

Form **1023**
(Rev. September 1998)
Department of the Treasury
Internal Revenue Service

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

OMB No. 1545-0056
Note: If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

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

Complete the Procedural Checklist on page 8 of the instructions.

Part I Identification of Applicant

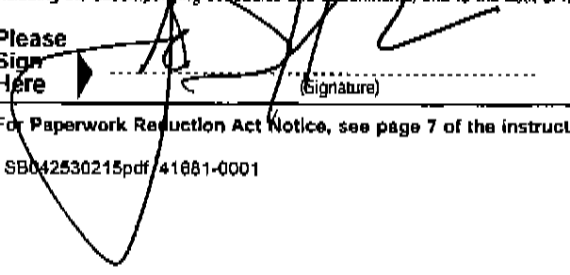
1a Full name of organization (as shown in organizing document) Spirit of America Worldwide		2 Employer identification number (EIN) (If none, see page 3 of the Specific Instructions). 20-1687786
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed Lori Dunsmore (206) 359-8528
1c Address (number and street) 12021 Wilshire Blvd.	Room/Suite 558	
1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see Specific Instructions for Part I, page 3. Los Angeles, CA 90025		4 Month the annual accounting period ends December
1e Web site address www.spiritofamerica.net		5 Date incorporated or formed May 20, 2004
7 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.		6 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(r)
8 Is the organization required to file Form 990 (or Form 990-EZ)? If "No," attach an explanation (see page 3 of the Specific Instructions).		<input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9 Has the organization filed Federal income tax returns or exempt organization Information returns? If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

- a **Corporation**— Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
- b **Trust**— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c **Association**— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

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

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here  _____ **James Hake, President** **Oct 6 2004**
 (Signature) (Type or print name and title of authority of signer) (Date)

For Paperwork Reduction Act Notice, see page 7 of the instructions.

Cat. No. 17133K

Part II Activities and Operational Information

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

See Exhibit A attached.

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

Gifts and grants from the general public, businesses and private foundations.

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- 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.

Spirit of America has no formal fundraising plans at this time.

Part II Activities and Operational Information (Continued)

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

<p>a Names, addresses, and titles of officers, directors, trustees, etc. See Exhibit A attached.</p>	<p>b Annual compensation</p>
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c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? Yes No
If "Yes," name those persons and explain the basis of their selection or appointment.

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

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

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

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

Part II Activities and Operational Information (Continued)

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

N/A

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

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

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

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

11 Is the organization a membership organization? Yes No
If "Yes," complete the following:

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

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

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

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

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

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

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

Part III Technical Requirements

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

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

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

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

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

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

If "No," answer question 4.

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

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

If "No," answer questions 5 and 6.

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

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

Part III Technical Requirements (Continued)

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

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

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

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

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

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

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

Part III Technical Requirements (Continued)

10 If you checked box **h**, **i**, or **j** in question 9, has the organization completed a tax year of at least 8 months?

Yes—Indicate whether you are requesting:

A definitive ruling. (Answer questions 11 through 14.)

An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed and signed.)

No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023.

11 If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

12 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:

a Enter 2% of line 8, column (e), Total, of Part IV-A

b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 12a above.

13 If you are requesting a definitive ruling under section 509(a)(2), check here and:

a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3.)

b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

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

Part IV Financial Data

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

A. Statement of Revenue and Expenses

	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
		(a) From 5/04 to 8/04	(b) 2005	(c) 2006	
Revenue					
1 Gifts, grants, and contributions received (not including unusual grants—see page 6 of the instructions)	0	2,000,000	3,000,000		5,000,000
2 Membership fees received					
3 Gross investment income (see instructions for definition)		18,000	30,000		46,000
4 Net income from organization's unrelated business activities not included on line 3		10,000	11,500		21,500
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 (add lines 1 through 7)	0	2,026,000	3,041,500		5,067,500
9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22					
10 Total (add lines 8 and 9)	0	2,026,000	3,041,500		5,067,500
11 Gain or loss from sale of capital assets (attach schedule)					
12 Unusual grants					
13 Total revenue (add lines 10 through 12)	0	2,026,000	3,041,500		5,067,500
Expenses					
14 Fundraising expenses		217,200	223,716		
15 Contributions, gifts, grants, and similar amounts paid (attach schedule)		930,000	1,740,000		
16 Disbursements to or for benefit of members (attach schedule)					
17 Compensation of officers, directors, and trustees (attach schedule)		140,000	142,000		
18 Other salaries and wages		350,000	360,500		
19 Interest					
20 Occupancy (rent, utilities, etc.)		72,000	75,600		
21 Depreciation and depletion		21,667	23,833		
22 Other (attach schedule)		72,400	75,296		
23 Total expenses (add lines 14 through 22)	0	1,803,267	2,640,945		
24 Excess of revenue over expenses (line 13 minus line 23)		222,733	400,555		

*For 2004, all revenue and expense has been run through Cyber Century Forum.

Part IV Financial Data (Continued)

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

Current tax year
Date 8-31-04

Assets		
1	Cash	1
2	Accounts receivable, net	2
3	Inventories	3
4	Bonds and notes receivable (attach schedule)	4
5	Corporate stocks (attach schedule)	5
6	Mortgage loans (attach schedule)	6
7	Other investments (attach schedule)	7
8	Depreciable and depletable assets (attach schedule)	8
9	Land	9
10	Other assets (attach schedule)	10
11	Total assets (add lines 1 through 10)	11 -0-
Liabilities		
12	Accounts payable	12
13	Contributions, gifts, grants, etc., payable	13
14	Mortgages and notes payable (attach schedule)	14
15	Other liabilities (attach schedule)	15
16	Total liabilities (add lines 12 through 15)	16 -0-
Fund Balances or Net Assets		
17	Total fund balances or net assets	17
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	18 -0-

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

Spirit of America Worldwide
12021 Wilshire Blvd, Suite 558
Los Angeles, CA 90025
EIN:20-1687786

EXHIBIT A

Answer to Part II, Question 1

Activity 1: Support for free and independent media

Description

Spirit of America will provide support in the form of grants, equipment and training to assist the development of free, independent media entities including television stations, radio stations, newspapers and Internet Web sites where once there was only state-controlled media. Spirit of America's support will create news and information alternatives with professional reporting capabilities. Particular emphasis will be placed on supporting media that provide a new outlet for the voices of citizens at the grass roots level.

When activity was or will be initiated

Immediately upon formation

Where and by whom the activity will be conducted

The donations of equipment, grants and training will be provided by Spirit of America staff and volunteers in Iraq and Afghanistan.

Percentage of time: 25%

Activity 2: School Partners and support for education

Description

Spirit of America School Partners program will create academic partnerships and establish ongoing technology-supported collaboration and communication between schools in the United States and schools in Iraq and Afghanistan. The School Partners program will develop relationships between schools, teachers and students that build friendships and lead to increased cultural understanding. Spirit of America will also donate school and classroom supplies and books to needy schools, students and teachers.

When activity was or will be initiated

Immediately upon formation.

Where and by whom the activity will be conducted

This activity will be conducted by Spirit of America staff and volunteers in the United States, Iraq and Afghanistan.

Percentage of time: 25%**Activity 3: Humanitarian relief and healthcare support****Description**

Spirit of America will donate humanitarian aid to areas suffering from armed conflict. A large part of this activity will include donating goods medical supplies and equipment to clinics and hospitals (including equipment such as hospital beds and stethoscopes and medical consumables such as splints and bandages). Spirit of America will also donate humanitarian goods to poor citizens that immediately improve quality of life, such as providing water barrels to those lacking potable water.

When activity was or will be initiated

Immediately upon formation.

Where and by whom the activity will be conducted

This activity will be conducted by Spirit of America staff and volunteers in Iraq and Afghanistan.

Percentage of time: 20%**Activity 4: Economic development and job creation assistance****Description**

Spirit of America will donate tools and equipment to support economic development and job creation in areas that have suffered from armed conflict. Donations will be made to economic cooperatives and job training programs that serve those without employment. The donated tools and equipment will be distributed by American volunteers in Iraq and Afghanistan.

When activity was or will be initiated

Immediately upon formation.

Where and by whom the activity will be conducted

This activity will be conducted by Spirit of America staff and volunteers in Iraq and Afghanistan.

Percentage of time: 15%**Activity 5: Gifts of friendship and goodwill****Description**

Spirit of America will donate gifts of friendship and goodwill from the American people to people in need in Iraq and Afghanistan. The gifts will include toys, books and personal supplies. The gifts will demonstrate the desire to help and will strengthen relations between Americans and Iraqis and Americans and Afghans. The gifts will be distributed by American volunteers in Iraq and Afghanistan.

When activity was or will be initiated

Immediately upon formation.

Where and by whom the activity will be conducted

This activity will be conducted by Spirit of America staff and volunteers in Iraq and Afghanistan.

Percentage of time: 15%**2. Answer to Part II, Question 4(a) and (b)**

James Hake, Chairman, Director, Chief Executive Officer
12021 Wilshire Blvd., Suite 558
Los Angeles, CA 900254
310-481-9123

Peggy Findley, Director, Secretary and Treasurer
12021 Wilshire Blvd., Suite 558
Los Angeles, CA 900254
310-481-9123

James Hake will receive \$75,000 compensation per year in his capacity as CEO. Peggy Findley will receive \$65,000 in her capacity as Secretary and Treasurer.

3. Answer to Part II, Question 5

Prior to receiving an IRS determination letter that Spirit of America qualifies as a Code Section 501(c)(3) public charity, Spirit of America will continue to operate as a project under the authority of Cyber Century Forum, an existing Code Section 501(c)(3) public charity. A copy of the Memorandum of Understanding is attached.

4. Answer to Part II, Question 12(b)

Spirit of America will initially focus its charitable activities in Afghanistan and Iraq.

5. Answer to Part IV, Section A Line 15

<u>Recipient</u>	<u>Purpose</u>	<u>2005 – Amount</u>	<u>2006 – Amount</u>
Independent TV stations, radio stations, newspapers and Web site operators in Iraq and Afghanistan	Equipment, technology, training.	225,000	400,000
Hospitals and clinics in Iraq and Afghanistan	Medical equipment and supplies	280,000	600,000
Schools in Iraq and Afghanistan	Supplies and books for needy students and teachers	200,000	325,000
Economic: cooperatives and job training programs in Iraq and Afghanistan	Tools, equipment and machinery needed for people to earn income	150,000	290,000
Citizens of Iraq and Afghanistan	Gifts and items of friendship and goodwill (e.g., toys, personal care items)	<u>75,000</u>	<u>125,000</u>
	TOTAL	930,000	1,740,000

6. Answer to Part IV, Section A, Line 17

Officer Compensation

<u>Name</u>	<u>Position</u>	<u>Time Devoted</u>	<u>2005</u>	<u>2006</u>
James Hake	Chief Executive Officer	45 hrs per week	75,000	75,000
Peggy Findley	Secretary/Treasurer	45 hrs per week	<u>65,000</u>	<u>67,000</u>
Total			140,000	142,000

Director Compensation - None

7. Answer to Part IV, Section A, Line 22

<u>Other Expense Description</u>	<u>2005</u>	<u>2006</u>
Telephone/Telecom Expense	24,000.00	24,960.00
Office Supplies	10,000.00	10,400.00
Web site hosting	2,400.00	2,496.00
Travel	<u>36,000.00</u>	<u>37,440.00</u>
TOTAL	72,400.00	75,296.00