

State of Connecticut
Office of the Attorney General
Karen Gano, Assistant Attorney General
55 Elm Street, PO Box 120
Hartford, CT 06141

RE: Sandy Hook Promise Foundation and Sandy Hook Promise Action Fund

Dear Ms. Gano:

In response to your letter dated May 16, 2013, I am respectfully submitting the following information as you requested.

As noted in your letter, Sandy Hook Promise is composed of two separate organizations: Sandy Hook Promise Foundation (the "Foundation"), a public charity determined by the IRS to be tax-exempt under section 501(c)(3) of the Internal Revenue Code (the "Code"), and Sandy Hook Promise Action Fund (the "Action Fund"), a social welfare organization tax-exempt under section 501(c)(4) of the Code (in this response, the two organizations are referred to collectively as "Sandy Hook Promise").

While both the Foundation and the Action Fund have a similar core mission – to heal communities impacted by gun violence and, ultimately, to eliminate gun violence by addressing its root causes – they work to achieve that mission in very different ways: (1) the Foundation provides research and public education regarding the causes, and prevention, of gun violence and helps impacted families and communities health through financial and other aid, while (2) the Action Fund works to promote the end of gun violence through public education and advocacy.

Though the Foundation and the Action Fund were founded contemporaneously, they are distinct organizations and have implemented measures to safeguard this separateness: importantly, the two organizations maintain separate books and records, and any allocation of shared assets or staff is performed in accordance with a cost-sharing agreement (to ensure that the Foundation does not subsidize any of the activities of the Action Fund); the two organizations observe appropriate corporate formalities (for example, holding separate meetings of the Boards of Directors, and recording separate meeting minutes); and donors are solicited separately for each organizations, with such solicitations containing disclaimers of the applicable organization's tax status. All such activities are conducted in accordance with the requirements imposed under sections 501(c)(3) and 501(c)(4) of the Code, and the relationship between the organizations (the associated safeguards) were disclosed to the IRS as part of the Foundation's application for 501(c)(3) status.

Despite these measures, Sandy Hook Promise realizes that it must more effectively communicate to the public the existence of, and differences between, the two organizations – what activities each organization engages in, and how donations are used to fund those activities. In response to such concerns, Sandy Hook Promise is actively developing new and better ways to communicate with the

public – and, in fact, even prior to receipt of your letter, was already in the middle of a major website redesign. Through these enhancements, Sandy Hook Promise hopes to better communicate with the public regarding the activities of both the Foundation and the Action, and further clarify to donors which organization their funds are going to and how they will be used. The measures currently being implemented will include, but are not be limited to, those described below.

(1) Enhancements to website:

- a. FAQs – The website will have one updated FAQ page which describes in detail the differences between the Foundation and the Action Fund. These changes have been made and attached as Exhibit A. Per section b below, we will evolve the site of the coming weeks into further sub-sections
- b. Possibility to maintain separate portions for Foundation and Action Fund activities – due to cost and resource limitations, Sandy Hook Promise will not operate separate website, but will, in coming weeks, further delineate portions of its website for each organization’s activities – with the Foundation sections focusing on research, education and healing activities, and the Action Fund portions focusing on advocacy. We plan on having the Foundation or Action Fund portions will be broken up into multiple subsections – we feel this will further enhance experience and depth of choice for each visitor. In the interim, we have moved the entire site to C3 (regarding donations), added much better and cleaner explanations (FAQs, About, paragraph on C3 donation page). Additionally, if and when we have fundraisers with the C4, we have enhanced the paragraph on the donation page to ensure the reader clearly understands what he/she is donating to and that it is not tax deductible.
- c. About Page- To further clarify the details of the organization Sandy Hook Promise has updated the information on the “About” page of the website. A depiction is included here as Exhibit B.

(2) Fundraising activities:

- a. Solicitations and donations: Sandy Hook Promise will ensure that all solicitations clearly indicate which organization is raising the funds, in addition to complying with all applicable IRS restrictions regarding solicitations and donor acknowledgements. For online donation pages (which will be maintained separately at the Foundation and Action Fund portions of the website), disclaimers regarding the tax status of the donee organization will be placed where donors can see them prior to entering in any donor information (previously, they were place at the bottom of the page, consistent with the practice of many nonprofit organizations).
- b. Fundraising events: when either of the organizations conducts fundraising events – such as the OPI event – it will make clear in all event activities which of the two organizations is conducting the event, and how funds raised through the event will be directed (in addition to complying with all applicable IRS restrictions regarding solicitations and donor acknowledgements). As part of the OPI event , the materials did state that the Foundation was the beneficiary as did the “hang tag” on each bottle, but the Foundation will endeavor to make this even clearer in the future.

- (3) We will ensure that such information is communicated clearly and understandable to the general public.

We sincerely hope that the efforts stated here will address the concerns your office has. Below, along with the attached materials, are the responses to your additional detailed questions on our activities.

1. **You indicated in your survey response for the Foundation that the Foundation had raised approximately \$600,000 as of the date of response. Please provide updated information about donations as of the date of response to this letter.**

As of May 16, 2013, the Foundation has raised approximately \$793,000.

2. **Please provide a summary report of the income and expenses of the Foundation identifying expenditures for the overhead and administration, expenditures for program related activity, and distributions for the charitable purposes of the Foundation. For expenditures for the program related activity, and distributions for the charitable purposes of the Foundation, please distinguish which of the uses identified in responses to questions 2 and 4 in the Survey response dated April 1, 2013, is furthered by the expenditure or distribution.**

Please see attached financial summary, attached as Exhibit C.

3. **Please provide a summary report of the income and expenses of the Action Fund, identifying expenditures for overhead and administration, expenditures for program related activity, and distributions for the Action Fund purposes and identify how the expenditures and distributions relate to you responses to the survey questions as to use and purposes for donations to the Action Fund.**

Please see attached financial summary, attached as Exhibit C. The Action fund has \$82,608 in expenses, \$80,077 of which has been spent directly to achieve the social welfare mission of the Action Fund to end gun violence through common sense solutions using education and advocacy, while the remaining \$2,531 has been spent on overhead and administration related to Action Fund's operations.

4. **Please provide explanation of how expenditures for overhead and administration are distinguished between the Foundation and the Action Fund.**

As described above, the Foundation and the Action Fund have a similar core mission of ending gun violence and healing impacted communities, but they engage in very different activities (1) the Foundation provides research and public education regarding the causes, and prevention, of gun violence and helps impacted families and communities heal through financial and other aid, while (2) the Action Fund works to promote the end of gun violence through public education and advocacy. To accurately allocate overhead and administrative costs for these activities between the two organizations, they have entered into a cost sharing agreement: on a monthly basis, the Action Fund reimburses the Foundation for any use of equipment and facilities, employee salaries and benefits, and overhead on the basis of timesheets maintained by

employees which document which activities were undertaken by which organization. For example, if three-quarters of total employee time for the month is spent on Foundation activities and one-quarter of employee time per month is spent on Action Fund activities, then the Foundation pays for three-quarters of overhead and administrative costs and the Action Fund pays for the remainder.

5. Please provide explanation of how donations to Sandy Hook Promise are distinguished as being directed to the Foundation or to the Action Fund.

Donations are directed to the Foundation or the Action Fund, depending upon the mode of donation: for example, (1) For online donations, the donation page indicates which organization the donation is directed to, (2) for wire transfers, the donor indicates by which account the funds are transferred into (the account information donors are provided clearly indicates which organization holds which account), (3) for checks, the name of the donee organization is indicated. In each case, if it is unclear which organization the funds are intended to be donated to (and the donor does not respond to requests for clarification), then the "default" is that the funds are directed to the Foundation.

6. Please provide a sample of the gift acknowledgement provided to donors for donations to the Foundation, and a sample of the gift acknowledgement provided to donors to the Action Fund.

Please see attached gift acknowledgement letters, attached as Exhibit D.

7. Please describe each of the fundraising activities conducted by Sandy Hook Promise and identify whether the funds raised by each activity were directed to the Foundation or to the Action Fund.

Sandy Hook Promise has conducted a variety of fundraising activities since its formation, including the following:

- OPI "Sandy Hook Green" Salon-a-Thon event: OPI Co., a nail polish manufacturer, donated specially designed "Sandy Hook Green" nail polish for an event held at Ricci's Academy in Newtown, Connecticut on May 19, 2013. All proceeds from services or products purchased at the event were donated to the Foundation, and for a donation or cost of salon services each participant received a free bottle of Sandy Hook Green polish. Both the flyers for the event, and a "hang tag" on each bottle of polish, indicated that the proceeds went to the Foundation.
- Online fundraising: The Foundation solicits, and receives, donations at its website, which is promoted through general means of communications and email communications directly to supporters who have "signed the Promise." Only one communication directly asked for donations to be made which was conducted on May 6, 2013 on Facebook. This effort led to

approximately 325 Action Fund and 50 Foundation donations during the promotion. All such communications led to the website where donors could choose either Foundation or Action Fund.

- Private appeals: The Foundation has conducted multiple solicitations with individual private donors. The Action Fund has conducted multiple solicitations with individual private donors.

Funds raised from these activities were directed solely to the Foundation or Action Fund based upon donor direction.

8. For each activity described in question 7 above, please describe in detail and provide support for the representations that were made to the public in promotions for the activity about what the funds would be used for, or to which entity – the Foundation or the Action Fund – the funds would be directed.

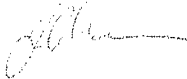
- OPI "Sandy Hook Green" Salon-a-Thon event: both the flyers for the event and the specific "hang tag" on each nail polish bottle clearly explained that funds were going to the Foundation. Flyer is attached as Exhibit E.
- Online fundraising: Online communications, and the May 6th Facebook effort, direct donors to the website where donations may be made to either the Foundation or the Action Fund. The donation page for the Action Fund states that the donation is not tax deductible.
- Private appeals: At private donor events, donors are notified that funds raised for the Foundation will be directed to the Foundation.

9. Have there been any distributions or loans from the Foundation to the Action Fund or from the Action Fund to the Foundation? If so please provide the date(s) of each loan, and identify the authority by which such distribution or loan was authorized.

No such loans or distributions have been made.

Please feel free to contact me with any additional questions.

Respectfully,



James S. Belden
Operations Director

Cc: Tim Makris

What is the mission of Sandy Hook Promise?

The mission of Sandy Hook Promise is twofold.

- 1) Help our community heal by providing immediate and long-term financial, in-kind and other services to family members who lost loved ones, to survivors, to teachers and staff, to first responders and to our community; helping each and every one through this horrific tragedy.
- 2) Advocate for change by bringing together, in local and national dialogue, the great majority of Americans who agree that we must find and implement common sense solutions to the causes of gun violence in order to save lives in our communities and our country.

How is Sandy Hook Promise organized?

Sandy Hook Promise (SHP) is comprised of two nonprofit corporations – SHP Foundation and SHP Action Fund. Two organizations allow us to fulfill our overall mission of helping our community heal, researching and implementing common sense solutions to the causes of gun violence as well as influencing legislators and engaging constituents in the legislative process. Details of each organization:

- 1) Sandy Hook Promise Foundation is a 501(C)(3) organization. Contributions to the foundation are tax deductible. Contributions will be used to:
 - a. Provide the immediate and long-term financial, in-kind and other aid to family members who lost loved ones, to survivors, to teachers and staff, to first responders and to our community; helping each and every one through this horrific tragedy.
 - b. Research the causes of gun violence in the areas of mental health, family, community, school safety and gun responsibility.
 - c. Develop and implement non-legislative (does not require congress, state assembly to pass law, governing rules, etc) solutions/initiatives to address the causes of gun violence in the areas of mental health, family, community, school safety and gun responsibility.
 - d. Fund the overhead (rent, utilities, etc) and administrative costs
- 2) Sandy Hook Promise Action Fund is a 501(C)(4) organization. Contributions to the Action Fund are not tax deductible. Contributions will be used to:
 - a. Help influence legislation (lobby) at a state and federal level. Encourage constituents to influence legislation. Examples of influence and encouragements include costs to meet with legislators and/or constituents, research and preparation, advertising, paid-media, events, campaigns and/or social media to name a few.
 - b. Fund the overhead (rent, utilities, etc) and administrative costs.

Sandy Hook Promise (SHP) Foundation and Action Fund have overlapping, though not identical, Board of Directors and Officers. SHP Foundation and the Action Fund will observe appropriate corporate formalities (for example, separate accounts, reporting, by-laws and charter, etc) and any allocation of shared assets or staff will be performed accordance with a formally set Cost-Sharing Agreement, which ensures that the Foundation does not subsidize any of the activities of the Action Fund or vice versa.

I have heard about the “Sandy Hook Promise” statement or pledge. What is it?

We are asking all Americans to join us in pledging to honor the lives lost at Sandy Hook Elementary School by doing everything we can to encourage and support common sense solutions to the causes of gun violence that will save lives in our communities and country. Read the full Sandy Hook Promise here:
<http://www.sandyhookpromise.org/mission>.

Why and what happens when I “make the promise”? What will you do with the names of those who “make the Promise?”

If you “make the promise”, you will join hundreds of thousands of others who have pledged to honor the lives lost and help implement common sense solutions to the causes of gun violence. In making this pledge you will:

- 1) Receive accomplishments, news, activities within the Newtown community and across the United States.
- 2) You will be invited to participate in mobilization events and/or campaigns geared toward commonsense legislative solutions in your state and/or at a federal level.
- 3) You will be invited to participate in the local promotion and support of non-legislative solutions (family, community, mental well-being and/or gun safety) that can immediately begin to influence change and help eliminate the causes of gun violence in your community.
- 4) Help ensure the Sandy Hook Promise Foundation and Action Fund organizations have the resources they need to achieve their short and long term goals and overall mission.

[Note: SHP has a strict privacy policy. Your name or contact information will not be shared with any outside groups or third parties.]

Who are the leaders of Sandy Hook Promise?

Sandy Hook Promise (SHP) was organized by a group of friends and neighbors in Newtown in the days immediately following the tragedy at Sandy Hook Elementary School.

Currently, SHP is led by an Executive Director and Committee of 6 professionals with responsibilities in communications, operations, development, mental health and well-being, finance and local and national outreach. Working with the Executive Committee is a volunteer team that is dedicating every free moment to the mission of helping heal our community and making our communities safer.

Executive Committee:

Timothy Makris – Executive Director

Nicole Hockley – Communications Director

James Belden – Operations and Finance Director

Nelba Márquez-Greene – Mental Health and Relational Wellness Director

Suzy DeYoung – Newtown Community and Outreach Director

Rob Cox – Development Manager

Lee Shull – Co-Founder

Tom Bittman – Co-Founder

SHP has an established Board of Directors and Officers – these individuals overlap, but are not identical, both the SHP Foundation and the SHP Action Fund.

Are the families most impacted by the Sandy Hook School tragedy working with or are employees of Sandy Hook Promise? What role do they play?

Sandy Hook Promise (SHP) is currently working with many of the victims' families, the wounded, families of the children who survived in the two classrooms and first responders. We have assisted teachers and staff of Sandy Hook School.

Two families are employed at SHP, Nicole Hockley, mother of Dylan who was killed, is Director of Communications Director and member of the Executive Committee and Nelba Márquez-Greene, mother of Ana who was killed, is Mental Health and Relational Wellness Director and a member of the Executive Committee.

SHP does not represent any family, first responder, teacher, staff or the Newtown / Sandy Hook at-large community. SHP sets, with input and direction from employed and participating family and community members, its mission, views, positions and beliefs.

Is Sandy Hook Promise a political organization?

No. Sandy Hook Promise (SHP) is a non-partisan grassroots group with supporters from across the political spectrum. We are united by a commitment to help our community and nation by saving more lives and are determined not to be divided by politics.

SHP is comprised of two nonprofit corporations – SHP Foundation and SHP Action Fund. Two organizations allow us to fulfill our overall mission of:

1. Helping our community through this horrific tragedy
2. Research and implement common sense solutions to eliminate the causes of gun violence
3. Promote and mobilize change within our communities and across our nation
4. Influence legislators and engage constituents in the legislative process

What are the priorities of Sandy Hook Promise?

Our initial, and most important priority, has been and will continue to provide aid and relief to family members who lost loved ones, survivors, teachers, staff, first responders and others in our community who were impacted by the tragedy.

Sandy Hook Promise (SHP) is also committed to playing a major role in a national dialogue designed to identify and implement common sense solutions to reduce the causes of gun violence in our communities and our country. Our attention is currently focused on four areas:

- 1) Mental health and relational well-being
- 2) Family and community
- 3) School safety
- 4) Gun safety and responsibility

Where do you stand with regards to laws regarding gun purchase and ownership?

We support the 2nd amendment. We recognize an individual's right to bear arms and support law-abiding citizens in the United States who own millions of firearms. We believe with rights comes responsibility that we all bear to ensure the safety of individuals, communities and our nation.

Sandy Hook Promise has been supporting gun safety and responsibility policy changes at a Federal and State level – what exactly do you stand for with regard to policy?

Gun safety and responsibility alone will NOT solve gun violence. Sandy Hook Promise (SHP) believes in comprehensive common sense solutions to reduce the causes of gun violence. Equal attention should be paid to issues of mental health, school safety, family and community. Again, there is no single fix; some changes require new laws, many are changes we need to make in our communities and in ourselves. Below are current gun safety and responsibility policy changes SHP supports:

Background check should be required for every gun sale

Every individual, regardless of where or from whom they purchase a firearm, should undergo a background check to ensure that the purchaser is not a risk for perpetrating gun violence. The background check requirement for private sales should be enforceable, and states should ensure that the data they provide for the system is complete and up to date. 90% of Americans stated they support background checks, we believe Congress and state legislators should too..

Reduce capacity of ammunition magazines to 10 bullets or lower

In four minutes, the shooter at Sandy Hook Elementary fired 154 bullets, killing 20 first grade children and six educators -- our loved ones. The killer used magazines with a capacity of 30 bullets. We now know that he left less lethal, lower-capacity magazines at home. Reducing magazines to a capacity of 10 bullets or less can save innocent lives. Many of the children who escaped from one of the classrooms at Sandy Hook Elementary reportedly did so when the shooter stopped to reload. We are left to wonder how many victims – maybe our children –also might have escaped if the killer had to reload more frequently.

SHP also believes that assault weapons should not be banned. We believe the most lethal "feature" of a firearm (long gun or handgun) is magazine capacity and the ability to hold such mass lethality. Outside of a shooting range, we do not see the purpose of 30, 50 and/or 100 bullet magazines/drums.

Firearms trafficking and straw purchases should be federal crimes

Congress should support law enforcement's efforts to get guns out of the hands of dangerous criminals by making it a crime to buy a gun for another person and stiffening penalties for purchasing a gun to give to a person who is prohibited by law from having a gun. The cost of continuing our willful ignorance of these evasions of our gun laws is simply too high.

SHP believes that existing laws should be better enforced, and that government needs

to allocate the resources necessary to ensure that those laws are effectively implemented.

How can I support Sandy Hook Promise?

1. "Make the Promise" at www.sandyhookpromise.org. Commit yourself to doing all you can to make our communities safer from violence.
2. Encourage your friends and neighbors to "Make the Promise". Visit us on Facebook at facebook.com/sandyhookpromise, or follow us on Twitter at twitter.com/sandyhook.
3. Support our mission. Make donations online at www.sandyhookpromise.org.

Will donations to Sandy Hook Promise be used to help the victims' families?

Yes - If you donate to the Sandy Hook Promise (SHP) Foundation. This foundation was setup to not only help the families, but also help develop and implement common sense solutions to reduce the causes of gun violence. Below details how donations are used:

1. Provide the immediate and long-term financial, in-kind and other aid to family members who lost loved ones, to survivors, to teachers and staff, to first responders and to our community; helping each and every one through this horrific tragedy.

Financial assistance is provided on a need basis (requested by the recipient).

Examples of some assistance provided to date and anticipated in the future:

reimbursement due to loss of wages, mental health assistance, payment of bills (mortgage, utilities) due to loss of wages, funeral / grave site expenses, helping families establish foundations in honor of a child or spouse killed, legal/professional assistance and sleep therapists.

Given our number one priority is helping families and the community heal, SHP maintains an ongoing "reserve" of contributed funds to ensure qualified requests, based on internal estimates and input from past mass shooting victims and organizations, can be fulfilled.

2. Research the causes of gun violence in the areas of mental health, family, community, school safety and gun responsibility.
3. Develop and implement non-legislative (does not require congress, state assembly to pass law, governing rules, etc) solutions/initiatives to address the causes of gun violence in the areas of mental health, family, community, school safety and gun responsibility.
4. Fund the overhead (rent, utilities, etc) and administrative costs

Are donations to Sandy Hook Promise tax deductible?

Sandy Hook Promise (SHP) is comprised of two nonprofit corporations – SHP Foundation and SHP Action Fund. SHP Foundation is a 501(C)(3) organization. Contributions to the SHP Foundation are tax deductible. SHP Action Fund is a 501(C)(4) organization. Contributions to the SHP Action Fund are not tax deductible.

How can I help? How can I volunteer?

While Sandy Hook Promise was founded by citizens of Newtown, we are a national grassroots organization, and we welcome your active participation no matter where you live. We would like to encourage discussions in communities around the country, focusing on what we all can do to put an end to these violent tragedies.

If you're interested in helping or starting a dialogue in your community, please contact us at info@sandyhookpromise.org or by phone at (203) 304-9780. We would welcome your help.

How can I contact Sandy Hook Promise?

Online: http://www.sandyhookpromise.org/contact_us

Phone: (203) 304-9780

Mail: Sandy Hook Promise, PO Box 3489, Newtown, CT 06470

In Person: Sandy Hook Promise, 14 Church Hill Road, Newtown, CT 06470

Connecticut Office of Attorney General
Connecticut Department of Consumer Protection

Sandy Hook Relief Information

Name of Organization: Sandy Hook Promise Action Fund

1. What is the approximate dollar amount of donations and pledges that your organization has received to date in response to the Sandy Hook tragedy?

The Sandy Hook Promise Action Fund (or the "Action Fund") was formed on December 28, 2012 to operate exclusively for the purpose of promoting social welfare, including, but not limited to, promoting the end of gun violence through public education and advocacy. The Action Fund is a nonprofit corporation under Internal Revenue Service Code section 501(c)(4), effective December 28, 2012.¹

The Action Fund has received approximately \$238,000 as May 16, 2013 in support of its above-described social welfare mission.

2. Will these funds be used solely for victims Sandy Hook tragedy? If not, approximately what portion will be used for relief for victims and what other purposes, and in what proportions, will funds be used for?

The Sandy Hook Promise Action Fund expects that its activities will be focused on policy and legislative change that will reduce gun violence. We expect those areas of policy to include mental health, gun responsibility, and school safety. Policy and legislative change will be guided by research and education.

Thus, while a portion the work of the Action Fund will provide a voice for change for the victims of the Sandy Hook tragedy, the funds do not go solely for victims of Sandy Hook Tragedy. All advocacy activities support the Fund's mission to end gun violence.

3. Approximately how much has your organization spent to date on Sandy Hook tragedy?

The Sandy Hook Promise Action Fund expects that its activities will be focused on policy and legislative change that will reduce gun violence. We expect those areas of policy to include mental health, gun responsibility, and school safety. Policy and legislative change will be guided by research and education. Thus, while a portion the work of the Action Fund will provide a voice for change for the victims of the Sandy Hook tragedy, the funds do not go directly to individuals. All advocacy activities support the Fund's mission to end gun violence.

¹ The Action Fund has a related section 501(c)(3), Sandy Hook Promise Foundation, which has a charitable and educational mission to help the families of Newtown heal, educate the country about the root causes of gun violence and effective means of curtailing such violence, and provide assistance to future victims of gun violence.

The Sandy Hook Promise Action Fund has spent approximately \$80,000.00 to date.

4. What services has your organization provided to those affected by the Sandy Hook tragedy? What populations or class of victims are being served by your organization in response to Sandy Hook? What services does it expect to provide in the future?

The Sandy Hook Promise Action Fund will provide all victims of the Sandy Hook shooting, as well as the community at large, to engage in advocacy work for common sense solutions towards ending gun violence. In addition to the healing power of this engagement the Newtown community may greatly influence change so that less communities and individuals face similar tragedy. The Action Fund expects that this activity will take two primary forms in its initial years of operation at the State and National level:

- a. Direct advocacy for legislative change: In response to the Sandy Hook shooting there have been swift and complex legislative proposals. Significant effort at both the state and federal level. The efforts in the primary areas of focus such as gun responsibility, mental and brain health and public safety will require continued work on several fronts. The Action Fund will bear the cost of travel and related expenses incurred necessary and relevant to pursuing legislative change.
- b. Advocating and Influencing Opinions: In pursuit of common sense policy and legislative change pertaining to gun violence and its causes, the Action Fund expects to pursue projects that will measure and/or influence opinion. Polling, call and email campaigns and other means of promoting policy that is guided by our research may be employed.

As the Action Fund is newly formed, the majority of its programs are still in their initial phases. While the Action Fund is currently in the process of creating strategy for advancing important legislation and policy on the state and federal level there have been some crucial efforts already undertaken that the Action Fund has taken a role in, they include; (1) State of CT sweeping reforms on gun legislation and school safety, which led to passage of what are now some of the nation's most comprehensive rules; (2) with involvement of the Action Fund the US Senate brought to vote the most comprehensive legislation on firearm purchase background checks in history; (3) the Action Fund has provided help in several states, such as New Jersey, Illinois and Delaware in their attempts to reform and pass gun-related legislation at the state level. The Action Fund expects to provide similar services to many more states, concurrently while affecting federal legislation, in the realm of gun responsibility, mental health and wellbeing, and public safety. This framework will be also be available to those impacted by future gun violence events.

5. Has your organization provided funding to other organizations for purposes related to the Sandy Hook tragedy? If so, which organizations have received those funds and

what is the approximate dollar amount provided to them? How does your organization determine the need for funding?

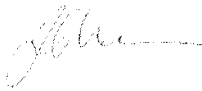
No, the Sandy Hook Promise Action Fund has not yet provided other organizations with funding for purposes related to the Sandy Hook tragedy, or in furtherance of its larger mission to end gun violence.

6. Has your organization provided, or does it intend to provide, direct financial assistance to individuals, families or businesses for Sandy Hook relief? If so, what is the approximate dollar amount that your organization has provided to date and approximately how much direct financial assistance does it expect to provide in the future? How does your organization determine the need for assistance?

No. The Sandy Hook Promise Action Fund expects that its activities will be focused on policy and legislative change that will reduce gun violence. We expect those areas of policy to include mental health, gun responsibility, and school safety. Policy and legislative change will be guided by research and education. Thus, while a portion of the work of the Action Fund will provide a voice for change for the victims of the Sandy Hook tragedy, the funds do not go directly to individuals. All advocacy activities support the Fund's mission to end gun violence.

7. Does your organization have a plan in place on how to use any surplus funds not spent for Sandy Hook tragedy? If so, please describe that plan.

As described throughout this response, the Sandy Hook Promise Action Fund has a social welfare mission in the area of eliminating gun violence in this country by addressing its causes, reducing future potential events and supporting communities impacted by gun violence. While activities directly related to the Sandy Hook tragedy are certainly a critical part of the Fund's mission, the Fund extends beyond that – providing services to other communities impacted by gun violence, and the American public as a whole. Remaining funds will be distributed to one or more not-for-profit charitable organizations and social welfare organizations, in accordance with the Fund's Articles of Incorporation.



Operations Director

June 14, 2013

Name and title of representative

Date

Please email this document with your responses to Nancy.Santoro@ct.gov by April 12, 2013. You may obtain an electronic copy of this document at <http://www.ct.gov/ag/charities/sandyhookfundraising-web.doc> or by mailing a request to Nancy.Santoro@ct.gov.

| Sandy Hook Promise Foundation | Jan 1 - May 16, 13 | Overhead & Administration | Program Related Expenses | Charitable Purposes | Fundraising |
|--|-----------------------|------------------------------|-----------------------------|------------------------|-------------|
| Total Income | 793,069 | | | | |
| Cost of Goods Sold | | | | | |
| 50000 · Cost of Goods Sold (Merchandise) | 13,843 | | | | 13,843 |
| Total COGS | 13,843 | | | | |
| Expense | | | | | |
| 60300 · Awards and Grants | | | | | |
| 60340 · Specific Assist to Individuals | 22,218 | | 22,218 | | |
| Total 60300 · Awards and Grants | 22,218 | | | | |
| 60900 · Business Expenses | | | | | |
| 60920 · Business Registration Fees | 2,008 | | | | 2,008 |
| 60930 · Credit Card Fees | 2,631 | 2,631 | | | |
| Total 60900 · Business Expenses | 4,639 | | | | |
| 62100 · Contract Services | | | | | |
| 62130 · Fundraising Fees | 44,133 | | | | 44,133 |
| 62140 · Legal Fees | 599 | 599 | | | |
| 62150 · Outside Contract Services | 190,663 | 189,913 | 750 | | |
| 62160 · Social Media | 65,478 | 65,428 | | | 50 |
| Total 62100 · Contract Services | 300,873 | | | | |
| 62800 · Facilities and Equipment | | | | | |
| 62845 · Information Technology | 720 | 720 | | | |
| 62870 · Property Insurance | 1,058 | 1,058 | | | |
| 62890 · Rent, Parking, Utilities | 12,645 | 12,645 | | | |
| Total 62800 · Facilities and Equipment | 14,424 | | | | |
| 65000 · Operations | | | | | |
| 65010 · Books, Subscriptions, Reference | 16 | 16 | | | |
| 65020 · Postage, Mailing Service | 1,535 | 1,246 | | | 289 |
| 65030 · Printing and Copying | 320 | 320 | | | |
| 65040 · Supplies | 2,388 | 1,537 | 28 | | 823 |
| 65050 · Telephone, Telecommunications | 4,489 | 4,469 | | | 20 |
| Total 65000 · Operations | 8,748 | | | | |
| 65100 · Other Types of Expenses | | | | | |
| 65110 · Advertising Expenses | 19,023 | 18,410 | | | 613 |
| 65160 · Other Costs | 147 | | 147 | | |
| 80200 · Payments to SHP Action Fund | - | | | | |
| Total 65100 · Other Types of Expenses | 19,169 | | | | |
| 66000 · Payroll Expenses | | | | | |
| 66100 · Health Insurance | 2,695 | 2,695 | | | |
| 66000 · Payroll Expenses - Other | 40,846 | 40,846 | | | |
| Total 66000 · Payroll Expenses | 43,541 | | | | |
| 68300 · Travel and Meetings | | | | | |
| 68310 · Conference, Convention, Meeting | 274 | 199 | 75 | | |
| 68320 · Travel | 31,579 | 2,123 | 17,431 | | 12,025 |
| 68340 · Meals & Entertainment | 5,552 | 650 | 3,694 | | 1,209 |
| Total 68300 · Travel and Meetings | 37,406 | | | | |
| Total Expense | 464,861 | 345,506 | 44,343 | - | 75,012 |
| Net Ordinary Income | 328,208 | | | | |

* All figures are estimates and subject to correction upon further review.

| Sandy Hook Promise Action Fund <u>Jan 1 - May 16, 13</u> | | Overhead & Administration | Program Related Expenses | Charitable Purposes | Fundraising |
|--|---------|------------------------------|--------------------------------|------------------------|-------------|
| Total Income | 237,856 | | | | |
| Expense | | | | | |
| 60900 · Business Expenses | | | | | |
| 60925 · Credit Card Fees | 180 | 180 | | | |
| Total 60900 · Business Expenses | 180 | | | | |
| 62100 · Contract Services | | | | | |
| 62150 · Outside Contract Services | 17,123 | 2,123 | 15,000 | | |
| Total 62100 · Contract Services | 17,123 | | | | |
| 62800 · Facilities and Equipment | | | | | |
| 62845 · Information Technology | 15 | 15 | | | |
| Total 62800 · Facilities and Equipment | 15 | | | | |
| 65000 · Operations | | | | | |
| 65030 · Printing and Copying | 1,564 | | 1,564 | | |
| 65040 · Supplies / Office Expenses | 174 | 174 | | | |
| 65050 · Telephone, Telecommunications | 40 | 40 | | | |
| Total 65000 · Operations | 1,777 | | | | |
| 68300 · Travel and Meetings | | | | | |
| 68320 · Travel | 37,336 | | 37,336 | | |
| 68340 · Meals & Entertainment | 3,677 | | 3,677 | | |
| Total 68300 · Travel and Meetings | 41,013 | | | | |
| Payroll Expenses | 22,500 | | 22,500 | | |
| Total Expense | 82,608 | 2,531 | 80,077 | - | - |
| Net Ordinary Income | 155,248 | | | | |
| | 155,248 | | | | |

* All figures are estimates and subject to correction upon further review.



All services include a
FREE bottle of
Sandy Hook Green,
a new, limited-edition color
created and donated by

O.P.I.

SANDY HOOK GREEN Salon-a-Thon

SUNDAY, MAY 19 • 10AM-6PM

RICCI'S SALON & SPA

99 South Main St, Newtown, CT

203.426.1611

Appointments Suggested,
Walk-In's Welcome

SERVICES:

- Manicures \$20
- Haircuts for women \$25
- Haircuts for men \$20
- Haircuts for children \$15
- Shampoo with blow out and flat iron \$25
- Shampoo and power intensive conditioning dose with blow out and flat iron \$35
- Men's shave and hot towel treatment \$25
- Children's braids or up-dos \$20

Want the color
but don't have
time to stay? Make
a \$10 donation
and receive your
FREE bottle!

SILENT AUCTION FEATURING:

Vera Bradley • Serena and Lily • Bare Escentuals

Ann Taylor LOFT • Simply Baby and Kids

Sal e Pepe • Down on Main Street • Sanctuary

Yankee Tickets • And More...



Sandy Hook
PROMISE
MAKE A PROMISE
sandyhookpromise.org

All proceeds to benefit the
Sandy Hook Promise Foundation

GEORGE C. JEPSEN
ATTORNEY GENERAL



55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Office of The Attorney General
State of Connecticut

Tel: (860) 808-5020
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May 16, 2013

James Beldon
Tom Macrea
Tim Makris
Sandy Hook Promise
29 Charter Ridge Drive
Sandy Hook, Connecticut 06482-1573

**Re: Sandy Hook Promise Foundation
Sandy Hook Promise Action Fund**

Dear Gentlemen:

As you know, the Attorney General is charged by law with oversight of charitable activity and fundraising in the State. You have registered two distinct organizations with the Connecticut Department of Consumer Protection following the tragedy at the Sandy Hook Elementary School on December 14, 2012: Sandy Hook Promise Foundation, which you represent to be a public charity as defined by Internal Revenue Code section 501(c)(3), and Sandy Hook Promise Action Fund, which you represent to be a social welfare organization as defined by Internal Revenue Code section 501(c)(4). I write to request additional information to provide greater clarity for the public about the distinctions in the activities and finances for the two entities, and to request your cooperation in modifying the Sandy Hook Promise website to more clearly distinguish activities of the two entities and how a donor may direct a contribution to each organization.

The two entities share a common office and common personnel. The two entities share a common website at <http://www.sandyhookpromise.org/>. Text in fine print on some pages of the website, and in FAQs on the website, describe the distinction between the two entities:

Sandy Hook Promise is composed of two nonprofit corporations. The first is Sandy Hook Promise Foundation, a section 501(c)(3) organization. Contributions to the foundation are tax deductible.
The second nonprofit is the Sandy Hook Promise Action Fund, a section 501(c)(4) advocacy organization. Contributions to the Action Fund are not tax deductible.

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If a donor follows the respective links for each entity from the FAQs explanations, they may be clear about the organization to which they are directing their donation. However, the single "Donate" button option at the upper right corner of each page is less clear. It directs the donor to a page that invites them to donate with a statement that says "With this donation I support the efforts of Sandy Hook Promise to work towards common sense solutions to keep my community and our country safer." The donor may infer, but it is not clear from just that statement, that the donation is for the Action Fund and not the Foundation. A direct statement that the donation is for the Action Fund appears only at the bottom of the fill-in block, in smaller type, likely to be seen only after a donor has completed all donation information, including credit card information.

In addition, it is unclear whether activities invited and promoted on the common website and elsewhere originate from the Foundation or the Action Fund, and whether fundraising activity, such as the silent auction during the OPI event presently promoted on the website, will benefit the Foundation or the Action Fund. The opacity as to distinctions between activities and funding for the two organizations leads to confusion and misunderstanding by donors and the public.

You are aware that Connecticut Attorney General Jepsen and Department of Consumer Protection Commissioner Rubenstein initiated steps to provide transparency for the public about all fundraising related to the Sandy Hook tragedy by asking all individuals or entities raising funds to complete a survey about the fundraising. You provided response to the survey for the Foundation, but not for the Action Fund. Public information about both entities is necessary in order for donors to make informed decisions about giving and to understand the purposes for which their gifts are used.

We ask now that you complete the survey for the Action Fund and, in addition to the survey question responses, also provide the information requested below.

1. You indicated in your survey response for the Foundation that the Foundation had raised approximately \$600,000 as of the date of response. Please provide updated information about donations as of the date of response to this letter.
2. Please provide a summary report of the income and expenses of the Foundation, identifying expenditures for overhead and administration, expenditures for program related activity, and distributions for the charitable purposes of the Foundation. For expenditures for program related activity, and distributions for the charitable purposes of the Foundation, please distinguish which of the uses identified in responses to questions 2 and 4 in the Survey response dated April 1, 2013, is furthered by the expenditure or distribution.
3. Please provide a summary report of the income and expenses of the Action Fund, identifying expenditures for overhead and administration, expenditures for program related activity, and distributions for the Action Fund purposes and identify how the expenditures and distributions relate to your responses to the survey questions as to use and purposes for donations to the Action Fund.

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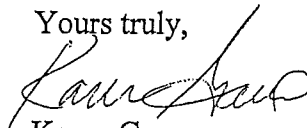
4. Please provide explanation of how expenditures for overhead and administration are distinguished between the Foundation and the Action Fund.
5. Please provide explanation of how donations to Sandy Hook Promise are distinguished as being directed to the Foundation or to the Action Fund.
6. Please provide a sample of the gift acknowledgement provided to donors for donations to the Foundation, and a sample of the gift acknowledgment provided to donors for donations to the Action Fund.
7. Please describe each of the fundraising activities conducted by Sandy Hook Promise and identify whether the funds raised by each activity were directed to the Foundation or to the Action Fund.
8. For each activity described in question 7 above, please described in detail and provide support for the representations that were made to the public in promotions for the activity about what the funds would be used for, or to which entity – the Foundation or the Action Fund – the funds would be directed.
9. Have there been any distributions or loans from the Foundation to the Action Fund or from the Action Fund to the Foundation? If so, please provide the date(s) and amount(s) of each distribution and the date(s) and amount(s) of each loan, and identify the authority by which such distribution or loan was authorized.

We ask that you provide responses to these requests, and completed survey responses for the Action Fund on or before May 31, 2013.

In addition to the information requested, we ask that you modify the common Sandy Hook Promise website, or establish separate websites, no later than May 31, 2013, to clearly distinguish activities of the Foundation from activities of the Action Fund, and also modify the “Donate” options and pages of the website to unequivocally identify at the top of the page, before donor information is requested, that the donation will be directed to the Foundation or to the Action Fund.

We appreciate your cooperation with these requests, intended to provide transparency for the public and better inform their giving decisions. Should you have questions about the requests, please contact me at 860-808-5020.

Yours truly,



Karen Gano
Assistant Attorney General

cc: William Rubenstein, Commissioner
Department of Consumer Protection

Connecticut Office of Attorney General
Connecticut Department of consumer Protection

Sandy Hook Relief Information

Name of Organization:

1. What is the approximate dollar amount of donations and pledges that your organization has received to date in response to the Sandy Hook tragedy?
2. Will these funds be used solely for the Sandy Hook tragedy? If not, approximately what portion will be used for relief for victims and what other purposes, and in what proportions, will funds be used for?
3. Approximately how much has your organization spent to date related to the Sandy Hook tragedy?
4. What services has your organization provided to those affected by the Sandy Hook tragedy? What populations or class of victims are being served by your organization in response to the Sandy Hook tragedy? What services does it expect to provide in the future?
5. Has your organization provided funding to other organizations for purposes related the Sandy Hook tragedy? If so, which organizations have received those funds and what is the approximate dollar amount provided to them? How does your organization determine the need for funding?
6. Has your organization provided, or does it intend to provide, direct financial assistance to individuals, families or businesses for Sandy Hook relief? If so, what is the approximate dollar amount that your organization has proved to date and approximately how much direct financial assistance does it expect to provide in the future? How does your organization determine the need for assistance?
7. Does your organization have a plan in place on how to use any surplus funds not spent for purposes related to the Sandy Hook tragedy? If so, please describe that plan.

Name and title of representative

Date

Please email this document with your response to Nancy.Santoro@ct.gov by April 12, 2013. You may obtain an electronic copy of this document by emailing a request to <http://www.ct.gov/ag/lib/ag/charities/sandyhookfundraising-web.doc> or by emailing a request to Nancy.Santoro@ct.gov.