



December 21, 2017

Cynthia Dunn  
Senior Environmental Scientist  
Department of Resources Recycling and Recovery (CalRecycle)  
1001 I Street  
Sacramento, CA 95812-4025

Re: Mattress Recycling Council California LLC

Dear Ms. Dunn:

I am writing to inform you of the Mattress Recycling Council's (MRC) formation of a limited liability company (LLCs) to operate its California mattress recycling program.

MRC is taking this action in each state in which it administers a state recycling program. MRC is the sole member of each of these state LLCs, each of which is a wholly-owned subsidiary of MRC. The formal name for the California LLC is "Mattress Recycling Council California LLC" (MRC CA LLC).

MRC took this action to improve the long-term sustainability of each state program by insulating them from liability for other states' obligations, streamline various financial and administrative functions and provide added clarity as to each program's funding.

From both a practical and functional perspective, the formation of MRC CA LLC will have no impact on the California program's operations or its obligations under California law. Specifically:

1. For tax purposes, the LLCs will not file separate Form 990s with the Internal Revenue Service. Instead, MRC will file a consolidated Form 990 on behalf of both it and all of its state LLC subsidiaries.
2. MRC CA LLC will function as a non-profit entity because MRC's non-profit status under Section 501(c)(3) of the Internal Revenue Code of 1986 extends to each of MRC's state LLC subsidiaries.
3. The existence of the state LLCs will not change how the California program recycles mattresses in California (or other states), how the program staffs various functions, the relationship between the program and its recyclers or the program's performance, budgeting, reporting, audit or other obligations under state law. For example, this change will result in no MRC staff changes.

Please let me know if you have any questions in this regard.

Sincerely,

A handwritten signature in black ink that reads "Ryan Trainer".

Ryan Trainer  
MRC President