

Internal Revenue Service
District Director

RECEIVED

SEP 25 1995

INTERNAL REVENUE SERVICE
26-EP/EO DIVISION
CINCINNATI, OHIO

Department of the Treasury
P.O. Box 2508 - Room 4526
Cincinnati, Ohio 45201

Date: August 30, 1995

Kalamazoo Valley Blues Association
c/o Pam Lickenson
P.O. Box 50507
Kalamazoo, MI 49005

Employer Identification Number:
38-3234667

Person to Contact:
Annette Klear

Contact Telephone Number:
513-684-3578

Reply to:
EP/EO - Room 4526

Response Due Date:
September 20, 1995

Dear Sir or Madam:

Before we can determine whether your organization is exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. You did not include the information needed to make that determination on your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

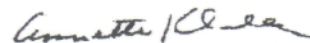
To help us determine whether your organization is exempt from Federal income tax, please send us the requested information by the above date. We can then complete our review of your application.

If we do not hear from you within that time, we will assume you do not want us to consider the matter further and will close your case. In that event, as required by Code section 6104(c), we will notify the appropriate state officials that, based on the information we have, we cannot recognize you as an organization of the kind described in Code section 501(c)(3). As a result, the Internal Revenue Service will treat your organization as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new Form 1023.

In addition, if you do not provide the requested information in a timely manner, we will consider that you have not taken all reasonable steps to secure the determination you requested. Under Code section 7428(b)(2), your not taking all reasonable steps in a timely manner to secure the determination may be considered as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Annette Klear
Exempt Organizations Specialist

Enclosure

Letter 1312(DO)

0028 4866

0032 0034

Kalamazoo Valley Blues Association
EIN 38-3234667

Note: All information must be submitted over the signature of an officer or authorized representative.

1. For what purpose will excess revenues over expenses be used by your organization?
2. Please explain what your organization sells that is listed as paraphernalia.
3. Explain what arrangements your organization has with vendors at your activities. Please provide copies of any contracts or written agreements.
4. Does your organization have contracts with sponsors and/or entertainers? If "yes", please provide copies.

If your organization does not have contracts with entertainers or sponsors, please explain in detail what each receives in compensation and how amounts are determined.

5. Since it appears that the main source of support for your organization will be from festival revenues and related activities, please change the answer to question 10 on page 6 to item (i). An officer of the organization must initial and date the change.

KALAMAZOO VALLEY BLUES ASSOCIATION

**P.O. Box 50507
Kalamazoo, MI 49005**

September 20, 1995

Annette Klear
Department of Treasury
P.O. Box 2508 - Room 4526
Cincinnati, OH 45201

**Re Kalamazoo Valley Blues Association
Employer Identification Number: 38-3234667**

Dear Ms. Klear:

This is in response to your correspondence of August 30, 1995, a copy of which is enclosed. As I explained on your voice mail today, I only yesterday saw your letter for the first time because the person responsible for collecting our mail from the Post Office did not deliver it to me in a timely fashion. I realize that is my problem and not yours, but I want to assure you of my (and our) desire to comply with your directives. It is my hope that you will accept this as a timely response and allow us the opportunity to supplement this response within the week.

In response to your specific questions:

- 1 Excess revenues over expenses will be held in order to finance future years annual festivals. It should be noted that the Festival for 1995 lost money and we are in deficit.
- 2 The items we sold at the 1995 festival which I had previously listed as paraphernalia were, more specifically, T-shirts, buttons and sunglasses.
- 3 Vendors at the festival paid \$50.00 for booth space rental and 10% of their gross sales as counted at the end of each of the two (2) nights of the festival. All sales were accounted for by a central ticketing system. Copies of all Vendor contracts will be submitted as soon as possible.
- 4 Our organization had no "contract" with any sponsors in connection with the 1995 festival. However, we did receive a donation of \$2,000.00.

Annette Klear
September 20, 1995
page Two (2)

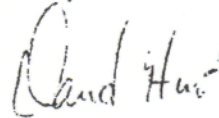
from the local distributor of Budweiser beer. We called him a "sponsor" in our written material.

With regard to entertainers, we hired sixteen (16) bands. The headliner, Gatemouth Brown and Marcia Ball were paid \$4,500.00 and \$3,500.00 respectively. One regional act, Madrat and Kane, received \$500.00. Another, Jr. Valentine, received \$400.00 (contract enclosed.) All other bands (local and regional) received \$50.00 per band member. Our total payment for entertainers was \$15,817.11. Contracts on all the above will be submitted as soon as possible.

- 5 We have done as you requested regarding question ten (10) on page six (6), item (i). The initials are those of Pam Dickinson, our Treasurer.

I should mention that a new board of directors takes over at a meeting scheduled this very evening, so future correspondence will be from someone other than me. Our mailing address will remain the same.

Sincerely,



David H. Hunt

DHH/dn