

Internal Revenue Service
Director, Exempt Organizations
Rulings and Agreements

Department of the Treasury
Cincinnati, Ohio 45201

Date: September 1, 2004

Ohio MEMS Association Inc.
Care of Colin K. Drummond, Pres.
4415 Euclid Avenue, #500
Cleveland, Ohio 44103-3733

Employer Identification Number:
27-0032259

Person to Contact - ID#:
Gary Muthert - 31-08039
Group #7825

Contact Telephone Numbers:
513-263-3639 Phone
Eastern Standard Time
513-263-4513 FAX

Response Due Date:

September 22, 2004

Dear Sir or Madam:

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

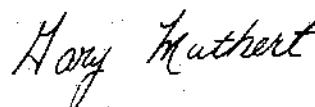
To help us determine whether your organization is exempt, please send us the requested information by the above date so we can complete our review of your application.

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

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

If you have any questions, please call me at telephone number shown in the heading of this letter.

Sincerely yours,



Gary Muthert
Exempt Organizations Specialist

Ohio MEMS Association Inc.

Additional Information Requested:

Your response to this letter must be submitted over the signature of an authorized person or of an officer whose name is listed on page 3 of the application.

1. What are the commercialization barriers that MEMS face and why?
2. Please submit copies of the material that you will be presenting at the conference in Cleveland, Ohio. Also include a copy of the registration application.
3. What facilities are being used to house your organization? Who owns those facilities, and is the facility being rented from an officer or a relative of an officer? If so, please explain how the facility was selected and the rental amount determined to be reasonable. If there is a written rental agreement, please send a copy of it. If there is an oral agreement, explain the terms.
4. We noted that your current officers will not be compensated as officers. But, will any be compensated in other ways, such as being an executive director, employee, independent contractor, consultant, and/or an instructor? If "yes", explain what duties they will perform, the number of hours per week they will work, and the amount of compensation they will receive. In addition, provide a copy of any written contracts executed or drafted and explain they were selected over others. If contracts are not executed, explain the terms of the agreements in detail and provide an explanation as to why an agreement would be reached with a related party without a written agreement.
5. What is the relationship between the board members and what qualifications do they possess that qualifies them to operate this organization? If resumes are available, please provide us a copy for review.
6. How do you advertise your services to potential recipients?
7. Submit any brochures, flyers, advertisements, etc.. that you use to advertise your services.
8. Are any of the current officers in a position to financially benefit, directly or indirectly, from your activities? If so, please explain.
9. What officers are employed by or own IACTIV Corporation and Orbital research?
10. Based on information provided, it appears that IACTIV Corporation, Orbital Research and other start up companies created this organization to educate their employees and to engage in research that could result in creating a commercial product. If this is incorrect, please explain in more detail why it is not.

Ohio MEMS Association Inc.

11. You indicate that you will conduct research. Therefore, please provide the following information regarding your operations:
- a. How are the results of your research (including any patents, copyrights, processes, or formulae resulting from such research), made available to the public on a nondiscriminatory basis? If so, how?
 - b. Is the research performed for the United States, or any of its agencies, or for a State or political subdivision?
 - c. Is the research carried on for the purpose of aiding the scientific education of a college or university students?
 - d. Is the research carried on for the purpose of obtaining scientific information, which is published in a treatise, thesis, trade-publication, or in any other form that is available to the interested public?
 - e. Does any of the researchers work for a commercial company that will require them to turn over their results before disseminating it to the general public or the medical community? If so, please explain.
 - f. Will the organization retain copyrights? If not, why not?
 - g. How are the results of your research (including any patents, copyrights, processes, or formulae resulting from such research), made available to the public on a nondiscriminatory basis?
 - h. Revenue Ruling 65-1, holds that an organization that promoted the development of new machinery for a particular commercial operation and the organization had to power to sell, assign, or license the resulting patent rights does not qualify as a scientific organization under IRC 501(c)(3). Please read the enclosed revenue ruling and explain how you are different from the organization denied exemption.

Please attach a copy of this letter to your response and mail it to the address below. If your response is less than 10 pages, you may fax it. If you fax it, you do not have to mail it also. Do not fax any response over 10 pages in length.

Internal Revenue Service
TE/GE Division
550 Main St, Federal Building
Cincinnati, OH 45202
Attention: Gary Muthert
Room 4122, Group #7825