself a copy, of such notices or communications, check this box
- b If you also want the second representative listed to receive a copy of such notices and communications, check this box
- c If you do not want any notices or communications sent to your representative(s), check this box

8 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here.
YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

9 Signature of taxpayer(s). If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.


11/23/03
President

 Signature Date Title (if applicable)
 David Brock

 Print Name

 Signature Date Title (if applicable)

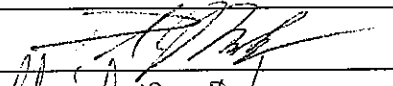
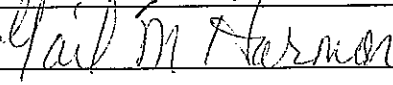
 Print Name

Part II Declaration of Representative

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
 - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c Enrolled Agent—enrolled as an agent under the requirements of Treasury Department Circular No. 230.
 - d Officer—a bona fide officer of the taxpayer's organization.
 - e Full-Time Employee—a full-time employee of the taxpayer.
 - f Family Member—a member of the taxpayer's immediate family (i.e., spouse, parent, child, brother, or sister).
 - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d)(1) of Treasury Department Circular No. 230).
 - h Unenrolled Return Preparer—an unenrolled return preparer under section 10.7(c)(viii) of Treasury Department Circular No. 230.

▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.

Designation—Insert above letter (a-h)	Jurisdiction (state) or Enrollment Card No.	Signature	Date
a	DC, MD		11/24/03
a	DC		11-24-03

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

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

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Complete the Procedural Checklist on page 8 of the instructions.

Part I Identification of Applicant

<p>1a Full name of organization (as shown in organizing document)</p> <p>Media Matters for America</p>	<p>2 Employer identification number (EIN) (If none, see page 3 of the Specific Instructions.)</p> <p style="text-align: center;">47 ; 0928008</p>
<p>1b c/o Name (if applicable)</p> <p>David Brock</p>	<p>3 Name and telephone number of person to be contacted if additional information is needed</p> <p style="text-align: center;">Paul J. Murphy (202) 328-3500</p>
<p>1c Address (number and street)</p> <p>3334 N St., NW</p>	<p>Room/Suite</p>
<p>1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see Specific Instructions for Part I, page 3.</p> <p>Washington, DC 20007</p>	<p>4 Month the annual accounting period ends</p> <p>December</p>
<p>1e Web site address</p>	<p>5 Date incorporated or formed</p> <p>August 15, 2003</p>
<p>6 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(n)</p>	
<p>7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach an explanation.</p>	
<p>8 Is the organization required to file Form 990 (or Form 990-EZ)? <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach an explanation (see page 3 of the Specific Instructions).</p>	
<p>9 Has the organization filed Federal income tax returns or exempt organization information returns? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.</p>	

10 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See **Specific Instructions** for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)

a Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.

b Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.

c Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

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 David Brock, President 11/23/03

(Signature) (Type or print name and title or authority of signer) (Date)

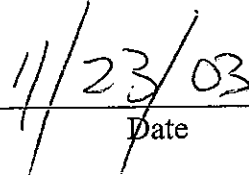
Media Matters for America
Employer ID # 47-0928008

Form 1023

I, David Brock, do hereby certify that I am President of Media Matters for America and that the attached is a complete, current, and correct copy of its Articles of Incorporation, which were filed with the District of Columbia on August 15, 2003.



David Brock, President


Date

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS



C E R T I F I C A T E

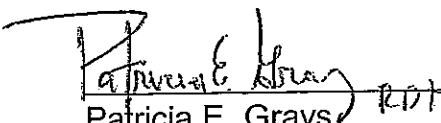
THIS IS TO CERTIFY that all applicable provisions of the District of Columbia NonProfit Corporation Act have been complied with and accordingly, this **CERTIFICATE OF INCORPORATION** is hereby issued to:

MEDIA MATTERS FOR AMERICA

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed as of the **15th** day of **August, 2003**.

David Clark
DIRECTOR

John T. Drann
Acting Administrator
Business Regulation Administration


Patricia E. Grays
Superintendent of Corporations
Corporations Division

Anthony A. Williams
Mayor

ARTICLES OF INCORPORATION

OF

Media Matters for America

Department of Consumer and Regulatory Affairs
Washington, D.C.

We, the undersigned natural persons of the age of eighteen years or more, acting as incorporators, adopt the following Articles of Incorporation pursuant to the District of Columbia Nonprofit Corporation Act:

FIRST: The name of the Corporation is Media Matters for America.

SECOND: The period of duration is perpetual.

THIRD: The Corporation shall have no members.

FOURTH: The Corporation is organized and will be operated exclusively for charitable and educational purposes under section 501(c)(3) of the Internal Revenue Code, including:

- ensuring accuracy, fairness, and a balance of diverse views in the media through research, public education, and advocacy.

In pursuance of these purposes the Corporation shall have the powers to do all things necessary, proper and consistent with obtaining and maintaining its tax-exempt status under section 501 (c)(3). All references to sections in these Articles refer to the Internal Revenue Code of 1986 as amended or to corresponding sections of subsequent internal revenue laws.

FIFTH: No part of the net earnings of the Corporation shall inure to the benefit of or be distributed to any director, employee or other individual, partnership, estate, trust or corporation having a personal or private interest in the corporation. Compensation for services actually rendered and reimbursement for expenses actually incurred in attending to the affairs of this corporation shall be limited to reasonable amounts.

FILE

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SIXTH: No part of the activities of this Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation to an extent that would disqualify it for tax exemption under section 501(c)(3), and this Corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Notwithstanding any other provision of these Articles or of any Bylaws adopted thereunder, this Corporation shall not take any action not permitted to be carried on by an organization exempt from Federal income tax under section 501(c)(3) or by any other laws then applicable to this Corporation.

SEVENTH: Upon dissolution of the Corporation, its assets shall be disposed of exclusively for one or more exempt purposes within the meaning of section 501(c)(3), or distributed to such organizations organized and operated exclusively for charitable purposes which shall, at the time, qualify as exempt organizations under section 501(c)(3), or to the Federal government or to a state or local government, for a public purpose.

EIGHTH: The registered agent is David Brock, and the address, including street and number, of its initial registered office is 3334 N Street, NW, Washington, DC 20007.


NINTH: The internal affairs of the Corporation shall be regulated by its Board of Directors as described in the Bylaws. The members of the Board of Directors shall be those individuals elected, from time to time, in accordance with the Bylaws. The number of directors constituting the initial Board of Directors is three, and the names and addresses, including street number, of the persons who are to serve as the initial directors until the first annual meeting, or until their successors are elected and qualified, are:

1. David Brock
3334 N Street, NW
Washington, DC 20007
2. Will Lippincott
80 Fifth Avenue, # 1101
New York, NY 10011
3. Peter D. Rosenstein
1545 18th Street, NW, # 405
Washington, DC 20036

TENTH:

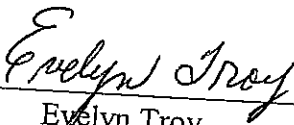
The names and addresses, including street and number, of the incorporators are:

1. Josh Sadlier
1726 M Street NW, Suite 600
Washington, DC 20036
2. Evelyn Troy
1726 M Street NW, Suite 600
Washington, DC 20036
3. Elva Lovoz
1726 M Street NW, Suite 600
Washington, DC 20036



Josh Sadlier

Date: 8/14/03



Evelyn Troy

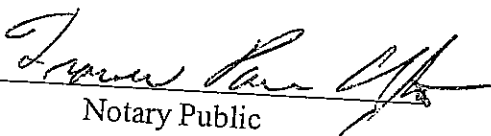
Date: 8-14-03



Elva Lovoz

Date: 8-14-03

I, Francis Parr Claytor, a Notary Public, hereby certify that on the 14 day of August 2003, Josh Sadlier, Evelyn Troy, and Elva Lovoz appeared before me and signed the foregoing document as incorporators, and have averred that the statements therein contained are true.



Notary Public

Francis Parr Claytor
Notary Public, District of Columbia
My Commission Expires 1-14-07

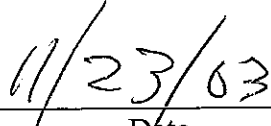
Media Matters for America
Employer ID # 47-0928008

Form 1023

I, David Brock, do hereby certify that I am President of Media Matters for America, and that the attached is a complete, current, and correct copy of its Bylaws, which were adopted by the Board of Directors on August 19, 2003 and are now in effect.



David Brock, President



Date

BYLAWS

OF

Media Matters for America

As Adopted As of

August 19, 2003

ARTICLE I

NAME AND PURPOSES

Section 1.01. Name. The name of the Corporation is Media Matters for America.

Section 1.02. Purpose. The Corporation is organized for the charitable and educational purposes of: ensuring accuracy, fairness, and a balance of diverse views in the media through research, public education, and advocacy.

ARTICLE II

AUTHORITY AND DUTIES OF DIRECTORS

Section 2.01. Authority of Directors. The Board of Directors ("the Board") is the policy-making body and may exercise all the powers and authority granted to the Corporation by law.

Section 2.02. Number, Selection, and Tenure. The Board shall consist of no more than seven (7) and no fewer than three (3) Directors. Directors will elect their successors. A Director may serve for any number of one (1) year terms, consecutive or otherwise, except that if a Director is elected at any time other than the Corporation's regular annual meeting, his or her initial term will expire on the date of the next regular annual meeting or until his or her successor is elected and qualified.

Section 2.03. Compensation. Board members shall not be compensated for serving on the Board, but may be reimbursed for actual expenses incurred on behalf of the Corporation. Board members who also serve as employees of the Corporation may be compensated for their service as employees.

Section 2.04. Resignation and Removal. Resignations are effective upon receipt by the Secretary (or receipt by the President or other officer if the Secretary is resigning) of written notification or a later date if provided in the written notification. One or more Directors may be removed at a meeting called for that purpose, with or without cause, by such vote as would suffice for the Director's election.

Section 2.05. Vacancies. Vacancies existing by reason of resignation, death, incapacity or removal before the expiration of a term shall be filled by a majority vote of the remaining Directors.

Section 2.06. Meetings. The Board shall hold at least one (1) regular meeting annually. Regular meetings shall be at such times and places as the Board shall determine. Special meetings may be called by any two (2) Directors with telephone or written notice.

Section 2.07. Quorum and Voting. A quorum shall consist of a majority of the total number of Board members in office. All decisions will be by majority vote of those present at a meeting at which a quorum is present.

Section 2.08. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board (including amendment of these Bylaws or the Articles of Incorporation) or of any committee may be taken without a meeting if all the members of the Board or committee consent in writing to taking the action without a meeting and to approving the specific action. Such consents shall have the same force and effect as a unanimous vote of the Board or of the committee as the case may be.

Section 2.09. Participation in Meeting by Conference Telephone. Any or all members of the Board may participate in a meeting by conference telephone or similar communications equipment, so long as members participating in such meeting can hear one another.

Section 2.10. Committees. The Board may, by resolution adopted by a majority of the Directors in office at a meeting at which a quorum is present, establish committees of the Board composed of at least two (2) Directors. Such committees shall have and exercise the authority of the Board of Directors to the extent provided in the resolution.

Other committees not having and exercising the authority of the Board in the management of the Corporation may be designated and appointed by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Such committees shall consist of at least two (2) individuals.

For both types of committees, the Board may make provisions for appointment of the chair, establish procedures to govern their activities, and, to the extent permitted by law, delegate authority as may be necessary or desirable for the efficient management of the property, affairs, business, and/or activities of the Corporation.

The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him or her by law.

ARTICLE III

MEMBERS

Section 3.01. Members. The Corporation shall have no members.

ARTICLE IV

AUTHORITY AND DUTIES OF OFFICERS

Section 4.01. Officers. The officers of the Corporation shall be a President, a Secretary, a Treasurer, and such other officers as the Board may designate. Two (2) or more offices may be held by the same person, except the offices of Secretary and President.

Section 4.02. Election of Officers; Terms of Office. Officers shall serve one (1) year terms. The President, the Secretary, and the Treasurer shall be elected by the Board at its annual meeting in each year. The terms of office shall expire at the next succeeding annual meeting and shall be filled by the Board, at a meeting or by action in writing pursuant to Section 2.08 for a term expiring at the next succeeding annual meeting. Officers shall be eligible for reelection.

Section 4.03. Vacancies. Vacancies existing by reason of resignation, death, incapacity or removal before the expiration of a term shall be filled by the Board at a regular or special meeting for the remainder of the unexpired term.

Section 4.04. Resignation. Resignations are effective upon receipt by the Secretary of a written notification, or receipt by the President or other officer if the Secretary is resigning.

Section 4.05. Removal. An officer may be removed by the Board at a meeting, or by action in writing pursuant to Section 2.08 whenever in the Board's judgment the best interests of the Corporation will be served thereby. The removal of a person from corporate office will not terminate or otherwise affect any contractual relationship between that individual and the Corporation.

ARTICLE V

INDEMNIFICATION

Section 5.01. Definitions.

"Matter" shall mean any actual or threatened civil, criminal, or administrative action, arbitration proceeding, claim, suit, proceeding, or appeals therefrom, or any criminal, administrative, or congressional (or other body's) investigation, hearing, or other proceeding.

"Eligible Person" shall mean any person who at any time was or is a Director, a member of any committee or subcommittee, an officer, an agent, an employee, or a volunteer of the Corporation.

Section 5.02. Right to Indemnification. Any Eligible Person made a party to or respondent in a Matter by reason of his or her position with or service to the Corporation may, to the fullest extent permitted by law, be indemnified by the Corporation against all liabilities and all expenses reasonably incurred by him or her arising out of or in connection with such Matter, except in relation to Matters as to which (i) the Eligible Person failed to act in good faith and for a purpose which he or she reasonably believed to be in the best interests of the Corporation, or (ii) in the case of a criminal Matter, the person had reasonable cause to believe that his or her conduct was unlawful, or (iii) the person shall be adjudged to be liable for misconduct or negligence in the performance of a duty.

Section 5.03. Limitation on Right of Indemnification. Except where an Eligible Person has been successful on the merits with respect to such Matter, any indemnification hereunder shall be made only after (i) the Board (acting by a quorum consisting of Directors who were not involved in such Matter) determines that the Eligible Person met the applicable indemnification standard set forth in section 5.02 above; or (ii) in the absence of a quorum, a finding is rendered in a written opinion by independent legal counsel that the person or persons met the applicable indemnification standard set forth in paragraph section 5.02 above.

Section 5.04. Other Rights. The right of indemnification provided hereunder shall not be deemed exclusive of any other right to which any person may be entitled in

addition to the indemnification provided hereunder. This indemnification shall in the case of the death of the person entitled to indemnification, inure to the benefit of his or her heirs, executors or other lawful representative.

Section 5.05. Interim Indemnification. The Corporation may, with respect to a Matter described in section 5.02, advance attorneys fees as interim indemnification to any Eligible Person if the following conditions are satisfied: (i)(a) the Board (acting by a quorum consisting of Directors who are not involved in such litigation) determines that the Eligible Person is likely to meet the applicable indemnification standard set forth in section 5.02 above, or (b) in the absence of such a quorum, a finding is rendered in a written opinion by independent legal counsel that the Eligible Person is likely to meet the applicable indemnification standard set forth in section 5.02 above; and (ii) the Eligible Person (a) requests interim indemnification, (b) agrees to repay the interim indemnification promptly upon a determination unfavorable to him or her under section 5.03, and (c) deposits a bond or equivalent security.

Section 5.06. Insurance. The Board may authorize the purchase of and maintain insurance on behalf of any Eligible Person against any liability asserted against or incurred by him which arises out of such person's status in such capacity, or out of acts taken in such capacity, whether or not the Corporation would have the power to indemnify the person against that liability under law.

ARTICLE VI

FINANCIAL ADMINISTRATION

Section 6.01. Fiscal Year. The fiscal year of the Corporation shall be January 1 to December 31, but may be changed by resolution of the Board.

Section 6.02. Checks, Drafts, Etc. All checks, orders for the payment of money, and insurance certificates shall be signed or endorsed by an officer or officers or agent or agents of the Corporation and in a manner as shall from time to time be determined by resolution of the Board or of any committee to which such authority has been expressly delegated by the Board.

Section 6.03. Contracts. Unless the Board determines otherwise by resolution, the President shall be authorized to execute contracts on behalf of the Corporation. The President may, with written notice to the Board, delegate this authority to employees or volunteers subject to limitations upon the delegated authority as may be necessary or expedient for running the affairs of the Corporation. Unless otherwise expressly determined by the Board, no other individuals shall be

authorized to bind the Corporation to any contract, including the chair of any committee.

Section 6.04. Deposits and Accounts. All funds of the Corporation, not otherwise employed, shall be deposited in general or special accounts in the banks, trust companies, or other depositories as the Board or any committee to which such authority has been delegated by the Board may select, or as may be selected by any officer or officers or agent or agents of the Corporation, to whom such power may be delegated by the Board. For the purpose of deposit and for the purpose of collection for that account of the Corporation, checks, drafts, and other orders of the Corporation may be endorsed, assigned, and delivered on behalf of the Corporation by any officer or agent of the Corporation.

Section 6.05. Annual Financial Statements. Complete financial statements shall be presented to and reviewed by the Board after the close of each fiscal year.

ARTICLE VII

CONFLICTS OF INTEREST

Section 7.01. Disclosure of Financial Interests. To identify possible conflicts of interest, all Directors, officers, and members of any committee exercising Board-delegated powers must disclose to the Board, or to the members of such committee, the existence of any financial interest in any entity with which s/he knows or has reason to know the Corporation or any legally related organization has or is negotiating a transaction or arrangement, and all material facts related to that interest. Financial interests includes any direct or indirect relationship, through business, investment, or family, such as actual or potential ownership or investment interests or compensation arrangements. Directors shall also disclose any fiduciary duty to a person or entity other than the Corporation that might jeopardize the Director's ability to exercise independent judgment and act in the best interests of the Corporation. The fact that a Director, officer, or committee member is also a Director or officer or member of a not-for-profit organization that obtains or seeks funds from institutions or individuals from which the Corporation also obtains or seeks funds shall not by itself be deemed to be a conflict of interest.

Section 7.02. Determination of Conflicts of Interest. After the interested person has delivered all relevant information and has retired from the room, the Board or committee must determine whether or not the financial interest creates a conflict of interest which merits recusal of the interested Director from consideration of the matter.

Section 7.03. Resolution of Conflicts of Interest. If the Board determines that a conflict of interest does exist, it must ensure that the interested Director(s) do not participate in final decision making with regard to the transaction. The Board may approve the transaction or arrangement, or some alternative if it determines it: (i) is in the organization's best interests and for its own benefit; (ii) is fair and reasonable to the organization; and (iii) is the most advantageous transaction or arrangement the organization can obtain with reasonable efforts under the circumstances.

Section 7.04. Violation of Conflict of Interest Policy. If an officer, Director, or member of a committee with Board-delegated powers violates this conflict of interest policy, the Board, in order to protect the Corporation's best interests, may take appropriate disciplinary action against the interested person. Such action may include formal reprimand, cancellation of the transaction or arrangement generating the conflict, suspension of employment, and/or removal from the Board.

Section 7.05. Distribution of Conflict of Interest Policy. All officers, Directors, and members of committees with Board-delegated powers shall receive a copy of the Conflict of Interest Policy, as it appears in these By-laws. All officers, Directors, and members of committees with Board-delegated powers shall sign an annual statement declaring that the person: received a copy of the policy; has read and understands the policy; and agrees to comply with the policy.

ARTICLE VIII

COMPENSATION

Section 8.01. Compensation Policy. In establishing appropriate compensation levels, whether as employees or under contractual arrangements, for an individual who is a Director, officer, member of a committee with Board-delegated powers, or anyone else exercising substantial influence over the Corporation, in addition to complying with the other provisions of this conflict of interest policy, the Board or committee shall:

- recuse/exclude members who receive directly or indirectly a substantial portion of their income from the Corporation;
- rely on appropriate comparative data, including comparable agreements in similar organizations; compensation levels for similar positions in both exempt and taxable organizations; and regional economic data; and

- document the bases upon which it relies for its compensation determinations.

Section 8.02. Compensation Committee. The Board, may, if it chooses, establish a compensation committee to set appropriate levels of compensation. A compensation committee shall consist solely of disinterested persons with respect to the transaction in question and shall follow the above-outlined procedures.

ARTICLE IX

RECORDS

Section 9.01. Recordkeeping. The Secretary or his or her designee shall keep or cause to be kept adequate minutes of all Board or committee meetings, and all meetings of committees with Board-designated powers reflecting at a minimum the names of those in attendance, any resolutions passed and the outcomes of any votes taken. When potential conflicts of interests are discussed, the minutes shall include: the names of the persons who disclosed financial interests; the nature of the financial interests; whether or not the Board determined that a conflict existed; the names of the persons present for the discussions and votes related to the relevant transaction or arrangement; the content of those discussions, including any alternative transactions or arrangements; and a record of the vote. At the request of any participating Board member, the records of such discussions and individual votes may be kept sealed, with only the outcome reported publicly.

Section 9.02. Public Disclosure. After receiving IRS recognition of its 501(c)(3) status, the Corporation shall keep available for public inspection at its principal place of business and any branch office copies of the Form 1023 (exemption application) as filed and any Form 990 (information tax return) filed within the past three years. Names and identifying information of contributors shall be redacted from publicly available copies. In addition, as required by the tax code and regulations, the Corporation shall either (i) make such materials widely available to the public, such as by posting on the Internet, or (ii) provide copies of the materials to any member of the public making a request in person during normal business hours or in writing. This public disclosure obligation shall be no broader than required by law and shall not apply, for example, if the Corporation is the target of a campaign of harassment.

ARTICLE X

AMENDMENT OF BYLAWS

Section 10.01 Amendments. These Bylaws may be amended by a majority vote of the entire Board, provided seven (7) days prior notice is given of the proposed amendment or provided all members of the Board waive such notice, or by unanimous consent in writing without a meeting pursuant to Section 2.08.

Part II Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

See attached.

-
- 2 What are or will be the organization's sources of financial support? List in order of size.

1. Individuals
2. Private Foundations.

-
- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.
- To date, the organization has only made direct person-to-person, mail (see attached remittance slip), and phone solicitations. In the future, the organization will conduct fundraising events and engage in a direct-mail fundraising drive. The organization also will apply for private foundation grants for which it may be eligible. At the moment, there are two consultants helping the organization with fundraising on a volunteer basis. The organization may hire a paid fundraising consultant in the future.
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Part II, Question 1: Narrative Statement

Background

Media Matters for America (MMA) believes that news reporting and analysis by the American media, with its eye on profit margin and preservation of the status quo, has become biased. It is common for news and commentary by the press to present viewpoints that tend to overly promote corporate interests, the rights of the wealthy, and a conservative, Christian-influenced ideology. American democracy depends on a free press providing objective news and a wide array of ideas and voices from across the ideological spectrum. The domination of the media's coverage of news by a single ideology betrays the public trust and weakens our democracy. MMA has been established to identify occurrences of excessive bias in the American media, educate the public as to their existence, and work with members of the media to reduce them in order to ensure that the public receives news coverage and information that is not only accurate but free from domination by a particular world view. MMA bases its mission on the premise that participation of the citizenry is essential to democracy, and exposing biased and inaccurate news reporting is essential to creating informed civic participation.

Activities

MMA aims to raise the general public's awareness of the bias and shallowness in the media, by monitoring, archiving, identifying, researching, correcting, and exposing such bias, and, most importantly, by widely disseminating that information to a mass audience in order to create a more informed public. MMA's media research and education activities are broken down into four parts: tracking, archiving, analysis, and packaging/distribution.

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Tracking

The bulk of MMA's time and resources will be spent on activities designed to gather, catalogue, and analyze the vast amount of news reporting available to the American public. The first step in that process is culling news reports and commentary from their various sources. Recognizing that total coverage is an impossible task, MMA is presently limiting its daily surveys to only the major television networks, radio talk shows, newspapers and websites. MMA may also monitor published works of non-fiction. MMA also intends to provide an anonymous forum for insider reporting of biased reports from the public and government sources to be used in analyzing the accuracy of press reports and statements. In sum, MMA will investigate the hard facts that stories are based upon to use in its eventual analysis of the news and commentary it tracks.

Archiving

MMA hopes to be a source of media research data for national commentators, journalists, and the public alike. MMA will develop a computer database and archiving system to track long- and short-term trends of many issues in the media. In addition, MMA will archive audio recordings and transcripts of talk-radio shows which are currently unavailable anywhere else in searchable format.

Analysis

MMA will focus on inaccurate reporting, bias, hate speech, and other sensational rhetoric in the media. The media will be tested for imbalance, unfairness, inaccuracy, irresponsibility and omission of important facts, with special emphasis on long-term trends. MMA may follow specific

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stories over time across publications or broadcasts to deduce how the story is being covered. MMA will analyze news reports and cross-reference them by person, organization, and theme, to allow for effective archiving and research.

Packaging/Distribution

MMA will assemble its research and analysis in a user-friendly format for mainstream media critics, editorial and op-ed writers, television and radio commentators, activists, and the general public. The major outlet for MMA's work will be its website which will host its searchable archive and provide instruction in media analysis and methods by which the public can make their opinions known to the media vendor. MMA will provide daily updates of inaccurate reporting and biased commentary through an email listserv or by fax to members of the public who request them. Emergency media alerts may also go out over electronic media. Periodically, MMA will also issue press releases, newsletters, studies and reports, op-ed columns and articles with more in-depth analysis. MMA's archives, especially of talk-radio shows which are currently unmonitored, will be a critical service for media professionals and the public. The organization will also sponsor forums on the media, run a speaker's bureau, and explore the possibilities for syndicated columns and radio broadcasts as a means of disseminating its educational information to the public. MMA will engage in a dialogue with the members of the media, seeking corrections for inaccurate reports and advocating for more accurate reporting. MMA will also form a book club focusing on analysis of the media.

Analysis

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Media Matters for America should be granted federal tax exemption under § 501(c)(3) of the Internal Revenue Code (“the Code.”) It is a charitable and educational organization as described in the Code.

Treasury Regulations define the term “educational” to mean “the instruction of the public on subjects useful to the individual and beneficial to the community.” (Treas. Reg. §1.501(c)(3)- (a)(d)(3)(i)(a)). By tracking, analyzing, and publishing instances of biased and inaccurate reporting, MMA will help to ensure the public has a fuller understanding of the facts behind the neatly packaged news it receives from the American media. MMA’s reports will contain full documentation of the facts used to support its conclusions on biased and inaccurate reporting thereby enabling members of the public to formulate independent opinions and conclusions with respect to both the news reports they receive and the analyses of those reports conducted by MMA. These activities are also intended to encourage the media to better serve the public interest by presenting more balanced and accurate reporting over the long term, as MMA alerts the major press outlets of when their reporting evidences bias or contains inaccuracies.

MMA’s publication of its analysis of the media for bias and inaccurate reporting instructs the public on a subject useful to the individual and beneficial to the community. In this regard, it is almost identical to the organization granted exemption in Rev. Rul. 74-615. In that ruling, the organization analyzed local newspapers for bias and inaccuracy, and issued reports, together with full documentation of the facts relied upon, to the community with its findings. The IRS reasoned:

By investigating the newspapers' practices and publishing the results of its analyses, the organization is helping insure the public has full and fair newspaper reporting. Its studies and

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reports deal with newsworthy events and the manner in which such events have been treated in the newspapers. The method used by the organization in disseminating its findings is designed to present a full and fair exposition of the facts to enable the public to form an independent opinion or conclusion. The overall effect of the organization's activities is the instruction of the public on a subject useful to the individual and beneficial to the community.

MMA seeks to provide a similar function, using similar methods, updated to take advantage of the Internet, on a national scale, with respect to both print, broadcast, and web-based media.

Although MMA advocates a particular viewpoint, namely that a conservative bias is distorting the news, this does not preclude it from being an educational organization. According to Treas. Reg. 1.501(c)(3)-1(d)(3), "an organization may be educational even though it advocates a particular position or viewpoint, so long as it presents a sufficiently full and fair exposition of the pertinent facts as to permit an individual or the public to form an independent opinion or conclusion." The IRS set forth four criteria that might disqualify an advocacy organization from being educational:

- 1) The presentation of viewpoints or positions unsupported by facts is a significant portion of the organization's communications.
- 2) The facts that purport to support the viewpoints or positions are distorted.
- 3) The organization's presentations make substantial use of inflammatory and disparaging terms and express conclusions more on the basis of strong emotional feelings than of objective evaluations.
- 4) The approach used in the organization's presentations is not aimed at developing an understanding on the part of the intended audience or readership because it does not consider their background or training in the subject matter.
(Rev. Proc. 86-43).

MMA qualifies as educational under all these criteria. As described above, MMA's primary activity is to track news reports and collect information to test the accuracy of those reports. MMA will provide its audience with the actual text of any piece that it analyzes, along with the facts upon which it bases its conclusions, so that the public can form their own conclusions. MMA seeks not to distort

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facts, but rather to undo distortion by engaging in objective analysis; not to use inflammatory rhetoric, but rather to expose how such rhetoric influences the news. Through its searchable web-based archives, MMA will allow - indeed is designed to enable - researchers and the public to draw its own conclusions based on their assessment of the collected data. MMA's express mission, as defined in its articles of incorporation and bylaws, is to ensure "accuracy, fairness, and a balance of diverse views in the media through research, public education, and advocacy." Through educational opportunities like its public forums and informative website, it seeks to create a media-savvy public who will critically assess all news reports - including its own.

MMA is certainly distinguishable from the organization denied exemption in Rev.Rul. 68-263. Like that organization, MMA seeks to educate the public in order to guard against extremist political influence. And as the IRS recognized, "the instruction of the public by recognized educational methods on the political or moral significance of an extreme doctrine and the threat it represents to the United States may qualify an organization for exempt status under section 501(c)(3) of the Code."(Rev. Rul. 68-263). However, that organization, in a method antithetical to MMA's, skewed its facts and presented an incomplete picture of the subjects of its reports. As noted above, MMA will give the full picture, with all relevant facts and arguments accessible in a researcher-friendly format, so that citizens will be able to form their own opinions or conclusions, independent of that presented by either the organization, or the news reports it collects.

MMA's educational mission to enable the public to discern quality reporting is similar to the organization granted exemption in Rev. Rul. 64-192. The organization described therein was

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designed “to educate the public by educational means regarding the quality of radio and television programs; to observe and study in order to arrive at standards for judging programs; and thereby to encourage, by educational methods, all radio and television stations to fulfill their obligations to serve the public interest.” The organization collected data, produced teaching aids to instruct the public how to be discriminating in their viewing and listening habits and how to make their preferences known to broadcasters, and provided information in a manner such that the public could make an independent assessment of the facts. MMA’s forums and website will similarly instruct the public on how to analyze the media and how to make their opinions known to the media vendors. As with the organization in Rev. Rul. 64-192, this activity “also serves to encourage broadcasters to better serve the public interest.” All this information will be conveyed while providing user-friendly access to all the facts and information the public will need to make independent assessments. Thus, MMA provides both the research tools and the training to allow all recipients of its information to form their own conclusions, and thereby qualifies as an educational organization.

“Charitable” includes “the advancement of education or science.” (Treas. Reg. §1.501(c)(3)-(a)(d)(2)). In Rev. Rul. 66-147, the IRS found that an organization that wrote and distributed abstracts of medical articles to the public free of charge qualified as a tax-exempt. The Service explained that, by making medical information readily accessible to the public, the organization advanced education or science. Similarly, MMA will make information, such as its analyses and archives, available to the public at no charge through its website, linked database, email and fax updates, and printed materials.

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For the above reasons, Media Matters for America, should be granted tax-exempt status under Section 501(c)(3) of the Code as a “charitable” and educational” organization.

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Rev. Rul. 74-615

Advice has been requested whether the nonprofit organization described below which otherwise qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954, is operated exclusively for charitable purposes.

The organization was formed to educate the public as to the accuracy of news coverage by newspapers in a local community and to provide citizens an independent channel for their complaints on the performance of local newspapers and to encourage the newspaper to meet high standards of journalism by educational methods. The organization's membership consists of prominent leaders representing various citizens' groups who are not affiliated in any way with the local newspapers. The organization investigates citizens' complaints concerning the news content of the local newspapers. Complaints which are investigated and reported on are selected by the membership on an objective basis. They generally deal with matters relating to alleged failures to provide adequate news coverage for certain events or activities, and with allegedly inaccurate or unfair or unfair news reporting. The organization is not concerned with criticisms relating to editorial opinions, advertising, or circulation matters. A member of the organization who has a personal, professional, or business interest in any matter being investigated does not participate in the consideration.

Members of the organization meet periodically with the editors of the newspapers to discuss the complaints received by the organization, and to discuss the policies and practices of the newspapers, as they relate to the complaints.

The organization periodically publishes the results of its investigations and analyses of the policies and practices of the newspapers. These reports contain a full documentation of the facts relied upon to support the organization's conclusions. The reports are not intended to mold public opinion or to further any political or ideological view.

Under a standing arrangement, all the newspapers whose activities are covered by the organization's studies and reports publish the full text of each of such reports. The newspapers usually publish their responses at the same time. The newspapers also publish notices of the organization's existence and purposes, and invite the general public to send suggestions and complaints to the organization.

The organization's income is derived from public contributions and its disbursements are for operating expenses.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for educational purposes.

Section 1.501(c)(3)-1(d)(3) of the Income Tax Regulations provides in relevant part that the term "educational" as used in section 501(c)(3) of the Code relates to the instruction of the public on subjects useful to the individual and beneficial to the community. The regulations further provide that an organization may be educational even though it advocates a particular position or viewpoint, so long as it presents a sufficiently full and fair exposition of pertinent facts to permit the public to form an independent opinion or conclusion.

By investigating the newspapers' practices and publishing the results of its analyses, the organization is helping insure the public has full and fair newspaper reporting. Its studies and reports deal with newsworthy events and the manner in which such events have been treated in the newspapers. The

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method used by the organization in disseminating its findings is designed to present a full and fair exposition of the facts to enable the public to form an independent opinion or conclusion. The overall effect of the organization's activities is the instruction of the public on a subject useful to the individual and beneficial to the community.

It has been historically recognized that the conduct of factual inquiries on subjects of benefit to the public and the dissemination of the information so developed is educational in the charitable sense. See G. Bogert, *Trusts & Trustees* sec. 375 (2d ed. 1964).

Accordingly, the organization is operated exclusively for charitable purposes and since it otherwise qualifies, is exempt from Federal income tax under section 501(c)(3) of the Code. See Rev. Rul. 64-192, 1964-2 C.B. 136, which relates to an organization created to educate the public as to the quality of radio and television programs.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.

Rev. Proc. 86-43

SECTION 1. PURPOSE

The purpose of this revenue procedure is to publish the criteria used by the Internal Revenue Service to determine the circumstances under which advocacy of a particular viewpoint or position by an organization is considered educational within the meaning of section 501(c)(3) of the Internal Revenue Code, and within the meaning of section 1.501(c)(3)-1(d)(3) of the Income Tax Regulations.

SEC. 2. BACKGROUND

01 Section 501(c)(3) of the Code provides for exemption from federal income tax for organizations that are organized and operated exclusively for purposes specified in that section, including educational purposes. Section 1.501(c)(3)-1(d)(3) of the regulations provides that the term 'educational' relates to a) the instruction or training of the individual for the purpose of improving or developing his capabilities; or b) the instruction of the public on subjects useful to the individual and beneficial to the community. Under this regulation, an organization may be educational even though it advocates a particular position or viewpoint, so long as it presents a sufficiently full and fair exposition of the pertinent facts as to permit an individual or the public to form an independent opinion or conclusion. On the other hand, an organization is not educational if its principal function is the mere presentation of unsupported opinion.

02 In applying section 1.501(c)(3)-1(d)(3) of the regulations, the Service has attempted to eliminate or minimize the potential for any public official to impose his or her preconceptions or beliefs in determining whether the particular viewpoint or position is educational. It has been, and it remains, the policy of the Service to maintain a position of disinterested neutrality with respect to the beliefs advocated by an organization. The focus of section 1.501(c)(3)-1(d)(3), and of the Service's application of this regulation, is not upon the viewpoint or position, but instead upon the method used

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by the organization to communicate its viewpoint or positions to others.

03 Two recent court decisions have considered challenges to the constitutionality of section 1.501(c)(3)-1(d)(3) of the regulations. One decision held that the regulation was unconstitutionally vague. *Big Mama Rag, Inc. v. United States*, 631 F.2d 1030 (D.C. Cir. 1980). However, in *National Alliance v. United States*, 710 F.2d 868 (D.C. Cir. 1983), the court upheld the Service's position that the organization in question was not educational. Although the latter decision did not reach the question of the constitutionality of section 1.501(c)(3)-1(d)(3), it did note that the methodology test used by the Service when applying the regulation 'tend[s] toward ensuring that the educational exemption be restricted to material which substantially helps a reader or listener in a learning process.' The court also noted that the application of this test reduced the vagueness found in the earlier *Big Mama Rag* decision.

04 The methodology test cited by the court in *National Alliance* reflects the longstanding Service position that the method used by an organization in advocating its position, rather than the position itself, is the standard for determining whether an organization has educational purposes. This methodology test is set forth in Section 3 of this revenue procedure, and is used in all situations where the educational purposes of an organization that advocates a particular viewpoint or position are in question. Publication of this test represents no change either to existing procedures or to the substantive position of the Service.

SEC. 3. CRITERIA USED TO DETERMINE WHETHER ADVOCACY BY AN ORGANIZATION IS EDUCATIONAL

01 The Service recognizes that the advocacy of particular viewpoints or positions may serve an educational purpose even if the viewpoints or positions being advocated are unpopular or are not generally accepted.

02 Although the Service renders no judgment as to the viewpoint or position of the organization, the Service will look to the method used by the organization to develop and present its views. The method used by the organization will not be considered educational if it fails to provide a factual foundation for the viewpoint or position being advocated, or if it fails to provide a development from the relevant facts that would materially aid a listener or reader in a learning process.

03 The presence of any of the following factors in the presentations made by an organization is indicative that the method used by the organization to advocate its viewpoints or positions is not educational.

1 The presentation of viewpoints or positions unsupported by facts is a significant portion of the organization's communications.

2 The facts that purport to support the viewpoints or positions are distorted.

3 The organization's presentations make substantial use of inflammatory and disparaging terms and express conclusions more on the basis of strong emotional feelings than of objective evaluations.

4 The approach used in the organization's presentations is not aimed at developing an understanding on the part of the intended audience or readership because it does not consider their background or training in the subject matter.

04 There may be exceptional circumstances, however, where an organization's advocacy may be

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educational even if one or more of the factors listed in section 3.03 are present. The Service will look to all the facts and circumstances to determine whether an organization may be considered educational despite the presence of one or more of such factors.

SEC. 4. OTHER REQUIREMENTS

Even if the advocacy undertaken by an organization is determined to be educational under the above criteria, the organization must still meet all other requirements for exemption under section 501(c)(3), including the restrictions on influencing legislation and political campaigning contained therein.

Rev. Rul. 68-263

An organization operating in the manner described below is not exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The organization was formed to promote the education of the public on patriotic, political, and civic matters, and to inform and alert the American citizenry to the dangers of an extreme political doctrine. In furtherance of such purposes, it distributes numerous books and pamphlets. It also operates a speakers' bureau and publishes a weekly newsletter.

The various materials distributed or presented by the organization include substantial amounts of data about the current objectives and activities of the extreme political doctrine. However, these materials also include many allegations and charges that certain individuals and institutions are of questionable national loyalty. Such charges are primarily developed by the use of disparaging terms, insinuations, and innuendoes and the suggested implications to be drawn from incomplete facts. For instance, the organization bases many of its conclusions on incomplete listings of an individual's organizational affiliations without stating the extent or the nature of the affiliations or attempting to present a full and fair exposition of the pertinent facts about those organizations.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for educational purposes. The instruction of the public on matters useful to the individual and beneficial to the community is considered educational. An organization may be educational even though it advocates a particular position or viewpoint so long as it presents a sufficiently full and fair exposition of pertinent facts to permit the public to form its own opinion or conclusion, independent of that presented. On the other hand, the mere presentation of unsupported opinion is not 'educational.' See section 1.501(c)(3)-1(d)(3) of the Income Tax Regulations.

An organization is not exempt under section 501(c)(3) of the Code if more than an insubstantial part of its activities is not in furtherance of an exempt purpose. See section 1.501(c)(3)-1(c)(1) of the regulations.

The instruction of the public by recognized educational methods on the political or moral significance of an extreme doctrine and the threat it represents to the United States may qualify an organization for exempt status under section 501(c)(3) of the Code. However, the instant organization's attacks against identified individuals and institutions are not supported by a sufficiently full and fair exposition of the pertinent facts to permit the public to form opinions or judgments independent of those presented and, therefore, do not constitute instruction of the public within the meaning of section 1.501(c)(3)-1(d)(3) of the regulations cited above. Since these activities represent a substantial part of the organization's

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activities, the organization is not exempt from Federal income tax under section 501(c)(3) of the Code.

Rev. Rul. 64-192

An organization was created (1) to educate the public as to the quality of radio and television programs, and (2) to encourage, by educational methods, all radio and television stations to fulfill their obligations to serve the public interest.

No person engaged in commercial broadcasting may be a member of the organization, and it has no purpose in any way to serve the financial interests of any person so engaged.

The organization conducts an annual opinion poll, the purpose of which is not to find the number who prefer certain programs, but to determine the reasons for the preferences indicated. In addition, the organization publishes newsletters, and prepares teaching evaluation guides and study kits. The teaching evaluation guides are generally for the use of local community groups so that people can become equipped to demand good programs. The study kits are available to college and high school groups. The kits contain, for the most part, articles and pamphlets relating primarily to the television industry. The organization's primary source of income is from membership dues. Expenditures are primarily for printing costs and postage.

Section 501(c)(3) of the Internal Revenue Code of 1954 provides, in part, that, for an organization to qualify for exemption from Federal income tax under section 501(a) of the Code, it must be organized and operated exclusively for religious, charitable, scientific, literary or educational purposes.

Section 1.501(c)(3)-1(d)(3) of the Income Tax Regulations, as far as here pertinent, provides that the term 'educational' as used in section 501(c)(3) of the Code relates to the instruction of the public on subjects useful to the individual and beneficial to the community. That section of the regulation also provides that an organization may be educational even though it advocates a particular position or viewpoint so long as it presents a sufficiently full and fair exposition of the pertinent facts to permit an individual or the public to form an independent opinion or conclusion.

The purposes of the organization are to educate the public by educational means regarding the quality of radio and television programs; to observe and study in order to arrive at standards for judging programs; and thereby to encourage, by educational methods, all radio and television stations to fulfill their obligations to serve the public interest. These objectives are achieved by educational means through various publications, teaching people to be discriminating in their viewing and listening habits, and teaching people to 'think' and to have sound reasons for their choice of programs and to make their feelings known to broadcasters so that they, in turn, may improve programs in the public interest. The facts disclose that information gathered by the organization is disseminated to the public in such a manner that an independent judgment may be made. The information also serves to encourage broadcasters to better serve the public interest.

In view of the above, it is held that the organization, in the instant case, qualifies for exemption from Federal income tax under section 501(c)(3) of the Code, as an educational organization.

An organization which considers itself within the scope of this Revenue Ruling must, in order to establish exemption under section 501(c)(3) of the Code, file an application on Form 1023,

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Exemption Application, with the District Director of Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the Regulations.

Rev. Rul. 86-49

ISSUE

Does an organization that is formed for the purpose of preserving the historic or architectural character of a community through the acquisition, occasional restoration of historically or architecturally significant properties, and subsequent disposition of those properties under the circumstances described below, qualify as an organization organized and operated exclusively for charitable or educational purposes under section 501(c)(3) of the Internal Revenue Code?

FACTS

The organization was formed exclusively for the purposes of preserving the historic and architectural character of its community through the acquisition, occasional restoration of historically or architecturally significant properties, and subsequent disposition of those properties subject to restrictive covenants. These covenants are designed exclusively to preserve the historical character or architectural significance of the properties and, through such activities, of education the public on the importance of historic preservation. The organization is composed of interested members of the public and is governed by a representative group that includes community and preservation leaders, and prominent architects and historians.

The organization has set up a "revolving fund" to acquire and resell historically or architecturally significant properties. The fund may also be used to restore the historically or architecturally significant properties in some cases. The acquisitions and sales are made at fair market value on arm's length terms and any profits from sales are used to purchase other historically or architecturally significant properties or for other activities in keeping with the organization's tax exempt purposes. The organization sells the properties subject to restrictive covenants designed exclusively to preserve the historical character or architectural significance of the properties. These covenants generally restrict the use and enjoyment of the property by controlling its physical and/or visual aspects. The covenants are granted in perpetuity, bar any interior or exterior alterations without the consent of the organization, give the organization the right of first refusal in the event a purchaser should later desire to sell, and, in some cases, require restoration of the structure to its original appearance. Unlike covenants imposed by local associations of homeowners, these covenants preserve the designated properties in their historical state or character for the benefit of the public, rather than merely ensuring their conformity to locally imposed standards. Since such covenants may decrease the value of the property, the organization may lose some money in its resale operations. Such losses, if any, would be considered by it as a cost of its program.

The buyers include private individuals. However, the organization will not resell property to the person who initially sold or contributed the property to the organization or any related person.

The acquired structures are generally visible from the public right of way. Where they are not so visible, the organization provides in the restrictive covenants that visual access to the property will be

Form 1023

made available to the public on a regular basis and the terms of the restrictive covenants contain prescribed conditions for such access, under the requirements set forth in section 1.170A-14(d)(5)(iv) of the Income Tax Regulations.

In order to ensure that only historically or architecturally significant structures are acquired, the organization confines its acquisitions to structures that possess integrity of location, design, setting, materials, and workmanship and:

- (1) are closely associated with significant events or developments in American history; or
- (2) are closely associated with the lives of significant American historical figures; or,
- (3) embody distinctive characteristics of a type, period, or method of construction, or that represent the works of a master, or that possess high artistic value; and are either:
 - (a) listed in the National Register of Historic Places; or,
 - (b) located in a registered historic district and are certified by the Secretary of the Interior as being of historic significance to the district.

A registered historic district is either any district listed in the National Register of Historic Places or any district that is designated under a statute of an appropriate State or local government that is certified by the Secretary of the Interior as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance to the district and that is certified by the Secretary of the Interior as meeting substantially all of the requirements for the listing of districts in the National Register.

LAW

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for charitable or educational purposes.

Section 1.501(c)(3)-(d)(2) of the regulations states that the term "charitable" is used in its generally accepted legal sense, and includes the advancement of education, the erection or maintenance of public buildings, monuments, or works, and the promotion of social welfare by organizations designed to combat community deterioration.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations provides that an organization is not organized or operated exclusively for charitable or educational purposes unless it serves a public rather than a private interest.

The Historic Preservation Act of 1966 (16 U.S.C. Sections 461, 470) provides that it is a national policy to preserve for public use historic sites, buildings, and objects of national significance for the inspiration and benefit of the people of the United States. The Act further states that the historical and cultural foundations of the nation should be preserved as a living part of our community life and development to give a sense of orientation to the American people.

Rev. Rul. 67-391, 1967-2 C.B. 190. holds that a nonprofit organization formed to develop and disseminate an urban land-use plan that is designed to improve the area, eliminate existing blight, and guard against future deterioration qualifies for exemption under section 501(c)(3) of the Code as being operated exclusively for educational and charitable purposes. The organization does not ordinarily engage in real estate transactions but does purchase and sell property of strategic value that is in danger of being exploited in a manner that might endanger the plan.

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Rev. Rul. 75-470, 1975-2 C.B. 207., holds that a nonprofit organization formed to promote an appreciation of history through the acquisition, restoration, and preservation of homes, churches, and public buildings having special historical or architectural significance and to open the buildings for viewing by the general public qualifies for exemption under section 501(c)(3) of the Code as being organized and operated exclusively for educational and charitable purposes.

ANALYSIS

The purpose of the organization in this case is to educate and otherwise benefit the public by restoring and preserving historically or architecturally significant properties through the acquisition, occasional restoration, and disposition of such properties at fair market value on arm's length terms. The continued preservation of such properties after their sale by the organization is guaranteed by means of restrictive covenants that are reasonably suited to preserving the historic or architectural character of the structures and community involved.

The identification, restoration, and preservation of historically or architecturally significant properties serves to educate the public and operates to prevent community deterioration within the meaning of section 1.501(c)(3)-1(d)(2) of the regulations. Under such circumstances, historic and architectural preservation is a charitable purpose and activity within the meaning of section 501(c)(3) of the Code. The organization's utilization of a revolving fund to facilitate the purchase and sale of properties is reasonably calculated to accomplish its charitable purposes. This method of historic and architectural preservation does not serve private interests within the meaning of section 1.501(c)(3)-1(d)(1)(ii) of the regulations because any private purchaser pays not less than fair market value for the property purchased, and purchases subject to appropriate restrictive covenants.

HOLDING

An organization that is formed for the purpose of preserving the historic or architectural character of a community through the acquisition and occasional restoration of historically or architecturally significant properties and subsequent disposition of those properties under the circumstances described above, qualifies as an organization organized and operated exclusively for charitable or educational purposes under section 501(c)(3) of the Code. Such an organization must also meet the other requirements of section 501(c)(3) in order to be exempt from federal income tax.

APPLICATION INSTRUCTIONS

Even though an organization considers itself within the scope of this revenue ruling, it must file an application on Form 1023. Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. See sections 1.501(a)-1 and 1.508-1(a) of the regulations. In accordance with the instructions to Form 1023, the application should be filed with the District Director of Internal Revenue for the key district indicated therein.

Rev. Rul. 66-147

Advice has been requested whether a nonprofit corporation organized and operated as described herein qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The organization was organized for exclusively educational, scientific, and charitable purposes. Its

Media Matters for America
Employer ID # 47-0928008

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specific purpose is to inform the interested public of current developments appearing in scientific and medical literature. The organization employs technical personnel who survey the world's medical and scientific publications as soon as they are published. They select and abstract articles appearing in this literature. The abstracts are compiled in monthly publications and are distributed free of charge to anyone having particular interest in the subject matter.

The organization's staff is highly trained in particular fields of medicine, chemistry, and biology. In addition, most of the staff has special training in foreign languages, in which a great many of the articles are written. The organization obtains its operating funds from contributions and governmental grants.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable, scientific, and educational purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations defines the term 'charitable' as used in section 501(c)(3) of the Code as including the advancement of education or science.

The activities of the organization, consisting of reviewing medical and scientific publications, and preparing and disseminating free abstracts of meaningful and accurate reference materials based on articles appearing in such publications, are programs which advance education and science.

Therefore, the organization qualifies for exemption from Federal income tax under section 501(c)(3) of the Code.

An organization which considers itself within the scope of this Revenue Ruling must, in order to establish exemption under section 501(c)(3) of the Code, file an application on Form 1023, Exemption Application, with the District Director of Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.

MEDIA MATTERS FOR AMERICA

Yes! I/We would love to work to keep the rest of the media honest, fair, and free from undue conservative influence.

I/we would like to:

- Make a donation: \$ _____
- Host a fundraiser
- Attend a fundraising event in my area
- Add my name to Media Matters list of supporters
- Other _____

Please mail this response with checks made payable to:
Media Matters for America
 3334 N Street, NW
 Washington, DC 20007

Name	
Business Name	
Business Address	
Home Address	
Work Phone	
Home Phone	
Email	
Occupation	

If you have questions, please contact:
DAVID BROCK or DARRIN BODNER
 mm4a@hotmail.com
 202.478.6346

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Business Address	
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Work Phone	
Home Phone	
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Business Address	
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Work Phone	
Home Phone	
Email	
Occupation	

If you have questions, please contact:
DAVID BROCK or DARRIN BODNER
 mm4a@hotmail.com
 202.478.6346

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
David Brock, President 3334 N St, NW Washington, DC 20007	\$0 *may be compensated for work as an employee in future, not for service as an officer or director of the Corporation
Peter D. Rosenstein, Treasurer 1545 18th St, NW #405 Washington, DC 20036	\$0
Will Lippincott, Secretary 80 Fifth Ave, # 1101 New York, NY 10011	\$0

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? Yes No
If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See **Specific Instructions** for Part II, Line 4d, on page 3.) Yes No
If "Yes," explain.

5 Does the organization control or is it controlled by any other organization? Yes No
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? Yes No
If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? Yes No
If "Yes," explain fully and identify the other organizations involved.

In an effort to develop as wide a fundraising base as possible, the organization will likely exchange mailing lists with or purchase mailing lists from an assortment of exempt organizations, including non-501(c)(3) organizations. All such transactions will be at standard fair market value rates.

7 Is the organization financially accountable to any other organization? Yes No
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Part II Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A."

N/A

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? Yes No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? Yes No

b Is the organization a party to any leases? Yes No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization? Yes No

If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues.

b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.

c What benefits do (or will) the members receive in exchange for their payment of dues?

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? N/A Yes No
If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? N/A Yes No
If "Yes," explain how the recipients or beneficiaries are or will be selected.

13 Does or will the organization attempt to influence legislation? Yes No
If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? Yes No
If "Yes," explain fully.

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? Yes No
If you answer "Yes," do not answer questions on lines 2 through 6 below.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See **Specific Instructions**, Line 2a, on page 4;
- b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No

If "Yes," your organization qualifies under Regulation section 301.9100-2, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 6.

If "No," answer question 4.

4 If you answer "No" to question 3, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? Yes No

If "Yes," give the reasons for not filing this application within the 27-month period described in question 3. See **Specific Instructions**, Part III, Line 4, before completing this item. Do not answer questions 5 and 6.

If "No," answer questions 5 and 6.

5 If you answer "No" to question 4, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? . . . Yes No

6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here and attach a completed page 1 of Form 1024 to this application.

Part III Technical Requirements (Continued)

- 7 Is the organization a private foundation?
 Yes (Answer question 8.)
 No (Answer question 9 and proceed as instructed.)

- 8 If you answer "Yes" to question 7, does the organization claim to be a private operating foundation?
 Yes (Complete Schedule E.)
 No

After answering question 8 on this line, go to line 14 on page 7.

- 9 If you answer "No" to question 7, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | | |
|---|---|--|
| a | <input type="checkbox"/> As a church or a convention or association of churches
(CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1)
and 170(b)(1)(A)(i) |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1)
and 170(b)(1)(A)(ii) |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a
medical research organization operated in conjunction with a
hospital (These organizations, except for hospital service
organizations, MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1)
and 170(b)(1)(A)(iii) |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1)
and 170(b)(1)(A)(v) |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with,
one or more of the organizations described in a through d, g, h, or i
(MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public
safety. | Section 509(a)(4) |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is
owned or operated by a governmental unit. | Sections 509(a)(1)
and 170(b)(1)(A)(iv) |
| h | <input checked="" type="checkbox"/> As receiving a substantial part of its support in the form of
contributions from publicly supported organizations, from a
governmental unit, or from the general public. | Sections 509(a)(1)
and 170(b)(1)(A)(vi) |
| i | <input type="checkbox"/> As normally receiving not more than one-third of its support from
gross investment income and more than one-third of its support from
contributions, membership fees, and gross receipts from activities
related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| j | <input type="checkbox"/> The organization is a publicly supported organization but is not sure
whether it meets the public support test of h or i. The organization
would like the IRS to decide the proper classification. | Sections 509(a)(1)
and 170(b)(1)(A)(vi)
or Section 509(a)(2) |

If you checked one of the boxes a through f in question 9, go to question
 14. If you checked box g in question 9, go to questions 11 and 12.
 If you checked box h, i, or j, in question 9, go to question 10.

Part III Technical Requirements (Continued)

- 10 If you checked box h, i, or j in question 9, has the organization completed a tax year of at least 8 months?
 Yes—Indicate whether you are requesting:
 A definitive ruling. (Answer questions 11 through 14.)
 An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed and signed.)
 No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023.
- 11 If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

- 12 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:
 a Enter 2% of line 8, column (e), Total, of Part IV-A
 b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 12a above.

- 13 If you are requesting a definitive ruling under section 509(a)(2), check here and:
 a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3.)
 b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

14 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
Is the organization a church?		✓	A
Is the organization, or any part of it, a school?		✓	B
Is the organization, or any part of it, a hospital or medical research organization?		✓	C
Is the organization a section 509(a)(3) supporting organization?		✓	D
Is the organization a private operating foundation?		✓	E
Is the organization, or any part of it, a home for the aged or handicapped?		✓	F
Is the organization, or any part of it, a child care organization?		✓	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		✓	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . . .		✓	I

Part IV Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
	(a) From 8/15/03 to 12/31/03	(b) 2004	(c) 2005	(d) -----	
Revenue					
1 Gifts, grants, and contributions received (not including unusual grants—see page 6 of the instructions)	\$227,000	\$2,050,000	\$3,150,000		\$5,427,000
2 Membership fees received	0	0	0		0
3 Gross investment income (see instructions for definition)	0	40,000	60,000		100,000
4 Net income from organization's unrelated business activities not included on line 3	0	0	0		0
5 Tax revenues levied for and either paid to or spent on behalf of the organization	- 0	0	0		0
6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)	0	0	0		0
7 Other income (not including gain or loss from sale of capital assets) (attach schedule)	0	0	0		0
8 Total (add lines 1 through 7)	227,000	2,090,000	3,210,000		5,527,000
9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22.	0	0	0		0
10 Total (add lines 8 and 9)	227,000	2,090,000	3,210,000		5,527,000
11 Gain or loss from sale of capital assets (attach schedule)	0	0	0		0
12 Unusual grants	0	0	0		0
13 Total revenue (add lines 10 through 12)	227,000	2,090,000	3,210,000		5,527,000
Expenses					
14 Fundraising expenses	0	100,000	150,000		
15 Contributions, gifts, grants, and similar amounts paid (attach schedule)	0	0	0		
16 Disbursements to or for benefit of members (attach schedule)	0	0	0		
17 Compensation of officers, directors, and trustees (attach schedule)	0	0	0		
18 Other salaries and wages	11,250	1,200,000	1,800,000		
19 Interest	0	0	0		
20 Occupancy (rent, utilities, etc.)	0	150,000	175,000		
21 Depreciation and depletion	0	0	0		
22 Other (attach schedule)	4,226	576,000	1,050,000		
23 Total expenses (add lines 14 through 22)	15,475	2,026,000	3,145,000		
24 Excess of revenue over expenses (line 13 minus line 23)	211,525	64,000	65,000		

Media Matters for America
Employer ID # 47-0928008

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Schedule for Line 22

	2003	2004
Benefits	\$249,231	\$454,327
Consultants (Organizational Development, Tech, PR)	\$72,426	\$132,027
Supplies, subscriptions	\$42,604	\$77,663
Equipment and maintenance	\$42,604	\$77,663
Travel/Entertainment	\$25,562	\$46,598
Legal Fees	\$21,302	\$38,831
Computers, software, equipment	\$21,302	\$38,831
Furniture	\$20,450	\$37,278
Transcription Services	\$12,781	\$23,299
Postage and Shipping	\$10,651	\$19,416
Printing and Publications	\$8,521	\$15,533
Accounting Fees	\$5,964	\$10,873
Web Design	\$4,260	\$7,766
Graphic Design	\$4,260	\$7,766
Contingency	\$34,083	\$62,130
	\$576,000	\$1,050,000

Part IV Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)		Current tax year Date <u>11/07/2003</u>
Assets		
1	Cash	213,624
2	Accounts receivable, net	0
3	Inventories	0
4	Bonds and notes receivable (attach schedule)	0
5	Corporate stocks (attach schedule)	0
6	Mortgage loans (attach schedule)	0
7	Other investments (attach schedule)	0
8	Depreciable and depletable assets (attach schedule)	0
9	Land	0
10	Other assets (attach schedule)	0
11	Total assets (add lines 1 through 10)	213,624
Liabilities		
12	Accounts payable	15,475
13	Contributions, gifts, grants, etc., payable	0
14	Mortgages and notes payable (attach schedule)	0
15	Other liabilities (attach schedule)	0
16	Total liabilities (add lines 12 through 15)	15,475
Fund Balances or Net Assets		
17	Total fund balances or net assets	213,624
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	227,000

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation

Form **872-C**

(Rev. September 1998)

Department of the Treasury
Internal Revenue Service

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

(See instructions on reverse side.)

OMB No. 1545-0056

To be used with
Form 1023. Submit
in duplicate.

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period,

Media Matters for America

(Exact legal name of organization as shown in organizing document)

3334 N St., NW, Washington, DC 20007

(Number, street, city or town, state, and ZIP code)

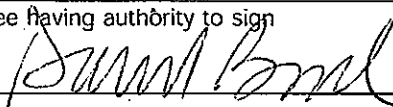
and the

District Director of
Internal Revenue, or
Assistant
Commissioner
(Employee Plans and
Exempt Organizations)

consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year **12/31/2003**
(Month, day, and year)

Name of organization (as shown in organizing document)	Date
Media Matters for America	11/23/03
Officer or trustee having authority to sign	Type or print name and title
Signature ► 	David Brock, President
For IRS use only	
District Director or Assistant Commissioner (Employee Plans and Exempt Organizations)	Date

By ►