

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 03 2010**

AMERICAN ACTION NETWORK INC
1455 PENNSYLVANIA AVE NW STE 350
WASHINGTON, DC 20004

Employer Identification Number:
27-0730508
DLN:
17053056304000
Contact Person:
RENEE RAILLEY NORTON ID# 31172
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Form 990 Required:
Yes
Effective Date of Exemption:
July 23, 2009
Contribution Deductibility:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(4) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Please see enclosed Publication 4221-NC, Compliance Guide for Tax-Exempt Organizations (Other than 501(c)(3) Public Charities and Private Foundations), for some helpful information about your responsibilities as an exempt organization.

Contributions to you are not deductible by donors under section 170(c)(2) of the Code.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-NC

Letter 948 (DO/CG)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 03 2010**

AMERICAN ACTION NETWORK INC
C/O CAPLIN & DRYSDALE CHTD
MICHAEL W DURHAM
ONE THOMAS CIRCLE NW STE 1100
WASHINGTON, DC 20005

Employer Identification Number:
27-0730508
DLN:
17053056304000
Contact Person:
RENEE RAILY NORTON ID# 31172
Contact Telephone Number:
(877) 829-5500
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CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 03 2010**

AMERICAN ACTION NETWORK INC
C/O CAPLIN & DRYSDALE CHTD
STACY Q CLINE
ONE THOMAS CIRCLE NW STE 1100
WASHINGTON, DC 20005

Employer Identification Number:
27-0730508
DLN:
17053056304000
Contact Person:
RENEE RAILEY NORTON ID# 31172
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(877) 829-5500
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Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-NC

Letter 948 (DO/CG)

Power of Attorney and Declaration of Representative

OMB No. 1545-0150

For IRS Use Only

Received by:

Name _____

Telephone _____

Function _____

Date / /

▶ Type or print. ▶ See the separate instructions.

Part I Power of Attorney

Caution: Form 2848 will not be honored for any purpose other than representation before the IRS.

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

Taxpayer name(s) and address American Action Network, Inc. 1455 Penn Ave., NW Suite 350 Washington, DC 20004	Social security number(s) Daytime telephone number (612) 839-2951	Employer identification number 27-0730508 Plan number (if applicable)
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hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

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

Name and address Michael W. Durham, Esq. Caplin & Drysdale, Chtd., One Thomas Circle, NW Suite 1100, Washington, DC 20005	CAF No. 0303-39590R Telephone No. (202) 862-5031 Fax No. (202) 429-3301 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Stacy Q. Cline, Esq. Caplin & Drysdale, Chtd., One Thomas Circle, NW Suite 1100, Washington, DC 20005	CAF No. _____ Telephone No. (202) 862-5033 Fax No. (202) 429-3301 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax 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"/> Fax 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.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)
Income	1024	2009-2011

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 the instructions 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 or add additional representatives, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

Exceptions. An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See **Unenrolled Return Preparer** on page 1 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan administrator may only represent taxpayers to the extent provided in section 10.3(e) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (levels k and l) authority is limited (for example, they may only practice under the supervision of another practitioner).

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

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.
- a If you also want the second representative listed to receive a copy of notices and communications, check this box
- b 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.

Norm Coleman _____ 2/23/10 _____
 Signature Date Title (if applicable)
 Chief Executive Officer

 Print Name PIN Number Print name of taxpayer from line 1 if other than individual

 Signature Date Title (if applicable)

 Print Name PIN Number

Part II Declaration of Representative

Caution: Students with a special order to represent taxpayers in qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program (levels k and l), see the instructions for Part II.

- 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 Circular 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 Circular 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 (for example, 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 Internal Revenue Service is limited by section 10.3(d) of Circular 230).
 - h Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Circular 230, section 10.7(c)(1)(VII). You must have prepared the return in question and the return must be under examination by the IRS. See Unenrolled Return Preparer on page 1 of the Instructions.
 - k Student Attorney—student who receives permission to practice before the IRS by virtue of their status as a law student under section 10.7(d) of Circular 230.
 - l Student CPA—student who receives permission to practice before the IRS by virtue of their status as a CPA student under section 10.7(d) of Circular 230.
 - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. See the Part II Instructions.

Designation—insert above letter (a-r)	Jurisdiction (state) or Identification	Signature	Date
a	DC	<i>Michael Wayne Dushon</i>	2/23/2010 X
a	DC	<i>Norm Coleman</i>	2-23-10 X

Form **1024**
(Rev. September 1998)
Department of the Treasury
Internal Revenue Service

Application for Recognition of Exemption Under Section 501(a)

OMB No. 1545-0057

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)

<p>1a Full name of organization (as shown in organizing document)</p> <p>American Action Network, Inc.</p> <p>1b c/o Name (if applicable)</p> <p>1c Address (number and street) Room/Suite</p> <p>1455 Pennsylvania Ave., NW 350</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 2.</p> <p>Washington, DC 20004</p> <p>1e Web site address 4 Month the annual accounting period ends</p> <p>americanactionnetwork.org June</p>	<p>2 Employer identification number (EIN) (if none, see Specific Instructions on page 2)</p> <p>27-0730508</p> <p>3 Name and telephone number of person to be contacted if additional information is needed</p> <p>Michael W. Durham, Esq. (202) 862-5031</p> <p>5 Date incorporated or formed</p> <p>07/23/2009</p>
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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.

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.

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 **Norm Coleman** **BOSTMARK** **Norm Coleman, CEO** **2/24/10**
(Signature) (Type or print name and title or authority of signer) (Date)

For Paperwork Reduction Act Notice, see page 6 of the instructions.
ISA

FEB 23 10

FEB 24 '10

17152010056029

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.

See Exhibit A.

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

See Exhibit A.

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
See Exhibit B.	

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).

See Exhibit 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.

N/A

8 Explain how your organization's assets will be distributed on dissolution.
Please see Article IX, Page 4 of Certificate of Incorporation.

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.)

The organization expects to lease office space from an unrelated landlord in the future. No such lease currently exists, but any lease entered will be at or below market rates.

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.

See Exhibit A.

16 Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material? Yes No
If "Yes," attach a recent copy of each.

See Exhibit A.

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

Revenue	(a) Current Tax Year	3 Prior Tax Years or Proposed Budget for Next 2 Years			(e) Total
	From To	(b)	(c)	(d)	
1 Gross dues and assessments of members					0.00
2 Gross contributions, gifts, etc.					0.00
3 Gross amounts derived from activities related to the organization's exempt purpose (attach schedule) (Include related cost of sales on line 9.)		See Exhibit C.			0.00
4 Gross amounts from unrelated business activities (attach schedule)					0.00
5 Gain from sale of assets, excluding inventory items (attach schedule)					0.00
6 Investment income (see page 3 of the instructions)					0.00
7 Other revenue (attach schedule).					0.00
8 Total revenue (add lines 1 through 7)	0.00	0.00			0.00
Expenses					
9 Expenses attributable to activities related to the organization's exempt purposes					0.00
10 Expenses attributable to unrelated business activities					0.00
11 Contributions, gifts, grants, and similar amounts paid (attach schedule).					0.00
12 Disbursements to or for the benefit of members (attach schedule)					0.00
13 Compensation of officers, directors, and trustees (attach schedule)					0.00
14 Other salaries and wages.					0.00
15 Interest					0.00
16 Occupancy					0.00
17 Depreciation and depletion					0.00
18 Other expenses (attach schedule)					0.00
19 Total expenses (add lines 9 through 18)	0.00	0.00			0.00
20 Excess of revenue over expenses (line 8 minus line 19)	0.00	0.00			0.00

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

		Current Tax Year as of 12/31/09
Assets		
1	Cash	65,925.46
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	65,925.46
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.	0.00
Fund Balances or Net Assets		
17	Total fund balances or net assets	65,925.46
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	65,925.46

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.

Schedule B Organizations Described in Section 501(c)(4) (Civic leagues, social welfare organizations (including posts, councils, etc., of veterans' organizations not qualifying or applying for exemption under section 501(c)(19)) or local associations of employees.)

1 Has the Internal Revenue Service previously issued a ruling or determination letter recognizing the applicant organization (or any predecessor organization listed in question 4, Part II of the application) to be exempt under section 501(c)(3) and later revoked that recognition of exemption on the basis that the applicant organization (or its predecessor) was carrying on propaganda or otherwise attempting to influence legislation or on the basis that it engaged in political activity? . . . Yes No

If "Yes," indicate the earliest tax year for which recognition of exemption under section 501(c)(3) was revoked and the IRS district office that issued the revocation.

2 Does the organization perform or plan to perform (for members, shareholders, or others) services, such as maintaining the common areas of a condominium; buying food or other items on a cooperative basis; or providing recreational facilities or transportation services, job placement, or other similar undertakings? . . . Yes No

If "Yes," explain the activities in detail, including income realized and expenses incurred. Also, explain in detail the nature of the benefits to the general public from these activities. (If the answer to this question is explained in Part II of the application (pages 2, 3, and 4), enter the page and item number here.)

3 If the organization is claiming exemption as a homeowners' association, is access to any property or facilities it owns or maintains restricted in any way? . . . Yes No

If "Yes," explain.

N/A

4 If the organization is claiming exemption as a local association of employees, state the name and address of each employer whose employees are eligible for membership in the association. If employees of more than one plant or office of the same employer are eligible for membership, give the address of each plant or office.

N/A

**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

OMB No. 1545-1798
 Control number
 Amount paid **850**
 User fee screener

1 Name of organization
American Action Network, Inc.

2 Employer Identification Number
27 0730508

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 ▶ **\$400**
- 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 . ▶ **\$850**
- c Group exemption letters ▶ **\$3,000**

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. 2009-8; 2009-1 I.R.B. 229, or latest annual update.

Check the box or boxes 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 "United States Treasury" 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.

Generally, the user fee will be refunded only if the Internal Revenue Service declines to issue a determination.

Where To File

Send the determination letter application and Form 8718 to:

Internal Revenue Service
 P.O. Box 12192
 Covington, KY 41012-0192

Who Should File

Organizations applying for federal income tax exemption, other than Form 1023 filers. Organizations submitting Form 1023 should refer to the instructions in that application package.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. If you want your organization to be recognized as tax-exempt by the IRS, you are required to give us this information. We need it to determine whether the organization meets the legal requirements for tax-exempt status.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating

to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. The rules governing the confidentiality of Form 8718 are covered in section 6104.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 5 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send this form to this address. Instead, see *Where To File* above.



Handwritten initials/signature

Caplin & Drysdale
ATTORNEYS

Caplin & Drysdale, Chartered
One Thomas Circle, NW, Suite 1100
Washington, DC 20005
202-862-5000 202-429-3301 Fax
www.caplindrysdale.com

202-862-5031 Direct
mwd@capdale.com

February 23, 2010

Via Federal Express

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

Re: Form 1024 for American Action Network, Inc. (EIN 27-0730508)

Dear Sir or Madam:

On behalf of American Action Network, Inc., I enclose an application for recognition of exempt status. This package includes IRS Form 1024 and its supporting documents, as well as Form 2848 and Form 8718. I have also enclosed a check for \$850 to cover the user fee.

Thank you in advance for your prompt attention to this application. If you have any questions, please call me at 202-862-5031.

Sincerely,



Michael W. Durham

MWD:rch
Enclosures

Exhibit A
American Action Network, Inc.
EIN: 27-0730508
Form 1024
Activities and Operational Information

STATEMENT IN SUPPORT OF APPLICATION FOR TAX-EXEMPT STATUS

The following background information describes the structure, purposes, activities and finances of American Action Network, Inc. (the "Network"). Also discussed are the applicable legal authorities that support a favorable action on this request for recognition of exempt status under section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code").¹

I. GENERAL STATEMENT

A. Introduction

The Network was established to carry on public policy, advocacy, and educational work designed to advance center-right policy solutions on a range of issues. Its goal is to promote principles that encourage economic growth, an entrepreneurial spirit, security, prosperity, and freedom. The Network intends to engage in grassroots, media, and other outreach to expand the popularity of such center-right principles, to advocate for specific policies, to influence the national dialogue, and to create and maintain a group of citizens who will advocate for legislation consistent with these principles. As of the date of this application, the Network has been principally engaged in organizational matters.

B. Purposes and Proposed Activities

The Network's Certificate of Incorporation provides that it is organized and operated exclusively for social welfare purposes within the meaning of section 501(c)(4). Specifically, the Network will advocate for policies on a range of issues that impact the economy and national security and reflect the Network's core commitment to promoting security, prosperity, and

¹ All statutory references are to the Internal Revenue Code of 1986, as amended. References to the Regulations are to the applicable Treasury Department Regulations under the Code.

freedom. The Network will work to educate the public, officeholders, and others on the values of freedom, security, and prosperity, and will educate these stakeholders on legislative, regulatory, or similar policy solutions in keeping with those values. The Network will engage in (or contract for) policy analysis and public opinion research, and collaborate with other like-minded individuals and organizations, to craft and direct strong messaging to generate support for its policies; it will disseminate its findings and experience on how to advance these policies effectively with others sympathetic to its policy goals. Its advocacy activities may include both direct and grassroots efforts to influence federal, state, or local legislation by suggesting innovative, clear, and commonsense solutions to policy issues. In the course of its lobbying efforts, the Network may meet directly with legislators or their staffs, or it may encourage the general public to contact their representatives about potential legislation. The Network intends this effort to influence the national dialogue and public opinion surrounding which values and policies will preserve our freedoms and make the country more prosperous and more secure in the years to come.

Specifically, the Network will pursue its mission through the following activities:

- **Policy Advocacy.** The Network will define the key issues and principles which best reflect center-right values of prosperity, security, and freedom. Its staff will work alone or in conjunction with other organizations in defining its key issues and developing a set of compelling initiatives that best define those principles. The Network also will conduct independent research and analysis of various policy issues. As a result of these efforts, the Network will develop innovative and solutions-based policy proposals that promote social welfare by encouraging economic growth and protecting our security. Where appropriate, the Network may allow its affiliated section 501(c)(3) organization, the American Action Forum, Inc. (the "Forum"), to take primary responsibility for policy research and public education, leaving the Network free to advance its policy agenda in the other ways discussed below.
- **Citizen Forums.** The Network intends to conduct online or telephonic Town Hall Citizen Forums using center-right leaders as moderators and opening an online forum for the Network to communicate directly with the public. The purpose of these forums is to educate the public on the Network's core values and mobilize the Network's supporters to advocate for solutions to the country's challenges and problems, and to improve those policy solutions based on feedback from the public. The popularity of these Citizen Forums should further educate officeholders and the public at large on the depth of support within the public for center-right, innovative solutions to policy issues.

- **Town Hall Meetings.** The Network will host Town Hall Meetings in which center-right legislators exchange ideas with the public, answer questions, and articulate clear policy initiatives. The Town Hall Meetings will focus on key domestic and foreign policy issues that are of concern to people who support the Network's center-right principles. The purpose of these meetings is to educate the public on center-right policy initiatives, to promote support for the Network's principles, and to help the Network fine-tune its policy proposals based on public feedback.
- **College Tours.** The Network will seek to educate young people on center-right values and policy proposals and energize them to have an impact on political and legislative contests that offer them an opportunity to support mainstream, center-right principles. The purpose of these tours is to improve social welfare by encouraging civic engagement by our country's youth.
- **Policy Conferences.** The Network, working closely with the Forum, will hold a series of policy conferences in Washington, DC, with officeholders, business leaders, scholars, journalists, students, and members of the public concerning policy issues. The purpose of these conferences is to develop and promote center-right policy proposals that will encourage economic growth and entrepreneurialism, protect the nation's safety and security, and preserve our freedoms.
- **Training Programs.** The Network will hold Policy and Message Training Programs in which the Network will engage with and train opinion leaders, advocates, officeholders, and candidates or other potential officeholders willing to advance its policy proposals (and combat contrary proposals) by working with them on how to best articulate and defend positions in harmony with the Network's principles. The purpose of these trainings is to promote center-right policies in the manner that will most effectively translate into policy changes that will improve the social welfare of the country.
- **New Media.** The Network will engage in media and grassroots outreach through extensive use of social networking and the internet, submission of op-eds, and online appearances of advisors and staff. The Network's website will serve as a primary communications forum for the organization by sponsoring blogs and providing data and other content online (such as issue briefs and policy proposals). The Network will also collect email addresses on its website and use these lists to keep citizens informed about center-right policy issues and encourage them to influence legislation.
- **Direct Lobbying.** The Network's officers, staff, and paid consultants occasionally will meet with members of Congress and their staff about policy reform proposals. The purpose of these meetings is to promote social welfare by educating members of Congress and their staff on center-right legislative goals. The Network may advocate for or against specific legislative proposals and may draft language that can be used in proposed legislation.
- **Press Outreach.** In order to promote the Network's ideas as well as continue to educate the public on center-right policy issues, the Network will reach out to the media in a

variety of ways, including meeting with newspaper editorial boards, conducting press conferences, issuing press releases, appearing on television and radio programs, and being interviewed by reporters.

- **Public Outreach.** The Network will continue to seek other ways of educating the public about health care reform. For instance, it may produce television advertisements or videos to run on its website, or it may create brochures, leaflets, or similar handouts to be distributed at town hall meetings and policy conferences.

In essence, the Network will define a set of principles and craft policy proposals that will promote the American entrepreneurial spirit, encourage prosperity, and enhance our freedom and security. The Network will then act as a conveyor belt to the public, national decision-makers, and centers of influence, who will continue to promote these principles and proposals. The Network intends to contrast center-right policy solutions that will work, and principles that the majority of the country values, with a liberal policy agenda that is outside of the mainstream.

While the Network will primarily focus on its lobbying and educational efforts designed to promote social welfare, a minor portion of its activities may be classified as political campaign intervention. For instance, the Network will produce or fund educational content on blogs and other media that provide its views on current events and current policy initiatives. In some cases this will mean endorsing or criticizing actions or proposals advanced by specific officials or public figures. The Network plans to engage in such activities on an ongoing basis whether or not there is an election in progress. However, during the election season, this general practice may result in Network commentary on actions or proposals by individuals who are in the process of running for office. Similarly, as noted above, the Network intends to provide educational trainings and materials for policy leaders and others who wish to learn more about the Network's policy proposals and principles that will promote entrepreneurialism, freedom, prosperity, and security, and to work with those sympathetic to the Network's views to develop more effective ways of advocating for those views. In some cases, those participating in training sessions or receiving the Network's written materials may include some incumbents running for reelection or other candidates for office. Finally, in unusual cases the Network may develop and distribute candidate surveys, voting guides, and voting records of elected officials and candidates on issues of interest to the Network. In certain cases, and within the limits allowed by federal tax law and federal and state election laws, it may also run advertisements in support of candidates who

support its key priorities. The Network will adopt appropriate internal controls to ensure that, to the extent that the Network's activities impact specific political candidates in ways that would be classified as political campaign intervention under federal tax law, such candidate-related activity remains a minor activity, and does not become its primary activity. Although the amount of such activities may vary from year to year, on average, the Network expects that such activities will be 20% or less of its activities.

C. Funding

The Network will solicit contributions from individuals and institutions. All appeals for funds will contain the following statement or its substantial equivalent, "Contributions to the American Action Network are not tax deductible." The Network may make use of charitable grant funding to pay for the portion of its activities that are charitable and educational within the meaning of § 501(c)(3), such as providing educational research papers or other material to the general public. The Network will establish internal controls to ensure that no funds donated by a 501(c)(3) organization will be used for any activity prohibited to section 501(c)(3) organizations or for any substantial lobbying activity inconsistent with section 501(c)(3).

D. Relationship with Other Organizations

The Network has recently decided to affiliate with the American Action Forum, Inc. (the "Forum"), a section 501(c)(3) organization formerly known as the Forum for Issues, Ideas and Innovation, Inc. The Forum intends to advance policy research, analysis, and education on a set of issues similar to those advanced by the Network, and the two organizations have determined to work together, with the Forum focusing on policy research and education and the 501(c)(3) focused on advocating for specific proposals with government officials and the public, and creating opportunities for exchange between officials and the public that will advance its policy agenda.

The two organizations will share two board members--Fred Malek and Norm Coleman, who will be, respectively, the common Chairman and the common Chief Executive Officer of both organizations. It is expected that Coleman will provide leadership and strategic direction to

both organizations, but that the two organizations will have different presidents with primary responsibility for day-to-day management and each will have a majority of independent Board members who do not sit on the other's Board. The Network and the Forum will each receive their own donations and conduct their own separate programs, but they will share necessary staff, facilities and other expenses under a cost-sharing arrangement. Pursuant to the cost-sharing agreement, all business transactions between the two organizations (e.g., the sharing of office space, employees or equipment) will be at arm's length and reflect fair market value, except to the extent that the Forum, in its own discretion, decides to make the Network a grant for specific activities furthering charitable purposes. Further, the Network and the Forum will institute adequate procedures to ensure that the records and finances of the two organizations are completely separate and that the corporate formalities of both organizations are properly observed.

II. DISCUSSION OF RELEVANT LEGAL PRECEDENT

The objectives and intended activities of the Network qualify it for exemption as a social welfare organization described in section 501(c)(4). Section 501(c)(4) provides for the exemption of civic leagues or organizations that are not organized for profit and are operated exclusively for the promotion of social welfare. Section 1.501(c)(4)-1(a)(2) of the Treasury Regulations states that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people in the community and is operated primarily for the purpose of bringing about civic betterment and social improvement. Further, section 1.501(c)(4)-1(a)(2)(ii) of the Treasury Regulations expressly provides that an organization may qualify as a social welfare organization under section 501(c)(4) even though it is an action organization engaged in attempts to influence legislation.

The IRS has consistently recognized, under section 501(c)(4) and the applicable Regulations, the exempt status of organizations formed to carry out their exempt purposes through the development and implementation of programs designed to influence state or national policy, including legislation. For example, in Revenue Ruling 68-656, 1968-2 C.B. 216, the IRS recognized the exempt status of an organization that actively lobbied for legalization of

euthanasia.² Similarly, in Revenue Ruling 76-81, 1976-1 CB 156, the IRS granted exemption to an organization formed to educate the public on the subject of abortions and to support legislative and constitutional changes to women's access to abortion. The IRS concluded that:

The question of whether abortion laws should be restrictive or liberal is a matter of public concern in many communities. There are differences of opinion on this issue. Although the organization advocates the adoption of a particular position, its activities are nevertheless designed to increase the knowledge and understanding of the public on the entire subject. Thus, the organization is promoting in some way the common good and general welfare of the people of the community within the meaning of the regulations.

This language is directly applicable to the activities of the Network, as there are differences of opinion on issues of promoting economic growth and national security, but the Network's activities will "increase the knowledge and understanding of the public on the entire subject."

The Network's primary activity will be advocacy in favor of legislation advancing center-right policies and legislation that promote economic growth, prosperity, freedom, and security. Such a focus is consistent with section 501(c)(4) status. See Revenue Ruling 67-293, 1967-2 C.B. 185 (granting exemption to an organization substantially engaged in promoting legislation for animal protection). Furthermore, the IRS has recognized that providing assistance to others advocating for or commenting on proposed policies is also an appropriate way of furthering 501(c)(4) social welfare purposes. See Revenue Ruling 71-530, 1971-2 C.B. 237 (granting exemption where organization's sole activity was assisting other experts and advocates to prepare effective advocacy to Congress on tax issues).

The Network may also focus its lobbying and communication efforts on policymakers alone, if it believes that communications with this audience will be the most effective means of

² The IRS General Counsel cited this ruling as support for the proposition that "an organization is not denied exemption as an educational organization if it seeks to inform the public on a controversial issue and takes a position that is not widely accepted." G.C.M. 36556 (Jan. 16, 1976).

advancing its policy objectives. These activities will not hinder the Network's ability to qualify for exemption under section 501(c)(4). In Revenue Ruling 71-530, the Service granted section 501(c)(4) status to an organization that assisted attorneys, accountants and others in preparing public testimony at legislative and administrative hearings in the area of taxation. The Service ruled that direct approaches to government officials, without any attempt to educate the public on the issue, may qualify as social welfare within the meaning of section 501(c)(4) on the basis that such efforts promote the common good and general welfare of the community by assisting legislators and administrators concerned with tax policy.

Finally, to the limited extent that the Network's advocacy efforts include activities that constitute participation and intervention in election campaigns, this will not disqualify it from section 501(c)(4) status. In Revenue Ruling 81-95, 1981-1 CB 332, the Service concluded that a section 501(c)(4) organization may participate and intervene in political campaigns, provided that the organization is primarily engaged in activities that promote social welfare. The Network's primary activity is educating the public on values and policies that will promote prosperity, freedom, and security, and advocating legislation that will do the same. Any express political advocacy by the Network will be ancillary and will not become the Network's primary activity.

The precedential authorities described above establish that the Network is entitled to recognition of exemption under section 501(c)(4) of the Code. Like the organizations described in Revenue Ruling 68-656 and Revenue Ruling 76-81, the Network's activities will increase the knowledge of the general public on matters of public concern. Moreover, as in Revenue Ruling 71-530, the Network's presentations to and discussions with legislative and other governmental bodies, or its assistance to others advocating for policies its supports in developing impactful

messaging, advance social welfare by promoting policies that are beneficial to the community and by providing materials and analysis that will help policymakers make better judgments on the public policy issues that will come before them. Lastly, the limited extent to which the Network's activities may impinge on candidates in ways that constitute political campaign intervention, is consistent with section 501(c)(4) status, because like the organization described in Revenue Ruling 81-95, the Network ensure that such activities are only a minor portion of its activities.

III. CONCLUSION

The Network qualifies for exemption under section 501(c)(4) because it operates for social welfare purposes described in the Code and the Treasury Regulations.

Exhibit B
American Action Network, Inc.
EIN: 27-0730508
Form 1024
Activities and Operational Information

OFFICERS AND DIRECTORS

<u>Names, addresses, and titles</u>	<u>Annual Compensation</u>
Norm Coleman, Chief Executive Officer and Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$250,000.00
Robert Collins, President 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$200,000.00
Fred Malek, Chairman and Treasurer 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00
George Allen, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00
Isaac Applbaum, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00
Maria Cino, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00
Dylan Glenn, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00

Boyden Gray, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00
Mel Martinez, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00
Susan Molinari, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00
Jim Nussle, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00
Tom Reynolds, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00
Gregory Slayton, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00
Vin Weber, Director 1455 Pennsylvania Avenue, NW Suite 350 Washington, DC 20004	\$0.00

Exhibit C
 American Action Network, Inc.
 EIN: 27-0730508
 Form 1024
Financial Data

STATEMENT OF REVENUE AND EXPENSES

	7/2009-6/2010	7/2010-6/2011	7/2011-6/2012
<u>Revenue:</u>			
Surplus at beginning of year	\$0	\$34,360	\$57,360
Contributions and Grants	\$750,000	\$1,700,000	\$1,700,000
Investment Income	0	0	0
 Total available	 \$750,000	 \$1,734,360	 \$1,757,360
<u>Expenses:</u>			
Compensation of Officers and Directors	\$261,600	\$350,000	\$350,000
Other salaries and wages	\$110,040	\$530,000	\$530,000
Independent Contractors	\$145,000	\$220,000	\$220,000
Conferences/Seminars	\$35,000	\$200,000	\$200,000
Website	\$45,000	\$150,000	\$170,000
Public Opinion Analysis	\$15,000	\$30,000	\$60,000
Travel	\$35,000	\$80,000	\$80,000
Professional Fees	\$25,000	\$25,000	\$25,000
Rent	\$15,000	\$54,000	\$54,000
Equipment	\$12,000	\$15,000	\$15,000
Insurance	\$5,000	\$5,000	\$5,000
Misc (telephone, postage, supplies, etc.)	\$12,000	\$18,000	\$18,000
 Total Expenses	 \$715,640	 \$1,677,000	 \$1,727,000
 Surplus at end of year	 \$34,360	 \$57,360	 \$30,360

Delaware

PAGE 1

The First State

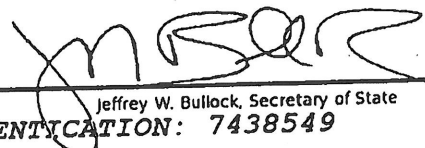
I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "AMERICAN ACTION NETWORK, INC.", FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF JULY, A.D. 2009, AT 5:41 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

4713006 8100

090723873




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 7438549

DATE: 07-24-09

CERTIFICATE OF INCORPORATION
OF
AMERICAN ACTION NETWORK, INC.

THE UNDERSIGNED INCORPORATOR, a natural person of the age of twenty-one years or more, in order to form a nonstock, nonprofit corporation for the purposes stated in this Certificate, in accordance with the provisions of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY THAT:

ARTICLE I. NAME

The name of the corporation is American Action Network, Inc. (the "Corporation").

ARTICLE II. REGISTERED OFFICE AND AGENT

A. The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

B. The name of the Corporation's registered agent at that address is The Corporation Trust Company.

ARTICLE III. PURPOSE

A. The Corporation is a nonprofit organization organized and operated exclusively for social welfare purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code") (all references to sections of the Code include the corresponding provision of any subsequent federal tax law).

B. As a means of accomplishing the foregoing purposes, the Corporation has all powers granted to a corporation under the General Corporation Law of the State of Delaware and the power to do all things necessary, proper, and consistent with maintaining its tax-exempt status under Section 501(c)(4) of the Code.

C. No part of the net earnings of the Corporation may 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 to the Corporation and reimbursement for expenses actually incurred in attending to the affairs of the Corporation must be limited to reasonable amounts.

D. Notwithstanding any other provisions of this Certificate, the Corporation shall not carry on any activity not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the Code.

ARTICLE IV. STOCK

The Corporation is not organized for profit and does not have authority to issue capital stock.

ARTICLE V. MEMBERS

The Corporation does not have members.

ARTICLE VI. DIRECTORS

A. The affairs and business of the Corporation are to be managed and conducted by the directors of the Corporation.

B. The qualifications, manner of election, number, tenure, powers, and duties of the directors of the Corporation are as set out in the Bylaws of the Corporation.

- C. The directors have the power to adopt, amend, or repeal the Bylaws.

ARTICLE VII. INCORPORATOR

The name and address of the incorporator are as follows:

<u>Name</u>	<u>Address</u>
Michael W. Durham	Caplin & Drysdale, Chartered One Thomas Circle, NW, Suite 1100 Washington, D.C. 20005

The powers of the incorporator cease upon the appointment of initial directors of the Corporation.

ARTICLE VIII. DIRECTOR LIABILITY

A. No director of the Corporation is personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director except that this Article VIII does not eliminate or limit the liability of a director for:

- (1) any breach of a director's duty of loyalty to the Corporation;
- (2) acts or omissions not in good faith or that involve intentional misconduct

or a knowing violation of law; or

- (3) any transaction from which the director involved derived an improper personal benefit.

B. If the General Corporation Law of the State of Delaware is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation, in addition to the limitation of personal liability set out in this Article VIII, will be limited to the fullest extent permitted by the amended law.

ARTICLE IX. DISSOLUTION

In the event of the liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary, involuntary, or by operation of law:

1. none of the property of the Corporation or any proceeds thereof may be distributed to or divided among any of the directors or officers of the Corporation or inure to the benefit of any individual; and
2. after all liabilities and obligations of the Corporation have been paid, satisfied, and discharged, or adequate provision made therefor, the Board of Directors of the Corporation shall, except as may be otherwise provided by law, transfer all of the assets of the Corporation in such manner as the directors, in the exercise of their discretion, may determine, except that any such distribution of assets must be to one or more organizations that are exempt from tax as organizations described in Section 501(c)(3) or Section 501(c)(4) of the Code.

{Signature on next page.}

The undersigned Incorporator named above does hereby affirm under penalties of perjury that this Certificate of Incorporation of American Action Network, Inc. is his act and deed and the facts stated in this Certificate are true, and, accordingly, he has executed this Certificate as of July 23, 2009.



Michael W. Durham
Incorporator

BYLAWS
OF
AMERICAN ACTION NETWORK, INC.

SECTION 1 OFFICES.

1.1 Principal Office.

- (A) The principal office of American Action Network, Inc. (the "Corporation") will be as determined by the Board.
- (B) The principal office may be moved to any other such place, either within or outside the State of Delaware, as the Board of Directors designate.

1.2 Additional Offices. The Corporation may maintain additional offices at such other places as the Board of Directors designates.

1.3 Registered Office and Agent.

- (A) Registered Office. The Corporation must maintain a registered office within the State of Delaware at 1209 Orange Street, Wilmington, Delaware 19801.
- (B) Registered Agent. The registered agent at the registered office is The Corporation Trust Company.
- (C) Changes. The registered office and registered agent of the Corporation may be changed by resolution of the Board of Directors.

SECTION 2 MEMBERS.

2.1 Members. The Corporation has no members.

2.2 Manner of Acting. If, however, any action is required by law to be taken by the members of the Corporation, such may be taken by the directors of the Corporation without any further formalities.

SECTION 3 BOARD OF DIRECTORS.

3.1 Powers. The Board of Directors of the Corporation shall supervise, manage, and control all of the affairs, business activities, and policies of the Corporation.

3.2 Number of Directors.

- (A) The number of directors constituting the Board of Directors must be no fewer than three.
- (B) The exact number of directors will be the number fixed by a resolution adopted by the affirmative vote of a majority of the directors then in office.

3.3 Initial Board of Directors.

- (A) Those directors named in the Certificate of Incorporation or by the Incorporator constitute the initial Board of Directors (the "Initial Directors").
- (B) The Initial Directors are eligible to serve an indefinite number of additional terms beyond their initial term.

3.4 Election of Directors. The incumbent directors shall elect their successors at each annual meeting of the Board of Directors.

3.5 Term.

- (A) Each director holds office for a term of one year and until his or her successor has been duly elected and qualified or until his or her earlier death, resignation, or removal.
- (B) Directors may be elected to serve an indefinite number of terms.

3.6 Resignation. A director may resign at any time by:

- (A) giving written notice of his or her resignation to the President or the Secretary of the Corporation; or
- (B) presenting his or her written resignation in person at a meeting of the Board of Directors.

3.7 Removal.

- (A) A director may be removed, with or without cause, at a meeting of the Board of Directors by the affirmative vote of a majority of the directors then in office.
- (B) Such action must be taken at a meeting of the Board of Directors for which written notice of the purpose is given in accordance with Section 4.3 of these Bylaws.

3.8 Vacancies and Newly Created Directorships.

- (A) Vacancies on the Board of Directors resulting from the death, resignation, or removal of a director or an increase in the authorized number of directors must be filled by an affirmative vote of a majority of the directors then in office.
- (B) The director elected to fill any such vacancy or newly created directorship holds office until the next election of directors and until his or her successor has been elected and qualified.

3.9 Compensation.

- (A) Directors may not receive salaries for their services as directors, but by resolution of the Board of Directors, expenses of attendance, if any, may be paid to a director for each annual or special meeting of the Board of Directors that he or she attends.
- (B) No provision of these Bylaws may be construed to preclude any director from serving the Corporation in any other capacity, including without limitation as an officer of the Corporation, and from receiving reasonable compensation for such service.

SECTION 4 MEETINGS OF THE BOARD OF DIRECTORS.

4.1 **Annual Meeting.** The Board of Directors shall hold an annual meeting, which should be the first meeting of the Board of Directors in each fiscal year, at such place as may be selected by the directors, for the purpose of electing or appointing directors and officers for the following year and for the transaction of such other business as properly comes before the meeting.

4.2 **Special Meetings.**

- (A) Special meetings of the Board of Directors may be called at any time by the Chairman or the President; at the request of any two directors, the Chairman, President, or the Secretary must call such a meeting.
- (B) Special meetings may be held at such place, either within or outside the State of Delaware, and at such time as specified in the notice of meeting.

4.3 **Notice of Board Meetings.**

- (A) **Media of Notice.** Notice of the time and place of meetings of the Board of Directors must be communicated to each director by telephone, electronic mail, facsimile transmission, or mail or personally delivered to each

meetings of the Board of Directors.

- (B) Secretary. The Secretary or his or her designee shall act as secretary of the meeting.

4.6 Action Without Meeting.

- (A) Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, without prior notice and without a vote, if a consent, setting forth the action:

- (i) in writing, is signed by all of the directors then in office; or
- (ii) by electronic transmission, is approved by all of the directors then in office.

- (B) Such consents must be filed with the minutes of the proceedings of the Board of Directors in a manner in accordance with the General Corporation Law of the State of Delaware.

4.7 Telephonic Meetings.

- (A) A director may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.
- (B) Participation in a meeting in accordance with Section 4.7(A) constitutes presence in person at the meeting.

SECTION 5 COMMITTEES.

5.1 Committees of the Board of Directors.

- (A) The Board of Directors, by resolution adopted by a majority of the entire Board of Directors, may designate one or more committees, each consisting of one or more directors.
- (B) Committees, to the extent provided in said resolution and not restricted by law or Section 5.2 of these Bylaws, have and may exercise the authority and act on behalf of the Board of Directors in the management of the Corporation, including but not limited to actions specified in these Bylaws as requiring the approval of the Board of Directors.

5.2 Limitations on Committee Powers. No committee may:

- (A) amend the Corporation's Certificate of Incorporation;

- (B) amend the Bylaws of the Corporation;
- (C) adopt an agreement of merger or consolidation;
- (D) approve the dissolution of the Corporation;
- (E) approve the sale or exchange of any assets of the Corporation; or
- (F) elect, appoint, or remove any director, any member of a committee, or any officer of the Corporation.

5.3 **Standing Committees.**

- (A) Unless otherwise provided by resolution of the Board of Directors, the Corporation has the following standing committees:
 - (i) Executive Committee, which shall manage the affairs of the Corporation between meetings of the Board of Directors and have and may exercise all of the powers and authority of the Board of Directors, including but not limited to the power to spend or authorize the expenditure of any funds of the Corporation, except as restricted by law or Section 5.2 of these Bylaws.
 - (ii) Audit Committee, which shall oversee the audit policies and internal controls of the Corporation and (a) ensure that an annual audit is obtained; (b) assist the Board in choosing an independent auditor and recommending termination of the auditor, if necessary, (c) negotiate the auditor's compensation, (d) confer with the auditor regarding the Corporation's financial affairs, (e) review and determine whether to accept or reject the audit, (f) approve performance of any non-audit services provided to the Corporation by the auditor's firm and assure that such non-audit services conform with the standards for auditor independence in the Yellow Book issued by the U.S. Comptroller General, and (g) perform such other duties as may be assigned by the Board. Directors who are employees of the Corporation, or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as Director), or who have a material financial interest in any entity doing business with the Corporation, may not serve on the Audit Committee. The President and Treasurer may not serve on the Audit Committee even if such persons are volunteers and are not compensated by this Corporation. Members of the Audit Committee shall not receive compensation for their service on the Audit Committee
 - (iii) Compensation Committee, which shall review compensation for the Corporation's officers and make recommendations for adoption by the

Board of Directors. The following procedure for approving compensation shall be followed:

(a) any salaries, wages, together with fringe benefits or other forms of compensation paid to or provided for employees, directors, or officers will not exceed a value which is reasonable and commensurate with the duties and working hours associated with such employment and with the compensation ordinarily paid persons with similar positions, duties and qualifications;

(b) compensation to directors, officers, and others having substantial influence over the Corporation's affairs ("Disqualified Persons") will be approved based on information about compensation paid by similarly situated taxable or tax-exempt organizations for similar services and this information and its source will be recorded in writing;

(c) the Board will document in writing the date and terms of approved compensation arrangements for Disqualified Persons; and

(d) Disqualified Persons will not be allowed to vote on decisions concerning their own compensation and neither will persons related to them.

This review and approval shall occur when each such Disqualified Person is hired, annually, and whenever a modification in compensation is proposed. The review shall include an evaluation of the performance of the Disqualified Person and an analysis of appropriate comparability data. Directors who are also employees of the Corporation may not serve on the Compensation Committee.

(iv) Such additional standing committees as the Board of Directors may by majority vote of the whole Board provide for and create, which shall have and may exercise such powers as shall be conferred or authorized by the resolution appointing them.

(B) Each standing committee shall also be responsible for such other matters as the Board of Directors may from time to time assign to it, and the Board of Directors may by an affirmative vote of a majority of the directors then in office withdraw from any standing committee any responsibility set out in these Bylaws or in any resolution of the Board of Directors and assign such responsibility to another committee or reserve such responsibility to itself.

5.4 **Term of Office.** Each member of a committee continues as such until his or her successor is appointed, unless the committee is sooner terminated, or until his or

her earlier death, resignation, or removal.

- 5.5 **Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as the original appointments.
- 5.6 **Committee Chair.** One member of each committee shall be appointed chairman of the committee.
- 5.7 **Quorum and Voting.**
- (A) **Quorum.** A majority of the whole committee constitutes a quorum, unless otherwise provided in the resolution of the Board of Directors authorizing the committee.
 - (B) **Voting.** The act of a majority of the members present at a meeting at which a quorum is present is the act of the committee.
- 5.8 **Alternate Committee Members.**
- (A) The Board of Directors may designate one or more directors as alternate members of any such committee to replace any absent or disqualified member at any meeting of the committee.
 - (B) In the absence or disqualification of a member of a committee and his or her alternate, the member or members of the committee present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.
- 5.9 **Rules.** Each committee may adopt rules for its own governance not inconsistent with these Bylaws.

SECTION 6 OFFICERS.

- 6.1 **Officers.**
- (A) The officers of the Corporation are a Chairman, a President, a Secretary, a Treasurer, and such other officers as may be elected or appointed by the Board of Directors.
 - (B) Officers whose authority and duties are not prescribed in these Bylaws have the authority to perform the duties prescribed by resolution of the Board of Directors.
 - (C) Any two or more offices may be held by the same person.

6.2 **Term of Office.**

- (A) The term of office of all officers is one year.
- (B) An officer may resign by giving written notice to the Corporation. The resignation is effective upon its receipt by the Corporation or at a subsequent time specified in the notice of resignation.

6.3 **Compensation.** The officers of the Corporation may receive reasonable compensation for their service as fixed by the Board of Directors.

6.4 **Removal.** Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors for any reason, but such removal is without prejudice to the contract rights, if any, of the person so removed.

6.5 **Vacancies.**

- (A) A vacancy in any office must be filled by the Board of Directors without undue delay at its annual meeting or at a special meeting called for that purpose.
- (B) In the event of the absence or disability of any officer of the Corporation, the Board of Directors may delegate his or her powers and duties to any other officer or officers.

6.6 **Chairman of the Board.**

- (A) The Chairman shall preside at all meetings of the Board of Directors.
- (B) The Chairman shall also perform such other functions as the Board may direct.

6.7 **President.**

- (A) The President is the chief executive officer of the Corporation and shall preside at all meetings of the Board of Directors.
- (B) The President has charge of the business and affairs of the Corporation, subject to the direction and control of the Board of Directors, and shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which responsibility is assigned to some other person by the Board of Directors.
- (C) The President may execute on behalf of the Corporation any contracts or other instruments which the Board of Directors has authorized to be executed, and he or she may accomplish such execution either under or without the seal of the Corporation and either individually or with the

of exchange, obligations, and other negotiable paper or other instruments for the payment of money and designate the officers or agents who are authorized to make, sign, or endorse the same on behalf of the Corporation.

6.11 Powers as to Other Documents.

- (A) The Board of Directors may authorize any officer or agent to enter into any contract or execute or deliver any instrument in the name of the Corporation. Such authority must be in writing and may be general or confined to specific instances.
- (B) When the execution of any contract or instrument has been authorized without specifying the exact officers authorized to execute such contract or instrument, it may be executed on behalf of the Corporation by the President.

SECTION 7 INDEMNIFICATION AND INSURANCE.

- 7.1 Indemnification.** The Corporation shall, except as provided in or limited by Section 7.3 of these Bylaws, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, or other enterprise (in any case, an "Other Enterprise"), and shall advance expenses to such person reasonably incurred in connection therewith, to the fullest extent permitted by the relevant provisions of the General Corporation Law of the State of Delaware, as such law presently exists or may hereafter be amended. The Corporation shall be required to indemnify a person in connection with a proceeding initiated by such person only if the proceeding was authorized by the Board of Directors.
- 7.2 Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, employee, or agent of an Other Enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Section 7.
- 7.3 Indemnification from Other Sources.** The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee, or agent of an Other Enterprise must be reduced by any amount such

person collects as indemnification from such Other Enterprise.

SECTION 8 MISCELLANEOUS PROVISIONS

8.1 **Books and Records.** The Corporation must keep:

- (A) correct and complete books and records of account; and
- (B) records of the proceedings of its Board of Directors.

8.2 **Fiscal Year.** The Board of Directors shall determine the fiscal year of the Corporation by resolution.

8.3 **Seal.** The Corporation's seal must have inscribed thereon the name of the Corporation, the year of its incorporation, and the words "Corporate Seal, State of Delaware."

8.4 **Waiver of Notice.**

- (A) **Waiver in Writing.** Whenever any notice is required to be given under the provisions of the General Corporation Law of the State of Delaware, the Corporation's Certificate of Incorporation, or these Bylaws, a written waiver of notice, signed by the person or persons entitled to such notice, whether before or after the time stated therein, is equivalent to the giving of such notice.
- (B) **Waiver by Attendance.** Attendance of any director at a meeting constitutes waiver of notice of such meeting, except when such director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

8.5 **Amendments.**

- (A) **Certificate of Incorporation.** The Certificate of Incorporation of the Corporation may be amended in whole or in part by a majority vote of the directors then in office in accordance with the procedure set out in section 242(b)(3) of the General Corporation Law of the State of Delaware.
- (B) **Bylaws.**
 - (i) These Bylaws may be amended, altered, or repealed, and new Bylaws may be adopted at any meeting of the Board of Directors by an affirmative vote of a majority of the directors then in office.

- (ii) Such action must be taken at a meeting of the Board of Directors for which written notice of the purpose is given in accordance with Section 4.3 of these Bylaws.

{Certification on next page.}

I certify that the foregoing Bylaws of American Action Network, Inc. were adopted by the Board of Directors on July 31, 2009, and that they are currently in effect.



CEO of the Corporation

2/19/10
Date

**American Action Network, Inc.
Conflict of Interest Policy**

Article I. Purpose

The purpose of this Policy for dealing with actual, potential, or perceived conflicts of interest is to avoid the reality and the perception that directors or officers of American Action Network, Inc. (the "Corporation") have used their positions to derive inappropriate personal benefit. Directors or officers should interpret and apply this policy to achieve this purpose. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II. Conflicts Covered by this Policy

For purposes of this Policy, a conflict of interest exists whenever the interests or concerns of any director or officer may be seen as competing with the best interests of the organization. Conflicts tend to occur:

- A. where a director or officer has a financial interest, either directly or through a business or family relationship, in a decision of the Board of Directors or any action by the Corporation;
and
- B. where a director or officer has a conflict of loyalties even if he or she has no personal financial interest in the decision or action to be taken, such as when a director or officer of the Corporation also serves as an uncompensated director or officer of an organization to which the Corporation is contemplating making a payment.

Article III. Procedures

1. Disclosure of all conflicts and potential conflicts. All material facts concerning any situation that might be viewed as a conflict should be disclosed to the Board of Directors by the director or officer concerned. Where doubt exists regarding whether a conflict exists or appears to exist, the matter must be resolved by the Board of Directors.

2. Procedures necessary to approve any conflict. No director or officer may be present for a vote by the Board of Directors on any decision or action by the Corporation which would directly or indirectly benefit such director or officer. Such director or officer may, however, answer questions or respond to requests, at a meeting or otherwise, for factual information needed for the Board to make an informed decision.

3. Additional procedures necessary to approve a conflict involving a material financial interest. The Board of Directors shall not approve any transaction to which the Corporation would be a party and in which a director or officer of the Corporation has a material financial interest unless and until the Board of Directors has specifically and in good faith determined after reasonable investigation

(including a review of the terms upon which other comparable organizations enter transactions or arrangements similar to the one under consideration) that:

- a. the Board is aware of all material facts concerning the transaction and the director or officer's interest in the transaction;
- b. the Corporation is entering into the transaction for its own benefit;
- c. the transaction is fair and reasonable as to the Corporation; and
- d. the Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

4. Recordkeeping. With respect to any Board discussion or decision involving matters covered by this Policy, the minutes of the Board meeting at which such discussion or decision take place must reflect in detail the Board deliberations and the voting process, specifically indicating that the director or officer whose situation was considered was not present in the room either during the discussion or for the vote. In addition, any market data or information considered by the Board in approving or disapproving a proposed transaction covered by this Policy must be attached to the minutes of the Board meeting at which such consideration took place.

5. Annual Distribution of this Policy and Disclosures. A copy of this Policy must be furnished annually to all incumbent and incoming directors and officers of the Corporation. Each director and officer shall annually sign a statement that affirms that he or she has received a copy of this Policy; has read and understands the Policy; and has agreed to comply with this Policy.

Each year each director and officer shall file a statement with the Board for Directors that lists: (1) any outside employment or consulting work that could constitute a conflict; and (2) any board membership or affiliation with other organizations that could constitute a conflict. Each director and officer must also list his or her investments in any corporation, partnership, trust, or fund in which he or she, together with members of his or her family, has directly or indirectly a greater than 35% ownership interest, regardless of whether such investments could constitute a conflict.