

Short Form Return of Organization Exempt From Income Tax

2006

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)
▶ Sponsoring organizations, and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year may use this form.
▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2006 calendar year, or tax year beginning , 2006, and ending , 20

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization FOUNDATION FOR HEALTH CHOICE	D Employer identification number 32-0048348
		Number and street (or P O box, if mail is not delivered to street address) Room/suite 777K SCHWAB ROAD	E Telephone number 267-498-0071
		City or town, state or country, and ZIP + 4 HATFIELD, PA 19440	F Group Exemption Number . . . ▶ N/A

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

G Accounting method: Cash Accrual
Other (specify) ▶

I Website: ▶ www.foundationforhealthchoice.org

H Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

J Organization type (check only one)— 501(c) (3) ◀ (insert no.) 4947(a)(1) or 527

K Check if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$100,000 or more, file Form 990 instead of Form 990-EZ ▶ \$

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 47 of the instructions.)

		1	2	3	4	5a	5b	5c	6a	6b	6c	7a	7b	7c	8	9	10	11	12	13	14	15	16	17	18	19	20	21																					
Revenue	1	Contributions, gifts, grants, and similar amounts received															90,047																																
	2	Program service revenue including government fees and contracts																																															
	3	Membership dues and assessments																																															
	4	Investment income															389																																
	5a	Gross amount from sale of assets other than inventory																																															
	b	Less: cost or other basis and sales expenses																																															
	c	Gain or (loss) from sale of assets other than inventory (line 5a less line 5b) (attach schedule).															0																																
	6	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>																																															
	a	Gross revenue (not including \$ _____ of contributions reported on line 1)																																															
	b	Less: direct expenses other than fundraising expenses																																															
c	Net income or (loss) from special events and activities (line 6a less line 6b)															0																																	
7a	Gross sales of inventory, less returns and allowances																																																
b	Less: cost of goods sold																																																
c	Gross profit or (loss) from sales of inventory (line 7a less line 7b)															0																																	
8	Other revenue (describe ▶ _____)																																																
9	Total revenue (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8). ▶															90,436																																	
Expenses	10	Grants and similar amounts paid (attach schedule)																																															
	11	Benefits paid to or for members																																															
	12	Salaries, other compensation, and employee benefits																																															
	13	Professional fees and other payments to independent contractors															46,015																																
	14	Occupancy, rent, utilities, and maintenance																																															
	15	Printing, publications, postage, and shipping																																															
	16	Other expenses (describe ▶ <u>Office Exp and Credit Card Fees</u>)															5,424																																
17	Total expenses (add lines 10 through 16) ▶															51,439																																	
Net Assets	18	Excess or (deficit) for the year (line 9 less line 17)															38,997																																
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)															18,716																																
	20	Other changes in net assets or fund balances (attach explanation)																																															
	21	Net assets or fund balances at end of year (combine lines 18 through 20) ▶															57,713																																

Part II Balance Sheets—If Total assets on line 25, column (B) are \$250,000 or more, file Form 990 instead of Form 990-EZ.

		(A) Beginning of year	(B) End of year
22	Cash, savings, and investments	49,716	57,713
23	Land and buildings		
24	Other assets (describe ▶ <u>Loan Receivable</u>)		6,000
25	Total assets	49,716	63,713
26	Total liabilities (describe ▶ <u>Loan Payable</u>)	31,000	6,000
27	Net assets or fund balances (line 27 of column (B) must agree with line 21)	18,716	57,713

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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Part III Statement of Program Service Accomplishments (See page 51 of the instructions.)		Expenses
What is the organization's primary exempt purpose? <u>Protect health care choice</u>		(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; optional for others.)
Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title.		
28	<u>Primary purpose is protecting freedom of health choice for all Americans. In 2005 and 2006 litigation to protect health care educators' freedom of expression was successful.</u> (Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	28a 42,815
29	_____ _____ (Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	29a
30	_____ _____ (Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	30a
31	Other program services (attach schedule) (Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	31a
32	Total program service expenses (add lines 28a through 31a)	32 42,815

Part IV List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated. See page 52 of the instructions.)				
(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Tedd Koren PO Box 665 Gwynedd Valley, PA 19437	President	0	0	0
James Turner 1400 16th St NW Washington, DC 20036	Vice-President	0	0	0
Betsy Lehrfeld 1400 16th St NW Washington, DC 20036	Secretary	0	0	0
Beth Koren PO Box 665 Gwynedd Valley, PA 19437	Treasurer	0	0	0

Part V Other Information (Note the statement requirement in General Instruction V.)		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
35	If the organization had income from business activities, such as those reported on lines 2, 6, and 7 (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.		
35a	a Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements?		X
35b	b If "Yes," has it filed a tax return on Form 990-T for this year?		
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? (If "Yes," attach a statement.)		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a 0		
37b	Did the organization file Form 1120-POL for this year?		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?	X	
38b	b If "Yes," attach the schedule specified in the line 38 instructions and enter the amount involved		
38b	6,000		
39	501(c)(7) organizations Enter:		
39a	a Initiation fees and capital contributions included on line 9		
39b	b Gross receipts, included on line 9, for public use of club facilities		

Part V Other Information (Note the statement requirement in General Instruction V.) (Continued)

- 40a 501(c)(3) organizations Enter amount of tax imposed on the organization during the year under:
 section 4911 ▶ _____ ; section 4912 ▶ _____ ; section 4955 ▶ _____
- b 501(c)(3) and (4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach an explanation . . .
- c Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . ▶ _____
- d Enter amount of tax on line 40c reimbursed by the organization . . . ▶ _____
- e All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?

	Yes	No
40b		X
40c		
40d		
40e		X

41 List the states with which a copy of this return is filed. ▶ PENNSYLVANIA

42a The books are in care of ▶ TEDD KOREN Telephone no. ▶ 267-498-0071
 Located at ▶ 777K SCHWAB ROAD HATFIELD, PA ZIP + 4 ▶ 19440

- b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?
 If "Yes," enter the name of the foreign country: ▶ _____
 See the instructions for exceptions and filing requirements for Form TD F 90-22.1.
- c At any time during the calendar year, did the organization maintain an office outside of the U.S.?
 If "Yes," enter the name of the foreign country: ▶ _____

	Yes	No
42b		X
42c		X

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here ▶
 and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

▶ *Tedd Koren* Signature of officer Date 10/05/07
 ▶ TEDD KOREN, PRESIDENT Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ *[Signature]* Date 5/2/07 Check if self-employed ▶ Preparer's SSN or PTIN (See Gen. Inst. X) P00077939
 Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ Rosenfert, Siegel & Goldberg EIN ▶ 23-2534021
33 Rock Hill Rd Bala Cynwyd, PA 19004 Phone no. ▶ 610-667-2060

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

2006

Department of the Treasury
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

FOUNDATION FOR HEALTH CHOICE

Employer identification number

32-0048348

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				

Total number of other employees paid over \$50,000 ▶

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of other contractors receiving over \$50,000 for other services ▶

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line of Part VI-B.)</p>	1		X
<p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.</p>			
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)</p>			
<p>a Sale, exchange, or leasing of property?</p>	2a		X
<p>b Lending of money or other extension of credit?</p>	2b		X
<p>c Furnishing of goods, services, or facilities?</p>	2c		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	2d		X
<p>e Transfer of any part of its income or assets?</p>	2e		X
<p>3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)</p>	3a		X
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b		X
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement</p>	3c		X
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d		X
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	4a		X
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b		X
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c		X
<p>d Enter the total number of donor advised funds owned at the end of the tax year ▶</p>			0
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶</p>			0
<p>f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶</p>			0
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶</p>			0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	41,795	7,836	0	0	49,631
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					0
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	121	530			651
19 Net income from unrelated business activities not included in line 18.					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	41,916	8,366	0	0	50,282
24 Line 23 minus line 17	41,916	8,366	0	0	50,282
25 Enter 1% of line 23	419	84	0	0	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶	26a				
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶	26b				
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶	26c				
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶	26d				
e Public support (line 26c minus line 26d total) ▶	26e				
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶	26f %				
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2005) _____ 0 (2004) _____ 0 (2003) _____ 0 (2002) _____ 0					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2005) _____ 0 (2004) _____ 0 (2003) _____ 0 (2002) _____ 0					
c Add: Amounts from column (e) for lines: 15 <u>49,631</u> 16 _____ 0 17 _____ 0 20 _____ 0 21 _____ 0 ▶	27c 49,631				
d Add: Line 27a total _____ 0 and line 27b total _____ 0 ▶	27d 0				
e Public support (line 27c total minus line 27d total) ▶	27e 49,631				
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) . . . ▶	27f 50,282				
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶	27g 98.71 %				
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶	27h 1.29 %				
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Foundation for Health Choice
Form 990-EZ
2006

Page 2, Line 38b:

Lender's Name and Title	Original Amount	Balance Due	Date of Note	Maturity Date	Terms	Interest Rate	Security	Purpose
Tedd Koren, President	6,000	6,000	12/31/2004	12/31/2007	Demand	AFR	None	To fund legal fees
Tedd Koren, President	<u>25,000</u>	<u>0</u>	10/7/2005	12/31/2006	Demand	AFR	None	To fund legal fees
Totals	31,000	6,000						