

**ADDENDUM OF ANSWERS TO QUESTIONS**  
**FOR**  
**IRS FORM 1023**  
**Application for Recognition of Exemption**  
**Under IRC § 501(c)(3)**

There is a separate Exhibit Binder to this Application, the pages are numbered TCI Exhibit Page 1, TCI Exhibit Page 2, etc. Documents will be cited to the first page as E1, E10, etc. For example, the Articles of Incorporation are at E3-6 but may cited as E3. There are also cites including all numbers such as E5-14 in #5 below. This document itself will be cited as AA1, AA 2, etc. (for Addendum to Answers).

**Part II**

Q1: Articles of Incorporation at [E3-6](#) (Texas Certification on [E1](#) upper right corner; no amendments to date), it is followed by the Bylaws ([E7-15](#)), and a Code of Ethics ([E16](#)) & a Conflicts of Interest Policy ([E17-18](#)) as Exhibit A & Appendix A, respectively, to the Bylaws. These were all adopted as the Bylaws at the First Board of Directors Meeting on January 24, 2015. [E19](#).

Q5: Bylaws at [A7-18](#), including Exhibit A & Appendix A, adopted January 24, 2015 by Resolution at the First Board of Directors Meeting. [E19](#).

**Part III**

Q1: The purpose is stated at [E4-5](#), Article 5, "Purpose."

Q2: Distribution Clause: [E5-6](#).

Extra Information: Non-Inurement Clause: E5.

**Part IV**

Please refer to accompanying letter of TCI Counsel Thomas B. Duffy. Also see the issues discussed below.

**Part V**

Q1a: All listed on Application – be sure not to miss the note after Mr. Smith's name about the CFO/CLO. Regarding compensation, please note that all the directors volunteer their efforts for which they might otherwise be compensated as employees or independent contractors. For example, none of the board members is compensated for any acting performances or any other services of any kind. Just as the volunteers are, Directors on the Board can be reimbursed for travel, lodging, etc. expenses not usually exceeding \$2000 per year (or \$1000 per episode). (With few exceptions, all have waived reimbursement to avoid the appearance of impropriety – see below.)

Q1b: TCI has no employees; it has many volunteers and a few professional independent contractors. As with the directors above, these individuals do receive expense reimbursements not exceeding \$1000 per episode or, to date, \$2000 per tax year. Please note that TCI has been very careful to follow the IRS' rules for non-profits regarding reimbursements to volunteers.

Q1c: None of the independent contractors, including the Duffy Law Group filing this application, come anywhere near \$50,000 per year – nor will they ever. In the interest of full disclosure, some of the professional "guest stars," episode directors (but not if a board member),

stage managers, cinematographers, video editors, special effects experts, etc. have been compensated in sums approaching \$4000 per year – about \$500-\$2500 per episode, depending on the skill level. All are working for approximately 10% of the amount they would usually bill a for-profit production company. All Forms 1099 have been filed and are available for *in camera* review on request.

Q2a, b & c: The relationships get a little involved please refer to [Counsel's Letter, Page 4, new para. 2 & 3.](#)

Q3a & b:

Vic Mignogna is the Founder & Executive Director (CEO) of TCI and its predecessor entity, Far From Home, LLC ("FFH"). FFH was exclusively dedicated to production of the StarTrekContinues.com web series. Please refer to Counsel's Letter for a full explanation. He holds a B.S. in Television Production from Liberty University in Lynchburg, VA. He is a successful actor, musician, composer, video editor and the list could go on. The best way to learn more about Vic is to visit [www.VicsWorld.net](http://www.VicsWorld.net). Vic obtains excellent results through talent and hard work as is exemplified by the numerous awards StarTrekContinues.com has received which are on the website "About" tab. Vic works on TCI/STC matters at least 10 hours per week all year not counting the 100 to 120 hours per week immediately before, during and after the 7-10 day production time ("shoot") for each episode.

Barbra Myers is Vic's mother who just retired 2 years ago from being the chief administrator in the X-ray Department of a large hospital where she handled an \$8M budget, numerous employees and very expensive machinery. During her 30+ years of work as an administrator, she has become an expert in management, bookkeeping and budgeting. She is an invaluable "right hand woman" to Vic. She serves as a Director and Treasurer of TCI. Her bookkeeping is strictly supervised by CFO Duffy. Barb works on the books at least 3-5 hours per week and, like her son, virtually all day for a week or more while she is the production manager and bookkeeper on the "shoots."

Steven Dengler is an entrepreneur, venture capitalist, "angel" investor and, as with TCI, a sponsor of many non-profit ventures. He holds a B.A. from Western University. Again, the best way to learn more about Steve is to visit [www.Dracogen.com](http://www.Dracogen.com), cataloging both his for-profit and non-profit ventures or view his voluminous resume at [www.linkedin.com/in/swdengler](http://www.linkedin.com/in/swdengler). Steve does enough as a sponsor but he additionally works long hours during the shoots both with Barb on financial matters and as an actor.

David Arland is a marketing, advertising and public relations professional who has made sure that StarTrekContinues.com remains in the public "spotlight." His publicity is undoubtedly a major reason for the amazing success and public support of the two StarTrekContinues.com Kickstarter events. Dave works a few hours per week to make sure STC stays in the public eye. He handles the blog (along with Vic) on the STC website and publishes STC's newsletter "Subspace Chatter." He is also a tireless production assistant during the shoots.

William Smith has been a building contractor most of his life so he very adept at handling multiple workers and structural design. He has improved the Enterprise bridge set purchased from the Farragut Group and added a sick bay, transporter room, conference room and captain's quarters. The set walk-through video (under the "Episodes" tab in the "extra" section) as well as all the scenes shot on those sets prove his expertise. Most of this year, he has worked on building the engineering set which the fans funded in KS2. He is the *de facto* custodian of the entire set because he lives a short distance away and he works there almost every weekend with other volunteers. He works about 10 hours per week and, like all the others, 10-14 hours during shoots when he is the property master.

Thomas B. Duffy, Esquire, in addition to his J.D., holds a Dual LL.M. in Tax and in Securities & Financial Regulation from Georgetown University Law Center. He is an expert in Tax Exempt Entities and Activities whether they be pension funds, benefit plans, non-profit entities, insurance companies or entity selection and formation. His resume is at [www.linkedin.com/in/ThomasBDuffy](http://www.linkedin.com/in/ThomasBDuffy). Duffy works about 20-30 hours per year on tax or tax exemption issues as well as financial matters for TCI, most of which is for compensation. However, this does not count this *pro bono* application which has consumed at least 50-60 hours.

Q3b: There was a predecessor entity to TCI, Far From Home, LLC. All of the assets but none of the liabilities of FFH were transferred to TCI in early January 2015. Vic was the sole member of FFH and he is Executive Director/CEO of TCI so there is common control. This is extensively explained in Counsel's Letter.

As to relationships with and between the two entities, Steve Dengler was a sponsor of both FFH & TCI. None of the Directors is compensated by TCI or by FFH in the past. The Directors have the relationships that are disclosed in Counsel's Letter ([see page 4](#)) and throughout this Application and this Addendum to Answers.

Counsel Duffy is also tax and financial attorney for FFH so there could be, and was, a smooth transition to TCI. FFH's main tax issue was the KS1 1099K for \$124,000 which was distributed, per the accrual method, 1/3 to 2013 and 2/3 to 2014 (1 episode in 2013; 2 in 2014). Accountant Lytle handled this 2013 matter in expert fashion and the IRS has accepted the distribution between the two years. [See E24-28](#). Duffy, with much assistance from Barb Myers, prepared the Schedule C for 2014 which declares the other 2/3s of the KS1 money. The IRS has had no 2014 follow-up questions to date. Both Schedule Cs and Duffy's 2014 explanation of items are available for *in camera* review.

Vic has made no money from either of these entities. In fact, as is clear in Counsel's Letter as well as the Income Statements and Balance Sheet ([E34-36](#)), Vic has often had to use his own funds to keep both entities operational. Accountant Lytle in FFH's 2013 Statement of Financial Condition, had a \$41,000 account payable (A/P) to Vic. [E24](#). Examination by Counsel has shown that these funds actually were about \$15,500 from Steve Dengler and \$25,500 from Vic. These funds should have been stated as contributions or sponsorships (or other designation) as neither Vic nor Steve ever thought FFH owed them a "refund" or other payment back to them.

To put this issue to rest, counsel has had both men sign Notarized Statements that FHH & TCI owes them no money now or at any time in the past. [E37-40](#).

Q4 (all parts): Just to elaborate Vic is an expert on compensation rates in the video production industry – if only because he has performed or worked in nearly all capacities in that industry. As explained earlier, Vic is able to obtain the services of independent contractors for about 10% of what they would charge a for-profit production in Hollywood or elsewhere. As a rule of thumb, he offers them per day what they would make per hour in a for-profit production. (Recall a studio day usually lasts from 10-14 hours.) Because these individuals are all huge Star Trek fans, they work at these deep discounts.

For other services, such as lodging and catering, these firms were chosen based on competitive bidding in 2013. Since they continue to offer these reasonable rates and are now known to be competent at their functions, FFH/TCI has generally kept using these same providers. However, at the suggestion of Counsel, Barb has taken bids for entire blocks of rooms at the local hotels and has saved thousands and lots of reimbursement paperwork by doing so. As to professionals, Counsel is very aware of billing rates in the accounting and law industries and both Lytle & Wilson Accountants and the Duffy Law Group conform to average rates in those industries. If any other services are needed, CFO Duffy is very knowledgeable about looking up compensation rates in various industries on the Bureau of Labor Statistics or industry specific websites.

Vic, with the permission of the Board, approves all the compensation arrangements, few though they are, with the actors, directors, camera people et al. who are paid small sums. Vic and the Board try to get compensation arrangements in writing but actors and artists don't like signing anything. Worse yet, they could be highly insulted and quit. However, all the services back in LA, such as special effects, are well documented. While doing this Vic and all others follow the Ethics & Conflict Policies. [E16-18](#).

Q5a: TCI's conflict of interest policy is exactly the same as that recommended by EO in Appendix A to the 1023 Instructions. [E17-18](#). TCI also has a Code of Ethics which reflects the ethical standards in law and fiduciary duty industries more than general business ethics. [A16](#).

Q5b & c: Counsel is constantly "on the lookout" for conflicts and he is well trained in that area. Basically, nobody gets any compensation or it's so small TCI could be accused of taking advantage of them. The main source of conflicts is with Steve Dengler and Counsel Duffy. Steve is very aware of the conflicts created by his sponsorship. Duffy obviously has some conflicts being compensated for some of his services. So far he has handled the issue by not having a contract with TCI (at will employment) because he is too conflicted to present his own contract to the Board. See paid bill at [E50](#) to see how the situation has been handled to date as well as the answer to Q7a, immediately below.

Q6a & b: There are absolutely no "bonus" payments at either FFH or TCI. As above, volunteers know they will be reimbursed (usually airfare or gasoline) or have the services (lodging, catering, etc.) paid in advance by TCI. Professional independent contractors are treated exactly like volunteers but receive compensation on the order of 10% of amount usually billed, as explained above.

Q7a: Though Thomas B. Duffy does a lot of volunteer work, the Duffy Law Group does bill for some services such as keeping TCI in compliance with the respective tax and corporate authorities, accounting for funds and sending out Forms 1099 -- but this application is *pro bono*. If Duffy were a “pure” volunteer, he could not afford the opportunity costs of not billing for this work and would have to hire other contractor(s) to do it. This would be incredibly inefficient as these other contractor(s) would request all kinds of information that Duffy already has in his files and is familiar with. Our standard rates are \$400/hour for Duffy, \$250-\$325 for less experienced attorneys, \$200 for paralegal support and \$125 for secretarial work. For STC, they are, respectively, \$350/\$200-\$275 (nothing billed at this rate so far)/\$150 & \$100. As noted on our bill at E51, the blended charged rate is \$288.60 and, considering the pro bono hours, the effective rate is \$107/hr. Most of Duffy’s classmates from Georgetown are charging at least \$500-\$600/hour. The discounted rates and pro bono application were Duffy’s “offer” and it was accepted because it was a fantastic “deal” for TCI. That’s about as “arm’s length” as it could get and the billings are obviously way below market rate. There is no contract because Duffy sees no way he could prepare one without having a larger conflict than just not having one. He serves at the pleasure of the Board ([E19](#), Item 2). They know what his (discounted) rates are, they know work he charges for (to date always checked in advance) and they can fire him if they are displeased.

Specifically, Duffy was “hired” by vote of the Board of Directors at the first board meeting in January 24, 2015, he serves solely at their discretion. [E19](#) (Board Minutes Item 2). TCI has paid The Duffy Law Group \$3071.56 in 2015. [E51](#).

Q7b: As part of his very generous Sponsorship of STC (for both TCI & FFH), Steve’s company is mentioned in the very small copyright notice (smaller than most footnotes), at the very bottom of all 10 TCI web pages, stating, “(c) Trek Continues, Inc. in association with Dracogen Strategic Investments.” (Text intentionally kept as on website: Arial, 8.5pt.; most other text on the website is 12.5pt or larger.) The contract for these minor mentions is at [48-50](#). (There were two earlier nearly identical contracts with FFH. In 2013, Steve contributed \$15,500<sup>1</sup> and in 2014, \$9000.)

Steve is mentioned most prominently under the [“About” Heading on the STC website](#) in section entitled “History” and right below that there is a small statement about Steve and [Dracogen](#) with Dracogen being hyperlinked to its site. On the [“Contact” page](#), there is a hyperlinked Dracogen logo in with the other sponsors’ logos. The others have provided free services. The same bio appears as both an actor (Lt. Drake) and as co-executive producer ([click on his picture under either cast or crew](#)). The bio merely covers some of his entrepreneurial and producer credits. There are other mentions of Steve and Dracogen but, generally, the mentions are very subtle or standard in the video production industry for an actor/co-executive producer. The credits are in the last 3-4 minutes of all the episodes, if you wish to review them.

As to value, these mentions or acknowledgements are costless to TCI, such as volunteers inserting Dracogen’s name and its logo in the webpages. Also, Steve and Dracogen are given the

---

<sup>1</sup> The \$9000 check in February 2013 was made out to the SS Farragut Group. It was used on Episode 1, however. The money was probably made out to SSF for the simple reason that FFH did not yet exist or have a bank account.

same acknowledgements as all upper-level cast and crew such the picture and bio, or the standard acknowledgement in the industry, mainly as co-executive producer – which is also costless as somebody’s name and picture would be in place of Steve’s in those capacities otherwise.

Simply stated, and elaborated in Counsel’s letter, without Steve there would be no Star Trek Continues and he has received almost nothing in return, all of which was costless to both FFH & TCI.

As this document was near completion, Counsel realized that Director William Smith has a mention of his business on the careers page. STC.com, “Non-Profit” Tab, there are four tabs under “Trek Continues, Inc.”: Mission, Careers, Science & Privacy. He is simply one of the many professionals profiled on the [Careers Page](#) (fourth from bottom). His profile probably does the best job of linking his interest in Star Trek to his current profession (design and building industry). He mentions his business TOS Graphics once and there is a [hyperlink](#) by that name after his profile. On his site, [this link](#) will show you why the Engine Room cost \$50,000. All those who are profiled are welcome to have a link to their website: it’s an important aspect of career education. Again, this is all costless to TCI.

Also, Dr. Catherine Roberts, who has made a least one significant donation in KS1 is profiled. It was solely counsel’s idea to profile her on the [careers page](#). When Barb mentioned her incredible credentials, counsel immediately thought that profiling professional women, especially very accomplished ones, was one (small) way to make up for the rampant sexism on the 1960s show. Since then, two other accomplished woman scientists have been profiled. This should encourage more young people -- especially women -- to enter STEM careers, which is part of STC’s mission.

There are probably other examples but absolutely no one is being treated in a preferential manner – just as the show portrays will be the norm in the 23<sup>rd</sup> Century.

Q8: Included in Q7 answer.

Q9: Steve owns more than 35% of Dracogen, where he is also CEO, see answer in Q7. Also refer to his certification at [E29-30](#) in which he absolves FFH and TCI from any debts they may owe him, which, as he explains, he always thought of as a sponsorship or contribution.

## **Part VI**

Q1a&b: TCI produces episodes of the web series Star Trek Continues. Every Human Being on Earth is welcome to watch these artistic creations for free. The shows, like the original, are meant to inspire hope for the future, well-being, non-violent dispute resolution and non-discrimination. As to education, there is career and scientific information available on the website. Volunteers who already have some stage or video experience, are welcome to apply as staff. If accepted, they can learn first-hand about all aspects of producing a “TV” show. Some of the volunteers are already referred to as “interns.”

This is all covered extensively on the mission statement in the Articles, on the website and in Counsel's letter.

Q2: As stated above, everybody is welcome to come to the site, [watch the videos](#), learn some "behind the scenes" [educational facts](#), learn about [careers](#) and "hard" [science facts](#) (mostly links to NASA, Warp Theory, Big Bang theorists, etc.). There will be more added to these aspects of the site in the future if this application is granted. Now, it is obvious some of the volunteer/educational jobs ("internships") will have to be limited at some point -- that has not happened yet. It is obvious these "hands-on" or experiential jobs are limited by their nature. However, they will be open to all qualified candidates on non-discriminatory basis. (Nearly everybody on the set, both in front of and behind the camera, has a Bachelor's Degree in Video Production, as Vic does, or the Theater Arts or in similar Motion Picture Arts & Sciences.)

Q3: All family members and business associates are welcome to the videos, services and reimbursement equivalent to other similarly situated individuals. (Most of which is not accepted.) Vic and Steve are good friends. Barbara Myers is Vic's mom. They get the same food from the caterer. They sleep in the same hotel rooms paid for or reimbursed by TCI. If anything, to avoid any appearance of impropriety, these three top officers abstain from benefits that are clearly available to them. Vic, Steve and Barb have always paid their own airfare to the set in Georgia. (Steve frequently flies in his plane but has never sought reimbursement for aviation fuel.) Steve has always paid for his room as well. Vic and Barb have paid for their hotel rooms in the past but now just sleep in the blocks of hotel rooms that TCI reserves (and pays for) for all staff.

So the mission in this case began as a "friends and family" project, since then, as EO rules demand of a prospective 501(c)(3) entity, they have had many, many others "sign on" as volunteers or at "bare-bones" professional rates. They have had two hugely successful Kickstarter.com campaigns in which at least 3000 members of the public gave significant donations, usually of \$50 or more. The statistical information is in [counsel's letter, p. 9 \(next to last paragraph\)](#). As is usual with many nascent non-profits, Founder Vic and Sponsor Steve have clearly come up with major amounts of their own money when other contributions have "run dry."

Vic paid for about \$30,000 for a "green screen" shoot of several scenes in L.A. in April 2015 out of his own pocket. Counsel authorized Barb to reimburse Vic: it was an absolutely necessary expense to complete an Episode 5. Vic protested at first but eventually relented when confronted with the fact it does no good to have a CEO more concerned about his credit cards than the production – and this was exactly the kind of expense for which the fans explicitly gave their money.

Bottom line, while this application is unusual, that's no reason to deny 501(c)(3) status. For a similar case, we point to the Sci-Fi Museum in DC which was approved in 2014. Its Determination Letter is available by [clicking here](#); the website is [www.museumofsciencefiction.org](http://www.museumofsciencefiction.org).

**VII**

There was the predecessor entity, Far From Home, LLC which is discussed adequately in answers to other questions above and in Counsel's Letter. As to the fate of FFH, its bank account was "spent down" to zero on Episode 4 expenses and closed. TCI took over operations at that point. Since FFH has never made any money, it owes no tax. All the property was transferred. It was left as a mere "shell" which has been returned to Vic Mignogna for his private use.

As mentioned in counsel's letter, TCI will file within 11 months of creation. However, Counsel has asked that the effective date of any exemption letter be extended back to October 8, 2013. That will be around 26 months. (Hence, Q2 is checked, "no.") This request is solely for the benefit of the generous fans who contributed to the KS1 campaign which began on that date.

Counsel is fairly sure this can be done. It may require Schedule E so it has been included. All Schedule E questions have been answered truthfully but there is doubt about whether some answers should be "yes" or "no." The main such question is Q3a: yes, TCI would like FFH to be considered in this application as part of a group application, if that would help extend the Exemption Letter date back to October 8, 2013. Or under Q5, TCI would like to be considered for presenting a reasonable excuse for the late filing with regard to FFH's creation date (which is believed to be irrelevant; see below).

**Reasons for Late Filing, if Considered Late**

The first reason is not so much an excuse but TCI is only asking for a retroactive date that is within the 27 month period. All that is really needed is that the period from October 8, 2013 to November 7, 2013 be "covered" – it is only for the benefit of the very generous fans. Then "skip" to TCI's December 31, 2014 creation (or any time before the January 17, 2015 start of KS2). Counsel admits he's never seen such a "skip" but it would be for the worthy cause of not denying [§ 170](#) privileges to the fans due to the non-lawyer Founder's very excusable mistakes. (It does say in EO materials that LLCs are acceptable entities without qualifying that it cannot be a one member LLC and, ideally, should be a "no member LLC" (not allowed in many states) which has elected to be treated as a corporation. As a practical matter, the only EO LLCs allowed are those in which the member(s) are already exempt entity or entities.)

Most importantly, FFH as a single member LLC is an ignored entity for tax purposes ([CFR § 301.7701-3\(b\)\(1\)\(ii\)](#)) and it, therefore, ineligible for 501(c)(3) status because individuals can have no such status. So KS1 is just "hanging out there" in October/November of 2013 before the TCI entity was formed. Logically and due to the 27 Month Rule, KS1 should be included in TCI's exemption letter. Again, it is not made sufficiently clear in EO materials that LLCs can really only be supporting organizations in which the main non-profit is the sole member. If EO wishes TCI to have FFH as supporting organization, we will file the proper paperwork on request.

If some of the above is wrong and EO wishes to use the formation of Trek Continues, LLC (not Inc) as the reference point to apply the 27 Month Rule, FHH/TCI will need an excuse for its late filing. The excuse is FFH was formed was formed on March 22, 2013 as Trek Continues, LLC,

(E20-22) which would give until June 22, 2015 to file on time. That just was not possible. Counsel came “on board” in late December, 2014. FFH was already way past the \$50,000 limit for using Form 1023-EZ, which would usually be the “easy” answer to a time issue involving engaging counsel at a late date. TCI was equally ineligible because it clear was nearly certain to have more than \$50,000 in ALL of the next three years.

So this long form had to be filed. Just to get materials together to make this application took 11 months. Counsel was in New Jersey, Barb was in Maryland, Vic was in Texas, California and other locations and Steve was in Canada. Counsel could have filed a slipshod, unprofessional and inaccurate application based on the limited information available in June 2015; that’s not the way he operates. So the extra time was needed to file this professional and comprehensive application to comply with the disclosure rules and for the benefit of EO’s processing procedures.

Further, Counsel has always looked to the October 8, 2013 date as the first day it was actually necessary to be a non-profit because he always considered the formation of FFH to be non-event involving an ignored entity. And, again, October 8, 2013 is within the 27 month window. That’s the only time window that could be met with due diligence. For these reasons this application meets the requirements for more than 27 month retroactivity, if needed, because the lateness did not prejudice the interests of the Government; indeed it respected the interests of the Government by allowing this comprehensive and accurate application.

The most logical and reasonable way to look at this situation is that non-lawyer, non-financier Vic Mignogna at least had the ethical impulse to create a separate entity (which is really just a fiction when there is only one member – but he doesn’t know that) and establish a separate bank account in that name. Every EO person has seen many cases in which the founder just put the contributions in their personal bank account. When I was at R&A, we still gave the person the full 27 months backdated from the time of application – after helping them fix the “mess” they had made by obtaining a separate bank account, etc.

So if you look to FFH’s creation which TCI believes is absolutely incorrect for the reasons above, this application is late. Oddly, this application would not be late if FFH were never formed. We would be falling all over ourselves apologizing for STC running its finances out of a personal bank account but I think TCI would obtain a letter dated October 8, 2013 with little trouble. So if KS1 is not included in this timely TCI application, the government would be punishing the KS1 fans because the non-profit took the first two important steps in formation correctly (not realizing the entity was ineligible without more filings) and then stumbled.

Please, in no case, allow this FFH (really KS1) retroactivity issue to slow or hold up a determination letter for TCI since there is no reason not to grant the application as of its December 31, 2014 creation. The possible retroactivity of the October 2013 date can be discussed separately and result in an amended determination letter. **Please call Counsel to discuss this important issue to be fair to the fans from KS1 at 609-457-6700.** Both the reader and counsel know EO law and we’ll work something out very quickly.

**Part VIII**

Q2a: TCI and STC are totally apolitical. Of course, it reserves its Constitutional Right to political activity against any issue which directly threatens its existence. Counsel doubts this will ever happen. Please note, TCI will not give money to advance any issue that would be beneficial to TCI; it will trust in Congress' wisdom.

4a: Fundraising Procedures:

Email solicitations will be from a list maintained by the website of about 500 fans who have signed up for news letters or otherwise made their emails available. The big issue is that Kickstarter.com is "holding hostage" the 3000 or so email address it has from KS1 and KS2. This is how they "hook" organizations into coming back to them for additional fundraisers.

All members of the organization have no problem asking for donations. The actors ask for donations during their frequent interviews (usually at the end). They will usually direct people to the donation button on the website. If they get a check, they all know to mail it to Barb. They could be given permission to make the deposit themselves at any Bank of America location or even at any automated teller. I have not issued such permission yet.

TCI does not foresee applying for grants now but, as the educational, career guidance and scientific information on the site grows, foundation grants would be much more likely to succeed. But TCI is rather certain that the fans believe in all these aspects of the mission and would support all of them without resort to time-consuming foundation grants.

There is a PayPal Donation Button on the website. It has not been particularly successful. It will probably be expanded to appear on every page and, if technically possible, ideally it would pop-up anytime someone clicked to view an episode or at the end of an episode or both.

Donations from another organization's website is clearly solidly in place with Kickstarter.com – and only it. Its fees are really just too high and TCI seeks to separate from it, if possible. Another idea has been to ask to put a link to TCI's donation page on any interviewer's website for a month or so in exchange for interviewing an STC actor. This especially applies to Vic, but all the actors get a respectable number of requests for interviews.

Q4b: The sole arrangement now is with Kickstarter.com for their 5% fee plus the "tied" over-charge for credit card processing of ~3.2%. Its fees are listed here: <https://www.kickstarter.com/projects/fees>. As EO probably knows all too well, this is their take-it-or-leave-it fee of 8.2%. (About 7.2% of which is operating income because I am rather certain, KS obtains credit card processing for a 1% fee or less. Still, the 8.2% fee is not as oppressive as 25% to 50% contracts that most people involved with non-profits have seen.

No one remembers a specific contract with Kickstarter.com. The best that can be found is these terms of use: <https://www.kickstarter.com/terms-of-use>. The site is nearly totally automated – it's nearly impossible to obtain a rational answer from them. Counsel has asked for the two contracts and two statements of account twice and both times received a return email stating that taxes were "your" problem and to see a tax advisor.

Q4d: Though Kickstarter hides the information from STC and all other customers, we are nearly certain donations have come from every state and many foreign countries – especially those in which English is the main language. At this point, the majority of donations have come from the relationship with Kickstarter. However, about 20% of the funds have some from Steve, who is a Canadian Citizen, who was personally solicited for a sponsorship by Vic. It was the result of several conversations most of which probably were by phone to Steve in Canada. Vic has also done an excellent job of obtaining professional services for free or at extremely low cost. Many people, including Counsel, have simply been left in awe of the quality of the productions and volunteered without any specific solicitation.

Q7b: The landlord of the set facility manages the physical building as part of the rental. He is absolutely not related in any way to anybody else in the organization. TCI pays the heat, electric and other typical costs not covered in a lease.

Q10: TCI in conjunction with Dracogen claims a copyright in all the materials on the website and in all of the productions. Whether TCI can assert that claim in court is an open question given that CBS clearly has rights in the characters and probably the general artistic aspects of the show. However, CBS has clearly waived these rights for ordinary non-commercial use of the episodes for the general public. No action is planned against even commercial entities that present STC episodes to the general public without TCI's permission. Basically, there is a "the more, the merrier" approach to sharing the show with everybody.

Only if individuals were charging for the shows – say, selling DVDs of the shows – would TCI take action since that may be seen as violating CBS' very liberal tolerance policies. TCI and CBS would probably join forces if there were any dilution of the trademarks or reputation of show. For example, TCI would take immediate action against anyone who "spliced" pornographic material in between the actual scenes produced by TCI.

Q11: TCI will accept any property that has a significant value beyond its transaction costs and net present value of maintenance. For example, counsel is well aware of all the "headaches" the IRS has with donations of property whether for over-valued cars (or boats, etc.) by average taxpayers or just plain hard to value items (*e.g.* the Georgia O'Keeffe Estate case) from wealthy people. Generally, TCI would ask the person to sell the item, perhaps with some assistance from staff or counsel, and donate the proceeds to avoid such "headaches." (Gifts of appreciated property, to preserve the tax benefit to the donor, would be accepted by TCI but immediately sold – probably with the assistance of the donor.) TCI has absolutely no intention of taking any car or boat donations. One donation that would be accepted would be any building, in decent shape, for the studio and set. Whether the donation was in fee simple absolute, some lesser estate in property, a lease or some kind of "loan," it would be accepted. Also, if TCI did acquire a building it would almost certainly attempt an IRC § 1031 tax-free like-kind swap to avoid moving expenses. Professional appraisers would determine the value (or NPV) of any such donated estate in property. As you probably know, § 1031 intermediaries typically charge a 10% commission. These are all just possibilities which we state in the interest full disclosure.

Now, there is a large group of conditional items. TCI owns, perhaps, 20% of the wardrobe or props used on the show. The rest are on loan from cast, crew and sometimes fans. Most of the cast and crew have owned their own Star Fleet uniform(s) for decades; many own phaser guns and other props. They bring these items to the shoot and usually take them home afterward. A few leave items in Georgia. With regard to the Georgia items it is very clear they are only on loan to the show. So all of these are “loan gifts” with the condition of return. TCI believes this is very reasonable, has led to no ownership issues, and saves TCI as much as \$50,000 in needless replacement costs.

Q15: TCI had a close relationship with FFH, fully described earlier. STC, under both TCI and FFH, had a close connection with the Star Ship Farragut (SSF) group in that STC was “barrowing” SSF’s Enterprise Bridge set. The first three STC episodes were shot under that sketchy arrangement. During KS2, the \$50,000 deal to buy out SSF regarding the bridge set was solidified. Also, Steve Dengler was a sponsor of SSF until it dissolved, at which time he became a STC sponsor.

There are numerous Star Trek and Sci-Fi related organizations, and even organizations solely dedicated to advancing the video arts and sciences, which are very cooperative with TCI in its STC mission. For example, but not limited to, the organizations which have awarded STC prizes for its quality work – listed under the “About” Tab on the site, just above the “History” Statement.

### **Part IX**

Please see spreadsheets that have been interleaved into the application right after page 10 and are also available at [E34-36](#).

### **Part X**

Q5: Counsel believes TCI falls exactly within the definition in [IRC § 170\(b\)\(1\)\(A\)\(vi\)](#) so he has checked item (g). However, it is obvious that the officer reading this knows a lot more about the topic than counsel does, so if IRS EO believes choice (h) is more accurate, you absolutely have permission to make that change in your discretion. TCI believes that choice (h) is inappropriate because is overly concerned with investment income (of which TCI has none) and “gross receipts” from its non-profit activities (of which TCI also has none) and, to a lesser extent UBIT activities (which is totally inapplicable to TCI).

Q6b: Please consider TCI for a definitive ruling. (Counsel checked the box because FFH has completed one full taxable year; however, TCI has not completed a tax year.) Although TCI does not have to answer questions 6b or 7 because, even when taken together, FFH/TCI has not been in existence from more than 5 years. However, in the spirit of full disclosure and good faith, TCI discloses the following answers to both (i) and (ii) because of the legitimate doubt as to whether box (g) or (h) applies. TCI does not have names for many of the fan contributors or the exact amount given because KS considers that information to be their intellectual property. TCI would not disclose the names in any case because it does not have to. This is clearly going to cause issues with Form 990 filings but that’s an issue for another day.

The 2% threshold for line 9(e) included a \$300,000 projection which inflates the threshold to \$12,788. Counsel is pretty sure that is not the number EO is looking for. The 2% thresholds for the contributions to date are \$10,217 including all contributions, sponsorships, etc. and \$6788 not including such funds from disqualified persons, who in this case are only Founder/Executive Director Vic Mignogna and very generous Sponsor and Director Steve Dengler. There are a handful of contributors who have given more than \$6788 – see below. Above \$10,217 there is probably no one except, of course, both Vic and Steve and the generous, but anonymous, fan who paid \$24,000 in rent in 2014. (I assume the fan is a disqualified person so the threshold is lower – but s/he very likely is not.)

Their specific amounts are:

Vic Mignogna: \$689 in 2013, \$52,266 in 2014, and about \$20,000 in 2015, totaling \$72,955.

Steve Dengler: \$6500 ('13), \$9000 ('14) and \$59,000 ('15), totaling \$74,500

Contributions in KS1:

6 fans contributed at least \$5000 (TCI does not know if they gave more due to KS non-disclosure).

1 Fan contributed at least \$10,000 – the Directors believe from talking to him/her, it was exactly \$10,000.

Contributions in KS2:

7 fans gave at least \$5000 (unknown if they gave more as stated above).

1 Fan gave \$10,000 or more – again, s/he indicated to the Directors it was exactly \$10,000.

**The main policy point here is TCI has proven beyond any doubt not only that it has broad – and very generous – public support but that it also can have a long-term existence with highly competent management.**

7: Counsel checked “no.” If the IRS considers the Mignogna and Dengler money to be grants, TCI sees no importance in such a distinction. Also, there is nothing “unusual” because most Form 1023 filers disclose large contributions from disqualified persons, especially from the Founder and his/her close friends (Steve) and family (Barb volunteers 500-1000 hours per year).

**Schedule E**

We file this form in the interest of full disclosure. It is also dependent on EO going back to March 2013 and looking to the formation of Trek Continues, LLC (later FFH) as the relevant reference date for the entity formation.

General Answer: As Explained on page 9 (bottom para.) - 10 of this Addendum (Answer to Part VII), it was just impossible for counsel to get the records together for this long form application by June 2013. Also, I had always looked to October 8, 2013 as the relevant, possible date to which STI might be granted an extension for the benefit of KS1 contributors. Since October 8, 2013 is within the 27 month window, I still think that date is possible.

Further, as explained before, it is rock solid Federal Law that an LLC, especially a sole owner one, is an ignored entity. If Vic and I are wrong about that, then we do need an extension back to March of 2013. (Vic also had been misled in 2013 by the unqualified statement in EO's 1023 instructions, and elsewhere, that an LLC could be non-profit when this is almost always wrong without very special planning.)

If it is necessary to extend back to March of 2013, then we would really appreciate that and thank you for your consideration.

Q2b: I checked "yes" because TCI is filing this application before the end of 90 days after its first year with receipts over \$5,000. If EO looks to FFH, then the answer would be, "no" – it has two completed tax years. I am going to keep answering the other questions below because I am not sure "yes" is correct.

Q5: Yes, TCI includes FFH's two tax years, we would like to be considered for an extension. The reasons are expressed on page 9 (bottom para.) - 10 of this Addendum (Answer to Part VII).

Q6a: Obviously, TCI will take any date the EO gives it – so maybe I should have checked "yes." As stated before, the postmark date is not really relevant (if before January 8, 2016) because TCI believes it meets all the rules for being awarded a letter retroactive to December 31, 2014, its formation date and possibly back to October 8, 2013, as explained earlier.

Q6b: If you consider not using Kickstarter anymore and just emailing our contributors directly to be a "significant change" then the answer would be "yes." TCI, when it makes such a move to internal fundraising, will be much more compliant with IRS fundraising guidelines. We have asked the fans what they think about small monthly withdrawal from their bank accounts. We still do not see that as a big change: it's the same fans saving TCI credit card fees on a traditional fundraiser. It's a basic financial transfer, it just happens more often by consent and for budgeting purposes for fans.

However, we believe the answer is "no." Even with a changed method of alerting fans to a fundraising event or spreading the donations over time, it will still be the same (hopefully expanding) fan base, making similar donations.

### **Schedule G**

FFH issues have been frankly discussed and willingly disclosed but here are the specific answers:

Q1a: The Application page 9 & 10 answers for 2013 & 2014 are FFH's financials. There is no way the STC project or mission can be described as a for-profit business. It was always meant to be a non-profit, Vic read an LLC could be a non-profit and, obviously, that's where he stumbled.

TCI does not consider itself to be a "successor" entity to the Star Ship Farragut Group (SSF) but in some ways, perhaps FFH was a "successor." Now, nobody knows what the status of the Star Ship Farragut group from whom TCI obtained the bridge set for \$50,000. I suspect their financials were even more "in the red" than FFH's because they had no Kickstarter or any other type of fundraiser. They did have Steve giving them a little money. That's all we know. Even assuming they were a for-profit "unit," they had some legal possessory rights in the bridge TCI was borrowing. Worst case they could have come to repossess part of TCI's set. I see this as no different than if we bought the bridge set from CBS' "attic." Non-Profits have to obtain their operational items from somewhere and SSF gave a deal that was, at least, fair to all parties concerned.

Q2a: TCI has fully disclosed why it is a successor entity to FFH. Mostly simply, I made the change so there would be an entity that was eligible for an exemption. The sole owner LLC was not eligible and it had missed all the deadlines for making various elections to be treated as though it were a corporation. Now, there are "sneaky" options I considered but immediately dismissed as being totally against EO's spirit of full disclosure. There are several options but it would mainly have involved getting TCI an exemption letter while it was still a shell through the very quick 1023EZ process. Then there would be a merger or asset sale so that TCI could totally subsume FFH's operations. I consider this dishonest. So I did an "upfront" asset transfer (with no liabilities) which I find myself explaining right here, which is fine. It was the right decision and TCI is happy to disclose it the transfer and FFH's prior existence.

Q2b: FFH was obviously a sole proprietorship, just like any other one member LLC that doesn't make any elections. FFH's operations were duly reported as income which was totally obliterated by the extreme costs in the video industry on Vic's Schedule C. This is all very obvious from Accountant Lytle's 2013 financials and his April 28, 2015 accrual accounting method answer to IRS questions about "missing" income which are at [E24-28](#).

I handled 2014 and the information is broken down much more specifically in my 2014 accounting. So 2013 & 2014 are right off Vic's Schedule Cs for those years. There is one insignificant change: nobody told me about the fan paying the rent. He just sent the rent in to the landlord and it was totally unrecorded on FFH/TCI books so I made the two exactly offsetting changes to rent and a separate line for fan paying rent for 2014 in [E34](#). 2013 probably has a similar minor defect but nobody remembers who paid what. The rent paying fan was involved, SS Farragut was definitely paying at least half of the rent. All we know for sure is that the rent was paid and there were no rent checks sent out by FFH in 2013.

Q2e: Disclosed in Q2a, immediately above, and throughout this application.

Q5: Obviously, Vic was quite involved in TCI and is continuing on with STC. There are no agreements with Vic. Everything Vic does is for free for both FFH and TCI. He does have several business interests (all artistic) that appear on separate Schedule Cs on this tax return.

None of these are selling anything to TCI or STC. Just the opposite, they give much free service to TCI (and formerly FFH). The best example would be all the free hours from his video editing business.

Q6a: SS Farragut group owned just the bridge set which they graciously “loaned” to STC. At first it was “free” but then FFH had to start paying some of the rent, which was eventually paid by a fan. The bridge was good and sturdy but, for example, the (computer) lights at the various officers’ stations did not mimic the ones from TOS to the satisfaction of STC volunteers and professionals. For the STC shoots, they made several major upgrades. The lights on the bridge were upgraded as everyone wanted. There were sets added around the bridge, just as in TOS. You’ll have to take the set tour but behind the bridge there is an elevator opening, a conference room to the left and a long hall to the right which has a crew quarters room, a transporter room and a sick bay. Now, there is also an engineering room set farther down the hall.

If somebody came “to repossess” the bridge, the expensive new light set would get wrecked and the rest of the sets would fall like a bunch of dominos. Stated another way, the bridge set is the solidly built “keystone” that keeps the rest of the sets in place and sturdy. Eventually in 2014, it became obvious that STC could not have the bridge set “repossessed.” This led to the \$50,000 deal to have full title to the bridge and assure the continued availability of the other set.

That price was pretty much determined by the SS Farragut group. That’s what they felt they put into the bridge set in hardware (not counting time) and they wanted their costs back. The set is beautiful and the first price of \$40,000 was a really good deal. Then they decided they wanted more, \$50,000, and the TCI board voted unanimously to authorize Vic to do what it took, literally, to keep the bridge “nailed down.” Before they upped the price again, Vic entered into the \$50,000 contract which is at [E52-53](#) and the set was “safe.”

As to restrictions on use in Q6b. The items in red, about having rights “to shoot” on the set after the sale, in the \$50,000 bridge set agreement were added by SSF and were costless to TCI. [See E52](#), Items 1 (2<sup>nd</sup> para.) & 5. These do constitute a minor restraint on TCI’s full title until early January 26, 2016 so we mention them. TCI plans no “shoots” in December 2015 or January 2016 so SSF’s use of the sets will not encumber TCI in any way.

Going back to Q6a, regarding Far From Home, everything was just a gift, a transfer of all the assets and none of the liabilities of FFH. FFH achieved this by “spending down” its sole bank account paying bills from Episode 4 and even few from the beginnings of Episode 5. Vic overdrew the account by \$556.24 and then immediately made up the money from his own pocket to zero FFH’s account. [See E43](#).

At that point, TCI took over operations and possession of the set and some of the wardrobe and props that did not belong to the staff. TCI was obviously short on cash and Steve had to get it \$9000 in February 2015 before the KS2 check showed up. At that time, the sets, etc. had a basis of at least \$150,000 (or \$100,000 without the \$50,000 payment to Farragut Group) and were worth 50% to 100% over that if replacement involved paying the laborers. So, conservatively, that’s \$225,000 - \$250,000. Adding the \$50,000 engine room set, gives a conservative estimate of the total sets value to about \$275,000 which is the number I used in the balance sheet at [E36](#).

Q6c: The bridge set contract with SSF is at [E52-53](#). I did not waste TCI's money drawing up an agreement of transfer (or gift) or similar document from FFH if only because it would have been nearly impossible to list all that was being transferred. Also, Vic Mignogna's Forgiveness of Indebtedness Note at [E37-38](#) would also release any claim he may have had on TCI property.

**Thank you very much for your attention to this application!**