From: Chris Clark [chris@ycr.org]
Sent: 5/21/2016 12:08:56 AM
To: Gong, Ronald [[redacted]@ctcmycfo.com]
CC: Harris myCFO MUS001FOS [MUS001FOS@ctcmycfo.com]; Jared Birchall [jbirchall@muskfoundation.org]; Jonathan levy [jlevy@ycombinator.com]
Subject: Re: cash
Attachments: Yc.org Incorporation Docs.pdf; YC.org 501(c)(3) IRS Determination Letter.pdf; YC.org (Sponsor) Letter OpenAI Donors May 2016.pdf; yc.org svb wire instructions.pdf

Ron,

I have some good news to share on our end. The fiscal sponsorship arrangement I'd previously described is being executed today, and YC.org is ready to accept donations. I have attached the following:

1) YC.org articles of incorporation
2) YC.org IRS determination letter
3) Letter describing the sponsorship arrangement
4) Wire transfer instructions

YC.org will be able to grant funds to OpenAI via the sponsorship arrangement described in the letter.

I know we're a few months behind, but we're hoping you'll be able to make the Q2 donation now for April-June, and then we can start a regular quarterly donation schedule starting in early July for Q3.

Please let me know if I can answer any additional questions, and thanks again for your patience over the last several weeks.

Thanks,
Chris Clark

On Thu, Apr 28, 2016 at 12:46 AM Chris Clark <chris@ycr.org> wrote:

Hi Ron,

Yes, we are in the process of taking the necessary board actions to put the fiscal sponsorship in place. YC.org, which has received a determination letter, will be the entity to which the donations are made, and YC.org will then be able to issue project grants to OpenAI. We will provide a letter explaining everything for your records.

This should all be setup early next week. I'm just waiting for the YC.org board to take the necessary actions.

Chris

On Wed, Apr 27, 2016 at 3:43 PM Gong, Ronald <[redacted]@ctcmycfo.com> wrote:

HI Chris – just checking back here. Please let us know if there are updates.

thx

Ron Gong

π PLAINTIFF π
United States District Court
Northern District of California
Case No. 4:24-CV-04722-YGR
Case Title Musk et al. v. Altman et al.
Exhibit No. 71
Date Entered
Mark Busby, Clerk
By: , Deputy Clerk

Managing Director
CTC|myCFO
A Part of BMO Financial Group
2200 Geng Road, Suite 100 | Palo Alto, CA 94303
Direct: +1 [redacted] | Mobile: [redacted] | [redacted]@ctcmycfo.com

From: Chris Clark [mailto:chris@ycr.org]
Sent: Saturday, April 02, 2016 7:58 PM

To: Gong, Ronald
Cc: Harris myCFO MUS001FOS; Jared Birchall
Subject: Re: cash

Hi Ron,

Quick Update: We received good news about using YC.org as a fiscal sponsor for OpenAI, so we are putting that in motion next week and hope to be ready to accept funds the following week.

I will send you all the info for YC.org next week. We already have a determination letter for that organization, which should hopefully simplify everything.

Thanks,
Chris

On Mon, Mar 21, 2016 at 9:37 PM Gong, Ronald <[redacted]@ctcmycfo.com> wrote:

Thanks for the update, Chris. We're fine with any delay.

Sent from my BlackBerry 10 smartphone.

From: Chris Clark
Sent: Monday, March 21, 2016 9:21 PM

To: Gong, Ronald
Cc: Harris myCFO MUS001FOS; Jared Birchall

Subject: Re: cash

Ron,

I just want to update you on this since it's been a few days. We are trying to determine whether we can use one of our existing 501(c) orgs as a fiscal sponsor instead of going through a 3rd party since the 3rd party sponsor would take a sizable sum off the top. I'm chatting again with the legal team on Weds.

We will sort everything out as soon as possible, but worst case scenario is that we request a delay for the April 1st donation while we get this settled. Hopefully it won't be too much trouble to send this quarter's funds a little later in April and then resume a regular quarterly schedule after that, but I will do my best to still meet the April 1st date.

Thanks,

Chris Clark

Chief Operating Officer

OpenAI

650-387-6701

On Fri, Mar 11, 2016 at 3:12 PM Gong, Ronald <[redacted]@ctcmycfo.com> wrote:

Thanks for the update Chris.

Sent from my BlackBerry 10 smartphone.

From: Chris Clark
Sent: Friday, March 11, 2016 1:39 PM
To: Gong, Ronald
Cc: Harris myCFO MUS001FOS; Jared Birchall; chris@ycr.org
Subject: Re: cash

Hi Ron,

Thanks for checking in. I'm waiting for the legal team to get me some additional info. I have everything except the 1023.

OpenAI hasn't received a determination letter yet, so I'm also getting the status of fiscal sponsorship from them.

I'll get back to you asap.

Chris

On Fri, Mar 11, 2016 at 9:47 AM Gong, Ronald <[redacted]@ctcmycfo.com> wrote:

Hi Chris – checking back. How is this coming along?

Ron Gong
Managing Director
CTC|myCFO
A Part of BMO Financial Group
2200 Geng Road, Suite 100 | Palo Alto, CA 94303
Direct: +1[redacted] | Mobile:[redacted] | [redacted]@ctcmycfo.com

From: Chris Clark [redacted]
Sent: Wednesday, March 02, 2016 1:27 AM
To: Gong, Ronald
Subject: Re: cash

Hi Ron,

I'll get this info to you as soon as I have it.

Thanks,
Chris

On Tue, Mar 1, 2016 at 10:51 AM Sam Altman <sam@ycombinator.com> wrote:

> Chris Clark starts next week and can provide all this info then--thanks!
>
> Sam
>
> On Mon, Feb 29, 2016 at 3:50 PM, Gong, Ronald <[redacted]@ctcmycfo.com> wrote:
> Hi Sam – great to speak to you last week.
>
> Regarding the entity's pending tax exempt status, can you provide the following:
>
> - A copy of the Form 1023 filed with the IRS while application for tax exemption status is pending;
> - Entity's name, address and federal tax ID# (most likely already on the Form 1023)
> - Once receives the tax exempt status, please forward the IRS Exemption Determination Letter
>
> Best,
> Ron

Ron Gong

Managing Director

CTC|myCFO

A Part of BMO Financial Group

2200 Geng Road, Suite 100 | Palo Alto, CA 94303

Direct: +[redacted] | Mobile: [redacted] | [redacted]@ctcmycfo.com

---

From: Elon Musk [mailto:erm@spacex.com]
Sent: Thursday, February 25, 2016 6:36 PM
To: Sam Altman; Gong, Ronald
Subject: Re: cash

Ron, we need to wire $5M per quarter to OpenAI, starting April 1. This is a non-profit.

On Feb 25, 2016, at 6:32 PM, Sam Altman <sam@ycombinator.com> wrote:

ok thanks, do you have an assistant or finance person or something i can coordinate with?

On Thu, Feb 25, 2016 at 6:30 PM, Elon Musk <erm@spacex.com> wrote:

Agreed

Yes

> On Feb 25, 2016, at 6:13 PM, Sam Altman <sam@ycombinator.com> wrote:
>
> I think we're going to need more than I was originally budgeting given a) the salaries in the field and b) the speed at which you want to grow.
>
> Can you do $20MM a year for the each of the next 3 years? I can do $10MM/year, and we'll have brought $5MM a year from other donors.
>
> Sam

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3115369

ARTICLES OF INCORPORATION
OF
YC.ORG

FILED
Secretary of State
State of California
APR 03 2015

I

The name of the corporation is YC.org.

II

A. This corporation is a nonprofit **Public Benefit Corporation** and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.
B. The specific purposes of this corporation are to support other charitable organizations conducting charitable activities and advance science and education through the distribution of research grants.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Kate Courteau
335 Pioneer Way
Mountain View, CA 94041

IV

The corporate address and mailing address of this corporation is:

335 Pioneer Way
Mountain View, CA 94041

V

A. This corporation is organized and operated exclusively for purposes set forth in Article II(a) hereof within the meaning of the Internal Revenue Code section 501(c)(3).
B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf on any candidate for public office.
C. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation/organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation/organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

VI

The property of this corporation is irrevocably dedicated to the purposes in Article II(a) hereof and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable, educational and/or religious purposes and which has established

its tax exempt status under Internal Revenue Code section 501(c)(3), or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

Leila M. Stevens, Incorporator

Dated: March 30, 2015

3775369

Y.C. INC.
16656 Ventura Blvd.
Encino, CA 91436

Y.C. Inc. hereby consents to the use of the name YC.org in forming a California nonprofit public benefit corporation.

By: _____ Date: 3/27/15

Name: MIKE WOLF

Title: PRESIDENT

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAR 0[illegible] 2016

YC ORG
C/O KATE COURTEAU
335 PIONEER WAY
MOUNTAIN VIEW, CA 94041

Employer Identification Number:
47-3772053
DLN:
17053011302016
Contact Person:
PAUL F CAPPEL II ID# 31665
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
April 3, 2015
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Letter 947

YC ORG

We sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements

Letter 947

May 20, 2016

Ron Gong
Managing Director, CTC|myCFO
2200 Geng Road, Suite 100
Palo Alto, CA 94303

Dear Ron:

This letter is to confirm to you that YC.org is the fiscal sponsor of a charitable program known as "The OpenAI Artificial Intelligence Research Program" that is currently being conducted by OpenAI, Inc. YC.org is able to receive and hold donations received in charitable trust, restricted to the purposes of the Programs.

YC.org is a California nonprofit public benefit corporation qualified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and classified as a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A)(vi). A copy of our federal determination letter is enclosed for your convenience. As of this date, we have not received notice from the Internal Revenue Service that our status has changed.

For legal and accounting purposes, we need to notify you of YC.org's "variance power" over funds donated in support of the Program. Under the fiscal sponsorship agreement with OpenAI, Inc.,YC.org retains full discretion and control over the use of funds to accomplish the charitable purposes of the approved program. This power includes the unilateral right to redirect funds to a different beneficiary who can accomplish the purposes of this program if for some reason OpenAI, Inc. cannot. (See Accounting Standards Codification paragraphs ASC 958-605-25-25 and -26.)

Please feel free to call me at [redacted] if you have any questions, and thank you for your support.

Sincerely,

Chris Clark

Chris Clark