

Form **1023**
 (Rev. December 1989)
 Department of the Treasury
 Internal Revenue Service

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

37766
 OMB No 1545-0038
 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 1023 (with payment of the appropriate user fee), the application may be returned to you.

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document) Adoptions Together, Inc.		2 Employer identification number (If none, see instructions.) Applied For 52-1703994
1b c/o Name (If applicable) Mr. Jeffrey Berman	3 Name and telephone number of person to be contacted if additional information is needed Mr. James Scott, Jr. (301) 881-3220	
1a Address (number and street) 5830 Hubbard Drive		
1d City or town, state, and ZIP code Rockville; Maryland 20850	4 Month the annual accounting period ends December	
8 Data incorporated or formed June 29, 1990	8 Actively codes (See instructions.) 564 ; 569 559	7 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(l) c <input type="checkbox"/> 501(k)
8 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
9 Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form number(s), years filed, and Internal Revenue office where filed. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

RECEIVED

NOV 16 1990

District Director of Internal Revenue
 EP/EO Division EO Screeners
 Baltimore

RECEIVED

DEC 10 1990

NOV 14 1990

EP/EO Division
 User Fee Unit

DEC 06 1990

EP/EO Division
 User Fee Unit
 Baltimore

10 Check the box for your type of organization. BE SURE TO ATTACH A COMPLETE COPY OF THE CORRESPONDING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a Corporation— Attach a copy of your Articles of Incorporation, (including amendments and restatements) showing approval by the appropriate state official; also include a copy of your bylaws.
- b Trust— Attach a copy of your Trust Indenture or Agreement, including all appropriate signatures and dates.
- c Association— Attach a copy of your 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 your bylaws.

If you are 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 *Jeffrey Berman* Associate Director 11/2/90
 (Signature) (Title or authority of signer) (Date)

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Complete the Procedural Checklist (page 7 of the instructions) prior to filing.

Section III Activities and Operational Information

- 2 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 your organizational document. Describe each activity separately in the order of importance. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

Adoptions Together will begin as a limited service adoption agency with the plan of expanding our services in the future. Our target population group to be served will be, but not limited to, infertile couples and single, birth parents unable to care for their children and children in need of a home. We will provide home studies for couples and singles adopting privately, internationally and through other agencies. We will also prepare a minimal number of home studies to have on file with Adoptions Together for traditional adoptions. Post placement services will be provided as required by the court, the State of MD or the placement agency. Since it is the philosophy of the staff of Adoptions Together that post placement services are important we will recommend a minimum of one visit in all cases. We plan to facilitate both agency assisted and traditional adoptions, offering services to both the adoptive and birth families. In addition to the home study and post placement services, the agency will offer adoptive couples assistance in guiding the couple through the search for a child. This may be in the form of individual or group consultation outlining how and where to advertise along with other strategies to locate a child. We will provide supportive counseling throughout the adoptive process. The agency will offer birth parents counseling and referrals. Within the guidelines established by the State of MD we will provide the birth family medical and legal services; maternity clothing, transportation, housing and living expenses. Beyond counseling and referrals, the birth parents must be working toward an adoption plan in order to receive services from Adoptions Together. It will be understood that she is under no legal or moral obligation to place her child after she receives services. After placement, Adoptions Together will provide counseling and support to the birth parents and will keep them informed of the growth and development of their child if desired. We will have at least one licensed home at all times prepared to offer care to an infant. The foster home will be used on an as needed basis. Potential adoptive parents may be studied and approved as foster parents in the event they may accept a legal risk placement and be designated as pre-adoptive foster parents. We will provide pre-adoptive counseling to individuals considering adoption. We plan to provide support groups, parenting classes and educational forums for adoptive parents in the community. We may also provide pre and post adoption support groups. All services offered by or through Adoptions Together will be provided by licensed social workers and members of the MD Bar. Activities were initiated on September 18, 1990, thereafter they will be random throughout the year. The activities will be conducted by Janice Goldwater, Jeffrey Berman and contract social workers at 5830 Hubbard Drive Rockville, Maryland 20852.

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

- 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.

Sliding reimbursement scale based on adoption services provided.
 Future plans include selective mailings to planned parenthood centers, pregnancy crisis centers, abortion centers, OB/GYN's and hospitals and social workers.

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:	b Annual Compensation
a Names, addresses, and titles of officers, directors, trustees, etc. Jeffrey Berman, Assoc. Dir. 11416 Houndsway Rockville, MD 20852 Janice Goldwater, Exec. Dir. 13804 Mills Ave Silver Spring, MD 20904 Board of Directors: Harry Goldwater 13804 Mills Avenue Silver Spring, MD 20904 Jeri Berman 11416 Houndsway Rockville, MD 20852 Yuet Alfred Lau 8909 Maxwell Dr. Potomac, MD 20854 Barbara Bregman 11500 Stephen Rd. Silver Spring, MD 20904 Nancy Johnson 9800 Justina Court Seabrook, MD 20706 Fran Simon 11813 Milburn Drive Potomac, MD 20854	NONE

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 the Specific Instructions for line 4d.) 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 to 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 501(c)(3) organizations): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement or 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 organization(s) involved.

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 III 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

9a 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 each such contract and explain the relationship between the applicant and each of the other parties.

10 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 your 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) your members receive in exchange for their payment of dues?

11a 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; show how the charges are determined; and attach a copy of your current fee schedule. Reimbursement fees will be charged to defray our costs of the home study, post placement visits and court report, as well as the casework with the biological parents, any financial assistance to the biological mother, legal costs for the relinquishment, foster care for the child, etc. The fee schedule will range from a minimum of \$5,500 to a maximum of \$7,500.

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.

12 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 which it devotes or plans to devote to this activity.

13 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 you were created or formed? Yes No
If you answer "Yes," do not answer questions 2 through 6.

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

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

- (a) is a church, interchurch organization, local unit of a church, a convention or association of churches, or an integrated auxiliary of a church;
- (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 you do not meet any of the exceptions in question 2, do you wish to request relief from the 15-month filing requirement? N/A Yes No

4 If you answer "Yes" to question 3, please give your reasons for not filing this application within 15 months from the end of the month in which your organization was created or formed. N/A

5 If you answer "No" to both questions 1 and 3 and do not meet any of the exceptions in question 2, your qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider your 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 you were formed? N/A 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 you were formed and ending with the date your Form 1023 application was received (the effective date of your section 501(c)(3) status), check the appropriate box and attach 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, do you claim to be a private operating foundation? N/A
 Yes (Complete Schedule E)
 No

If answering this question, go to Part IV.

- 9 If you answer "No" to question 7, indicate the public charity classification you are 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 (MUST COMPLETE SCHEDULE A.) | Sections 509(n)(1) and 170(b)(1)(A)(i) |
| (b) <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE D). | Sections 509(n)(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 (MUST COMPLETE SCHEDULE C). | Sections 509(n)(1) and 170(b)(1)(A)(iii) |
| (d) <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(n)(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), (i), or (l) (MUST COMPLETE SCHEDULE D). | Section 509(a)(3) |
| (f) <input type="checkbox"/> As being organized and operated exclusively for lasting 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(n)(1) and 170(b)(1)(A)(iv) |
| (h) <input 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)(v) |
| (i) <input checked="" 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"/> We are a publicly supported organization but are not sure whether we meet the public support test of block (h) or block (i). We would like the Internal Revenue Service 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), go to question 10.

Part III Technical Requirements (Continued)

- 10 If you checked box (h), (l), or (j) in question 9, have you completed a tax year of at least 8 months?
 No—You must request an advance ruling by completing and signing 2 Forms 872-C and attaching them to your application.
 Yes—Indicate whether you are requesting:
 A definitive ruling (Answer questions 11 through and including question 14.)
 An advance ruling (Answer questions 11 and 14 and attach 2 Forms 872-C completed and signed.)

- 11 If the organization received any unusual grants during any of the tax years shown in Part IV-A, 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 each such grant.

N/A

- 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 9, column (a) 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 you 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 person who is a "disqualified person."
- 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, and if so, complete the required schedule. (Submit only those schedules, if any, that apply to your organization. Do not submit blank schedules.)

	Yes	No	If "Yes," complete schedule
Is the organization a church?		X	A
Is the organization, or any part of it, a school?		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?		X	D
Is the organization an operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization?		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution?		X	I

Part 7 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 7-1-90 to 6-30-91	(b) 19 92...	(c) 19 93...	(d) 19	
Revenue					
1 Gifts, grants, and contributions received (not including unusual grants—see instructions)	27,000	28,350	29,768		85,118
2 Membership fees received					
3 Gross investment income (see instructions for definition)					
4 Net income from organization's unrelated business activities not included on line 3					
5 Tax revenues levied for and either paid to or spent on behalf of the organization					
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)					
7 Other income (not including gain or loss from sale of capital assets) (attach schedule)					
8 Total of lines 1 through 7	27,000	28,350	29,768		85,118
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	82,500	86,625	90,956		260,081
10 Total of lines 8 and 9	109,500	114,975	120,724		345,199
11 Gain or loss from sale of capital assets (attach schedule)					
12 Unusual grants					
13 Total revenue (add lines 10 through 12)	109,500	114,975	120,724		345,199
Expenses					
14 Fundraising expenses	1,500	1,575	1,654		
15 Contributions, gifts, grants, and similar amounts paid (attach schedule)					
16 Disbursements to or for benefit of members (attach schedule)	10,800	11,340	11,907		
17 Compensation of officers, directors, and trustees (attach schedule)	43,100	45,255	47,518		
18 Other salaries and wages					
19 Interest					
20 Occupancy (rent, utilities, etc.)	13,500	14,175	14,884		
21 Depreciation and depletion					
22 Other (attach schedule)	35,600	37,380	39,249		
23 Total expenses	104,500	109,725	115,212		
24 Excess of revenue over expenses (line 13 minus line 23)	5,000	5,250	5,512		

Adoptions Together, Inc.
Attachement I
Form 1023
Application for Recognition of Exemption

Part IV
Financial Data

#16 - Schedule of disbursements to or for benefit of members:

Birth Parent Housing and Living	\$10,800
Total	\$10,800
	=====

#22 - Schedule of other expenses:

Accounting Services	\$ 1,000
Consultants	32,100
Insurance	1,300
Supplies	<u>1,200</u>
Total	\$35,600
	=====

Part III Financial Data (Continued)

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

Current tax year
Date 09-30-90

Assets		
1	Cash	5,000
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	5,000
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	0
Fund Balances or Net Assets		
17	Total fund balances or net assets	5,000
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	5,000

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

Memorandum For File

Re: Adoptions Together, Inc.

The organization was formed on August 2, 1990 and seeks exemption under section 501(c)(3).

Facta:

The organization's stated purposes are as follows:

(a) To organize, maintain and operated a full service non-profit adoption agency, no part of the net earnings of which is to inure to the benefit of any member, shareholder or other individual.

(b) To generally engage in, do, and perform any enterprise, act vocation that a full service adoption agency might or could do or perform.

The organization was established to provide assistance to individuals seeking to adopt unwanted or abandoned children. The organization obtains its referrals for unwanted or abandoned children from hospital social workers and other institutions. The organization represents that it is not a for-profit adoption agency since for-profit agencies are prohibited in State of Maryland. The organization's fees are regulated by the State and appear to be less than similar fees charged for adoption services in other states. Membership is not required to receive the organization's legal and social adoption services.

The organization has submitted a statement indicating that adoption agencies must operate on a non-profit basis in the State of Maryland. The organization does not operate in a commercial manner. Referrals for abandoned and or unwanted children are received from hospitals, social workers, and other institutions. The organization is operated similarly to the organization described in Rev. Rul. 80-200 which provides that an organization established to provide adoption services for foreign orphaned children qualifies for exemption under section 501(c)(3).

The case was transferred to the National Office because the District Director could not conclude from established precedent that the organization's adoption activities precluded exemption under section 501(c)(3) of the Code.

Applicable Law:

501(c)(3)

1.501(c)(3)-1(d)(2)

Rev. Rul. 80-200

Easter House v. U.S., 12 Cl. Ct. 476 (1987)

Rationale and Discussion:

The organization's adoption services meet the requirements for exemption under section 501(c)(3). The organization's adoption services are provided to prospective adoptive parents much the same as the services provided by the organization described in Rev. Rul. 80-200.

In Rev. Rul. 80-200, the organization provided services to parents wishing to adopt foreign orphans. Most of the children were from Korea or countries in the Far East. The organization's income was derived primarily from fees from the adoptive parents. The organization charged an agency fee of \$350.00, overseas expense fee of \$800.00, air fare and escort fee of \$475 to \$600. Generally, the organization conducts a home study (for homes within 60 miles of its offices) for a fee of \$550.00 before determining whether the prospective parents qualify for placement of a child. If, the home is beyond the organization's geographic area, the adopting parents must obtain the home study from an independent social services agency.

The applicant organization operates in much the same manner as the organization described in Rev. Rul. 80-200. Adoptions Together, Inc. will provide placement services for birth parents unable to care for their children and wishing to put their children up for adoption and couples seeking to adopt. The organization will provide home study visits, post placement visits as required by state law, traditional full-service adoptions, and agency assisted adoptions.

The organization will provide medical care, legal services, maternity clothing, transportation, housing and living expenses for birth parents seeking to place a child for adoption. The medical expenses of the birth parent are not reversed or cut-off should the mother decide to keep the child.

The organization provides pre-adoptive counseling, support groups, parenting classes, educational forums, home studies, post-placement services and supportive counseling throughout the adoptive process. The organization indicates that it will place primarily unwanted or abandoned babies much the same as the orphaned children placed by the organization described in Rev. Rul. 80-200. In addition, unlike the organization described in Easter House v. U.S., the application does not derive all its support from fees for placement services. For year ended June 30, 1991, the organization received more 20% of its income from gifts and contributions. Further, the applicant organization is not controlled by any individual "members" like the organization described in Easter House. The applicant organization is governed by an independent board of directors. Although the organization's executive director is a social worker with expertise in adoption matters and the associate director is an attorney with expertise in adoption law, it does not appear that the organization is operated in a manner to serve their private

interests. The organization has submitted copies of W-2's for 1990 which indicates that these individuals received compensation of \$10,000.00 each for 1990. This \$20,000.00 amount accounts for less than 20% of the organization's total expenses for the year.

Conclusion:

The organization meets the requirements for exemption under section 501(c)(3).