



January 31, 2000

INTERNAL REVENUE SERVICE
P.O. Box 192
Covington, KY 41011

Re: The Illustrators Club, Inc.
EIN: 54-1367935

To the District Director:

Please find enclosed our completed Form 1024 Application for Recognition of Exemption as a "business league" under Section 501(c)(6).

By way of introduction, please consider the following.

We originally applied for exemption in 1987 as a 501(c)(3) organization, based on misinformation and ill-drafted articles of incorporation, and were consequently turned down. Unaware of other exemption options, we did not appeal that determination and have since been filing regular corporate tax returns (Forms 1120-A), even though we continued to operate exclusively as a nonprofit.

Last year we first learned about the availability of exemption as a "business league" under Section 501(c)(6), which seemed perfectly to describe our purposes and activities. We therefore restated our articles of incorporation to reflect this fact.

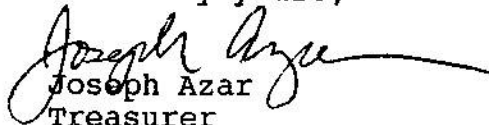
At the time, we were advised by IRS exempt-organization personnel in Baltimore that we could immediately file Form 990 instead of Form 1120, as long as we submitted our Form 1024 application within the next 15 months. Accordingly, we filed Form 990-EZ in May, 1999, and began preparing the application.

Obviously, our act of filing as an exempt organization was made in good faith, and not intended to be premature or to influence your determination of our status in any way.

I am eager to answer any questions or provide additional information as necessary. I can be reached at (703) 527-1443.

Thank you for your consideration.

Sincerely yours,


Joseph Azar
Treasurer

Enclosures

**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
The Illustrators Club, Inc.

2 Employer Identification Number
54 1367935

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

- 3 Type of request** **Fee**
- a Initial request for a determination letter for:
- 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 Initial request for a determination letter for:
- 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 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

THE ILLUSTRATORS CLUB 6-92
 P. O. BOX 310
 ARLINGTON, VA 22210

1661

DATE Dec. 19, 1999 15-52/540

PAY TO THE ORDER OF INTERNAL REVENUE SERVICE \$ 500.00
FIVE HUNDRED and no xx/100 DOLLARS

CRESTAR

Crestar Bank
 Washington, DC

FOR USER FEE - FORM 8718 (FOR TAX EXEMPTION APPLICATION, FORM 1024) Joseph Ayza

⑈00001661⑈ ⑆054000522⑆ 206570 20⑈

**Application for Recognition of Exemption
 Under Section 501(a)**

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 the organization.

Complete the Procedural Checklist on page 6 of the instructions.

Part I. Identification of Applicant (Must be completed by all applicants; also complete appropriate schedule.)
 Submit only the schedule that applies to your organization. Do not submit blank schedules.

Check the appropriate box below to indicate the section under which the organization is applying:

- a Section 501(c)(2)—Title holding corporations (Schedule A, page 7)
- b Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)
- c Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 9)
- d Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 9)
- e Section 501(c)(7)—Social clubs (Schedule D, page 11)
- f Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule E, page 13)
- g Section 501(c)(9)—Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)
- h Section 501(c)(10)—Domestic fraternal societies, orders, etc., not providing life, sick, accident, or other benefits (Schedule E, page 13)
- i Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)
- j Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 16)
- k Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)
- l Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)
- m Section 501(c)(19)—A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)
- n Section 501(c)(25)—Title holding corporations or trusts (Schedule A, page 7)

1a Full name of organization (as shown in organizing document) The Illustrators Club, Inc.	2 Employer identification number (EIN) (if none, see Specific Instructions on page 2) 54 1367935		
1b c/o Name (if applicable) The Illustrators Club of Washington, D.C., Maryland and Virginia	3 Name and telephone number of person to be contacted if additional information is needed Joseph Azar (Treasurer) (703)527-1443		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">1c Address (number and street) P.O. Box 310</td> <td style="width: 50%;">Room/Suite</td> </tr> </table>		1c Address (number and street) P.O. Box 310	Room/Suite
1c Address (number and street) P.O. Box 310		Room/Suite	
1d City, town or post office, state, and ZIP + 4 If you have a foreign address, see Specific Instructions for Part I, page 2. Arlington, VA 22210-0310			
1e Web site address www.cdad.com/ic	4 Month the annual accounting period ends December	5 Date incorporated or formed 04/14/86	

6 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? Yes No
 If "Yes," attach an explanation. Please see Attachment 1

7 Has the organization filed Federal income tax returns or exempt organization information returns? Yes No
 If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.
 990-EZ (1998) and 1120 (1988 through 1997), Philadelphia, PA

8 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a Corporation— Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach 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 that the organization was formed by adoption of the document by more than one person. Also include a copy of the bylaws.

If this 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 Joseph Azar, Treasurer 12-19-99
 (Signature) (Type or print name and title or authority of signer) (Date)

Part II. Activities and Operational Information (Must be completed by all applicants)

- 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.

The Illustrators Club, Inc. is a not-for-profit, all-volunteer organization of professional illustrators, allied graphic artists, art students, and corporate and individual supporters, dedicated to preserving, promoting, and improving the business of illustration in Washington, D.C. and the surrounding region.

To that end, it produces, co-sponsors, or participates in various events every year, including a juried exhibition, a themed lecture series, and other educational and promotional programs. It also publishes and distributes a Code of Fair Practice to encourage high ethical standards in the industry.

These activities are described in detail in Attachment 2.

- 2 List the organization's present and future sources of financial support, beginning with the largest source first.

- Membership dues
- Annual Show (self-funding; income from entry fees & hanging fees)
- Admission fees for lectures, programs, and special events
- Contributions
- Sale of mailing list, promotional items, etc.

Part II. Activities and Operational Information (continued)**3** Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
Please see Attachment 3, page 1	\$0 (all-volunteer)

4 If the organization is the outgrowth or continuation of any form of predecessor, state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.

N/A

5 If the applicant organization is now, or plans to be, connected in any way with any other organization, describe the other organization and explain the relationship (e.g., financial support on a continuing basis; shared facilities or employees; same officers, directors, or trustees).

N/A

6 If the organization has capital stock issued and outstanding, state: (1) class or classes of the stock; (2) number and par value of the shares; (3) consideration for which they were issued; and (4) if any dividends have been paid or whether your organization's creating instrument authorizes dividend payments on any class of capital stock.

N/A

7 State the qualifications necessary for membership in the organization; the classes of membership (with the number of members in each class); and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Attach sample copies of all types of membership certificates issued.

Please see Attachment 3, page 2

8 Explain how your organization's assets will be distributed on dissolution.

Please see Paragraph 9 of the Restatement of Articles of Incorporation of the Illustrators Club, Inc. (also Attachment 3, page 2)

Part II. Activities and Operational Information (continued)

9 Has the organization made or does it plan to make any distribution of its property or surplus funds to shareholders or members? Yes No
If "Yes," state the full details, including: (1) amounts or value; (2) source of funds or property distributed or to be distributed; and (3) basis of, and authority for, distribution or planned distribution.

10 Does, or will, any part of your organization's receipts represent payments for services performed or to be performed? Yes No
If "Yes," state in detail the amount received and the character of the services performed or to be performed.

11 Has the organization made, or does it plan to make, any payments to members or shareholders for services performed or to be performed? Yes No
If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.

12 Does the organization have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits, pensions, or annuities)? Yes No
If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

13 Is the organization under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.? Yes No
If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision, as well as copies of applications or requests for the opinions or decisions.

14 Does the organization now lease or does it plan to lease any property? Yes No
If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between the applicant organization and the other party. Also, attach a copy of any rental or lease agreement. (If the organization is a party, as a lessor, to multiple leases of rental real property under similar lease agreements, please attach a single representative copy of the leases.)

15 Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization? Yes No
If "Yes," explain in detail and list the amounts spent or to be spent in each case.

16 Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material? Yes No
If "Yes," attach a recent copy of each. QUARTERLY
"Sketches" (~~bi-monthly~~ newsletter); Visual Directory (annual)
Please see folder of "Miscellaneous Printed Material" for samples

Part III. Financial Data (Must be completed by all applicants)

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

	(a) Current Tax Year	3 Prior Tax Years or Proposed Budget for Next 2 Years			(e) Total ?
	From Jan. 1 To Dec. 15	(b) 1998	(c) 1997	(d) 1996	
Revenue					
1 Gross dues and assessments of members	12,690	13,824	9,205	6,915	
2 Gross contributions, gifts, etc.	4,500	4,000	500		
3 Gross amounts derived from activities related to the organization's exempt purpose (attach schedule) (Include related cost of sales on line 9.)	22,650	24,447	(NO ANNUAL SHOW) 3,896	6,623	
4 Gross amounts from unrelated business activities (attach schedule)					
5 Gain from sale of assets, excluding inventory items (attach schedule)					
6 Investment income (see page 3 of the instructions)					
7 Other revenue (attach schedule)		5,730			
8 Total revenue (add lines 1 through 7)	39,840	48,001	13,601	13,538	
Expenses					
9 Expenses attributable to activities related to the organization's exempt purposes.	28,493	29,541	13,415	11,220	
10 Expenses attributable to unrelated business activities					
11 Contributions, gifts, grants, and similar amounts paid (attach schedule)					
12 Disbursements to or for the benefit of members (attach schedule)					
13 Compensation of officers, directors, and trustees (attach schedule)					
14 Other salaries and wages.					
15 Interest					
16 Occupancy					
17 Depreciation and depletion					
18 Other expenses (attach schedule)					
19 Total expenses (add lines 9 through 18)	28,493	29,541	13,415	11,220	
20 Excess of revenue over expenses (line 8 minus line 19)	11,347	18,460	186	2,318	

B. Balance Sheet (at the end of the period shown)

		(1999)	Current Tax Year as of Dec. 15
Assets			
1	Cash		31,945
2	Accounts receivable, net		
3	Inventories		
4	Bonds and notes receivable (attach schedule)		
5	Corporate stocks (attach schedule)		
6	Mortgage loans (attach schedule)		
7	Other investments (attach schedule)		
8	Depreciable and depletable assets (attach schedule)		
9	Land		
10	Other assets (attach schedule)		
11	Total assets		31,945
Liabilities			
12	Accounts payable		
13	Contributions, gifts, grants, etc., payable		
14	Mortgages and notes payable (attach schedule)		
15	Other liabilities (attach schedule)		
16	Total liabilities		
Fund Balances or Net Assets			
17	Total fund balances or net assets		
18	Total liabilities and fund balances or net assets (add line 16 and line 17)		

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.

Part IV. Notice Requirements (Sections 501(c)(9) and 501(c)(17) Organizations Only)

N/A

1 Section 501(c)(9) and 501(c)(17) organizations:

Are you filing Form 1024 within 15 months from the end of the month in which the organization was created or formed as required by section 505(c)? Yes No

If "Yes," skip the rest of this Part.

If "No," answer question 2.

2 If you answer "No" to question 1, are you filing Form 1024 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 3 and 4.

If "No," answer question 3.

3 If you answer "No" to question 2, 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 2. See Specific Instructions, Part IV, Line 3, page 4, before completing this item. Do not answer question 4.

If "No," answer question 4.

4 If you answer "No" to question 3, your organization's qualification as a section 501(c)(9) or 501(c)(17) organization can be recognized only from the date this application is filed. Therefore, does the organization want us to consider its application as a request for recognition of exemption as a section 501(c)(9) or 501(c)(17) organization from the date the application is received and not retroactively to the date the organization was created or formed? Yes No

Schedule C Organizations described in section 501(c)(5) (Labor, agricultural, including fishermen's organizations, or horticultural organizations) or section 501(c)(6) (business leagues, chambers of commerce, etc.)

- 1 Describe any services the organization performs for members or others. (If the description of the services is contained in Part II of the application, enter the page and item number here.)

The Illustrators Club, Inc. does not perform any services for specific members or other individuals. All its activities are intended to promote and improve generally the business of illustration, for all illustrators. Please see Attachment 2, pages 1-4.

- 2 Fishermen's organizations only.—What kinds of aquatic resources (not including mineral) are cultivated or harvested by those eligible for membership in the organization?

N/A

- 3 Labor organizations only.—Is the organization organized under the terms of a collective bargaining agreement? . . . Yes No

If "Yes," attach a copy of the latest agreement.

N/A

THE ILLUSTRATORS CLUB, INC.
P.O. Box 310
Arlington, VA 22210
EIN: 54-1367935

ATTACHMENT 1

Part I, Line Item 6:

The Illustrators Club, Inc. applied for recognition of exemption in 1987, shortly after its founding (Form 1023, 7/22/87), filing as a 501(c)(3) organization. This was a mistake, based on the fact that its Articles of Incorporation had been inappropriately adapted from a standard form, the terms of which could not credibly apply to its true purposes and activities. As a result, the application was denied. See IRS Letter of Determination, dated 5/25/89 (Copy at Tab 2).

Nothing in this IRS Letter suggested that the organization might qualify for tax exemption under any other section, and being unaware of other options at the time, we decided not to appeal the determination.

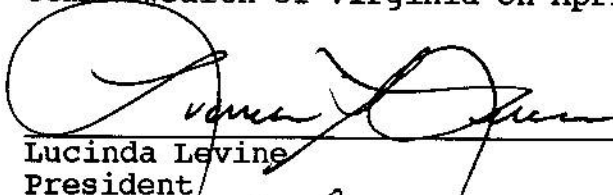
Recently, however, we learned that we have been operating all along as a "business league" according to Section 501(c)(6). We have therefore restated our Articles of Incorporation to reflect this fact and submit this application for recognition as such.

Part I, Line Item 8:

Attached at Tab 3 are:

- copy of State Certificate of Articles of Restatement
- copy of Restatement of Articles of Incorporation of The Illustrators Club, Inc. (1999)
- copy of original Articles of Incorporation (1986)
- copy of current By-Laws

CERTIFICATE OF CONFORMED COPY: We the undersigned hereby certify that the enclosed Restatement of the Articles of Incorporation of The Illustrators Club, Inc. is a complete and accurate copy of the original, which was filed on March 29, 1999 and approved by the Commonwealth of Virginia on April 9, 1999.



Lucinda Levine
President

Date: 1-31-00



Joseph Azar
Treasurer

Date: 12-20-99