

Daystar Television Network

For the Twelve Months Ending June 30, 2011
DETAIL

	Current Balance 06/30/11
Fixed Asset Not In Service	\$7,910,645.84
Fixed Asset Proceeds	<u>2,600.00</u>
Total Other Fixed Assets	<u>8,184,818.16</u>
Accumulated Depreciation	(34,434,322.31)
Total Fixed Assets	<u>51,462,362.53</u>
<u>Intangible & Other Assets</u>	
Production Intangibles	
Daystar Station ID	<u>20,950.00</u>
Total Production Intangibles	<u>20,950.00</u>
Other Intangibles	
Finance Cost	620,263.69
Logo Copyright	13,984.00
Audio/Video Master Copy	<u>901,823.70</u>
Total Other Intangibles	<u>1,536,071.39</u>
Accumulated Amortization	(1,359,797.47)
Other Assets	
FCC Licenses	97,553,491.13
Broadcasting License	6,296,492.98
Broadcasting License-Intl	156,385.00
Security Deposits	576,953.99
Investment Partnership	4,075,423.00
Investment WTSF Ashland	5,060,000.00
TriState	90.00
Intercompany - Red Ink	3,212.92
Antiques, Relics & Artifacts	<u>54,921.00</u>
Total Other Assets	<u>113,776,970.02</u>
Total Intangible & Other Assets	<u>113,974,193.94</u>
Total Assets	<u>233,253,872.16</u>

NET ASSETS & LIABILITIES

Current Liabilities

Accounts Payable	
Accounts Payable	83,976.75
Accrued Expense	1,476,413.17
Sales Tax Payable	1,312.78
Accrued Benefit Saving	<u>399,742.59</u>

09/19/11
02:24 PM

January 10, 2014

Mr. John Burnett
Religion Correspondent
National Public Radio
4107 Medical Pkwy
Austin, TX 78756

Via email to JBurnett@npr.org

Dear Mr. Burnett:

Thank you for the opportunity to correct and clarify misrepresented facts from your December 19, 2013 letter, prior to the release of your story on Word of God Fellowship, DBA Daystar.

In reviewing our records, Daystar was intrigued by the close correlation between income source and operation expense structure of National Public Radio (NPR) and Daystar, which is not surprising, considering that we are both not-for-profit networks, operating under similar IRS standards of compliance. Consider:

1. Both networks are non-profit entities that are tax exempt under Section 501(c)(3). They both enjoy all of the same benefits and obligations, other than the fact that Daystar does not have to file a form 990, due to its church status, for which it is fully compliant under the law.
2. Both networks rely primarily on revenue from a combination of voluntary donations and the provision of airtime, with the added caveat that NPR also heavily relies on tax dollars. However, unlike NPR, Daystar does not use any such donations to pay its salaries and operating expenses.
3. Both networks have a primary mission of using their airtime to convey a particular message and worldview to a specific audience.
4. To support these primary missions, individuals donate to help both NPR and Daystar get our respective signals to audiences that cannot pay, either due to personal finances or the local economy in a particular market.
5. As an incentive for giving, both networks offer audience partners cost-effective premiums in exchange for their donations.
6. Both networks have detractors opposed to their respective messages that have taken out of context a few isolated facts unrelated to the thrust of their programming and operations to paint them in a false light.
7. At the same time, there are some differences in the way NPR and Daystar networks are required, or choose to, operate, such as:
 1. As stated above, NPR is required to file a Form 990, including a list of salaries of network leadership – most of which are significantly larger than for anyone at

Daystar – which the network did until 2010.

However, after several media exposés of disproportionately high network salaries, NPR suddenly and inexplicably quit putting any annual executive or host income, other than the corporate secretary, for subsequent years. Daystar does not know why NPR has elected not to list on the 990 the salaries of the individuals who run the network or are its trusted hosts, as it is required to file by law, but Daystar is not so mandated.

Even though Daystar is not required to publish financials, like most churches, we do provide financial information in graph form to donors and partners upon request.

2. Though both are not-for-profit, the free market system applies more significantly to Daystar than to NPR. Individual viewers can choose to donate to our network, or not; but citizens who may not share NPR's editorial message or broadcast mission still provide indirect support through mandated tax dollars.
3. Unlike NPR, in addition to broadcasting across the United States, Daystar distributes its programming signal with a global footprint, available in over 200 countries.
4. Though NPR does not donate anything to anyone, Daystar does, which is a significant dimension of its overall ministry impact.

Network leadership believes in the biblical mandate to care for all those in need of Christ-centered love, comfort, shelter, protection and education. Highlights of some of the Daystar's significant mission work done since the beginning of the period of time referenced in your letter include over \$5 million in donations to various charities, including the following:

- (i) Direct support to victims of the Moore, Oklahoma tornado disaster;
- (ii) Israel House of Hope, which houses Holocaust victims;
- (iii) Asaf Harofeh Medical Center in Israel;
- (iv) Larger than Life (Israel), which provides medicine for Israeli children;
- (v) Philip Cameron Ministries (Stella's House), which is a home that rescues orphan girls from prostitution in Moldova;
- (vi) Calcutta Mercy Ministries (Calcutta Mercy Hospital), which provides a substantial portion of care to poverty-stricken men, women and children;
- (vii) The Red Light Mercy Clinic located in the red light district of Calcutta, which provides a safe place for women and their children to receive much needed medical care for free;
- (viii) Irene Gleeson Foundation, which provides free education, nutrition, medical care, counseling, child protection, water, sanitation and hygiene to over 1,500 children daily in Northern Uganda; and
- (ix) Christ for the Nations in Dallas, which provides construction, teaching, relief efforts and other assistance to needy people in over 100 countries.

With respect to interrogatories in your letter, under the heading "On being a church" you have questions concerning Daystar's tax status. As you are aware, churches with tax-exempt status, their integrated auxiliaries, and conventions or associations of churches are not required to file a

990 form. Daystar is a church as recognized and defined by IRS standards, a designation given by the IRS to Daystar from its inception, and therefore not required to complete or submit this form.

The many activities regularly performed by Daystar that uphold this status include: communion, water baptisms, weddings, funerals, preaching, teaching, counseling, prayer, Gospel music, licensing ministers to preach, mission activities and conferences.

Concerning your questions regarding partner donations from the years 2005 to 2011, the dollar amounts you list for this period as donations from viewers, donations to ministries/missions and general donations of \$9,683,354 appear to be partially correct.

What is left unstated, but is an important part of the total Daystar financial picture, is the fact that the network has never charged any of our programmers for international carriage. Because only inconsequential donations and support are expected and received by Daystar for its signal abroad, that cost is listed as a ministry expense and a donation in support of its primary outreach to people abroad who could not otherwise receive it.

All costs for international broadcasting are part of Daystar's missions programs. They are noted as Daystar International Missions as a contra account in the airtime revenue section of our financial information, and therefore part of what Marcus Lamb cited in 2011 as Daystar overall donations.

Daystar has spent approximately \$45 million on international outreach (the international cable, satellite and carriage related expenses) over the time frame you referenced in your letter. Therefore, it was accurate to state in 2011 that in the previous five years, Daystar had donated more than \$30 million (in actuality, more than \$50 million) to others, including our international outreach, which is a core part of our mission. Individuals who provide donor support to Daystar understand their dollars are going towards this international mission work. Over the seven-year period of interest cited in your letter, a total of approximately \$54 million (which includes the \$9.6 million referenced in your letter) was used for mission/ministry and general donations and international outreach.

Like NPR, Daystar does not charge for a portion of its airtime. Daystar does not charge for approximately 30 percent of its airtime and considers the value of such time as being donated to promote some desirable ministry programming that may lack necessary resources to pay for airtime and to encourage the broadcast of other desirable programming to Daystar's viewing audience. This also includes additional timeslots to re-broadcast desirable programming of regular broadcasters. This is disclosed in our financials as it represents real monetary value in that it offsets potential revenue.

As noted in the Daystar Contributions section of your correspondence, Daystar also makes regular donations to other Kingdom-minded ministries that similarly spread the message of the Gospel, which remains the principal mission of churches, like Daystar. Participation in recent significant capital and building campaigns at both ORU and Gateway Church were a part of this giving. Daystar considers both of these organizations to be effective biblically based ministries dedicated to advancing the Gospel on a global level.

The statement in your letter that \$310,000 in donations was made to [REDACTED] is false. Those donations were not made to [REDACTED]. Donations totaling that amount were in fact made to Tommy Barnett's Dream Center in Los Angeles, and not to [REDACTED].

██████████ The Dream Center's purpose is to rescue and rehabilitate people from addictions, homelessness, and abuse -- including victims of human trafficking.

It is also relevant to note that Daystar supports pastors who have appeared as guests on Daystar or who have bought airtime with the network. Part of our commitment as a church and a Kingdom ministry is to assist other like-minded ministries that spread the Gospel message as Daystar has been called to do, of which our donors are aware and appreciate our stewardship on their behalf.

Under the Income-generating activities section of your letter, you wondered why Daystar had not filed out a 990-T for several forms of revenue supplied to the network. The Menopause Crème was used as a premium in return for a donation (much like NPR does for your on-air giveaways in your radiothons), and therefore does not qualify as unrelated business income.

Additionally, the advertising revenues of stations KWBM (actually should be WMAK) and WPXS, were appropriately reported in tax returns filed on behalf of WPXS, which is a wholly owned for profit subsidiary of the network.

I trust this information is helpful. All best.

Sincerely,



Daniel Woodward
Director of Marketing

██████████
www.daystar.com

cc: Paul G. Haaga, Jr., President, NPR

09:33 1 Q. (BY MR. SEARCY) Is that what it is, sir?

2 A. Yes.

3 Q. And does that accurately set forth your
4 mission statement?

09:33 5 A. Yes, it does.

6 Q. There's a reference to a term down the page,
7 if you'll look down, a reference to "partnering with
8 us." Do you see that statement?

9 A. I do.

10 Q. What is a Daystar partner?

11 A. A Daystar partner is somebody who is a regular
12 viewer who loves Daystar, who prays for us, and who
13 financially supports.

14 The reason we call them partners is --
15 and we emphasize this on a regular basis -- they are a
16 part of all that Daystar is doing to send the Gospel
17 around the world. Their faithfulness makes it possible.

18 Q. You heard counsel for Ms. Hawkins say during
19 his opening, I take it, that you had no defined
20 membership at Daystar. Do you agree with that?

09:34 21 A. No.

22 Q. Explain to the Court why that's not correct.

23 A. Well, we just don't call them members. We
24 call them partners. And these are people who regularly
25 support Daystar, and we have their names and addresses.

09:34 1 They regularly interact with us. They're faithful to
2 watch. They call in for prayer. They e-mail for
3 prayer, and they write in for prayer. And so they are
4 our congregation.

09:35 5 Q. Do you maintain a prayer department at
6 Daystar?

7 A. Yes, sir.

8 Q. Can you explain to the Court what that is and
9 what it consists of?

09:35 10 A. With Daystar, it begins with a 24-hour-a-day
11 prayer line. And for many, many, many, many years it's
12 been a toll-free number so that anybody can call any
13 time of the day or night without any cost to them. And
14 then in the last few years we have gotten what is called
15 free phone numbers. Internationally they don't call
16 them telephone numbers, they call them free phone
17 numbers.

18 So through the program, different
19 countries' names will come up, and then these associated
20 free numbers will come up, and people can call from
21 different countries at no cost to them.

09:36 22 And we have dozens and dozens of
23 full-time and part-time staff that their main job is to
24 pray with people and to counsel with people and to
25 encourage people that call in, write in, or e-mail in

Tarrant Appraisal District

Real Estate

08/13/2013

Account Number: 40446360

Georeference: 9078N-1-1R

Property Location: 3901 State Hwy 121, Bedford

Owner Information: Word of God Fellowship Inc
 Dba Daystar Television Network
 3901 Highway 121
 Bedford Tx 76021-3009

Legal Description: D F & R Office Complex Addn
 Blk 1 Lot 1R

Taxing Jurisdictions: 002 City of Bedford
 220 Tarrant County
 224 Tarrant County Hospital Dist
 225 Tarrant County College Dist
 916 Hurst-Euleless-Bedford ISD

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database.

Proposed Values for Tax Year 2013

	Land	Impr	2013 Total ††
Market Value	\$1,838,100	\$2,681,250	\$4,519,350
Appraised Value †	\$1,838,100	\$2,681,250	\$4,519,350
Approximate Size †††			93,652
Land Acres			8.4393
Land SqFt			367,620

† Appraised value may be less than market value due to state-mandated limitations on value increases
 †† A zero value indicates that the property record has not yet been completed for the indicated tax year
 ††† Rounded

5-Year Value History

Tax Year	XMPT	Appraised Land	Appraised Impr	Appraised Total	Market Land	Market Impr	Market Total
2012	004	\$1,838,100	\$2,681,250	\$4,519,350	\$1,838,100	\$2,681,250	\$4,519,350
2011	004	\$1,838,100	\$2,681,250	\$4,519,350	\$1,838,100	\$2,681,250	\$4,519,350
2010	004	\$1,838,100	\$2,681,250	\$4,519,350	\$1,838,100	\$2,681,250	\$4,519,350
2009	004	\$1,838,100	\$2,681,250	\$4,519,350	\$1,838,100	\$2,681,250	\$4,519,350
2008	004	\$1,838,100	\$2,681,250	\$4,519,350	\$1,838,100	\$2,681,250	\$4,519,350

Protest Deadline: 05/31/2013

Exemptions: Absolute Church

Property Data

Deed Date: 01/01/2003
 Deed Vol: 000000
 Deed Page: 0000
 Year Built: 1997

TAD Map: 2120 432
 MAPSCO: 041W
 Agent: None

Class: 062
 State Code: F1 Commercial
 Garage Bays: 00
 Central Air:
 Central Heat:
 Pool: N

**Tarrant Appraisal District
Business Personal Property**

08/13/2013

Account Number: 13574175

Business Name: Word of God Fellowship Inc

Property Location: ,

Owner Information: Word of God Fellowship Inc

3901 State Hwy 121

Bedford Tx 76021

Property Type: Business Aircraft

Taxing Jurisdictions: 026 City of Fort Worth

099 Regional Water District

220 Tarrant County

224 Tarrant County Hospital Dist

225 Tarrant County College Dist

918 Eagle Mtn-Saginaw ISD

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database.

Proposed Values for Tax Year 2013

2013 Market Value	\$5,000,000
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5-Year Value History

Tax Year	Appraised Total	Market Total
2012	\$5,000,000	\$5,000,000
2011	\$5,000,000	\$5,000,000
2010	\$5,000,000	\$5,000,000

2013 Rendition Received? Y

Worked? Y

2013 Notice Sent:

Protest Deadline: 05/31/2013

Exemptions: Absolute Church

Property Data

State Code: M2 Pvt Aircraft

SIC: 00000

Real Estate Account: 06926916

Agent: None

RI0211B
X56001

Daystar Television Network
Income Statement
For the Period Ending June 30, 2005

11/10/2005 19:18:32
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Current Month Actual	% Revenue	Last Year Actual	% Revenue	Description	Year to Date Actual	% Revenue	Last Year to Date Actual	% Revenue	% Change
Daystar Television Network									
Excess Oper. Income Over Exp									
REVENUE									
Contribution Revenue									
Donation/Supporter									
		6,500.00	.19	Non-Cash Contribution	30,853.70	.06	16,210.00	.03	90.34
1,257.00	.03			Unrestricted Contribution	23,118,529.59	43.40	18,498,111.59	39.09	24.98
1,638,046.63	43.64	1,255,874.53	36.25	Net Assets Released fr Re					
		157,129.85	4.54	Temporarily Restricted Co	1,173,882.63	2.20	741,781.79	1.57	58.25
60,314.40	1.61			Permanently Restricted Co					
		1,419,504.38	40.98	Donation/Supporter	24,323,265.92	45.66	19,256,103.38	40.69	26.31
1,699,618.03	45.28			Contribution Revenue	24,323,265.92	45.66	19,256,103.38	40.69	26.31
1,699,618.03	45.28	1,419,504.38	40.98	Non Contribution Revenue					
Station Revenue									
		1,779,959.59	51.38	Airtime	21,599,939.30	40.55	21,954,038.15	46.39	1.61-
1,725,723.00	45.98			Non Cash Revenue - Barter	773,010.96	1.45	574,773.96	1.21	34.49
46,435.33	1.24	83,938.33	2.42	Non Cash Revenue - Donati	8,408,514.90	15.78	7,007,342.93	14.81	20.00
729,178.30	19.43	576,812.80	16.65	Non Cash Revenue - Daysta	10,382,374.00	19.49	11,497,557.00	24.29	9.70-
759,229.00	20.23	775,880.00	22.40	Production Revenue	148,917.20	.28	123,143.17	.26	20.93
27,444.20	.73	11,073.00	.32	Commission	512,735.90	.96	698,521.27	1.48	26.60-
37,100.26-	.99	19,482.90	.56	Tower Rent			467.50	0.00	1,844.00
		30,000.00	.87	Other Rent Income	9,088.20	.02	30,000.00	.06	41.40-
972.40	.03			Satellite Truck Rent	17,580.00	.03			
				Discrepancies	29,558.00	.06			
3,326.00	.09			Discounts	2,311,194.67-	4.34	2,373,279.32-	5.01	2.62-
183,802.07-	4.90	193,556.16-	5.59	Daysiar Programming	10,382,374.00-	19.49	11,497,557.00-	24.29	9.70-
759,229.00-	20.23	775,880.00-	22.40	Station Revenue	29,188,149.79	54.79	28,015,007.66	59.19	4.19
2,312,176.90	61.60	2,307,710.46	66.61	Merchandise Sales			29,217.03	.06	216.25
		3,660.77	.11	Merchandise Sales	92,398.94	.17	18,250.00	.04	57.51
12,795.53	.34	10.00	0.00	Registration Fee	28,745.00	.05	47,467.03	.10	155.22
12,795.53	.34	3,670.77	.11	Merchandise Sales	121,143.94	.23			
		266,589.88-	7.70	Cost Of Goods Sold	359,892.64-	.68	8,786.65	.02	4,195.90-
271,058.26-	7.22	266,589.88-	7.70	Cost Of Goods Sold	359,892.64-	.68	8,786.65	.02	4,195.90-
271,058.26-	7.22			Non Contribution Revenue	28,949,401.09	54.34	28,071,261.34	59.31	3.13
2,053,914.17	54.72	2,044,791.35	59.02	REVENUE	53,272,667.01	100.00	47,327,364.72	100.00	12.56
3,753,532.20	100.00	3,464,295.73	100.00						

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Daystar_011881

R10211B
X56001

Daystar Television Network
Income Statement
For the Period Ending June 30, 2006

10/16/2006 13:59:26

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Current Month Actual	% Revenue	Last Year Actual	% Revenue	Description	Year to Date Actual	% Revenue	Last Year to Date Actual	% Revenue	% Change
Daystar Television Network									
Excess Oper. Income Over Exp									
REVENUE									
Contribution Revenue									
Donation/Supporter									
19.50	0.00	1,257.00	.03	Non-Cash Contribution	26,234.73	.04	30,853.70	.06	14.97-
2,032,518.92	42.91	1,638,046.63	43.64	Unrestricted Contribution	28,943,434.70	46.59	23,118,529.59	43.40	25.20
16,239.15	.34	60,314.40	1.61	Temporarily Restricted Co	1,053,285.01	1.70	1,173,882.63	2.20	10.27-
				Permanently Restricted Co					
2,048,777.57	43.25	1,699,618.03	45.28	Donation/Supporter	30,022,954.44	48.32	24,323,265.92	45.66	23.43
2,048,777.57	43.25	1,699,618.03	45.28	Contribution Revenue	30,022,954.44	48.32	24,323,265.92	45.66	23.43
Non Contribution Revenue									
Station Revenue									
2,329,745.00	49.18	1,725,723.00	45.98	Airtime	25,710,573.15	41.38	21,599,939.30	40.55	19.03
19,823.00	.42	46,435.33	1.24	Non Cash Revenue - Barter	684,031.37	1.10	773,010.96	1.45	11.51-
695,738.67	14.69	729,178.30	19.43	Non Cash Revenue - Donati	8,726,996.66	14.05	8,408,514.90	15.78	3.79
798,375.00	16.85	759,229.00	20.23	Non Cash Revenue - Daysta	9,293,182.00	14.96	10,382,374.00	19.49	10.49-
2,403,816.00	50.74			Non Cash Revenue-Int'l Sa	2,403,816.00	3.87			
1,702,521.00	35.94			Non Cash Revenue-Int'l Ca	1,702,521.00	2.74			
10,797.00	.23	27,444.20	.73	Production Revenue	146,185.50	.24	148,917.20	.28	1.83-
46,941.33-	.99	37,100.26-	.99	Commission	113,463.47-	.18	512,735.90	.96	122.13-
486.20	.01	972.40	.03	Tower Rent	5,348.20	.01	9,088.20	.02	41.15-
				Other Rent Income			17,580.00	.03	100.00-
2,356.25-	.05	3,326.00	.09	Satellite Truck Rent	13,677.09	.02	29,558.00	.06	53.73-
218,475.02-	4.61	183,802.07-	4.90	Discrepancies	2,519,248.21-	4.05	2,311,194.67-	4.34	9.00
798,375.00-	16.85	759,229.00-	20.23	Discounts	9,293,182.00-	14.96	10,382,374.00-	19.49	10.49-
4,106,337.00-	86.68			Daystar Programming	4,106,337.00-	6.61			
2,788,817.27	58.87	2,312,176.90	61.60	Daystar International Mis	32,654,100.29	52.56	29,188,149.79	54.79	11.87
9,764.33	.21	12,795.53	.34	Station Revenue	127,853.90	.21	92,398.94	.17	38.37
60.00	0.00			Merchandise Sales	17,968.50	.03	28,745.00	.05	37.49-
9,824.33	.21	12,795.53	.34	Registration Fee	145,822.40	.23	121,143.94	.23	20.37
110,261.97-	2.33	271,058.26-	7.22	Merchandise Sales	694,264.82-	1.12	359,892.64-	.68	92.91
110,261.97-	2.33	271,058.26-	7.22	Cost Of Goods Sold	694,264.82-	1.12	359,892.64-	.68	92.91

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Daystar_011868

Daystar Television Network
Income Statement
For the Period Ending June 30, 2007

Current Month Actual	% Revenue	Last Year Actual	% Revenue	Description	Year to Date Actual	% Revenue	Last Year to Date Actual	% Revenue	% Change
				Daystar Television Network					
				Excess Oper. Income Over Exp					
				REVENUE					
				Contribution Revenue					
				Donation/Supporter					
				Non-Cash Contribution	12,127.35	.02	26,234.73	.04	53.77-
6.00	0.00	19.50	0.00	Unrestricted Contribution	34,358,158.99	47.21	28,943,434.70	46.59	18.71
2,053,854.24	34.19	2,032,518.92	42.91	Net Assets Released fr Re					
				Temporarily Restricted Co	338,298.72	.46	1,053,285.01	1.70	67.88-
2,693.09	.04	16,239.15	.34	Permanently Restricted Co					
				Donation/Supporter	34,708,585.06	47.69	30,022,954.44	48.32	15.61
2,056,553.33	34.23	2,048,777.57	43.25	Contribution Revenue	34,708,585.06	47.69	30,022,954.44	48.32	15.61
2,056,553.33	34.23	2,048,777.57	43.25	Non Contribution Revenue					
				Station Revenue					
				Airtime	30,634,340.20	42.09	25,710,573.15	41.38	19.15
2,651,779.00	44.14	2,329,745.00	49.18	Non Cash Revenue - Barter	403,582.00	.55	684,031.37	1.10	41.00-
59,154.00	.98	19,823.00	.42	Non Cash Revenue - Donati	9,588,396.17	13.17	8,726,996.66	14.05	9.87
826,225.87	13.75	695,738.67	14.69	Non Cash Revenue - Daysta	11,482,459.00	15.78	9,293,182.00	14.96	23.56
941,775.00	15.68	798,375.00	16.85	Non Cash Revenue-Int'l Sa	2,325,654.00	3.20	2,403,816.00	3.87	3.25-
199,480.00	3.32	2,403,816.00	50.74	Non Cash Revenue-Int'l Ca	2,214,947.00	3.04	1,702,521.00	2.74	30.10
231,137.00	3.85	1,702,521.00	35.94	Production Revenue	135,061.00	.19	146,185.50	.24	7.61-
2,725.00	.05	10,797.00	.23	Commission	132,670.56-	.18	113,463.47-	.18	16.93
22,419.02-	.37	46,941.33-	.99	Tower Rent					
				Other Rent Income	145,103.75	.20	5,348.20	.01	2,613.13
9,551.74	.16	486.20	.01	Satellite Truck Rent	7,373.53	.01			
				Service Charge Fee	3,321.55-	0.00	13,677.09	.02	124.29-
		2,356.25-	.05	Discrepancies	2,830,204.83-	3.89	2,519,248.21-	4.05	12.34
256,782.13-	4.27	218,475.02-	4.61	Daystar Programming	11,482,459.00-	15.78	9,293,182.00-	14.96	23.56
941,775.00-	15.68	798,375.00-	16.85	Daystar International Mis	4,540,601.00-	6.24	4,106,337.00-	6.61	10.58
430,617.00-	7.17	4,106,337.00-	86.68	Station Revenue	37,947,659.71	52.14	32,654,100.29	52.56	16.21
3,270,234.46	54.44	2,788,817.27	58.87	Merchandise Sales					
				Merchandise Sales	163,200.61	.22	127,853.90	.21	27.65
15,994.02	.27	9,764.33	.21	Registration Fee	30,843.50	.04	17,968.50	.03	71.65
		60.00	0.00	Merchandise Sales	194,044.11	.27	145,822.40	.23	33.07
15,994.02	.27	9,824.33	.21	Cost Of Goods Sold					
				Cost of Goods	70,754.64-	.10	694,264.82-	1.12	89.81-
664,810.64	11.07	110,261.97-	2.33	Cost Of Goods Sold	70,754.64-	.10	694,264.82-	1.12	89.81-
664,810.64	11.07	110,261.97-	2.33						

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Daystar Television Network
Income Statement
For the Period Ending June 30, 2008

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Current Month Actual	% Revenue	Last Year Actual	% Revenue	Description	Year to Date Actual	% Revenue	Last Year to Date Actual	% Revenue	% Change
Daystar Television Network									
Excess Oper. Income Over Exp									
REVENUE									
Contribution Revenue									
Donation/Supporter									
		6.00	0.00	Non-Cash Contribution	13,008.08	02	12,127.35	.02	7.26
84.00	0.00			Unrestricted Contribution	27,043,375.82	36.14	34,358,158.99	47.21	21.29-
1,308,682.73	21.43	2,053,854.24	34.19	Net Assets Released fr Re					
		2,693.09	.04	Temporarily Restricted Co	4,733,075.87	6.32	338,298.72	.46	1,299.08
507,038.69	8.30			Permanently Restricted Co					
		2,056,553.33	34.23	Donation/Supporter	31,789,459.77	42.48	34,708,585.06	47.69	8.41-
1,815,805.42	29.73			Contribution Revenue	31,789,459.77	42.48	34,708,585.06	47.69	8.41-
1,815,805.42	29.73	2,056,553.33	34.23						
Non Contribution Revenue									
Station Revenue									
		2,651,779.00	44.14	Airtime	33,801,957.50	45.17	30,634,340.20	42.09	10.34
3,336,097.00	54.62	59,154.00	.98	Non Cash Revenue - Barter	150,377.00	20	403,582.00	.55	62.74-
5,443.00	.09	826,225.87	13.75	Non Cash Revenue - Donati	12,314,047.73	16.45	9,588,396.17	13.17	28.43
1,284,284.00	21.03			Non Cash Revenue - Promo	3,924,176.40	5.24			
986,177.00	16.15	941,775.00	15.68	Non Cash Revenue - Daysta	12,471,922.00	16.67	11,482,459.00	15.78	8.62
1,256,117.00	20.57	199,480.00	3.32	Non Cash Revenue-Int'l Sa	3,963,774.01	5.30	2,325,654.00	3.20	70.44
349,941.00	5.73	231,137.00	3.85	Non Cash Revenue-Int'l Ca	2,552,111.00	3.41	2,214,947.00	3.04	15.22
324,522.00	5.31	2,725.00	.05	Production Revenue	37,336.25	05	135,061.00	.19	72.36-
4,400.00	.07	22,419.02-	.37	Commission	147,524.50-	20	132,670.56-	.18	11.20
34,604.82-	.57			Tower Rent					
		9,551.74	.16	Other Rent Income	68,112.77	09	145,103.75	.20	53.06-
3,582.83	.06			Satellite Truck Rent					
				Service Charge Fee	6,121.38	.01	7,373.53	.01	16.98-
				Discrepancies	34.70	0.00	3,321.55-	0.00	101.04-
34.70	0.00			Discounts	3,214,321.23-	4.30	2,830,204.83-	3.89	13.57
316,135.34-	5.18	256,782.13-	4.27	Promo Line	3,924,176.40-	5.24			
986,177.00-	16.15	941,775.00-	15.68	Daystar Programming	12,471,442.00-	16.67	11,482,459.00-	15.78	8.61
1,256,117.00-	20.57	430,617.00-	7.17	Daystar International Mis	6,515,309.00-	8.71	4,540,601.00-	6.24	43.49
674,463.00-	11.04			Station Revenue	43,017,197.61	57.48	37,947,659.71	52.14	13.36
4,283,101.37	70.13	3,270,234.46	54.44						
Merchandise Sales									
		15,994.02	.27	Merchandise Sales	149,690.41	.20	163,200.61	.22	8.28-
14,652.96	.24			Registration Fee	12,880.00	.02	30,843.50	.04	58.24-
		15,994.02	.27	Merchandise Sales	162,570.41	.22	194,044.11	.27	16.22-
14,652.96	.24								

Cost Of Goods Sold

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Daystar Television Network
Income Statement
For the Period Ending June 30, 2009

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Current Month Actual	% Revenue	Last Year Actual	% Revenue	Description	Year to Date Actual	% Revenue	Last Year to Date Actual	% Revenue	% Change
				Daystar Television Network					
				Excess Oper. Income Over Exp					
				REVENUE					
				Contribution Revenue					
				Donation/Supporter					
		84.00	0.00	Non-Cash Contribution	6,259.32	.01	13,008.08	.02	51.88-
250.00	0.00			Unrestricted Contribution	18,630,883.83	25.16	27,043,375.82	36.14	31.11-
952,529.50	13.44	1,308,682.73	21.43	Net Assets Released & Re					
		507,038.69	8.30	Temporarily Restricted Co	9,258,905.27	12.50	4,733,075.87	6.32	95.62
552,724.75	7.80			Permanently Restricted Co					
		1,815,805.42	29.73	Donation/Supporter	27,896,048.42	37.67	31,789,459.77	42.48	12.25-
1,505,504.25	21.25			Contribution Revenue	27,896,048.42	37.67	31,789,459.77	42.48	12.25-
1,505,504.25	21.25	1,815,805.42	29.73	Non Contribution Revenue					
				Station Revenue					
		3,336,097.00	54.62	Airtime	32,721,742.91	44.18	33,801,957.50	45.17	3.20-
2,846,560.00	40.18			Non Cash Revenue - Barter	226,458.00	.31	150,377.00	.20	50.59
1,820.00	.03	5,443.00	.09	Non Cash Revenue - Donati	16,270,397.44	21.97	12,314,047.73	16.45	32.13
3,014,190.00	42.54	1,284,284.00	21.03	Non Cash Revenue - Promo	9,043,770.00	12.21	3,924,176.40	5.24	130.46
795,147.00	11.22	986,177.00	16.15	Non Cash Revenue - Daysta	12,474,625.00	16.84	12,471,922.00	16.67	.02
1,120,397.00	15.81	1,256,117.00	20.57	Non Cash Revenue-Int'l Sa	3,969,101.00	5.36	3,963,774.01	5.30	.13
226,749.00	3.20	349,941.00	5.73	Non Cash Revenue-Int'l Ca	3,447,707.00	4.66	2,552,111.00	3.41	35.09
294,268.00	4.15	324,522.00	5.31	Production Revenue	31,550.00	.04	37,336.25	.05	15.50-
1,700.00	.02	4,400.00	.07	Commission	94,825.09-	.13	147,524.50-	.20	35.72-
7,420.88-	.10	34,604.82-	.57	Tower Rent					
		3,582.83	.06	Other Rent Income	30,566.50	.04	68,112.77	.09	55.12-
2,930.01	.04			Satellite Truck Rent			6,121.38	.01	100.00-
				Service Charge Fee			34.70	0.00	711.64
		34.70	0.00	Discrepancies	281.64	0.00			
		316,135.34-	5.18	Discounts	3,144,089.70-	4.25	3,214,321.23-	4.30	2.18-
287,400.06-	4.06			Promo Line	9,043,659.65-	12.21	3,924,176.40-	5.24	130.46
795,147.00-	11.22	986,177.00-	16.15	Daystar Programming	12,474,625.00-	16.84	12,471,442.00-	16.67	.03
1,120,397.00-	15.81	1,256,117.00-	20.57	Daystar International Mis	7,416,808.00-	10.01	6,515,309.00-	8.71	13.84
521,017.00-	7.35	674,463.00-	11.04	Station Revenue	46,042,182.05	62.17	43,017,197.61	57.48	7.03
5,572,379.07	78.65	4,283,101.37	70.13	Merchandise Sales					
		14,652.96	.24	Merchandise Sales	169,539.88	.23	149,690.41	.20	13.26
11,891.26	.17			Registration Fee	35,550.00	.05	12,880.00	.02	176.01
2,640.00	.04			Sales Discount/Commission	27,624.78-	.04			
3,370.90-	.05			Merchandise Sales	177,465.10	.24	162,570.41	.22	9.16
11,160.36	.16	14,652.96	.24						

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Daystar Television Network
Income Statement

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For the Period Ending June 30, 2010

Current Month Actual	% Revenue	Last Year Actual	% Revenue	Description	Year to Date Actual	% Revenue	Last Year to Date Actual	% Revenue	% Change
				Daystar Television Network					
				Excess Oper. Income Over Exp					
				REVENUE					
				Contribution Revenue					
				Donation/Supporter					
				Non-Cash Contribution	38,283.10	.05	6,259.32	.01	511.62
2,901.37	.05	250.00	0.00	Unrestricted Contribution	20,306,154.40	25.36	18,630,883.83	25.16	8.99
1,227,860.45	20.07	952,529.50	13.44	Net Assets Released fr Re					
				Temporarily Restricted Co	10,806,154.45	13.50	9,258,905.27	12.50	16.71
483,614.32	7.91	552,724.75	7.80	Permanently Restricted Co					
				Donation/Supporter	31,150,591.95	38.90	27,896,048.42	37.67	11.67
1,714,376.14	28.03	1,505,504.25	21.25						
				Contribution Revenue	31,150,591.95	38.90	27,896,048.42	37.67	11.67
1,714,376.14	28.03	1,505,504.25	21.25	Non Contribution Revenue					
				Station Revenue					
				Airtime	34,096,268.13	42.58	32,721,742.91	44.18	4.20
2,974,937.64	48.64	2,846,560.00	40.18	Non Cash Revenue - Barter	161,533.00	.20	226,458.00	.31	28.67
2,480.00	.04	1,820.00	.03	Non Cash Revenue - Donati	17,840,780.04	22.28	16,270,397.44	21.97	9.65
1,705,487.00	27.88	3,014,190.00	42.54	Non Cash Revenue - Promo	9,971,126.00	12.45	9,043,770.00	12.21	10.25
1,060,432.00	17.34	795,147.00	11.22	Non Cash Revenue - Daysta	16,143,817.00	20.16	12,474,625.00	16.84	29.41
1,032,029.00	16.87	1,120,397.00	15.81	Non Cash Revenue-Int'l Sa	5,651,467.00	7.06	3,969,101.00	5.36	42.39
287,392.00	4.70	226,749.00	3.20	Non Cash Revenue-Int'l Ca	5,026,559.00	6.28	3,447,707.00	4.66	45.79
369,919.00	6.05	294,268.00	4.15	Production Revenue	52,142.00	.07	31,550.00	.04	65.27
1,032.00	.02	1,700.00	.02	Commission	193,142.69	.24	94,825.09	.13	103.68
1,749.11	.03	7,420.88	.10	Tower Rent					
				Other Rent Income	40,654.43	.05	30,566.50	.04	33.00
1,909.64	.03	2,930.01	.04	Satellite Truck Rent					
				Service Charge Fee	391,194.17	.49			
28,609.11	.47			Misc. Broadcast Revenue	42,500.00	.05			
8,500.00	.14			Discrepancies			281.64	0.00	100.00
				Discounts	3,606,779.85	4.50	3,144,089.70	4.25	14.72
324,674.13	5.31	287,400.06	4.06	Promo Line	9,971,126.00	12.45	9,043,669.65	12.21	10.26
1,060,432.00	17.34	795,147.00	11.22	Daystar Programming	16,143,817.00	20.16	12,474,625.00	16.84	29.41
1,032,029.00	16.87	1,120,397.00	15.81	Daystar International Mis	10,678,026.00	13.34	7,416,808.00	10.01	43.97
657,311.00	10.75	521,017.00	7.35	Station Revenue	48,825,149.23	60.98	46,042,182.05	62.17	6.04
4,396,532.15	71.88	5,572,379.07	78.65	Merchandise Sales					
				Merchandise Sales	182,518.62	.23	169,539.88	.23	7.66
10,082.95	.16	11,891.26	.17	Registration Fee	17,390.00	.02	35,550.00	.05	51.08
2,240.00	.04	2,640.00	.04	Sales Discount/Commission	37,479.46	.05	27,624.78	.04	35.67
2,263.85	.04	3,370.90	.05	Merchandise Sales	162,429.16	.20	177,465.10	.24	8.47
10,059.10	.16	11,160.36	.16						

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**Word of God Fellowship
dba Daystar Television Network
Income Statement**

For the Twelve Months Ending June 30, 2011
DETAIL

	YTD
	06/30/11
REVENUE	
Donations/Contribution Revenue	
Unrestricted Contribution	\$18,115,781
Temp. Restricted Contribution	10,463,083
Non Cash Contribution	9,027
Total Donation Revenue	28,587,891
Total Donation/Contributions Revenue	28,587,891
Broadcasting Revenue	
Airtime Revenue	36,595,338
Discounts - Airtime	(3,872,587)
Total Airtime Revenue	32,722,751
Non Cash Rev - Barter	10,571
Non Cash Rev - Donation	20,636,544
Non Cash Rev - Promo Line	12,431,777
Non Cash Rev - Daystar	21,516,654
Non Cash Rev - Int'l Satellite	6,570,697
Non Cash Rev - Int'l Cable	4,331,441
Promo Line	(12,431,777)
Daystar Programming	(21,516,654)
Daystar Int'l Missions	(10,902,138)
Total Non-Cash Airtime Revenue	20,647,115
Production Revenue	54,555
Commission	6,453
Other Rent Income	27,355
Service Charge Fee	493,981
Misc. Broadcasting Revenue	94,700
Total Other Broadcasting Revenue	677,043
Total Broadcasting Revenue	54,046,909
Merchandise/Other Revenue	
Merchandise/Product Sales	142,068
Sales Discount/Commission	(24,866)
Cost of Goods-Product	(59,244)
Total Merchandise Sales	57,958
Event Registration Income	29,070
Total Other Revenue	29,070
Total Merchandise/Other Revenue	87,028
Total Revenue	82,721,829
EXPENSES	
Ministry Expenses	
Airtime Donation	20,575,387
Donation to Partners	25,536
Donation to Mission/Ministry	361,576
General Donation	278,240
Total Donations & Missions	21,240,739
Guest Speaker - Honorariums	205,700

DAYSTAR TELEVISION DONATION TO MINISTRY/MISSION

Fiscal Year Ending 6/30/2005	Page 1 - 4
Fiscal Year Ending 6/30/2006	Page 5 - 9
Fiscal Year Ending 6/30/2007	Page 10 - 15
Fiscal Year Ending 6/30/2008	Page 16 - 19
Fiscal Year Ending 6/30/2009	Page 20 - 21
Fiscal Year Ending 6/30/2010	Page 22 - 23



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fiscal year 2005

DAYSTAR TELEVISION
DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
Period 07/01/2004 - 06/30/2005

<u>Vendor</u>	<u>Sum of Amount</u>
Agape Life	2,000.00
Agape Samaritan International	1,000.00
All Nations Gospel Outreach	2,000.00
All Peoples African Methodist	5,000.00
Allison, Justin and Kim	1,000.00
Alpha & Omega Glorious Temple	500.00
Anointed House of Prayer	500.00
Arthur, Don	300.00
Assemblies of God; The	1,200.00
Beraca Evangelical Church	1,000.00
Bethel Christian Worship Cente	1,000.00
BLAGG TIRE & SER	46.09
Blair Foundation; The	5,000.00
Botsford, Debbie	5.00
Bridge of Love	500.00
Burns Ministries International	1,000.00
C.O.O.L. Ministries, Inc.	1,000.00
Calvary Cathedral International	313.09
Canaan Land Ministries	1,000.00
Catholic Pro-Life Committee	250.00
Centre Evangelique LaPierre An	500.00
Charles and Frances Hunter Min	1,000.00
Christ For The Nations	16,803.18
Christ Temple Church	2,500.00
Christian Life Center	10,000.00
Christ's Haven for Children	1,000.00
Church For You	5,450.00
Dallas Metro Ministries	6,000.00
Dayspring International	2,000.00
Discipleship Ministries	2,500.00
Embassy of Jesus Christ	300.00
EQUIP	20,000.00
Eufronio Mangui-ob	1,000.00
Faith Assembly of Lacey	1,000.00
Faith Christian Center	1,000.00
Fellowship; The	1,000.00
First Baptist Church Euless	500.00
First International Doable Min	2,000.00
First Pentecostal Church of God	8,500.00
Genesis Bible Fellowship Intern	275.00

DAYSTAR TELEVISION
 DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
 Period 07/01/2004 - 06/30/2005

Vendor	Sum of Amount
Friends of WATS	488.50
Glorious Temple Apostolic Chur	250.00
Go Ye Ministries	1,000.00
God's Remnant Assembly	1,000.00
Gospel Assembly Church	1,000.00
Gospel For Asia	10,000.00
Great Joy World Outreach	1,000.00
Hands For Christ	500.00
Healthcare Chaplain's Ministry	1,000.00
Highway of Holliness	121.00
HOTELS.COM	59.00
Hunter Ministries	5,000.00
In The Mean Time Ministries, I	1,500.00
INF/MRAC/JF	5,300.00
International Russian Radio	2,000.00
IRR TV	5,000.00
Jehovah-Shammah Children's Home	2,000.00
Jerry Savelle Ministries	2,000.00
Jesse Duplantis Ministries	2,000.00
Jesus Christ Lord of All Church	1,000.00
Jim Hester Missionary Ministri	2,000.00
Joyce Meyer Ministries	27,000.00
King of Kings Ministries	2,000.00
Lake Wylie Christian Assembly	500.00
Lakewood Church	4,134.50
LeFevre, Mylon	1,000.00
Life Outreach International	25,000.00
Life Outreach Ministry	1,043.25
Life Sowing Ministries	3,000.00
Light for the Zulu Nation	5,000.00
Living Water international	10,000.00
Living Waters, AG	1,000.00
Love A Child	2,000.00
Maoz	2,000.00
Maranatha Outreach Church	250.00
Marcus Donation to International	250.00
Mark A. Thomas Ministries, Inc	1,000.00
Mark Temperato Ministries	2,000.00
Mason, Debbie	200.00
Master's Touch Ministries Inte	5,000.00
Master's Touch Prison Ministries	200.00

DAYSTAR TELEVISION
 DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
 Period 07/01/2004 - 06/30/2005

Vendor	Sum of Amount
Mentoring Mansion; The	7,000.00
Metro Ministries International	5,000.00
Ministry Land	1,000.00
Minne, Fanie & Kay	1,000.00
Mission of Mercy	70,124.17 ?
Mission Union Fraternite	600.00
Missionair	2,000.00
Missions International	48,483.00
Monica Brown Ministries	1,000.00
Motivational Ministry Concepts	3,000.00
Moving Waters Ministries	500.00
Mt. Zion Christian Fellowship	200.00
New Covenant Fellowship	2,000.00 <
New Covenant Pentecostal	825.00
New Europe Vision	1,000.00
New Life Family Church	2,000.00
New Restoration B.C.	250.00
Open Doors	500.00
Operation Freedom	5,000.00
Oth. Withdrawals - Oper. Acct.	1,000.00
Pastor Mowva Venkateswara	300.00
Pathway International Inc.	1,500.00
Paula White Ministries	2,000.00
Philip Cameron Ministries	5,000.00
Prestonwood Baptist Church	525.00
Promiseland Metro Church	10,000.00
Rcls. FA Suspense to Exp. 5/05	5,750.00
Real Choices	100.00
Reshaping Lives Ministries, In	500.00
REVELATION	9.76
Rheema Foundation	16,000.00
River Cities Lighthouse Church	1,000.00
River Of Life Fellowship	1,000.00
Rock Church Building Fund	1,000.00
Rockwall Life Church	1,000.00
Saints In Action	1,200.00
Salem Family Ministries	2,000.00
Samaritan's Purse	125,000.00
Shalom Ministries Internationa	2,000.00
Share In Asia	10,000.00
Smith, Marilyn	600.00

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2005

Vendor	Sum of Amount
Somebody Cares America	1,000.00
Somebody Cares Humble	1,000.00
Soul Winning Temple COGIC	1,000.00
T.L. Lowery Global Foundation	25,000.00
Teen Challenge International	500.00
Teen Challenge Sanford	500.00
Teen Missions	500.00
Thomslay Budlaire Laguerre	250.00
TLC Ministries	1,000.00
Torborh, Bro. Cletus N.	300.00
Tremont Avenue Church of God	10,000.00
UAPB Foundation Fund	500.00
Unfalling Love Ministries	1,000.00
Union Gospel Mission	1,000.00
Victory Christian Center	5,000.00
Victory Life Fellowship #1	1,032.00
Victory Life Fellowship #2	1,482.00
Victory Temple Ministries	76,390.00
W. Jim Britt Ministries, Inc.	2,500.00
Watoto Children's Choir	235.00
Whole Man Christian Center	2,000.00
Wisdom Center; The	2,500.00
Wood, Rev. Mercy	300.00
Word of Victory Family Life Ce	500.00
World Harvest/ Somebody Cares	20,000.00
Worldwide Voice in the Wildern	1,000.00
Yakobo, Rev. Sadock	1,000.00
Zoe's Childrens Home	5,000.00
Grand Total	746,169.54

Fiscal year 2006

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2006

<u>Vendor</u>	<u>Sum of Amount</u>
A Jasper Prabhu	1,000.00 -
Abiding Love Fellowship Minist	300.00
Africa Foundation	1,000.00
Africa Youth Ministries	300.00
Agape Life	1,000.00
All Peoples African Methodist	1,000.00
All The Children Are Children,	300.00
Andrew Womack Ministries	2,000.00 -
Assemblies of God; The	1,600.00
Assisting Teens in Crisis	1,000.00
Azusa Street Centennial -	50,000.00 -
B. John Prakash	1,000.00
Beacon Light Baptist Cathedral	25,000.00
Beacon Light International	10,000.00
Bethany World Prayer Center	50,000.00 -
BIM	10,000.00
Bread of Life Church	1,000.00
C.O.O.L. Ministries, Inc.	1,000.00
Calcutta Mercy Ministries	5,000.00 -
Campus Crusade for Christ	500.00
Catholic Diocese of Balgaum	1,000.00
Champions Kids Camp	2,000.00
Christ For The Nations	23,218.40 -
Christ Resurrection Power	850.00
Christ Temple Church	1,150.00
Christian Men's Network	2,000.00
Christ's Compassion Ministry,	300.00
Community Outreach Ministry	1,000.00
Community Christian Church	1,000.00
Community Outreach Church	1,000.00
Covenant Generations Church	1,000.00
Covenant of Believers	1,000.00
Crossgate Christian Academy	250.00
Dallas Metro Ministries	2,000.00
Daniel Kwame Ofofu	1,000.00
Dayspring Gospel Seed Christian	1,000.00
Dayspring International	4,800.00
Dream Center, The	200,000.00 -
Drive The Distance	2,000.00
Eglise de Christ International	1,000.00

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2006

Vendor	Sum of Amount
Emmanuel Gospel Ministry	1,000.00
Emmanuel Pentecostal Church	300.00
EQUIP	15,000.00
Faith Evangelistic Temple	250.00
Faith Family Worship Center	500.00
Faith Ministry Relief	500.00
Father's Heart Foundation Inte	5,000.00
Feed The Children	50,001.70
Fellowship; The	2,000.00
First Baptist Church Eules	500.00
First International Doer's Min	2,000.00
Freedom House Ministries	1,000.00
Friends of WATS	155.00
FULL GOSPEL B	1,000.00
Gates of Praise Christian Center	1,000.00
Gateway Church	20,272.00
Go Ye Ministries	1,000.00
God's Remnant Assembly	1,000.00
Good News World Outreach	10,000.00
Gospel For Asia	10,000.00
Greater Mount Moriah Baptist Church	1,000.00
Greater New Orleans Jesus	1,000.00
Greater St. Stephens Baptist Church	100,000.00
Grove M.B. Church	1,000.00
Hafisba	500.00
Hands and Feet Project; The	1,000.00
Harvest Ministries to the Worl	10,000.00
Harvest Tabernacle International	500.00
Hazel Hughes Ministries	1,000.00
Healing Place Church	20,000.00
Heartland School of Ministry	5,000.00
Helderberg Christian School	500.00
Heroes of the Faith Ministries	300.00
Higher Ground Church	500.00
Hilton Sutton Ministries	2,000.00
Holy Temple Holiness	300.00
House of Prayer; The	2,000.00
Houston Christian Fellowship	500.00
Indian Ministries of North America	2,000.00
International Antioch Ministries	10,000.00
IRR TV	2,000.00

DAYSTAR TELEVISION
 DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
 Period 07/01/2004 - 06/30/2006

Vendor	Sum of Amount
Jehovah-Shammah Children's Home	1,000.00
Jesus Free Will Community Church	1,000.00
John Levy Kiseba	300.00
Joseph Company, The	10,000.00
Joshua Nations	5,000.00
Kayla Miller	1,000.00
Kym's Kids	500.00
Lakewood Church	10,077.00
Lesly G Joseph	400.00
Life Church	10,000.00
Life International Christian	1,000.00
Lifeline Foundation	50,000.00
Lighthouse Church of God	1,000.00
Living Faith Christian Center	20,000.00
Living Hope	1,000.00
Living Word Church of God	500.00
Local Churches of India	1,000.00
Lorraine Daniel Ministries	1,000.00
Maddox, Charles	500.00
Maoz	6,640.00
Master's Touch Ministries Inte	4,581.40
Meals on Wheels, Inc. of Tarra	300.00
Media Concepts	7,639.00
Mercy Ministries	2,000.00
Metropolitan Tabernacle	5,000.00
Ministry Land	10,000.00
Mission of Mercy	2,000.00
Mission-Union Fraternite	1,000.00
Mission, The Same, Inc.; The	1,050.00
Missions International	70.00
Mo Sound Ministries	1,000.00
Morin, Rhonda	1,000.00
Munawar Fazal	1,000.00
Munawar Masih	1,000.00
NERDA; Pastor Karlo Kolong Oko	1,500.00
New Covenant Church International	1,000.00
New Covenant Fellowship	500.00
New Jerusalem Church	1,000.00
New Life Ministries International	1,000.00
Next Generation Family Worship	1,000.00
Oral Roberts University	50,000.00

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2006

Vendor	Sum of Amount
Ovando, Pastor Jorge	300.00
Pastor B. Isaac	1,000.00
Paula White Ministries	5,000.00
Phillip Cameron Ministries	5,000.00
Pilgrim Rest Missionary Baptist	2,000.00
Poor Children's Assistance Pro	1,000.00
Praise Church	5,000.00
Prayer Forum; The	1,000.00
Randall Grier Ministries	1,000.00
Rev. K.L. Dickson	5,000.00
Rheema Foundation	23,000.00
Saints in Action	1,000.00
Scott Hinkle Ministries	5,000.00
Shaback World Ministry	10,000.00
Soul Factory; The	25,000.00
Storehouse Ministries for Christ	500.00
Tabernacle of Refuge Ministries	250.00
Team Impact Ministries	5,000.00
Teen Mania Ministries	2,500.00
The Masters Touch Ministries	2,000.00
Tim Todd Ministries	2,000.00
Time For Missions	1,000.00
TOYS R US #701	63.81
Triumph Church	55,842.21
True Church of the Lord Jesus	1,000.00
Unfailing Love Ministries	1,000.00
Union Gospel Mission	2,000.00
United Church/National Bank of	500.00
Victory Christian Center	10,000.00
Victory Life Fellowship #1	14,647.00
Victory Life Fellowship #2	12,090.00
Victory Tabernacle Church	200.00
Victory Temple Ministries	58,035.50
Vincent Paul Ministries Intern	1,000.00
Votaw Worship Center	600.00
W. Jim Britt Ministries, Inc.	3,000.00
Watoto Children's Choir	20.00
Wish Kids International	1,000.00
World Missions Outreach	3,000.00
World Revival Church Ministries	1,000.00
Worldwide Voice In the Wildern	1,000.00

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2006

Vendor	Sum of Amount
Worshipworks	4,000.00
Youthfest	2,000.00
YWAM	500.00
Grand Total	1,185,753.02

fiscal year 2007

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2007

<u>Vendor</u>	<u>Sum of Amount</u>
72001	15,000.00
A Voice for Children	1,000.00
A.R.A.I.	1,000.00
Abundant Hope Ministries	33,778.29
Acts Global Networking	10,000.00
Advance Perfect Health Researc	500.00
Agim, Georginia	2,000.00
All That God Is International	1,000.00
All The Children Are Children,	500.00
Alupay, Limbiano	300.00
Alzheimer's Foundation of Amer	10,000.00
Amjad Javed	2,000.00
Andrew Womack Ministries	700.00
Anila Maria	500.00
Assemblies of God; The	1,100.00
Back to Jerusalem, Inc	10,000.00
Believer's Chapel	1,000.00
Beraca Evangelical Church	1,000.00
Bethany World Prayer Center	15,000.00
Bibleway Family Christian Chur	500.00
Billy Burke World Outreach ***	15,000.00
Bread of Life Orphanage	1,000.00
Bridge Ministries, Inc; The	2,000.00
Brothers in Ministry, Inc.	500.00
C.C.C	1,000.00
C.O.O.L. Ministries, Inc.	2,000.00
Calcutta Mercy Ministries	62,274.17
Camilo M Natad	200.00
Canaan Land Ministries	2,000.00
CCFI	1,000.00
Celso Ric M. Rivera	400.00
Charisma Ministries	1,000.00
Christ For The Nations	3,795.20
Christ Temple Church	75.00
Christian Adventures International	10,000.00
Christian Aid Mission	500.00
Christian City Church	25,000.00
Christian Congregational Baptist	2,000.00
Christian Faith & Fellowship	1,000.00
Christian Friends of Israel, J	20,000.00

DAYSTAR TELEVISION
 DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
 Period 07/01/2004 - 06/30/2007

Vendor	Sum of Amount
Christian Men's Network	1,000.00
Christian Motorcycle Association	300.00
Christian Services Association	2,000.00
Christian Witness for Nepal	1,000.00
Christians United for Israel	16,783.00
Christ'l Lawrence	1,000.00
Church of God International	20,000.00
Church on the Rock International	79.00
City Church	1,000.00
Clarke Beasley NQC	15,000.00
Clay Hill Church of God	1,000.00
Community Outreach Ministry	1,000.00
Cornerstone Church	25,000.00
Corpus Christi in Motion	1,000.00
Covenant Community Church	1,000.00
Crusaders for Christ Ministrie	500.00
Dallas Dream Center	1,000.00
DavidPaul Learning and Community	500.00
Dayspring International	17,000.00
Dinah G. Genandoy	1,000.00
Divine Unity Missionary Baptist	2,000.00
Don Dickerman Ministries	5,000.00
Donation per Bill Trammell	621.45
Dr. Luke Vandari Levis/Himalay	1,000.00
Dream Center Phoenix	500.00
Dream Center, The	100,000.00
Driscoll, Phil	5,000.00
Eagle Rock Covenant Assembly	300.00
Elland, Pastor Roger	200.00
El Redentor Foursquare Church	2,000.00
EQUIP	2,000.00
Ev Robinson Asgher	309.46
Faith Center Ministries	15,000.00
Family First Church	18,746.25
Family Life Outreach Ministrie	1,000.00
Father's Heart Foundation Inte	7,205.67
Favor of God Ministries	5,000.00
Feed The Children	31,570.64
Feeding the Nations	1,000.00
Fire International	1,000.00
First Assembly of God	4,000.00

DAYSTAR TELEVISION
 DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
 Period 07/01/2004 - 06/30/2007

Vendor	Sum of Amount
First International Doer's Min	1,000.00
Fort Worth Teen Challenge	1,000.00
Free Chapel Worship Center	27,477.79
Freedom Church	500.00
Friends of WATS	100.00
Ganei Tal - Gush Katif	10,000.00
Garret Leonard Media	15,000.00
Gateway Church	10,000.00 -
Gateway Church-Global Ministries	2,000.00
General Council of the Assembly	300.00
God's Country Church	300.00
God's Precious Jewels	1,000.00
Godswill Gershon Trev	1,000.00
Good News Israel	50,000.00 -
Gopabandhu Dip	1,000.00
Greater New Orleans Jesus	2,000.00
Greater Revival Outreach	1,000.00
Greenberg, Ephraim	1,000.00
Griffin, Gwendolyn	300.00
H.O.P.E. Ministries of Georgia	800.00
Haiti Ministry	1,090.00
Hall, Rev. Cecil	1,000.00
Harvest Hands Ministries, Inc.	1,000.00
Heritage Christian Center	15,000.00
Highway of Holliness	75.00
Highway to Heaven Worship Cent	1,000.00
His Song Ministries	5,000.00
Hope Church	250.00
Hope for the Holy Land	1,000.00
Hope Rwanda	10,000.00
Hope Unlimited	10,000.00
Hosanna Cathedral of Praise Ch	1,000.00
Hossain, Mesrura	500.00
House of Prayer; The	1,000.00
Imran Masih	1,200.00
Imrana Imran	300.00
Indian Evangelical Team	10,000.00
International Bible Society	10,000.00
Jehovah's Angel Network	500.00
Jewish Voice Ministries Int'l	10,000.00
Joyce Meyer Ministries	10,000.00 -

DAYSTAR TELEVISION
 DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
 Period 07/01/2004 - 06/30/2007

Vendor	Sum of Amount
Kedar Faith Ministries	509.46
Kevin Sandford Ministries	10,000.00
Kingdom Global Ministries	2,000.00
Kingsway International Christian	62,545.78
Kym's Kids	1,000.00
Lake Country Christian School	390.00
Lakewood Church	1,225.00
Life Gate Home Fellowship	500.00
Life Outreach International	200.00
Lifeline International Ministry	1,000.00
Light of the Nations	5,000.00
Lincolnton Church of God	5,000.00
Little City of Light Ministrie	5,000.00
Living Word Fellowship; The	2,000.00
LivingWord;The	500.00
Love One Another Embassy	2,000.00
Loving Hearts Ministry	2,000.00
Maoz	10,000.00
Martinez, Pastor Michael	300.00
Master's Touch Ministries Inte	686.00
Messengers of Hope Ministries	1,000.00
Messianic Jewish Bible Institute	1,000.00
Michael Sloan Ministries Inter	1,000.00
Mildele House of Love, Inc.	300.00
Millennium Films	10,000.00
Miracle of Nazareth Foundation	1,000.00
Miracle Temple	500.00
Money gram to Lahore	309.46
Morningside Church, Inc.	67.00
Mosier, Nanci	1,000.00
Mountain of Prayers Foursquare	1,000.00
Naseeb Obeid	500.00
Nasreen Gulzar	1,000.00
Nation to Nations Ministries,	300.00
National Institute of Marriage	5,000.00
Netanya Academic College	10,000.00
Netivyah Bible Instruction Min	10,000.00
New Beginnings Rock Church	1,000.00
New Birth Bible Church	1,000.00
New Creation Life Changing	500.00
New Life Covenant Church	500.00

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2007

Vendor	Sum of Amount
New Life In Christ	300.00
New Restoration Christian Cent	120.00
Oakcrest Family Church	1,000.00
Omer Massey	1,000.00
One Hope for the Heart International	1,000.00
One Nation Under God	10,000.00
Oral Roberts University	29,703.48
Ozark Christian College Stewar	1,000.00
Page, Dorothy	500.00
Parveen	300.00
Pastor Hilaire Jean	300.00
Pastor William Roy	510.00
Pat's House	1,000.00
Pentecostal Church of	2,000.00
Perlka Saras Chadra K	300.00
Pilgrim Rest Missionary Baptist	200.00
Precious Daughters	250.00
Pregnancy Care Center	1,000.00
Pregnant Teen Outreach	1,000.00
Prison Entrepreneurship	1,000.00
Pst John Hillard	1,014.16
Reach for the Stars	300.00
Redeemer Asian Community Church	100.00
Reed, Chris	200.00
Reimburse Petty Cash	3,364.46
Revival Fires World Missions A	1,000.00
Rheema Foundation	24,853.36
Rhema Bible Church	30,000.00
Rizwan Masih	1,014.16
Rowe, Jennifer	200.00
Roy Ivins Ministries	500.00
Ruach Ministries	18,951.26
Saints in Action	1,000.00
Salem Johnson	2,000.00
Save the World	10,000.00
Shamaoun Gill	500.00
Shippo Baptist Church	1,000.00
Sky Media	15,000.00
Skyeward Bound Ranch	300.00
Soldiers Angels	5,000.00
St. Luke's Healthcare Foundation	47,412.80

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2007

Vendor	Sum of Amount
TD JAKES MINISTRY	40.00
Technoda Center for Education	15,000.00
Teen Chat Youth Center	500.00
Teen Mania Ministries	1,000.00
Temple C.O.G.I.C of Plainfield	1,000.00
Templo Betesda	1,000.00
Teva Ha'Dvarim	60,000.00
Touching Lives for Jesus Minis	1,000.00
Travel the Road	10,000.00
Tribal Mission Foundation, Int	1,000.00
Trinity Worship & Outreach Min	1,000.00
Triple PT	500.00
Turning Point Ministries Inter	1,000.00
Victory Life Fellowship #1	6,995.00
Victory Life Fellowship #2	24,180.00
Victory Temple Ministries	55,477.50
Voice of Hope	2,000.00
W. Jim Britt Ministries, Inc.	3,000.00
Wake Up America	1,000.00
Watoto Children's Choir	60.00
Waverly, Rev. Neville Clifford	200.00
Way of Life	1,000.00
WBPI-TV 49	2,000.00
Western American Ministries	1,000.00
Winds of Change Ministries	1,000.00
Wisdom Center, The	2,000.00
Without Walls International	15,000.00
Youth Net, Inc.	1,000.00
Youth World	300.00
Grand Total	1,367,209.80

Fiscal year 2008

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2008

Vendor	Sum of Amount
Abundant Hope Ministries	1,380.00
All Star Equestrian Foundation	1,000.00
Angel Cole Mission Dom. Repub.	300.00
Anthony Daisy	200.00
ASIA GLASS PALACE INC. DAVAO	13.86
Azam Nazir Alam	300.00
BABAK MERCHANDISING ISLAND G	92.01
Bala Mercy Children	500.00
Bethany World Prayer Center	250.00
Bishop Paul S. Morton	30,000.00
Bucombe Road Baptist Church	2,000.00
Calcutta Mercy Ministries	350,640.00
Care Net	6,000.00
Charisma Africa Project	10,000.00
Children's Vision International	1,000.00
Christ For The Nations	25.00
Christian Witness for Nepal	2,000.00
Christians United for Israel	15,000.00
Cornerstone Church	1,000.00
Covenant Community Worship Center	2,000.00
CrossCampus International	5,000.00
Dallas Metro Ministries	2,000.00
Dayspring International	5,000.00
Daystar	45,000.00
Daystar Remotes	15,000.00
Derlsme, Esther	300.00
DFW New Beginnings Church	10,000.00
Eagle Mountain International	30,300.00
Eufronio Mangui-ob	4,701.00
Evangel Bible Translators	3,000.00
Exceptional Women of God Minis	500.00
Faith Landmarks Ministries	30,000.00
Faiz Robert	311.99
Family Restoration Network	5,000.00
Fedrico Alberto Huertas Merel	5,000.00
Feed The Children	410.00
Fire International	1,000.00
First Baptist Church Orlando	30,000.00
FIRSTGIVING.COM	1,000.00
Fort Worth Teen Challenge	1,000.00

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2008

Vendor	Sum of Amount
Fountain of Grace Church	1,000.00
Friends of Assaf Harofeh Medical	250,000.00
Friends of WATS	1.00
Full Gospel Church of	1,000.00
Galthier Management	15,000.00
Garden of Gethsemane	200.00
Gateway Church	15,000.00
George Brosky Handicap Center	2,000.00
Global Advance	10,000.00
Go Ministries, Intl., Inc.	1,000.00
God's Tabernacle of Deliveranc	500.00
Going The Distance	10,000.00
Golden Girls Group Home	2,000.00
Gospel Tabernacle	15,000.00
Greater St. Stephen Ministries	15,000.00
H.O.P.E. Ministries of Georgia	500.00
Harmony Outreach	10,000.00
Hope Christian City Church	1,000.00
House of Prayer; The	(1,000.00)
Humphrey Humanitarian Ministries	500.00
Hunger & Thirst Ministries	300.00
Hunter, Adolf	500.00
Huntington City Mission	2,000.00
Iglesia Rey de Reyes	20,000.00
Indian Ministries of North America	2,000.00
Javed Emmuniel	210.00
Jehovah-Shammah Children's Home	1,000.00
Jerry Savelle Ministries	15,000.00
Jesus Y'shua Hamasiakh Ministry	1,000.00
Juanita Bynum Ministries	19,576.00
Kings of Kings Community	5,000.00
Kingsway International Christian	3,815.00
Lake Country Christian School	1,316.00
Lakewood Church	30.00
Liberian Orphanage	300.00
Life Changing Ministries Inter	1,000.00
Life Outreach International	300.00
Loaves and Fishes	500.00
Los Gozosos	1,000.00
Love One Another Embassy	3,000.00
MANNA RELIEF	50.00

DAYSTAR TELEVISION
DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
Period 07/01/2004 - 06/30/2008

<u>Vendor</u>	<u>Sum of Amount</u>
Marcus Roy Devon, UK-Donation	329.00
May, Evangelist Danny L	2,500.00
Messianic Jewish Bible Institute	1,000.00
Messianic Vision	15,000.00
Metropolitan Tabernacle	2,000.00
Mission Evangelism, Inc.	1,000.00
Mission Union Fraternite	1,000.00
MM van Niekerk	2,000.00
Mutebi, Peter	1,000.00
<u>Nancy Harmon Ministries</u>	<u>10,000.00</u>
NEP Ministries-Mission to Zimb	500.00
New Bethel Baptist Church	1,000.00
New Dawn Christian Village	5,000.00
New Life Covenant Church	19,413.44
New Life Ministries International	2,000.00
New Lighthouse Ministries	5,000.00
Oral Roberts Evangelistic	5,000.00
Oral Roberts University	21,296.52
ORU Missions	500.00
Pastor Khokhar	310.00
Philip Cameron Ministries	70,737.93
Poured Out for Africa	5,000.00
Prince Hart/Nigeria	510.50
Progressive Christian Academy	5,000.00
Ps. Anthony William in Bahrain	331.99
Rebirth International Cathedra	1,000.00
Reborn & Power Church	1,000.00
Rev Gabriel Yala	360.50
Rev Lovina Paul	210.00
Rev Oasir/Pakistan	210.00
Rev. NC Waverley	200.00
Rev. Paul/Devon UK	329.00
Revival Ministries International	60,000.00
Rheema Foundation	15,773.42
Rhema Bible Church	30,000.00
Rina Suresh	2,000.00
Rose W Asia Trip 08	23,674.13
Salem Johnson	3,800.00
Samuel Children's Home	2,017.00
Samuel Noor	411.99
Schambach Ministries	5,000.00

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2008

Vendor	Sum of Amount
St. Luke's Healthcare Foundation	825.00
Surf's Up	300.00
T.L. Lowery Global Foundation	20,000.00
Teen Mania Ministries	2,000.00
Teva Ha'Dvarim	10,000.00
The Potter's House	15,000.00
The Potter's House	15,000.00
Tribe Ministries	15,000.00
True Love Church	2,000.00
Trvl Adv RW / S.Africa	24.82
Union Gospel Mission	2,000.00
Victory Life Fellowship #1	9,292.50
Victory Life Fellowship #2	14,887.50
Victory Temple Ministries	55,397.50
W. Jim Britt Ministries, Inc.	1,000.00
W/U Ev. Elick Masih	311.99
Wheaton Evangelistic Association	100,000.00
World Missions Alliance	2,000.00
World Missions Outreach	14,500.00
Zavior Michael	500.00
Grand Total	1,638,276.59

DAYSTAR TELEVISION

DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME

Period 07/01/2004 - 06/30/2009

Vendor	Sum of Amount
Abundant Hope Ministries	340.00
Africare e. V Germany	1,000.00
Agim, Georginia	2,000.00
Ahlemeier, Jessica	200.00
Baker, Eliane	1,000.00
Bedstuy Campaign Against Hunge	1,000.00
Bread of Life Orphanage	2,000.00
Calcutta Mercy Ministries	80,000.00
Calvary Church	1,800.00
CALVARY TEMPLE	1,000.00
Cates, Missionary Jack	500.00
Christian Adventures International	1,000.00
Christian Life Ministry	2,000.00
Church Triumphant	2,000.00
Coming King Foundation; The	5,000.00
Corporacion Buenas Noticias	10,000.00
Don Clowers Ministries	1,000.00
Dugit Messianic Outreach Centre	5,000.00
Eagles' Wings	25,000.00
Ends of the Earth Ministries	1,000.00
Eufronio Mangul-ob	4,258.66
Feed The Children	10,000.00
FELLOWSHIP O	80.00
Fisher, Pastor Renaldo	500.00
Friends of Assaf Harofeh Medical	751,000.00
Friends of WATS	5,000.00
Full Gospel Church of	1,000.00
Gateway Church	224,998.61
God's Precious Jewels	1,000.00
Golden Girls Group Home	4,000.00
Good Shepherd Society	5,000.00
Grace Community Church	10,000.00
High Adventure Ministries	15,000.00
His Caring Place, Inc.	500.00
Hope Christian City Church	1,000.00
Iglesia Ministerio de	20,000.00
Iglesia Rey de Reyes	72,000.00
Indian Evangelical Team	10,000.00
International Missions Outreach	2,000.00
J-S.T.A.R. Ministries	300.00

DAYSTAR TELEVISION
DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
Period 07/01/2004 - 06/30/2009

Vendor	Sum of Amount
Kedar Faith Ministries	1,000.00
Lake Country Christian School	2,500.00 ✓
Lakewood Church	10,000.00 -
Lamb, Rachel	1,000.00 -
Lee University	8,830.00 -
Life Outreach International	2,200.00
Maoz	2,000.00
Martin Fadden International	1,000.00
Missionary Fellowship in Many	3,000.00
Motivational Ministry Concepts	2,000.00
Mt. Zion Baptist Church	1,000.00
New England Pentecostal Ministry	500.00
New Life Church	1,000.00
New Life Covenant Church	31,546.84 ;
Norman, Ryan D -	500.00 ~
Pastor Jacob Phiri	1,000.00
People for Care and Learning	7,940.00
Philip Cameron Ministries	500.00
Praise Church of New Orleans	8,810.82
Praise Ministries International	5,000.00 -
Presbyterian Night Shelter	2,000.00
Robedom LLC	3,606.00
Roever and Associates	10,000.00
Rubyville Community Church	1,000.00
Salem Johnson	7,000.00
Salvation Army	10,000.00
Schafer, Sadako	1,000.00
Shoes for Orphans Souls	5,000.00
Stanley Idehen, Jesus	1,000.00
Transworld Evangelical Outreach	1,000.00
Trenton Ministry Center	2,090.00
Victory Life Fellowship #1	1,560.00
Victory Life Fellowship #2	2,550.00
Victory Temple Ministries	43,222.50 ✓
W. Jim Britt Ministries, Inc.	2,000.00
Willis, Pastor Somoka "Jack"	2,500.00
WorldChild	5,000.00
Youth Net, Inc.	1,000.00
Grand Total	1,472,533.43

DAYSTAR TELEVISION
 DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
 Period 07/01/2004 - 06/30/2010

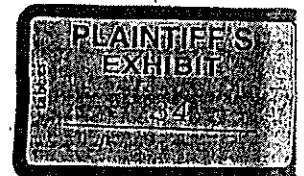
Vendor	Sum of Amount
Abundant Hope Ministries	791.00
Action Automatic Sprinkler, In	840.00
American Friends of Netanya Co	25,000.00
Christ For The Nations	178,364.14
Christ Temple Missions	1,200.00
Christian Services Association	1,000.00
Cornett Ministries	2,000.00
Corporacion Buenas Noticias	10,000.00
Dallas Metro Ministries	2,000.00
Dream Center; The	10,000.00
Encourager Ministries of India	2,000.00
Eufonio Manguí-ob	2,725.00
Feed The Children	108.00
Friends of WATS	5,000.00
Gateway Church	25,420.00
Global Advance	2,500.00
Great Commissions Media Ministry	30,200.00
Harmony Vineyard Church	300.00
Harvest Cathedral	2,000.00
Hope of the World Ministry	5,000.00
Iglesia Rey de Reyes	75,840.00
J-S.T.A.R. Ministries	200.00
Lake Country Christian School	2,000.00
Larry Jones Children's Fund	50,000.00
LivingWord;The	2,000.00
Maner Fire Equipment	493.00
Mission of Mercy	60,000.00
Nancy Harmon Ministries	10,000.00
New Life Covenant Church	36,420.14
Pastor Paul Makana	400.00
Philip Cameron Ministries	124,916.70
Phillips; Michael	5,000.00
Progressive Christian Academy	1,000.00
Rabbi Yaní Cmosne	359.24
Reimburse Petty Cash	20.00
Salem Johnson	2,000.00
Salvation Army	5,000.00
Samuel Children's Home	1,000.00
Sportspower International	10,000.00
Union Gospel Mission	500.00

DAYSTAR TELEVISION
DONATION TO MINISTRY/MISSION BY BENEFICIARY NAME
Period 07/01/2004 - 06/30/2010

<u>Vendor</u>	<u>Sum of Amount</u>
Urban Harvest Ministries	10,000.00
Victory Outreach Fort Worth	1,000.00
Victory Temple Ministries	96,370.00
Vine and Branch Ministries	1,600.00
Way of Life	5,000.00
World Missions and Evangelism	1,000.00
World Missions Outreach	5,000.00
YWAM	212.99
Grand Total	813,180.21

**DAYSTAR TELEVISION
GENERAL DONATION - FYE 2005-2010**

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CONFIDENTIAL

Daystar_001500

Fiscal year '05

DAYSTAR TELEVISION
GENERAL DONATION BY BENEFICIARY NAME
FOR THE FISCAL YEAR ENDED JUNE 30th, 2005

No.	Beneficiary Name	Amount
1	Ables, Evelyn	200.00
2	Ale, Ifedoyin	300.00
3	Aliz, Normans	300.00
4	Allen, Denise	200.00
5	Allen, Shawndria M.	500.00
6	Almanza, Liz	200.00
7	Amos, Wilbur	300.00
8	Anderson, Brenita	600.00
9	Anderson, Sara	500.00
10	Arthur, Don	560.00
11	Assemblies of God, The	100.00
12	Atcheson, Mike	1,000.00
13	Atkinson, Susan	300.00
14	Austin Street Centre	1,000.00
15	Baily, Vivian	435.00
16	Bales, Donna	200.00
17	Banks, Matthew	500.00
18	Bartlett, Melanie	200.00
19	Barton, James H.	900.00
20	Barton, Patricia	300.00
21	Beam, Jennie	1,000.00
22	Bernard, Victorine	154.00
23	Best, Halsley L, Jr.	300.00
24	Big Brothers Big Sisters of No	1,000.00
25	Bishop, Trina	500.00
26	Blain, Matthew	200.00
27	Blair Foundation, The	2,000.00
28	Bogan, Mary	100.00
29	Boswell, Miriam	500.00
30	Bounds, Joe	150.00
31	Bread of Life Orphanage	2,000.00
32	Brehany, Gregory	58.00
33	Brewer, Seletta	200.00
34	Brickey, John	300.00
35	Bridges, Dan	2,000.00
36	Bridges, Kendall	3,000.00
37	Briscoe, Betty	200.00
38	Brock, Donna	2,000.00
39	Brown, Ora Vivian	250.00
40	Bullock, Talitha	500.00
41	Callender, Jean M.	500.00
42	Cantu, Sandra	200.00
43	Carden, Connie	500.00
44	Caring For Others, Inc	300.00
45	Carr, Tonya L	522.00
46	Carter, Tiffany	100.00
47	Casco Bay Wireless	130.00
48	Central Bible College	500.00
49	Chambers, Kate	300.00
50	Christ's Haven for Children	500.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2005

Number	Beneficiary Name	Sum of Amount
51	Chrystalene Savundranayagam	200.00
52	Clayton, Margie	88.00
53	Colclasure, Victoria	100.00
54	Collins, Betty	155.00
55	Collins, Cassandra	1,000.00
56	Compass Bank	1,000.00
57	Cornerstone Christian Schools	2,000.00
58	Cozart, Carolyn	500.00
59	Crawford, Helen Florine	155.00
60	Crawford, Joanne	500.00
61	Creeks, Shanta	25.00
62	Criswell, Courtney	100.00
63	Crockett, Lorenzo	200.00
64	Dacus, Pat	1,000.00
65	Daniels, Diane	300.00
66	Davis, Rhonda and Phillip	300.00
67	Davis, Shellmetra D.	500.00
68	DAYSTAR TV	20.95
69	De Souza, Stephanie	500.00
70	Deal, Micheal	200.00
71	DeBerry, Tamirra	30.00
72	Delgado, Eddie	450.00
73	Delgado, Samuel I.	500.00
74	Dell Account	674.00
75	Dent, Linda	1,000.00
76	Diagi, Taiwo	300.00
77	Diaz, Manuel	500.00
78	Dominion Foundation	1,000.00
79	Donation - Adjustment	(250.00)
80	Donation - Misc	74.45
81	Duque, Connie	500.00
82	Eastern University	500.00
83	Easy Remodeling & Construction	5.00
84	Eaton, Odell	200.00
85	Ebron, Mario	200.00
86	Echôes from the Street	200.00
87	Edwards, Leon	200.00
88	Entrekin, Tim & Ski	15,800.00
89	Ferguson, Danielle	200.00
90	Fire International	1,000.00
91	Fitzgerald, Joan	1,000.00
92	Flowers, Lora	165.00
93	Follins, Millicent R.	500.00
94	Foote, Larry	250.00
95	Foster, Henry and Cennah	300.00
96	Foundation For Moral Law Inc	8,000.00
97	Franklin, Derrick	300.00
98	Gaboriault, Norman	200.00
99	Gaines, Venesha	77.00
100	GFWMLK Holiday Committee	1,000.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2005

No.	Row	Name	Amount
101		Global Evangelical Team	10,000.00
102		Glover, Mischwanna	200.00
103		Glover, Robert and Elizabeth	500.00
104		Grabber, Anthony Scott	100.00
105		Graves, Dr. Stan and Myra	5,000.00
106		Gray, Alberta	1,500.00
107		Greyfield Apartments	300.00
108		Griffin, Terri Renae	500.00
109		Hall, Doll	100.00
110		Hall, Regina	300.00
111		Hammonds, Gloria	155.00
112		Harold, Mr. and Mrs. Tony	100.00
113		Hatten, Dorry	300.00
114		Hawkins, Veronica	300.00
115		Heaton, Sharon R.	500.00
116		Henderson, Wanda	300.00
117		Holster, Helen	300.00
118		Holt, Ronnie	300.00
119		Hooks, Nellie	200.00
120		Hopkins, Emma	300.00
121		Horner, Gary	300.00
122		Howard, Daidrick	200.00
123		Howard, Kennon	100.00
124		Hunt, Linda	500.00
125		Hunter, Max	10.00
126		Hutchinson, A.J.	300.00
127		Hutton, Jackie	300.00
128		India Government	10,000.00
129		INTL BIBLE SOC	388.34
130		Jarrott, Dan and Gayle	25.00
131		Jeffries, Daphne	200.00
132		Jewell, Hazel	155.70
133		Jimenez, Raymond and Cordella	500.00
134		Johnson, Margaret	200.00
135		Johnson, Pam	200.00
136		Jones, Robyn	300.00
137		Jones, Roslyn	500.00
138		Joseph Storehouse Food Ministr	1,000.00
139		Joyce Meyer Ministries	25.00
140		Kartsonakis, Dino	1,000.00
141		Keller, Terrie	400.00
142		Kemper, Maxine	200.00
143		Kendall, Melissa	730.00
144		Killian, Joyce	200.00
145		Kirkpatrick, Donna	155.00
146		Klissen, Christine	200.00
147		Knight, Earl	500.00
148		Knott, Willie James	300.00
149		Koker-Thomas, Magnus and Vivia	200.00
150		Korpi, Robert	500.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2005

BENEFICIARY NAME	AMOUNT
151 Kuzmanic, Frand and Jalonda	200.00
152 Lake Country Christian School	25,037.99
153 Larson, Vernon and Viola	200.00
154 Lebaron, Marty	70.00
155 Lee University, Ukraine Program	500.00
156 Lewis, Sarah	1,000.00
157 LITTLE SCISSOR	45.00
158 Living Water Teaching	500.00
159 Louis, Marjorie	300.00
160 Loving Life Cancer Recovery, I	1,000.00
161 Mahler, Michael	1,000.00
162 Mapaio, Patrick	2,500.00
163 Marsh, Velda	500.00
164 Marshall, Victoria	700.00
165 Martino Family Fund, The	2,000.00
166 Martir, Herman	500.00
167 Maxwell, Angelica	300.00
168 McAuliffe, Cindy	250.00
169 McClean, Emma	106.95
170 McDuffee, Amy	300.00
171 McGee, Giorea	200.00
172 Mends-Cole, Corrine	116.00
173 Metropolitan Christian School	1,000.00
174 Michael Vleijra Transplant Fund	1,000.00
175 Miller, Claudia	500.00
176 Miller, Ebony	200.00
177 Miller, Johnna	300.00
178 Miller, Nadine	300.00
179 Milo, Tracey	400.00
180 Moore, Barbara	500.00
181 Moran, Alfese	300.00
182 Morgan, Angela	200.00
183 Morris, J. Leeann	60.00
184 Morris, Tommy and Angela	500.00
185 Mosqueda, Maria	100.00
186 Mossey, Arlene	300.00
187 Mounts Funeral Home	300.00
188 Nachivula, Jane	300.00
189 National Prostate Cancer Society	1,000.00
190 National MPS Society	300.00
191 Nahemiah Center, The	1,000.00
192 New England Dream Center	5,000.00
193 New Hope Recovery Ranch, Inc.	250.00
194 New Life Home for Women and Ch	1,000.00
195 Nofio, Debra	300.00
196 NUUP-LEGAL.COM	9.95
197 Oglesby, Dustin	2,000.00
198 Oliveira, Mari-Celia	240.00
199 O'Neal, Carolyn	1,000.00
200 Paradise of Praise	200.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2005

Beneficiary Name	Amount
201 Parker, Coy Eugene	500.00
202 Parrish, Marcine	1,090.00
203 Pathways	500.00
204 People to People Programs	300.00
205 Perry, Mary	21.95
206 Porte, Regina	500.00
207 Real Choices	1,000.00
208 Redoutex, Carl	300.00
209 Requarth, John	300.00
210 Richardson, Steve	1,000.00
211 Rodriguez, Amelia	200.00
212 Rodriguez, Oliver	400.00
213 Rodriguez, Oralia	27.00
214 Ross, Paulette	1,000.00
215 Saccucci, Frederick and Betty	250.00
216 Samuel, Alphonse	1,000.00
217 Samuel, Sarah Jane	1,000.00
218 Sanchez, Janice	240.00
219 Sanchez, Lori	200.00
220 Scalf, Kenneth	500.00
221 Scott, Natjara	200.00
222 Serrano, Clarissa	1,000.00
223 Service By Air	2,940.00
224 Sloan, Irene	500.00
225 Smok, Juliann	77.50
226 South Cleveland Church of God	250.00
227 Southeastern College	300.00
228 Southwest Indian Children's Fu	500.00
229 Stephens, Kenneth	22.95
230 Stewart, Tanya	58.00
231 Stowe, Patricia	300.00
232 Stubbs, Roxanne	1,000.00
233 Sullivan, Kendrick	300.00
234 Swindle, Joann	300.00
235 Talotta, Frank	200.00
236 Temple, Roderick /Money Order	200.00
237 Terry, Elizabeth	200.00
238 Total Grace Christian Center W	200.00
239 Trinity Troy-Ann Booster Club	100.00
240 Tucker, Henrietta	300.00
241 Turning Point House for Women	1,000.00
242 Udeogu, Godson	300.00
243 Victory Temple Ministries	8,160.00
244 Villegas, Yolanda	300.00
245 Vision America	75.00
246 Walker, June	100.00
247 Walker, Tammy	300.00
248 Walton, Evelyn E	250.00
249 Wambua, Daniel	200.00
250 Watkins, Gwen	2,000.00

DAYSTAR TELEVISION
GENERAL DONATION BY BENEFICIARY NAME
FOR THE FISCAL YEAR ENDED JUNE 30th, 2005

No.	Beneficiary Name	Sum of Amounts
251	Web, Betty Kay	77.50
252	Welborn, Martha	250.00
253	Wheeler, Carol	200.00
254	Williams, Daronn	77.00
255	Williams, Delincia	200.00
256	Williams, Elder Lemuel	155.00
257	Williams, Linda	150.00
258	Williams, Mary	120.00
259	Wright, Michele	250.00
260	Y.E.S., Inc.	500.00
261	Yarborough, Mary	200.00
262	Young, Bishop and Mrs. Robert	2,000.00
263	Zane McElreath Benefit Fund	200.00
		205,950.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2006

Line	Beneficiary Name	Amount
1	Abbott, Barbara J.	500.00
2	Abundant Life Christian School	1,000.00
3	ACI Academy	1,000.00
4	Adonu, Rodney Jijom	500.00
5	Agim, Georginia	2,000.00
6	Alcalde & Fay	5,000.00
7	Allen, Susan	200.00
8	Anderson, Maryann	2,000.00
9	Article 8 Alliance	1,000.00
10	Ash, Cathy	1,000.00
11	Ashcraft, Helen	500.00
12	Asperi, Rev. Juan	200.00
13	Azusa Street Centennial	25,000.00
14	B Isaac Pastor	1,000.00
15	Bank of Weatherford; The	2,000.00
16	Banks, Pat	300.00
17	Banner Hospice	250.00
18	Bartie, Vanessa	200.00
19	Bass, Anna	300.00
20	Blair, Jerry Allen	250.00
21	Blatchford-Scherer, Isabella	500.00
22	Bobet, Paula	500.00
23	Bocker, Dorothy Elizabeth	1,000.00
24	Boyd, Thrachell	500.00
25	Bread of Life Orphanage	1,000.00
26	Breast Cancer 3-Day	1,000.00
27	Brock, Kevin	200.00
28	Brooks, Leon	200.00
29	Brown, Faustina	500.00
30	Brown, Pamela	300.00
31	Brown, Ruth	300.00
32	Bryson, Patricia	500.00
33	Bumette, Bobby and Sherry	2,000.00
34	Burtress, Julia	200.00
35	Butler, Ricky & Darlene	500.00
36	Byrd, Matthew	300.00
37	Cain, Sandra	500.00
38	Campos, Richard	1,000.00
39	Care Net	1,000.00
40	Cash Donation	1,411.00
41	Cenedella, Donna	300.00
42	Chambers, Dolores	300.00
43	Childers, Janet	200.00
44	Chipman, Nichole	500.00
45	Christ for the Nations	1,500.00
46	Christ Temple Church	1,000.00
47	Christian Coalition of America	10,000.00
48	Church of God of Gainesville	1,000.00
49	CITI Mortgage	500.00
50	City of Garland Utility Servic	300.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2006

Number	Name	Sum of Amount
51	City of God; The	500.00
52	Clark, Fayrene	300.00
53	Clarkson, Jochan	500.00
54	Coley, Philomenia	500.00
55	Collins, Sherry	500.00
56	Coming King Foundation; The	2,000.00
57	Connor, David	1,000.00
58	Cooper, Joycelyn	500.00
59	Covenant House	1,000.00
60	Cox Communications-Katrina Donation	100,000.00
61	Crayton, Bernita	300.00
62	CTAM Texas	900.00
63	Cullop, Mary	200.00
64	Cynthia Hartwell as Trustee	2,000.00
65	Cyphers, Mildred	200.00
66	Dacus, Pat	500.00
67	Daison Davis; Chittangara Hous	300.00
68	Danzelsen, Diane	500.00
69	Daystar Television Network	249.15
70	Delmar, Raymond	2,000.00
71	Divine Visitation	500.00
72	Donation - Adjustment	(4,177.00)
73	Donation - Misc	147.63
74	Donation sent by Western Union	743.00
75	Edwards, Tameka	200.00
76	Eleazar, Jolita B.	1,000.00
77	Ellis, Virginia	300.00
78	Entz, Paulette and James	200.00
79	Eufronio T Mangui (Philippines)	97.76
80	FCTA	250.00
81	Felder, Brenda	100.00
82	Finegan, Roy	300.00
83	Fire International	1,000.00
84	Foster, Rebecca	6.00
85	Foundation For Moral Law, Inc.	2,000.00
86	Free Food Pantry & Educational	500.00
87	Fulcher, Andreas	500.00
88	Gallego, Bessie	200.00
89	Galveston County Women Trainin	300.00
90	Garden Oaks Funeral Home	-1,000.00
91	GCI Alaska Academic Decathlon	1,000.00
92	Gee, Marilyn	300.00
93	Gipson, Robyne	350.00
94	Gomez;Lissette	1,000.00
95	Gonzales, Peggy	300.00
96	Gonzalez, Maria de Jesus	200.00
97	Grant, Priscilla	200.00
98	Graves, Linda	200.00
99	Graves, Michelle	300.00
100	Gray, Elizabeth	200.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2006

No.	How/Name	Sum/Amount
101	Greater Ft. Worth Martin Luthe	1,000.00
102	Griffin, Elizabeth	200.00
103	Hale, Barbara	200.00
104	Hall, Catherine Renne	200.00
105	Halton, Carliss M.	500.00
106	Hanson, Gary	1,500.00
107	Harryman, Darlene	400.00
108	Hartley, Shirley	500.00
109	Hellman, Amber	500.00
110	Henderson, Oteshia	200.00
111	Hill, Benjamin	500.00
112	Holcomb, Kendra	250.00
113	Holton, Bridget	200.00
114	Hopewell High School-CYC	1,000.00
115	House of David, The	1,000.00
116	Howell, Dr. Sidney	2,395.00
117	Hughes, Patsy	200.00
118	Hunter Ministries	900.00
119	Ibrahim, Kelisha	250.00
120	Ichikawa, Brijida Ann	100.00
121	Illinois Cable PAC	2,000.00
122	Innis, Gabriel	1,000.00
123	INTL BIBLE SO	324.10
124	Inwood Oaks Apartment Homes	300.00
125	IPF aka MADP Trading & Service	206,495.05
126	Jackson, Dalsy	200.00
127	Jackson, Katherine	250.00
128	James M. Nganga & Samson K Nga	2,000.00
129	Johnson, Agnes	200.00
130	Johnson, Carolyn	1,000.00
131	Jullan, Sam	200.00
132	Kahue, Emerck	300.00
133	Kanaani Widows and Orphans Cor	300.00
134	Kidd, Jerry	250.00
135	Kioh, Joel Pastor	500.00
136	Kirkland, James and Belinda	300.00
137	Kym's Kids	500.00
138	Lacy, Mary	500.00
139	Lafferty, Calvin	300.00
140	Laird, Deborah K.	1,150.00
141	Lake Country Christian Sc	7,122.00
142	Lake Country Christian School	9,317.00
143	Lamb, Marissa Dr	500.00
144	Langlois, Cin	500.00
145	Lattimore, Kenya Monique	200.00
146	Leary, Anita	200.00
147	Lee, Janet	200.00
148	Lee, Janie	200.00
149	Lori Murphy	200.00
150	Lougee, Janice M.	1,000.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2006

No.	Beneficiary Name	Amount
151	Love and Compassion Trust SB	500.00
152	Lovett, Patricia	300.00
153	Loving Life Cancer Recovery, I	2,000.00
154	Lowery, T L	10,000.00
155	Luckey, Camilla	400.00
156	Lynn, Brenda Leah	100.00
157	MacAllister, Dave	2,000.00
158	Mahsam, Kim	200.00
159	Mallet, Janell	200.00
160	Mata, George	200.00
161	Messianic Jewish Bible Institue	1,000.00
162	Ministryland Inc.	1,000.00
163	Mission Union Fraternite	2,000.00
164	Mitchell, Nursey	200.00
165	MLK Charitable Scholarship Gol.	350.00
166	MOFFAT, SOFIA	500.00
167	Morse, Michael	200.00
168	Myers, Chris	300.00
169	Nardso, Girly Mae A.	500.00
170	National Alzheimer's Associati	250.00
171	National MPS Society	200.00
172	Native American Air Rescue Fou	500.00
173	NECTA	1,000.00
174	Nelson, Brenita	200.00
175	Newton, Bessie Mae	348.00
176	Njoumkoue, Julienne	200.00
177	O'Keefe, Michael	500.00
178	Olson, Harold	500.00
179	Omer Massey	1,100.00
180	Oral Roberts University	310,000.00
181	Ott, Jill	1,000.00
182	Page, Dorothy	500.00
183	Palm Court Apts.	200.00
184	Phillips, Carrie	500.00
185	Phillips, Fred and Veronica	1,000.00
186	Pointer, Karl	200.00
187	Polk, Eloise	200.00
188	Public Storage	100.00
189	Rachel Lamb Homeless Shelter	(249.15)
190	Radio Logos Network	500.00
191	Reese, Cheryl	300.00
192	RGM	1,000.00
193	Ridgie, Patricia	500.00
194	Rios, Erendira	400.00
195	Rivers, Jackielyn	200.00
196	Rock Communications	2,000.00
197	Rozar, Glen	500.00
198	S.A.G.U.	500.00
199	Samuel Njuguna	500.00
200	Schafer, Sadako	500.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2006

No.	Beneficiary Name	Amount
201	Scott, Thelma	300.00
202	Selestino, Ludivicia	200.00
203	Sharp, Thelma	300.00
204	Short, John and Joyce	500.00
205	Smith, Evelyn	300.00
206	Southeastern College	2,000.00
207	Southeastern University	2,000.00
208	Southwestern Assemblies	5,000.00
209	Southwestern Assemblies of God	2,000.00
210	Stamps, Barbara J	500.00
211	Stanton, Rameia	500.00
212	Staples, Carrie	200.00
213	Staton, Jemellah	500.00
214	Stearn, Darrell and Adria	400.00
215	Steel, Mary	200.00
216	Students Standing Strong	2,200.00
217	Talbott, Cayce	1,000.00
218	Tapia, Blanca Aguilar	200.00
219	Tarpeh, Peter G.	2,000.00
220	The American Center for Law an	200.00
221	Timmons, Alexandria	500.00
222	Toussant, Clinton	200.00
223	UNIDOS	1,000.00
224	University of Cape Town	300.00
225	Unison Network	5,000.00
226	Vanhook, John and Kelley	300.00
227	Victory Temple Ministries	18,900.00
228	Vincent, Jim	1,000.00
229	Walker, Doug	1,000.00
230	Wallace, Edwin	100.00
231	Wallace, Wayne	200.00
232	Wallen, Robin	500.00
233	Wal-Mart Gift Cards donation	2,400.00
234	WBPI	2,000.00
235	Whitaker, Kall	100.00
236	White, Ursula Green	200.00
237	Wiggins, Verna	300.00
238	Wilson, Patricia	300.00
239	Wisenbaker, Daniel	750.00
240	Wisenbaker, Scott	1,000.00
241	Woods, Cathryne	200.00
242	Wooten, Suzanne H.	2,000.00
243	World Harvest Outreach	1,000.00
244	Youth Net, Inc.	1,000.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2007

No.	Beneficiary Name	Amount
1	Ale, Ifedoyin	500.00
2	American Cancer Society	250.00
3	Amobi, Nogzi	200.00
4	Andrew Womack Ministries	300.00
5	Anisha, Rejnie c/o Barbara Pleas	500.00
6	Ashley, Mindy	200.00
7	Baker, Martha	1,000.00
8	Ball, Marci	200.00
9	Bankhead, William	500.00
10	Barnett, Mary	150.00
11	Beaird, Cora	1,000.00
12	Block Yeshiva High School	300.00
13	Boswell, Angela	300.00
14	Bowe, David and Rebekah	300.00
15	Brandon c/o Sandy Briggs	500.00
16	Breault, David and Sonja	300.00
17	Brenner, Jennie M	200.00
18	Brown, Garvis	300.00
19	Burley, Rose Lee	300.00
20	Calvary Christian Academy	1,000.00
21	Caron, Nancy	300.00
22	Carver, Steve	1,000.00
23	Casady-Jones, Trayce	300.00
24	Cash Donation	300.00
25	Christian Fellowship School	250.00
26	Church of God	400.00
27	Clark, Linda	200.00
28	Clarkson, Jochan	500.00
29	Community Foundation of Greater	10,000.00
30	Conner, Violeta	1,000.00
31	Cook, Jacqueline Christian	268.00
32	Courtyard at 24	300.00
33	Cruz, Debora	500.00
34	Cruz, Lisa	500.00
35	Cummings, Patricia	225.00
36	Dennis, Betty	1,000.00
37	Desert Schools Federal Cr	500.00
38	Donation - Adjustment	(10,798.57)
39	Donation from Bookstore (Book, cd, etc)	507.53
40	Donation/Andrew Johnson	300.00
41	Donation/Arif Andrew gill	300.00
42	Donation/Samuel Metto	200.00
43	Donation/Susan Serlha Gomez	300.00
44	Donation/Broadcasting	75,000.00
45	Duquette, Cecil	200.00
46	Eckberg, Barbara	253.00
47	Edlin, Sheree	100.00
48	England, Larry	1,000.00
49	Eubank, Rick	2,000.00
50	Eufonio T. Mangui/Donation	3,176.83

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2007

Beneficiary Name	Amount
51 Evangel Bible Translators	1,000.00
52 Faktor, Alice	200.00
53 Fernald, Elizabeth Ann	1,000.00
54 Fisher, Rachel	250.00
55 Ford, Rev. Demetrius Juan	2,000.00
56 Fort Worth Teen Challenge	1,000.00
57 Frank, Darla Rae	300.00
58 Fraser, Debbie	500.00
59 Fredrick Baldwin Defense Fund	1,000.00
60 Freeland, Rachel	200.00
61 Fregia, Paula	200.00
62 Fulton, Joyce	500.00
63 G. Albert	500.00
64 Garcia, Imelda	300.00
65 Gaye, Elizabeth	200.00
66 GCI AK ACADEMIC	1,500.00
67 General Council of the Assembl	100.00
68 Gilbert, John	200.00
69 Gonzales, Emery	1,000.00
70 Governor's 2006 Care & Share	1,000.00
71 Graham, Deborah	500.00
72 Graves, Linda	400.00
73 Gray, Adrienne	1,000.00
74 Graybill, Kevin	675.00
75 Griffin, Dean (Mrs.)	400.00
76 Griffin, Margie	200.00
77 Guthrie, Arénee	200.00
78 Hamilton, Joyce	1,000.00
79 HEART TO HEART O	152.51
80 Henry, Robert and Jessica	500.00
81 Hinton, Shirley	200.00
82 Hobush, Tawana	300.00
83 Hoskins, Evangelist Virgil	1,000.00
84 Howell, Dr. Sid & Frances	1,000.00
85 Howell, Margaret	300.00
86 Hutton, Jackie	435.00
87 Infinity Creation	517.00
88 Iris Aryan/Donation	200.00
89 Itse, Dan	1,000.00
90 J. Bradley Hendrix	1,000.00
91 James, Perry	300.00
92 Jeffcoat, Lisa	500.00
93 Jere Whitson Elementary School	2,500.00
94 Jinkerson, Joey	2,000.00
95 Johnson, Gloria	300.00
96 Johnson, Timi	200.00
97 Jones, Eva	500.00
98 Kalujnikoff, Vladimir	1,000.00
99 Kephart, Phil	300.00
100 Kinney, Ruthie M.	300.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2007

Beneficiary Name	Sum of Amount
101 Kirk, Glenn and Barbara	300.00
102 Knowlton, Fran	200.00
103 Knutson, Eric	500.00
104 Koenig, Betty	1,000.00
105 Kudi, Mary C.	500.00
106 Kundu, Rupa	100.00
107 Lake Country Christian School	1,000.00
108 Lamb, Jimmie F.	3,000.00
109 Lamb, Joni	1,000.00
110 Lamb, Marcus D.	1,000.00
111 Landes, Justin	1,000.00
112 Lawson-Ward, Connie	400.00
113 Leukemia and Lymphoma Society	250.00
114 Lewis, Thomas and Arlene	500.00
115 Lott, LaCreta	1,500.00
116 Lowery, T L	25,000.00
117 Lubengo, Lourane	500.00
118 M. K. T. Leasing	300.00
119 Maddox, Charles	500.00
120 Mahsam, Kim	300.00
121 Marshall, Monica	100.00
122 Mascarenhas, Afra	300.00
123 Melgar, Edith C.	500.00
124 Melgar, Jose	1,000.00
125 Mercy Med Flight	5,000.00
126 Mitchell, Napoleon	300.00
127 Mohr, Lisa and Eric	1,000.00
128 Moreno, Misty Nicole	1,000.00
129 Mrs. Connie Duque	379.00
130 Nawa, Silko Jane	1,000.00
131 Neet, Patti	300.00
132 Newman, Ernest	300.00
133 Ockley, Jean	200.00
134 Oglozee, Emmanuel	1,000.00
135 Owasu, Stephen	300.00
136 Pallazola, Dawn	200.00
137 Palmer, Lamar and Margie	1,500.00
138 Patricia A S Claver Nablbaks	300.00
139 Patrick, Hazel	500.00
140 Patterson, Branden	1,000.00
141 Patton, Gwendolyn	500.00
142 Pawelek, Michael	500.00
143 Pediatric Dept.-Carmel Medical	1,000.00
144 Petway, Wanda	300.00
145 Pine Bluff National Bank	200.00
146 Pugh, Mary	200.00
147 Putnam, Miran	1,000.00
148 Queens Family Revival Day	1,000.00
149 Record Donation	650.00
150 Rev. and Rev. Melvin McGee	500.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2007

Beneficiary Name	Amount
151 Rich, Norman and Karen	300.00
152 Richards, Diana Dorraine	3,500.00
153 Riley-Gilbert, Wendy	300.00
154 Robinson, Ronald E.	500.00
155 Robinson, Sheena	1,000.00
156 Rodgers, Russell	500.00
157 RTC T-Shirt Donation	2,446.80
158 Santa Anna, Irene	200.00
159 Scott, Iisha	500.00
160 Scottolini, Jackie	100.00
161 Seliers, David	200.00
162 Shannon, Evelyn	500.00
163 Shelley, Julie	500.00
164 Silverthorne, Terry	200.00
165 Sloan, Jennie	1,000.00
166 Smith, Alma	1,000.00
167 Smith, Bobby Lee	500.00
168 St Eln, Sophie	300.00
169 Staples, Cecilia	500.00
170 Stephanie, Yabo	500.00
171 Stephens, April	200.00
172 Stewart, Crystal	200.00
173 Stone, Timothy	200.00
174 Strick, Gary	1,000.00
175 Stroud, Carolyn	300.00
176 Students Standing Strong	500.00
177 Suncoast Community High School	100.00
178 TENNESSEE CABLE	1,500.00
179 Texans for Life	1,000.00
180 Texas Teen Summit	1,000.00
181 Thomas, Geneva	300.00
182 Thompson, Lorraine	500.00
183 Thompson, Zonelle	5,000.00
184 Vick, John C.	6,000.00
185 Victims of Emmons Trust Fund	1,000.00
186 Victory Life Fellowship #2	637.50
187 Victory Temple Ministries	3,375.00
188 Walker, Eva	200.00
189 Wallace, Alvin	200.00
190 Wallace, Jon	1,000.00
191 Walters, Mary Kay	200.00
192 Watts, Charlene	100.00
193 Whatley, Jack	500.00
194 WICT-Chicago Chapter	1,000.00
195 Williams, Linda	150.00
196 Wilson, Clayton & Charlotte	1,000.00
197 Wilson, Paulette	200.00
198 Winkler, Susan	300.00
199 WOMEN IN CABLE	2,500.00
200 Woods, Ann	300.00

DAYSTAR TELEVISION
GENERAL DONATION BY BENEFICIARY NAME
FOR THE FISCAL YEAR ENDED JUNE 30th, 2007

Beneficiary Name	Amount
201 Worldwide Voice in the Wildern	200.00
202 York, Catherine	200.00
203 Young, Sharon	100.00
204 YWAM Seattle	1,000.00
205 Zimmerman, Max	1,000.00
Total	2,500.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2008

No.	Beneficiary Name	Amount
1	Africa's Hope	10,000.00
2	Al Beal Mortuary	1,000.00
3	Anderson, Ettaphine	200.00
4	Andrew Wornack Ministries	500.00
5	Angel, Victoria	200.00
6	Anila Maria- Donation	300.00
7	Apostle and Harvest Brown	1,000.00
8	Arthur, Rose	500.00
9	Bartley, Sonya Ray	200.00
10	Beauty Jiji- Donation	500.00
11	Believers' Connection Church	250.00
12	Bell, Betty	1,000.00
13	Bell, Michael	200.00
14	Beraca Evangelical Church	1,000.00
15	Bethany Evangelical Free Churc	1,000.00
16	Bethany World Prayer Center	1,000.00
17	Bindanda, Pastor Joel Mayele	500.00
18	Bird, James Mr. and Mrs.	500.00
19	Blades, Judy and Harcourt	400.00
20	Blair, A. Hermis	500.00
21	Boinski, Pauline	1,000.00
22	Booker, Maria	200.00
23	Boudreaux, Marilyn	200.00
24	Bradford, Dedra	300.00
25	Brannon, Pi	300.00
26	Brightbill, James	500.00
27	Brill, Margaret	50.00
28	Brown, Violet	300.00
29	Brunk, David	5,000.00
30	Bryant, Locquin Renea	500.00
31	Bullcock, Talitha	500.00
32	Calvary Temple	1,000.00
33	Canales, Donna	275.00
34	Cano, Marie	150.00
35	GARINGBRIDGE	50.00
36	Carlyle, Latonya	400.00
37	Carpenter, Evelyn	500.00
38	Cash Donation	75.00
39	Castellanos, Vladimir	1,500.00
40	Cato, Diana	500.00
41	Celtci Demirkova Ministries	10,000.00
42	Chapel of Grace	50,000.00
43	Chittum, Teresa	1,105.00
44	Choate, Sam	500.00
45	Chrispin, Solange	500.00
46	Christ Trumpeters Church	300.00
47	Christian Faith Church	1,000.00
48	Christians for Assaf Harofeh	200.00
49	CitiMortgage-Payment Mall Open	500.00
50	Clarke, Alene	200.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2008

NO.	NAME	Amount
51	Cooley, Tammy	2,000.00
52	Cox, Beverly	500.00
53	Cunningham, Peggy	500.00
54	DALLAS VINTAG	185.26
55	Darden, Rev. Willford	2,000.00
56	Davis, Cynthia	300.00
57	Daystar Israel Tour - Love offering for Tour Guides	1,107.00
58	DeCastro, Genl	250.00
59	Deckert, Sarah	500.00
60	Dewalt, Lisa	400.00
61	Donation - Adjustment	(1,420.51)
62	Donation - Misc	27.72
63	Donation from Bookstore (Book, cd, etc)	569.47
64	Donation/ Cline Family Assista	1,000.00
65	Donation/ Fouad Khamis	300.00
66	Donation/ Olayinka Daniels	1,000.00
67	Donation/ Subhasis Biswas	300.00
68	Donation/ Techno Craft	300.00
69	Donation/Galitsyna Elena Fedor	300.00
70	Donation/Joshua	400.00
71	Donation/Messan Komivi Dossey	300.00
72	Dornak Family	500.00
73	Eagle Family Trust c/o David S	1,000.00
74	Ellis, Virginia	1,500.00
75	Emmanuel Baptist University	10,000.00
76	EQUIP	2,000.00
77	Estrada, Sylvia	1,000.00
78	European Initiative	2,000.00
79	Faktor, Alice	200.00
80	Family Restoration Network	1,900.00
81	Family Restoration Network	12,100.00
82	Faulkner, Martha	200.00
83	FCTA	800.00
84	Flower, David	1,500.00
85	Foots, Carry	300.00
86	Fresno CA Prison Ministry - Do	12.70
87	Gateway Church	400.00
88	Gilbreath, Kelly	500.00
89	Golden Gate Funeral Home	500.00
90	Grace Chapel for the Nations	5,000.00
91	Graham, Matt	500.00
92	Gray, Barbara	700.00
93	Great Western Inn	130.00
94	Greene, Vicki and Terry	1,000.00
95	Hall, Tammy	300.00
96	Hanusek, Chance	2,000.00
97	Harris, Rose-Ethel	200.00
98	Hayston, Frederick	2,000.00
99	Henry, Robert and Jessica	500.00
100	HighPoint Church	500.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2008

Number	Beneficiary Name	Amount
101	Holmes, Sam	500.00
102	Hopes, Barbara Ann	400.00
103	Hornaday, Mary	1,000.00
104	Home, Pastor Hattie	1,000.00
105	Houston First Baptist Church	1,000.00
106	Huddleston, Brent	500.00
107	Hughes, Genelle	300.00
108	Iwueze, Caroline	300.00
109	Jackson, Elizabeth	200.00
110	Jacobs, Cynthia	200.00
111	Jernigan, Linda	100.00
112	Johnson, Alene	200.00
113	Johnson, Brenda	300.00
114	Joiner, Deborah	1,000.00
115	Jones, Mike	1,000.00
116	Jullen, Belinda	400.00
117	Justin, James	1,000.00
118	King, Vera Jean	1,000.00
119	Kirk, Glenn and Barbara	300.00
120	Lake Country Christian School	1,000.00
121	Langlois, Cn	1,000.00
122	Lawrence, Marty	100.00
123	Leak, Tara	200.00
124	Lee University	15,196.00
125	Lee, Kimberly J.	75.00
126	Legal Defense Fund c/o Kathy J	300.00
127	Lewis, Thomas and Ariene	500.00
128	Light of Life International	1,000.00
129	Luke, Bennett and Joyce	500.00
130	Lynch, Pastor Winston	500.00
131	Majani, Albert Aswani	1,000.00
132	Marfil, Collin	200.00
133	Mason, Bob	5,000.00
134	Mathurin, Marie	500.00
135	Ma'umalanga, Alatini and Vika	500.00
136	Mberah, Marietta	750.00
137	McCoy, Tommy L.	500.00
138	McElwee, Virginia	1,000.00
139	Medlin, James	100.00
140	Mercy Ministries	25,000.00
141	Metz, Steve	1,000.00
142	Miller, Brenda	2,000.00
143	Minor, Michele	200.00
144	Misslon Texas; The	500.00
145	Monter, Randy	500.00
146	Moore, Mary	500.00
147	Moore, Michele	150.00
148	Morning Star Development	2,000.00
149	Netanya Academic College	10,000.00
150	Ngome, Cecile	200.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2008

No.	Beneficiary Name	Sum of Amount
151	Nils'G Thompson Memorial Fund	2,000.00
152	Ochoa, Magda	200.00
153	Oral Roberts University	5,000.00
154	O'Steen, Sheila	200.00
155	Pace, Jaita M.	200.00
156	Pastor & Mrs. David Abank	2,000.00
157	Pathways	1,000.00
158	Persuad, Chris and Svetlana	500.00
159	Phelps, Robert	200.00
160	Pinkham, Tom G.	500.00
161	Porter, Apostle Mary	500.00
162	Powledge, Peggy	3,827.50
163	Poynter, Toby	2,000.00
164	Price, Felicia	500.00
165	Price, Patrick	200.00
166	Pritula, Angela	200.00
167	Property Management	300.00
168	Raines, Josephine	300.00
169	Rask, Alan	100.00
170	Redman, Rebecca	200.00
171	Reine, Anisha Ann	500.00
172	Relsinger, Sherry	200.00
173	Reltzes, David and Cindy	200.00
174	Rhoden, Isabella	600.00
175	Rhodes, Wes	200.00
176	Rice, Diane	300.00
177	River, The	2,000.00
178	Robinson, Orianda	300.00
179	Roller, Crystal	500.00
180	Romance, Lorenza	200.00
181	Ron Phillips Ministries	2,000.00
182	Samuel, Jane	500.00
183	Sanchez, Kathey	200.00
184	Sanders, Ahsika	500.00
185	Sanders, Bobby	200.00
186	Saxon, Marilyn	100.00
187	Scaif, Kenneth and Melba	500.00
188	Schalble, Karen	300.00
189	Senat, Jessie	500.00
190	Shamba, Melody	500.00
191	Shining Life, Corp	1,000.00
192	Silverthorne, Terry	250.00
193	Simon, Brent	1,000.00
194	Smith, David and Shatel	200.00
195	Smith, Lisa	200.00
196	Snider, Dr. Ray D.	1,000.00
197	Somerville Church of God	1,000.00
198	Sommer, Anne	200.00
199	Steele, Donald	1,000.00
200	Strange, Lanl	250.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2008

No.	Row Label	Amount
201	STUDENT LEADER	452.00
202	Student Mobilization	250.00
203	Swann, Louise	200.00
204	Sykes, Edna	200.00
205	Tadlo, Lori	500.00
206	Talley, Kirk	1,000.00
207	Tarpeh, Peter	500.00
208	Taylor, Tad	100.00
209	Texas River of Life Deaf Retre	1,000.00
210	THE D I Y SHO.	118.02
211	Thomas Damon	6,400.00
212	Thompson, Bettie	100.00
213	Til Kelley Acct# 3438810834	500.00
214	Trenton Ministry Center	1,000.00
215	Turnbow, Ron and Brenda	300.00
216	Turner, Tamara	300.00
217	Unslon Foundation	5,000.00
218	Upper Room Church; The	2,000.00
219	Vaughn, Deborah	550.00
220	Victory Life Fellowship #2	892.50
221	Victory Temple Ministries	3,127.50
222	Walker, James Fredrick	300.00
223	Wal-Mart Gift Cards for donation	106.57
224	Warner, Barbara	300.00
225	Wells, Dennis	300.00
226	Westcarr, Sheila	100.00
227	Whitbeck, Kristen	4,243.30
228	Wilhoite, Sharon	100.00
229	Williams, Anna	200.00
230	Willis, Michael and Gloria	300.00
231	Wilson, Delia	500.00
232	Winston, Alicia	200.00
233	WOMEN IN CABLE	1,100.00
234	Wood, Sandra	500.00
235	Woods, Cathryne	200.00
236	World Serve Ministries	10,000.00
237	Worlds, Carmen	300.00
238	Wortman, Tammy	200.00
239	Wright, Glenda	200.00
240	York, Mary	100.00
241	Zellers, Max	1,000.00

Grand Total: 322,115.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2009

No.	Beneficiary Name	Amount
1	Alvey, Joseph	100.00
2	Anasludu, Ernest	2,000.00
3	Anderson, Sherry L.	5,000.00
4	AOG Paradise	337.86
5	Barksdale, LaShun	1,000.00
6	Bartley, Sonya Ray	250.00
7	Battiste, Cynthia	200.00
8	Berryman House Inc	1,000.00
9	Berwise, Patrick and Yvonne	200.00
10	Block Yeshiva High School	1,000.00
11	Blount, Danny	300.00
12	Blystone, S.E.	1,000.00
13	Bridge Ministries, Inc; The	1,000.00
14	Brown, Elva	500.00
15	Brown, Marie	1,000.00
16	Brown, Marilyn	2,000.00
17	Brown, Mattie	300.00
18	Build International Ministries	1,000.00
19	Bürmeier, Melle	200.00
20	Butler, Ricky & Darlene	1,250.00
21	Calvary Christian Academy	400.00
22	Care Net	1,000.00
23	CaringBridge	100.00
24	Carter, Rev. Tina/You Can Begi	2,000.00
25	Cash Donation	1,457.60
26	Castallanos, Vladimir	500.00
27	Cenedella, Donna	500.00
28	Chavis, Yvonne	200.00
29	Christian Life Church	1,500.00
30	Christian Life Ministries	5,000.00
31	Christian Victory Chapel	2,000.00
32	Christian, Vicky	500.00
33	Church on the Rock	5,000.00
34	Clipper, Ella Hawkins	300.00
35	Computer Donation bought from Apple Store	249.00
36	Cornerstone Christian Ministri	500.00
37	Covington, Mary Jo	100.00
38	Covington, Theresa E.	500.00
39	Crawford, Thomas Roger	5,000.00
40	Cure Kids Cancer	5,000.00
41	Curtis, Francine	1,000.00
42	Daystar Television Network	5,000.00
43	Deroun, Russell	1,202.00
44	Dill, Thomas	200.00
45	Donation - Adjustment	(3,050.00)
46	Donation from Bookstore (Book, cd, etc)	621.49
47	Donation/Valerie Poindexter	5,000.00
48	Emmanuel Worship Center	5,000.00
49	Ethiopian Evangelical Church	1,000.00
50	Europaan Initiative	1,000.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2009

Beneficiary Name	Summ. Amount
51 Faith Home	300.00
52 Family Restoration Network	9,850.00
53 Father's House; The	2,000.00
54 Fellowship of the Sword	1,800.00
55 Fielder, Betty	300.00
56 First Assembly of God	1,000.00
57 Fitchpatrick, Christle	300.00
58 Fitzpatrick, Arnold and Christ	500.00
59 Ford, Linda	500.00
60 Garcia, Loreley	300.00
61 Garrett, Shelby	1,000.00
62 Gassdorf, Lols Ann	500.00
63 Gibson, Jesse	500.00
64 Global Advance	5,000.00
65 Grant, Barbara J.	500.00
66 Gross, Reverend Jim	5,000.00
67 Gunderson-Webster Kids Contrib	5,000.00
68 Haggard, Ted	5,000.00
69 Hall, Michele	300.00
70 Harris, Annie	300.00
71 Harris, Margaret	1,000.00
72 Harvest Hands Ministries, Inc.	2,000.00
73 Harvest Now	1,000.00
74 Hegwood, Jean	500.00
75 Henson, Lilly	500.00
76 Hines, Peggy	500.00
77 Hixon, Joe	100.00
78 Hodge, Nyrone	200.00
79 Hopkins, Lash	110.00
80 Humphrey, Jordan	250.00
81 Imagine A Cure	5,000.00
82 Johnson, Christopher	1,117.44
83 Jones, Oleta	300.00
84 Kea, Sandar L	200.00
85 Kelso, Deborah	500.00
86 King of Kings Ministries	5,000.00
87 Kol Ami	2,000.00
88 Lagunas, Maria	500.00
89 Latta, Mary C.	600.00
90 Light of Life International	2,000.00
91 Lumpkin, Margaret	200.00
92 Loughray, Roxanne	700.00
93 Lowery, T L	12,000.00
94 Lumpkin, Norman	500.00
95 M2Reeves	159.00
96 Malinda Sue Mears / donation	200.00
97 Matthews, Samantha	100.00
98 Mavuka, Gerald	240.00
99 McColley, Kirby	5,000.00
100 McCullough, Dorsey and Loyce	300.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2009

No.	Row	Name	Sum of Amount
101		Mentoring Mansion; The	850.00
102		Misner, Deborah	500.00
103		Mizinga Macha Katumba	500.00
104		Moment	2,180.00
105		Morton; Freddie	250.00
106		Neims, Rita	200.00
107		New Dimensions Development Fou	500.00
108		Nichols, Deronda	300.00
109		Noack, Pearl	300.00
110		Noah, Loye	300.00
111		NooDay Entertainment	500.00
112		Norman, Ryan D	500.00
113		North Georgia Christian School	250.00
114		Nwachukwu-Emmy, Abiodun	940.00
115		Oral Roberts University	18,000.00
116		Paris, Jeff	200.00
117		Parker, Laura	240.00
118		Patterson, Nancy	600.00
119		Patterson, Rusty and Elizabeth	150.00
120		Pegram, Steve and Kathy	5,000.00
121		Pellegrino, Greg	500.00
122		Perry & Leveridge	1,000.00
123		Pickard, Linda	100.00
124		Pinah, Rosh	1,000.00
125		Pitts, Marie	500.00
126		Plunkett, Thomas and Nancy	300.00
127		Poole, Cheryl	1,000.00
128		Presley, Linda	500.00
129		Price, John	1,008.45
130		Raglin, Stephanie	440.00
131		Reachlife Ministries	2,000.00
132		Rebecca Cox Fire Fund c/o WTSP	2,000.00
133		Recovery Room, The	1,000.00
134		Regent University	10,000.00
135		Richie, Steven	500.00
136		Rogers, Christopher	5,000.00
137		Rogers, Steven	5,000.00
138		Rogitz, Patricia	200.00
139		Sall, Lynette	1,500.00
140		Salvation Army	5,000.00
141		Schmidt, Barbara D.	400.00
142		Second Chance Life Ministries	200.00
143		Shala, Joe	1,000.00
144		Shamenda, Ruth	300.00
145		Singh, Veronica	100.00
146		Staphens, Joycelyn	160.00
147		Stone, Katherine	400.00
148		Stoot, Fitzgerald	200.00
149		Stroud, Samm	1,000.00
150		Tarpeh, Peter	500.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2009

Beneficiary Name	Amount
151 Teter, Glenda	500.00
152 Texans for Life	1,000.00
153 Texas Orthopedic Consultants P	250.00
154 Thompson, Barry	300.00
155 Tree of Life Church	1,000.00
156 Visor, Shella	1,050.18
157 Wagner, Greg & Kelly	700.00
158 Ware, Pastor George and Sophie	1,000.00
159 Washington, Charlene	500.00
160 West Side House of Prayer	1,000.00
161 Whitbeck, Kristen	2,000.00
162 White, Yvonne	300.00
163 Willburn, Morris	200.00
164 Williams, Lala	500.00
165 Williams, Sandra	300.00
166 Willis, Jonathan	500.00
167 Winfield, Earl	300.00
168 Without Walls International Ch	10,000.00
169 Woods, Cathryne	600.00
170 Woodson, Harold	5,000.00
171 Zellers, Max	350.00
Total	24,550.18

fiscal year 2010

DAYSTAR TELEVISION
GENERAL DONATION BY BENEFICIARY NAME
FOR THE FISCAL YEAR ENDED JUNE 30th, 2010

Row	Beneficiary Name	Amount
1	Acevedo, Valerie	300.00
2	Albolaez, Patricia	300.00
3	Aspen, Rev. Joan	200.00
4	Bailey, Greg	250.00
5	Bailey, Virginia	200.00
6	Bell, Sandy	500.00
7	Block Center, The	2,092.00
8	Bragg, Tina	100.00
9	Brown, Trinella	900.00
10	Bryant, Debra	100.00
11	Butler, Ricky & Darlene	2,000.00
12	Camden Oasis	80.00
13	Candle Chase Apts	834.46
14	CDB	61.97
15	Chambers, Kate	400.00
16	Church Without Walls-Charmingl	1,000.00
17	Cook, Catherine	100.00
18	Cousins, Carol	1,000.00
19	Dawes, Eudella	2,000.00
20	Daystar Television Network	11.25
21	Dianne Weston	100.00
22	Donation - Adjustment	(100.00)
23	Donation for Lisa Smith	304.99
24	Donation from Bookstore (Book, cd, etc)	19.13
25	Donation Getsa Tskikata/Ghana	358.50
26	Donation to Evang. Faiz Masih	1,000.00
27	Donation to Partner-Zimbabwe	108.50
28	Drive The Distance	500.00
29	Duncan, Sharon	1,000.00
30	Duque, Connie	200.00
31	Elias, Laura	500.00
32	Ellis, Anita	500.00
33	Ellis, Virginia	300.00
34	Faith Life Church	1,000.00
35	Family Restoration Network	3,450.00
36	Fernandes, Celine	500.00
37	Foti, Anthony M	100.00
38	Freed, Pastor Francine	1,000.00
39	Fuller, Betty	150.00
40	Gateway Church	397.00
41	Goll, James	2,000.00
42	Gozzi, Shannon	300.00
43	Graybill, Kevin	300.00
44	Guitar Center Management	2,385.82
45	Hall, Tammy	300.00
46	Harmon, Terri	100.00
47	Harris, Michael	40.00
48	Hart, Jennifer	500.00
49	Haynes, Stephanie	100.00
50	Heartland Church	200.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2010

ID	Beneficiary Name	Amount
51	Hill, Barbara	100.00
52	Hunter, Eileen	5,000.00
53	Hutchinson, Brenda K.	300.00
54	International Bible Society	120.60
55	Jackson, Norma	100.00
56	Johnson, Laura	1,000.00
57	Johnson, Patrick A.	200.00
58	Johnson, Salem	5,000.00
59	Kelser, Allen	1,000.00
60	Kidz Qultz Inc.	1,000.00
61	Lake Country Christian School	2,000.00
62	Lee University Campus Choir	150.00
63	Lee, Eustace	200.00
64	Life Languages Institute, Inc.	900.00
65	Love offering for Israel bus & tour guides	1,101.69
66	Lumpkin, Norman	300.00
67	Lynn Haven Nursing Home	20,000.00
68	Marrow, Andrew	1,000.00
69	McClennon, Glenie	200.00
70	Mckenzie, Amy	950.00
71	McNeely, Marleen	500.00
72	Messianic Jewish Bible Institu	1,500.00
73	Mike Hayes Ministry	80.00
		145.00
74	Minor, Michele	100.00
75	Moats, Glenette	100.00
76	Moore-Smith- Mary	800.00
77	Myers, Eddie	100.00
78	Nations Worship Center	2,000.00
79	Nelson, Eva	100.00
80	New Life Home for Women and Ch	5,000.00
81	Noack, Pearl	300.00
82	North Georgia Christian School	200.00
83	Offiong, Deborah	300.00
84	Oten, Jeraldine	400.00
85	Owens, Connie S	300.00
86	Pantera Booster Club	750.00
87	Packer Franz	755.00
88	Patton, Scott	1,000.00
89	Pegram, Bishop Steve	5,000.00
90	Pineda, J.	290.00
91	Porter, Cynthia	400.00
92	Poynter, Toby	1,400.00
93	Presley, Linda	750.00
94	Price, John	1,209.90
95	Price, John David	1,000.00
96	Price, Patrick	300.00
97	Proclaiming	100.00
98	Psalms of David	500.00
99	Random House	500.00
100	Rask, Alan	200.00

DAYSTAR TELEVISION
 GENERAL DONATION BY BENEFICIARY NAME
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2010

No.	Row Label	Donation Amount
101	Rayford, Doris	100.00
102	Riche, Steven	500.00
103	Riche, Joan	525.00
104	Rios, Erendira	500.00
105	Robinson, Beverly	500.00
106	Robinson, Willie James	2,000.00
107	Ronald Seruwagi/Donation	500.00
108	Salem W. Johnson/Donation	2,000.00
109	Samuel, Jane	<u>2,200.00</u>
110	Sellers, Audrey	400.00
111	Sims, Linda	400.00
112	Smith, Lisa	200.00
113	Stoneman, Diana Ruth	900.00
114	Storm, Raven	300.00
115	T.L. Lowery Global Foundation	5,000.00
116	Talbot, Wallace	800.00
117	Talotta, Frank	500.00
118	Team Impact Ministries	25,000.00
119	The A 21 Campaign	10,000.00
120	The Golf Club	<u>80.00</u>
121	Ticket Master	301.20
122	Tom Dooley Fund; The	5,000.00
123	Toy R Us	40.93
124	UT MDACC Development	250.00
125	Vernon Wells	90.00
126	Victory Temple Ministries	3,600.00
127	Waddell, Wendy	300.00
128	Walker, Eva	50.00
129	Wal-Mart	650.00
130	Wells, Kevin	1,000.00
131	Whitehair, Vince	500.00
132	Wilkins Mary	100.00
133	Willis, Michael and Gloria	200.00
134	Winner's Edge Christian Fellow	1,000.00
135	Woodson, Harold	3,000.00
136	Word of Faith Worship Center	1,000.00
Grand Total		

**DAYSTAR TELEVISION
AIRTIME DONATION FYE 2005-2010**

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**Note: Back up documents are
enclosed.**



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DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2005

No.	Row Labels	Sum of Amount
1	*Adjust Donation/Revenue Acct.	(17,600.00)
2	Action House TV	70,200.00
3	Advertiser Marketing Group	7,803.00
4	Affiliated Media/The Cross Agency	739,595.60
5	Al Denson Ministries	91,800.00
6	Alpha Omega Publications, Inc.	45,900.00
7	America for Jesus	24,087.00
8	Apex Media	517,947.50
9	Billy Burke-World Outreach	104,040.00
10	Billy-Graham Evangelistic Asso	9,890.60
11	Bishop Thomas Weeks III Minist	33,660.00
12	BMC Advertising/BMC Ferrell	639,710.00
13	Broadcast Video Associates	83,232.00
14	CBN	37,600.00
15	Central Baptist Church/Abba House	140,760.00
16	Christ Temple	11,900.00
17	Christian Country Music Awards	10,800.00
18	Covenant International Church	320.00
19	Covenant Productions	6,120.00
20	doodlemaps	33,660.00
21	Dunham & Company	257,791.00
22	Eastman Curtis Ministries	104,400.00
23	Ellison Media	43,821.75
24	Envoy Productions	12,240.00
25	Faith Community Church	146,880.00
26	Family Research Council	23,920.00
27	First Baptist Church of Ft. La	13,320.00
28	First Baptist Church of Spring	158,400.00
29	First Baptist Euless	18,360.00
30	First Baptist North Spartanbur	6,120.00
31	Garret Leonard Media	91,035.00
32	Gospel Music Television	247,959.00
33	Gottalfe Ministries Internati	6,120.00
34	GR8 Entertainment	30,000.00
35	Grizzly Adams Procuptions, Inc.	7,200.00
36	Gulf Meadows Church	34,360.00
37	Harvest Projects International	3,060.00
38	Healing Word International	94,860.00
39	Holy Bears, Inc.	24,480.00
40	Iglesia Rey de Reyes	70,875.00
41	Iglesia Rey de Reyes D-Adjustment	(7,875.00)
42	Infinity Concepts	88,704.00
43	Integrity Media	182,070.00
44	Israel Preservation Foundation	12,240.00
45	J Cubed Media, LLC	7,200.00
46	KICKS Ministries & Victory Har	240,480.00

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2005

47 Lamb & Lion Ministries	90,000.00
48 Leading the Way Ministries	100,980.00
49 Liberty Resource Group	71,487.00
50 Little Heart Entertainment c/o	52,020.00
51 Living Word Tabernacle	2,760.00
52 Majestic Media	272.00
53 Maralee Dawn Ministries	137,700.00
54 Mighty Horn Ministries	222,525.00
55 Miracle Life	5,100.00
56 Mission X	88,200.00
57 Morris Cerullo World Evangelism	6,120.00
58 Mt. Zion Church	12,240.00
59 National Religious Broadcaster	3,888.00
60 New Life Church	5,955.00
61 New Life Worship Center	1,962.00
62 Newton Media Associates, Inc.	63,906.40
63 Pathway International, Inc.	13,125.00
64 Phil Waldrep Ministries	7,200.00
65 Porchlight Entertainment	6,120.00
66 Power Point Ministries	40,100.00
67 Primary Focus/*Back to God Ministries	12,240.00
68 Princeton Pike Church of God	25,200.00
69 PureSprings Gospel	16,920.00
70 Quail Valley Church	190,260.00
71 Raven Moon Entertainment, Inc.	110,160.00
72 Reel Inspired Toons, Inc.	6,120.00
73 Revelation Media	21,600.00
74 Seventh Day Adventist Church	7,200.00
75 Shell J Baker	3,060.00
76 Slight Advertising	324,819.00
77 Smith Media Group	45,963.75
78 Spring House Incorporated	434,928.00
79 Steve Munsey Ministries	104,040.00
80 Sunny-Side Up Entertainment	6,120.00
81 Teen Mania Ministries	100,800.00
82 The Awakening	113,560.00
83 The Lloyd Daniel Corporation	85,382.50
84 The Potter's House	145,860.00
85 The Raymond Wallace Agency	15,300.00
86 There's Hope, Inc.	31,372.00
87 TL Lowery Global Foundation	23,000.00
88 Tohacious Family Entertainmen	45,900.00
89 Turning Point Ministries	156,510.00
90 United Television LLC	31,100.00
91 Valerie Saxion's Ministries, I	28,429.00
92 Victory Christian Center OKC	136,800.00
93 Victory Church	7,140.00

DAYSTAR TELEVISION
AIRTIME DONATION BY MINISTRY/AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30th, 2005

94 Victory Videos	86,400.00
95 Voice of Evangelism	279,010.80
96 Willie George Ministries	182,340.00
97 Withum & Company	189,873.00

~~61,200.00~~

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2006

Line Item	Ministry/Agency	Amount
1	Abundant Life Cathedral	12,240.00
2	Action House TV	14,400.00
3	Advertiser Marketing Group	11,868.00
4	Affiliated Media/The Cross Agency	376,933.00
5	Andrew Phipps Ministry	1,311.00
6	Apex Media	482,460.00
7	Azusa Street Centennial	195,000.00
8	Bearing Fruit Communications,	21,000.00
9	Big Sky Media	35,055.00
10	Billy Burke World Outreach	49,600.00
11	Billy Graham Evangelistic Asso	44,472.00
12	BMC Ferrell	696,882.15
13	Briargate Media	138,600.00
14	Broadcast Video Associates	105,470.55
15	Calvary Chapel Ft. Lauderdale	18,700.00
16	Carroll Roberson Ministries	10,000.00
17	CBN	38,960.00
18	Central Baptist Church	145,197.00
19	Chelsea Road Productions, Inc.	7,600.00
20	Christ Temple	10,810.00
21	Church on the Rock	42,944.00
22	Coral Ridge Ministries	21,000.00
23	Covenant International Church	7,840.00
24	Covenant Productions	6,120.00
25	Daystar Promos	20,645.00
26	Dunham & Company	268,654.95
27	Eastman-Curtis Ministries	99,180.00
28	Ellison Media	258,472.55
29	Faith Community Church	120,717.00
30	Faith Fellowship	27,831.00
31	Family Research Council	60,000.00
32	First Baptist Church of Ft. La	45,600.00
33	First Baptist Church of Spring	79,964.00
34	First Baptist Church Wichita F	38,709.00
35	First Baptist North Spartanbur	6,120.00
36	Garret Leonard Media	26,010.00
37	Gulf Meadows Church/Roy Love Ministries	35,280.00
38	Hal Lindsey Media Ministries	64,600.00
39	Holland/Simpson (Cobalt Bridge)	60,000.00
40	Holy Bears, Inc.	32,895.00
41	IFF/The Broadcast Group	73,499.00
42	Iglesia Rey de Reyes	41,965.00
43	Impact Media	61,404.00
44	Infinity Concepts	190,704.00
45	Integrity Media	52,520.00
46	J Cubed Media, LLC	111,040.00

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2006

Number	Name	Sum of Amount
47	Jammin Against The Darkness	93,888.00
48	Jerry Savelle Ministries Inter	73,986.00
49	Joshua Media	32,721.60
50	KDTP-Daystar	2,016.00
51	KICKS Ministries & Victory Har	288,873.00
52	Lamb & Lion Ministries	90,810.00
53	Leading the Way Ministries	70,380.00
54	Liberty Resource Group	29,709.00
55	Little Heart Entertainment c/o	154,836.00
56	Living Word Christian Center	7,500.00
57	Living Word Tabernacle	5,589.00
58	M.A.D.P. - Tarshish Foundation	25,200.00
59	MAGS Entertainment, LLC	38,000.00
60	Majestic Media	6,636.80
61	Mighty Horn Ministries	101,520.00
62	miraclefilms.com	18,888.00
63	Mission X	124,200.00
64	Mt. Zion Church	49,266.00
65	New Life Worship Center	2,964.00
66	Newport Media Group	164,303.00
67	Newton Media Associates, Inc.	189,125.85
68	North Phoenix Baptist Church	17,050.00
69	Paradise Community Church	17,476.00
70	Phoenix First	15,950.00
71	Porchlight Entertainment	7,000.00
72	Primary Focus/Back to God Ministries	7,038.00
73	Quall Valley Church	54,676.00
74	Raven Moon Entertainment, Inc.	244,800.00
75	Reel Inspired Toons, Inc.	7,038.00
76	Reel Loud Records	15,000.00
77	Revelation Media	49,776.00
78	Roy Love Ministries	3,528.00
79	Ruach Ministries	16,625.00
80	Sleight Advertising	250,353.90
81	Spring House Incorporated	443,268.00
82	Steve-Munsey Ministries/Family Christian	6,120.00
83	Sunny-Side Up Entertainment	10,500.00
84	Teen Maria Ministries	289,330.00
85	The Awakening	146,964.00
86	The Lloyd-Daniel Corporation	105,375.00
87	The Potter's House	78,448.00
88	The Rock Church	24,840.00
89	There's Hope, Inc.	42,000.00
90	Toonacious Family Entertainmen	35,496.00
91	Turning Point Ministries	165,168.00
92	United Television LLC	71,844.00

DAYSTAR TELEVISION
AIRTIME DONATION BY MINISTRY/AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30th, 2006

Yr	Row/Label	Sum of Amount
93	Valerie Saxton's Ministries, Inc.	60,855.00
94	Victory Christian Center OKC	193,500.00
95	Victory Videos	16,200.00
96	Voice of Evangelism	152,268.66
97	Willie George Ministries	117,180.00
98	Withum & Company	128,833.65
99	Word of Life Christian Center.	64,200.00
100	World Revival Church	22,770.00
Grand Total		877,805.31

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2007

Line	Agency Name	Amount
1	Affiliated Media/The Cross Agency	481,965.00
2	American Center for Law & Just	18,498.00
3	Apex Media	564,785.05
4	Back to God Hour	4,549.00
5	Bethany World Prayer Center	30,000.00
6	Big Sky Media	19,475.00
7	Billy Burke World Outreach ***	12,500.00
8	Billy Graham Evangelistic Asso	6,916.00
9	BMC Ferrell	513,205.90
10	Briargate Media	208,950.00
11	Calvary Temple	12,000.00
12	Carroll Roberson Ministries	7,000.00
13	CBN	10,920.00
14	Central Baptist Church/Abba House	168,915.00
15	Chaffee Management Group	30,000.00
16	Chelsea Road Productions, Inc.	165,680.00
17	Christian Advocates Serving Ev	159,075.00
18	Christian City Church	35,000.00
19	Christians United for Israel	45,000.00
20	Church of God International Of	30,000.00
21	Church on the Rock	62,464.00
22	Clarke Beasley NQC	35,000.00
23	Cornerstone Church	122,290.00
24	Covenant International Church	640.00
25	Dunham & Company	104,671.00
26	Ellison Media	141,412.80
27	Faith Center Ministries	30,000.00
28	Faith Community Church	177,009.00
29	Faith Fellowship	30,000.00
30	Faith Landmarks Ministries	113,160.00
31	Family Cathedral of Praise	30,000.00
32	Family Research Council	60,000.00
33	First Baptist Church of Ft. La	9,660.00
34	First Baptist Church Wichita F	130,179.00
35	Free Chapel Worship Center	30,000.00
36	Garret Leonard Media	30,000.00
37	Grace Hill Media	30,000.00
38	Gray Media	48,500.00
39	Hal Lindsey Media Ministries	203,110.00
40	Henry Fernandez Ministries	44,900.00
41	Heritage Christian Center	35,672.00
42	Holland/Simpson (Cobalt Bridge)	128,625.00
43	Holy Bears, Inc.	15,132.00
44	Hunter Ministries	30,000.00
45	Impact Media	30,976.00
46	Infinity Concepts	218,674.00

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2007

Line No./Label	Sumo/Amount
47 Integrity Media	51,835.00
48 J Cubed Media, LLC	15,200.00
49 Jawbone Ministries Inc.	73,393.00
50 Jerry Savelle Ministries Inter	73,290.00
51 KICKS Ministries & Victory Har	326,394.00
52 Lakewood Television with Marco	12,750.00
53 Lamb & Lion Ministries	106,513.00
54 Leading the Way Ministries	65,970.00
55 Little Heart Entertainment c/o	181,056.00
56 Living Word Christian Center	84,399.00
57 Living Word Tabernacle	3,427.00
58 Livingway Church	30,000.00
59 Lois Evans	45,269.00
60 M.A.D.P. - Tarshish Foundation	42,000.00
61 MAGS Entertainment, LLC	129,960.00
62 Majestic Media	4,760.00
63 Master Media	45,000.00
64 Master Media Enterprises, Inc.	24,215.00
65 Misslon X	118,933.00
66 Morris Cerullo World Evangelis	8,300.00
67 Newport Media Group	150,819.00
68 Newton Media Associates, Inc.	274,548.85
69 North Phoenix Baptist Church	7,975.00
70 Phoenix First	7,700.00
71 Porchlight Entertainment	4,025.00
72 Primary Focus/Back to God Ministries	4,047.00
73 Pro Bull Riding Outreach	5,000.00
74 Prophecy in the News	7,440.00
75 Quail Valley Church	89,304.00
76 R. W. Schambach Ministries	188,480.00
77 Raven Moon Entertainment, Inc.	105,570.00
78 Reel Inspired Toons, Inc.	4,047.00
79 Reel Kingdom Builders	550.00
80 Revelation Media	47,940.00
81 Revival Ministries	25,568.52
82 Rhema Bible Church	45,000.00
83 Roy Love Ministries	11,466.00
84 Sky Media	30,000.00
85 Sleight Advertising	145,250.95
86 Smith Media Group	26,940.00
87 Spring House Incorporated	435,500.00
88 Sunny-Side Up Entertainment	4,025.00
89 Teen Mania Ministries	156,504.00
90 The Awakening	146,959.00
91 The Potter's House	109,360.00
92 The Rock Church	115,415.00

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2007

Ministry/Agency	Sum of Amount
93 TL Lowery Global Foundation	55,000.00
94 Toonaclous Family Entertainmen	15,110.00
95 Turning Point Ministries	192,623.86
96 United Television LLC	100,000.00
97 Victory Christian Center OKC	183,816.00
98 Vision Forum	45,000.00
99 Voice of Evangellism	159,921.96
100 Wacky World Studios	29,450.00
101 Ward Adams Productions/The Ada	30,000.00
102 Watchman Fellowship, Inc.	11,000.00
103 Wet Cement Productions	44,517.00
104 Willie George Ministries	167,535.00
105 Without Walls Intl/Paula White Ministries	30,000.00
106 Withum & Company	99,456.00
107 Word of Life Christian Center	83,000.00
108 World Healing Center	27.00
109 World Revival Church	64,725.00
Grand Total	1,215,789.88

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2008

Row Label	Sum of Amount
1 Affiliated Media/The Cross Agency	458,796.00
2 American Center for Law & Just	42,428.00
3 Apex Media	666,748.40
4 Back to God Hour	4,776.00
5 Bishop Paul S. Morton	15,000.00
6 BMC Ferrell	622,183.95
7 Briargate Media	272,206.00
8 Cash Luna	132,540.00
9 Central Baptist Church/Abba House	170,573.00
10 Chelsea Road Productions, Inc.	219,386.00
11 Christian Advocates Serving Ev	84,525.00
12 Christians United for Israel	30,000.00
13 Cornerstone Church	15,750.00
14 Covenant Productions	7,274.00
15 Daystar Remotes	146,445.00
16 Doug Coppl	30,000.00
17 Dunham & Company	391,454.00
18 Eagle Mountain International C	30,000.00
19 Ellison Media	88,134.80
20 Faith Community Church	203,151.00
21 Faith Fellowship World Outreac	30,000.00
22 Faith Landmarks Ministries	400,565.00
23 Fellowship Church	7,274.00
24 Fellowship of the Woodlands	19,680.00
25 First Baptist Church of Ft. La	30,429.00
26 First Baptist Church Orlando	32,895.00
27 First Baptist Church Wichita F	67,620.00
28 Gaddy Subject Bible	7,637.00
29 Gaither Management	30,023.00
30 Gateway Church	187,844.00
31 Gospel Tabernacle	30,000.00
32 GR8 Entertainment, Ltd.	15,750.00
33 Gray Media	184,475.00
34 Greater St. Stephen Ministries	60,000.00
35 Hal Lindsey Media Ministries	217,188.00
36 Harvest International Ministry	165,835.00
37 Henry Fernandez Ministries	61,805.00
38 Holland/Simpson (Cobalt Bridge)	69,613.25
39 Iglesia Rey de Reyes	55,700.00
40 Infinity Concepts	245,368.00
41 Jawbone Ministries Inc.	119,525.00
42 Jerry Savelle Ministries Inter	43,845.00
43 Juanita Bynum Ministries	90,000.00
44 Karen Wheaton Ministries	124,705.00
45 KICKS Ministries & Victory Har	398,208.00
46 Kidz Network	243,645.00

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2008

Account/Label	Sum of Amount
47 Lakewood TV with Marcos Witt	276,663.00
48 Lamb & Lion Ministries	28,572.00
49 Leading the Way Ministries	125,056.00
50 Liberty Resource Group	480.00
51 Life On The Way Communications	114,378.00
52 Little Heart Entertainment c/o	64,752.00
53 Living Word Christian Center	103,194.00
54 Majestic Media	244.80
55 Master Media Enterprises, Inc.	375,497.25
56 Messianic Vision	60,000.00
57 Mission X	124,406.00
58 Motive Entertainment	19,474.35
59 Newport Media Group	9,180.00
60 Newton Media Associates, Inc.	906,258.75
61 Only Believe Ministries	37,500.00
62 Oral Roberts University	60,000.00
63 Primary Focus	4,249.00
64 Provident Films	60,000.00
65 Quail Valley Church	248,404.00
66 R. W. Schambach Ministries	228,126.00
67 Reel Inspired Toons, Inc.	4,654.00
68 Reel Kingdom Builders	27,622.00
69 Refund M. Hickey Inv 4458-1	
70 Revelation Media	21,216.00
71 Revival Ministries International	90,000.00
72 Rhema Bible Church	60,000.00
73 RMI-use Revival Ministries	60,000.00
74 Silent Blessings Deaf Ministri	171,179.00
75 Sleight Advertising	49,822.90
76 Sold Out Youth Ministries	60,858.00
77 Southern Gospel Music Guild	10,000.00
78 Spring House Incorporated	419,268.00
79 Sunny-Side Up Entertainment	4,226.00
80 Teen Mania Ministries	124,406.00
81 TeshMedia	30,582.00
82 The Awakening	119,525.00
83 The Broadcast Group	18,800.00
84 The Lloyd Daniel Corporation	6,182.90
85 The Potter's House	183,049.00
86 The Rock Church	124,287.00
87 TL Lowery Global Foundation	3,000.00
88 Toonacious Family Entertainmen	8,273.00
89 Tribe Ministries	30,000.00
90 Turning Point Ministries	183,779.57
91 Voice of Evangelism	12,364.59
92 Voice of Evangelism	161,766.22

DAYSTAR TELEVISION
AIRTIME DONATION BY MINISTRY/AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30th, 2008

No.	Row Label	Amount
93	Wacky World Studios	57,282.00
94	Wet Cement Productions	157,220.00
95	Willie George Ministries	231,728.00
96	Winning Walk Family	17,274.00
97	Withum & Company	47,000.00
Grand Total		510,504.00

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2009

Line	Ministry/Agency	Amount
1	*Audit AJE11 - To record remote	1,588,327.00
2	Affiliated Media/The Cross Agency	613,768.00
3	American Center for Law & Just	31,926.00
4	Apex Media	782,700.00
5	Back to God Hour	5,017.00
6	Back to God Ministries Interna	4,461.00
7	Back to Jerusalem, Inc.	4,461.00
8	Backyard Entertainment	30,762.00
9	Berg Productions	208,349.00
10	Billy Graham Evangelistic Asso	12,500.00
11	BMC Ferrell	1,246,208.00
12	Boat Angel	14,244.00
13	Briargate Media	267,291.00
14	Cash Luna	251,511.00
15	Central Baptist Church/Abba House	186,735.00
16	Chelsea Road Productions, Inc.	167,952.00
17	Christian City Church Sydney,	19,570.00
18	Christians United for Israel	9,834.00
19	Church of God of Prophecy	78,774.00
20	Cobalt Bridge Media/Holland Simpson	111,027.00
21	Covenant Productions	12,500.00
22	Doug Coppl	10,146.00
23	Dunham & Company	329,424.00
24	DV Studios	30,000.00
25	Faith Community Church	209,040.00
26	Faith Landmarks Ministries	292,313.00
27	Family Christian Center	32,259.00
28	Fellowship of the Woodlands	97,372.00
29	First Baptist Church of Ft. La	47,500.00
30	First Baptist Church of Spring	209,948.00
31	Gateway Church	312,062.00
32	Gray Media	352,617.00
33	Hal Lindsey Media Ministries	252,504.00
34	Harvest International Ministry	30,210.00
35	Harvest Media Ministries	40,429.00
36	Impact Media	39,590.00
37	Infinity Concepts	247,372.00
38	Integrity Media	97,372.00
39	Jawbone Ministries Inc.	120,500.00
40	Jentezen Franklin Media Minist.	141,472.00
41	Jerry Savelle Ministries Inter	30,000.00
42	Karen Wheaton Ministries	188,350.00
43	KICKS Ministries & Victory Har	387,065.00
44	Kidz Network	451,596.00
45	Kingdom Builders	46,164.00
46	Lakewood Television with Marco	252,069.00

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2009

Line	Agency/Label	Amount
47	Lamb & Lion Ministries	19,000.00
48	Leading the Way Ministries	177,816.00
49	Legacy Group Global	20,352.00
50	Life On The Way Communications	214,329.00
51	LightQuest Media Inc.	148,252.00
52	Living Word Christian Center	123,096.00
53	Master Media Enterprises, Inc.	406,922.00
54	Merrell Music	155,054.00
55	Mission X	128,125.00
56	Music for the Soul	10,000.00
57	National Quartet Convention	30,000.00
58	Newton Media Associates, Inc.	1,382,970.00
59	Porchlight Entertainment	4,437.00
60	PowerPoint Ministries	124,368.00
61	Provident Films	4,914.00
62	Quail Valley Church	105,612.00
63	R. W. Schambach Ministries	225,768.00
64	Redemption World Outreach Cent	33,404.00
65	Reel Kingdom Builders	13,872.00
66	Revival Ministries Internation	30,000.00
67	Samaritan's Purse	984.00
68	Second Take & The Rev. Minstri	76,125.00
69	Silent Blessings Deaf Ministri	213,289.00
70	Spring House Incorporated	458,947.00
71	St. John Baptist Church	32,488.00
72	Steve Russo, Evangelistic Team	45,000.00
73	Teen Mania Ministries	128,125.00
74	The Awakening	189,652.00
75	The Lloyd Daniel Corporation	12,500.00
76	The Potter's House	187,136.00
77	The Rock Church	17,500.00
78	Tim Janis Ensemble Music	12,500.00
79	TL Lowery Global Foundation	30,000.00
80	Toonacious Family Entertainmen	4,818.00
81	Turning Point Ministries	230,455.00
82	Victory in Grace Ministries, I	62,543.00
83	Voice of Evangelism	230,330.00
84	Wacky World Studios	72,955.00
85	Wet Cement Productions	25,494.00
86	Willie George Ministries	380,493.00
87	World Revival Church	569,702.00

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2010

No.	Ministry/Agency	Sum of Amount
1	Affiliated Media/The Cross Agency	714,612.00
2	American Center for Law & Just	86,130.00
3	Apex Media	781,694.00
4	Back to God Hour	5,436.00
5	Backyard Entertainment	179,608.00
6	BMC Ferrell	1,693,471.00
7	Boat Angel	177,178.00
8	Briargate Media	280,254.00
9	Cablet Media, Inc.	4,537.00
10	Cash Luna	257,384.00
11	Central Baptist Church	203,781.00
12	Chaparral Entertainment	266,562.00
13	Christ For The Nations	45,360.00
14	Christian City Church Sydney	35,226.00
15	Christian Country Music Awards	30,270.00
16	Christians United for Israel	3,576.00
17	Cobalt Bridge Media	146,364.00
18	Covenant Productions	10,500.00
19	Dunham & Company	149,628.00
20	Ellison Media	8,224.00
21	Empowered 21	267,300.00
22	Evangel World Prayer Center	151,605.00
23	Falth Community Church	107,064.00
24	Faith Landmarks Ministries	20,796.00
25	Family Christian Center	32,120.00
26	Family Research Council	12,031.00
27	Fellowship of the Woodlands	161,843.00
28	First Baptist Church of Ft. La	55,020.00
29	First Baptist Church of Spring	238,189.00
30	Gateway Church	299,018.00
31	Gray Media	368,538.00
32	Greenleaf Street Productions	34,020.00
33	Hal Lindsey Media Ministries	274,836.00
34	Hear O'Israel International	1,446.00
35	Impact Media	10,774.00
36	Infinity Concepts	274,836.00
37	Inprov, Ltd.	110,393.00
38	Integrity Media	203,468.00
39	Jawbone Ministries Inc.	28,875.00
40	Jentezen Franklin Media Minist	133,875.00
41	Jesus Boat, Inc.	52,500.00
42	Karen Wheaton Ministries	196,507.00
43	Kidz Network	477,138.00
44	Lakewood Television with Marco	309,900.00
45	Leading the Way Ministries	189,456.00
46	Life On The Way Communications	126,400.00

DAYSTAR TELEVISION
 AIRTIME DONATION BY MINISTRY/AGENCY
 FOR THE FISCAL YEAR ENDED JUNE 30th, 2010

Ministry/Agency	Sum of Amount
47 LightQuest Media Inc.	335,452.00
48 Marriage Today	31,722.00
49 Master Media Enterprises, Inc.	452,189.00
50 Merrell Music	253,755.00
51 Midwest Media Managers	10,500.00
52 Mission X	133,665.00
53 Nasby Agency Inc	34,020.00
54 National Quartet Convention	31,500.00
55 Newton Media Associates, Inc.	1,349,735.00
56 Paula White Ministries	138,889.06
57 Porchlight Entertainment	5,000.00
58 PowerPoint Ministries	258,696.00
59 Promise Keepers International	33,440.00
60 Quail Valley Church	56,593.00
61 R. W. Schambach Ministries	240,504.00
62 Reel FX	5,182.00
63 Reel Inspired Toons, Inc.	5,000.00
64 Remote Donation Recapture	492,831.00
65 Rhema Bible Church	78,970.00
66 Roland Marketing & Media	243,639.00
67 Second Take & The Rev Ministri	128,595.00
68 Sight and Sound Media	249,484.00
69 Silent Blessings Deaf Ministri	218,235.00
70 Sky Media	11,676.00
71 Somebody Cares America, Int'l	4,011.00
72 Spring House Incorporated	416,408.00
73 St. John Baptist Church	54,500.00
74 Steve Russo Evangelistic Team	32,000.00
75 Teen Mania Ministries	133,665.00
76 TeshMedia	31,500.00
77 The Awakening	238,226.00
78 The Basement	102,975.00
79 The Lloyd Daniel Corporation	121,188.00
80 The Potter's House	222,001.00
81 Toonacious Family Entertainmen	4,461.00
82 Turning Point Ministries	250,694.00
83 Voice of Evangelism	245,781.04
84 Wacky World Studios	52,998.00
85 Willie George Ministries	442,694.00
✓ 86 World Revival Church	1,481,682.00
87 Youth Bytes	52,030.00
Grand Total: 10,700,290.00	

PRIMARY SPONSORSHIP/ EQUITY AGREEMENT

THIS AGREEMENT ("Agreement") is entered into effective this 9th day of June, 2011 by and between Daystar Television Network (hereinafter "Daystar") and Blake Koch, Inc. and is based upon the following:

Blake Koch, Inc. is a registered Florida corporation and is in the sole business of NASCAR racing.

Daystar is an entity that agrees to become "The Primary Sponsor" for the remainder of the 2011 NASCAR Nationwide series Races.

WHEREAS, Daystar agrees to pay the sum of \$450,000 (made payable to Blake Koch, Inc. upon signing of this agreement) to continue as the Primary Sponsor for the remainder of races for the 2011 NASCAR Nationwide Series.

WHEREAS, Blake Koch, Inc. agrees to give Daystar a ten percent (10%) equity position in Blake Koch, Inc. for the sum of \$450,000 to continue on as the Primary Sponsor for the 2011 season. Upon receipt and closing of this agreement, Blake Koch, Inc. will transfer and deliver to Daystar the Stock certificate totaling 10% equity in company. Daystar's equity position will always remain no less than 10% and cannot be diluted by the issuance of new additional shares.

Term and Conditions

Daystar will receive 10% of GROSS REVENUE from any and all revenue streams, including all ancillaries generated into Blake Koch, Inc. Gross Revenue is to be defined as all actual income received by company. No expenses of any kind or overhead are to be deducted including salaries or any other expenses. Daystar will be paid their 10% gross revenue share on a quarterly basis. Blake Koch, Inc. will provide quarterly financials to include a breakdown of all of the sources of gross revenue generated. After Daystar's actual cash "Break Even" of \$900,000.00 for monies invested in 2011, Daystar will then continue to receive 10% equity and revenue for the period of twenty years (20) in Blake Koch, Inc. This agreement will then terminate after that 20-year period.

Blake Koch, Inc. also grants Daystar an option and the first right of refusal to continue with their sponsorship for the 2012 season at an amount to be determined in good faith negotiations. If both parties come to an agreement, additional equity will be transferred to Daystar. The additional equity will be negotiated in good faith and agreed upon by both parties.

Based upon the above facts, which are incorporated into the body of this agreement by reference, it is hereby agreed by and between parties below.

Any modifications of this agreement will be effective only if it is in writing, signed by parties heretofore specified and specifically referencing this agreement.



IN WITNESS WHEREOF, the parties have executed this agreement on the date set forth above.

DAYSTAR Television Network

By Arnold Tonn

It's BUSINESS ADMINISTRATOR

Date 6/9/2011

Blake Koch, Inc.

By [Signature]

It's President

Date 6-10-2011

DAYSTAR TELEVISION NETWORK

Schedule of Nascar Related Expenses

TRX Date	Account	Account Description	Vdr ID	Originating Master Name	Amount	Reference	Description
06/30/11	01-5020	Donation to Mission/Ministry-			\$89.70	MLYNCH APRIL 11 - RH	Apr 11 Mlynch-RW OFFICE DEPOT
06/30/11	01-5020	Donation to Mission/Ministry-			\$46.18	MLYNCH APRIL 11 - RH	Apr 11 Mlynch-RW WAL-MART #117
06/30/11	01-5020	Donation to Mission/Ministry-			\$1,389.18	MLYNCH APRIL 11 - RH	Apr 11 Mlynch-RW LAKESHORE LEA
06/30/11	01-5115	Guest - Airfare & Lodging-GEN			\$25.00	AMEX MAY 11 - JG	May-11 Amx/JSG-AMERICAN AIRLIN
06/30/11	01-5115	Guest - Airfare & Lodging-GEN			\$25.00	AMEX MAY 11 - JG	May-11 Amx/JSG-AMERICAN AIRLIN
06/30/11	01-5115	Guest - Airfare & Lodging-GEN			\$826.40	AMEX MAY 11 - JG	May-11 Amx/JSG-AMERICAN AIRLIN
06/30/11	01-5115	Guest - Airfare & Lodging-GEN			\$903.40	AMEX MAY 11 - JG	May-11 Amx/JSG-AMERICAN AIRLIN
06/30/11	01-5825	'Jonl Show' Expense-PCO-IMC			\$2.79	MLYNCH APRIL 11 - RH	Apr 11 Mlynch-RW APL*ITUNES
07/07/11	01-5845	Voice Overs-PCO-IMC	H1068	Hudson, Michael	\$500.00	VOICE OVER/NASCAR	Purchases
06/30/11	01-5890	Other Studio Taping Expenses-			\$2,500.00	AMEX AA MAY 11 - JT	May-11 Amx/JT-Nascar Productio
06/30/11	01-5915	Production Equipment Rental-			\$328.50	MLYNCH APR 11 - LT	Apr 11 Mlynch-LT DALLAS CAMERA
06/30/11	01-5915	Production Equipment Rental-			\$657.00	MLYNCH APR 11 - LT	Apr 11 Mlynch-LT DALLAS CAMERA
06/30/11	01-5915	Production Equipment Rental-			\$1,126.00	MLYNCH MAY 11 - RH	May 11 Mlynch-RW DALLAS CAMERA
06/30/11	01-5915	Production Equipment Rental-			\$466.00	MLYNCH MAY 11 - LT	May 11 Mlynch-LT DALLAS CAMERA
06/30/11	01-5915	Production Equipment Rental-			\$492.00	MLYNCH JUNE 11 - LT	June 11 Mlynch-LT DALLAS CAMER
06/30/11	01-5920	Equipment Parts/Supplies-MK1			\$875.02	AMEX AA MAY 11 - JL	May-11 Amx/JL-WAL-MART SUPERCE
06/30/11	01-5920	Equipment Parts/Supplies-MK1			\$42.79	AMEX AA MAY 11 - JL	May-11 Amx/JL-RADIOSHACK COR16
06/30/11	01-5920	Equipment Parts/Supplies-MK1			\$477.89	AMEX AA MAY 11 - JL	May-11 Amx/JL-WAL-MART SUPERCE
06/30/11	01-5920	Equipment Parts/Supplies-MK1			\$20.33	MLYNCH MAY 11 - JL	May 11 Mlynch-JL SHELL OIL 575
06/30/11	01-5920	Equipment Parts/Supplies-MK1			\$86.58	MLYNCH MAY 11 - JL	May 11 Mlynch-JL WM SUPERCENTE
06/30/11	01-5920	Equipment Parts/Supplies-MK1			\$39.89	MLYNCH MAY 11 - JL	May 11 Mlynch-JL FAMILY MART #
06/30/11	01-5920	Equipment Parts/Supplies-MK1			\$31.03	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-BROOKSTONE COMPA
05/20/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$400.00	C-LABOR EDITING	Purchases
05/25/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$800.00	C-LABOR EDITING	Purchases
05/25/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$800.00	C-LABOR EDITING	Purchases
05/25/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$400.00	C-LABOR EDITING	Purchases
06/06/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$400.00	Temp -Editing	Purchases
06/06/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$800.00	Temp-Editing	Purchases
06/08/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$800.00	C-LABOR EDITING	Purchases
06/08/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$800.00	C-LABOR EDITING	Purchases

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DAYSTAR TELEVISION NETWORK
Schedule of Nascar Related Expenses

TRX Date	Account	Account Description	Vdr ID	Originating Master Name	Amount	Reference	Description
06/10/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$800.00	C-LABOR EDITING	Purchases
06/17/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$800.00	CONTRACT LABOR-EDITING	Purchases
06/28/11	01-6365	Temporary Employment-PCO-I S1133		Steormann, Steven	\$258.75	CONTRACT LABOR EDITING NA	Purchases
07/01/11	01-6365	Temporary Employment-PCO-I L1100		Langhausen, Michael	\$887.50	CONTRACT LABOR-EDITING	Purchases
07/01/11	01-6365	Temporary Employment-PCO-I P1092		Pro Media Hub	\$390.00	CONTRACT LABOR-EDITING	Purchases
07/01/11	01-6365	Temporary Employment-PCO-I P1092		Pro Media Hub	\$585.00	CONTRACT LABOR-EDITING	Purchases
07/01/11	01-6365	Temporary Employment-PCO-I P1092		Pro Media Hub	\$520.00	CONTRACT LABOR-EDITING	Purchases
07/14/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$400.00	CONTRACT LABOR EDITING	Purchases
07/20/11	01-6365	Temporary Employment-PCO-I P1092		Pro Media Hub	\$390.00	CONTRACT LABOR-EDITING	Purchases
07/29/11	01-6365	Temporary Employment-PCO-I C1024		Carrigan, David Wayne	\$200.00	CONTRACT LABOR-EDITING	Purchases
07/29/11	01-6365	Temporary Employment-PCO-I L1100		Langhausen, Michael	\$375.00	CONTRACT LABOR-EDITING	Purchases
08/12/11	01-6365	Temporary Employment-PCO-I L1100		Langhausen, Michael	\$200.00	CONTRACT LABOR-EDITING	Purchases
06/30/11	01-6610	Airfare-MKT-IMC			\$60.00	AMEX AA MAY 11 - JL	May-11 Amx/JL-DELTA AIR LINES
06/30/11	01-6610	Airfare-MKT-IMC			\$25.00	AMEX AA MAY 11 - JL	May-11 Amx/JL-DELTA AIR LINES
06/30/11	01-6610	Airfare-MKT-IMC			\$25.00	AMEX AA MAY 11 - JL	May-11 Amx/JL-DELTA AIR LINES
06/30/11	01-6610	Airfare-MKT-IMC			\$51.75	MLYNCH MAY 11- LA	May 11 Mlynch-JB TRAVEL INSURA
06/30/11	01-6610	Airfare-MKT-IMC			\$277.30	MLYNCH MAY 11- LA	May 11 Mlynch-JB DELTA AIR 006
06/30/11	01-6610	Airfare-MKT-IMC			\$277.30	MLYNCH MAY 11- LA	May 11 Mlynch-JB DELTA AIR 006
06/30/11	01-6610	Airfare-MKT-IMC			\$277.30	MLYNCH MAY 11- LA	May 11 Mlynch-JB DELTA AIR 006
06/30/11	01-6610	Airfare-MKT-IMC			\$1,254.90	MLYNCH MAY 11- LA	May 11 Mlynch-JB AMERICAN AI 0
06/30/11	01-6610	Airfare-MKT-IMC			\$443.80	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL AMERICAN AI
06/30/11	01-6610	Airfare-MKT-IMC			\$679.40	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL AMERICAN AI
06/30/11	01-6610	Airfare-MKT-IMC			\$679.40	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL AMERICAN AI
06/30/11	01-6610	Airfare-MKT-IMC			\$679.40	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL AMERICAN AI
06/30/11	01-6610	Airfare-MKT-IMC			\$443.80	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL AMERICAN AI
06/30/11	01-6610	Airfare-MKT-IMC			\$443.80	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL AMERICAN AI
06/30/11	01-6610	Airfare-MKT-IMC			\$582.81	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL AMERICAN AI
06/30/11	01-6610	Airfare-MKT-IMC			\$582.81	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL AMERICAN AI
06/30/11	01-6610	Airfare-MKT-IMC			\$582.81	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL AMERICAN AI
06/30/11	01-6610	Airfare-MKT-IMC			\$20.97	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL CTX*AP270301
06/30/11	01-6610	Airfare-MKT-IMC			\$60.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-MKT-IMC			\$60.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-MKT-IMC			\$25.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-MKT-IMC			\$25.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-DELTA AIR LINES
06/30/11	01-6610	Airfare-MKT-IMC			\$60.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-DELTA AIR LINES
06/30/11	01-6610	Airfare-MKT-IMC			\$60.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-DELTA AIR LINES

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DAYSTAR TELEVISION NETWORK
Schedule of Nascar Related Expenses

TRX Date	Account	Account Description	Vdr ID	Originating Master Name	Amount	Reference	Description
06/30/11	01-6610	Airfare-MKT-IMC			\$25.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-MKT-IMC			\$60.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-MKT-IMC			\$25.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-MKT-IMC			\$60.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-MKT-IMC			\$25.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-MKT-IMC			\$125.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-PCO-IMC			\$60.00	AMEX AA MAY 11 - JT	May-11 Amx/JT-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-PCO-IMC			\$25.00	AMEX JUNE 11 - LT	Jun-11 Amx/JT-AMERICAN AIRLINE
06/30/11	01-6610	Airfare-PGC-IMC			\$1,254.90	MLYNCH MAY 11- LA	May 11 Mlynch-JB AMERICAN AI 0
06/30/11	01-6610	Airfare-PGC-IMC			\$1,254.90	MLYNCH MAY 11- LA	May 11 Mlynch-JB AMERICAN AI 0
06/22/11	01-6615	Lodging-MKT-IMC	X1006	XT Properties, LLC	\$900.00	LODGING/NASCAR	Purchases
06/30/11	01-6615	Lodging-MKT-IMC			\$370.57	AMEX AA MAY 11 - JL	May-11 Amx/JL-AMERICA'S BEST V
06/30/11	01-6615	Lodging-MKT-IMC			\$152.92	AMEX AA MAY 11 - JL	May-11 Amx/JL-MARRIOTT MARRIOT
06/30/11	01-6615	Lodging-MKT-IMC			\$370.57	AMEX AA MAY 11 - JL	May-11 Amx/JL-AMERICA'S BEST V
06/30/11	01-6615	Lodging-MKT-IMC			\$20.00	AMEX AA MAY 11 - JL	May-11 Amx/JL-TRAVEL AGENCY SE
06/30/11	01-6615	Lodging-MKT-IMC			\$474.57	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL FAIRFIELD IN
06/30/11	01-6615	Lodging-MKT-IMC			\$474.57	MLYNCH JUNE 11 - JL	June 11 Mlynch-JL FAIRFIELD IN
06/30/11	01-6615	Lodging-MKT-IMC			\$168.00	MLYNCH MAY 11 - JL	May 11 Mlynch-JL HOLIDAY INN E
06/30/11	01-6615	Lodging-MKT-IMC			\$90.95	MLYNCH MAY 11 - JL	May 11 Mlynch-JL SLEEP INN & S
06/30/11	01-6615	Lodging-MKT-IMC			\$90.95	MLYNCH MAY 11 - JL	May 11 Mlynch-JL SLEEP INN & S
06/30/11	01-6615	Lodging-MKT-IMC			\$168.00	MLYNCH MAY 11 - JL	May 11 Mlynch-JL HOLIDAY INN E
06/30/11	01-6615	Lodging-MKT-IMC			\$107.11	MLYNCH MAY 11 - JL	May 11 Mlynch-JL HAMPTON INNS
06/30/11	01-6615	Lodging-MKT-IMC			\$107.11	MLYNCH MAY 11 - JL	May 11 Mlynch-JL HAMPTON INNS
06/30/11	01-6615	Lodging-MKT-IMC			\$152.92	MLYNCH MAY 11 - ML	May 11 Mlynch-SM MARRIOTT GREE
06/30/11	01-6615	Lodging-MKT-IMC			\$305.80	MLYNCH MAY 11 - ML	May 11 Mlynch-SM MARRIOTT GREE
06/30/11	01-6615	Lodging-MKT-IMC			\$725.12	MLYNCH MAY 11 - ML	May 11 Mlynch-SM MARRIOTT GREE
06/30/11	01-6615	Lodging-MKT-IMC			\$696.06	MLYNCH MAY 11 - ML	May 11 Mlynch-SM MARRIOTT GREE
06/30/11	01-6615	Lodging-MKT-IMC			\$58.00	MLYNCH MAY 11 - ML	May 11 Mlynch-SM MARRIOTT GREE
06/30/11	01-6615	Lodging-MKT-IMC			\$1,030.00	MLYNCH MAY 11 - ML	May 11 Mlynch-SM DAYS INN
06/30/11	01-6615	Lodging-MKT-IMC			\$68.36	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-ROOF
06/30/11	01-6615	Lodging-MKT-IMC			\$599.84	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-SPRINGHILL SUITE
06/30/11	01-6615	Lodging-MKT-IMC			\$599.84	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-SPRINGHILL SUITE
06/30/11	01-6615	Lodging-MKT-IMC			\$394.12	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-THE WIT A DOUBLE
06/30/11	01-6615	Lodging-POP-IMC			\$462.52	AMEX JUNE 11 - LT	Jun-11 Amx/JT-SPRINGHILL SUITE
06/30/11	01-6615	Lodging-PCO-IMC			\$126.71	MLYNCH MAY 11 - RH	May 11 Mlynch-RW ALOFT
06/30/11	01-6615	Lodging-PCO-IMC			\$126.71	MLYNCH MAY 11 - RH	May 11 Mlynch-RW ALOFT

DAYSTAR TELEVISION NETWORK
Schedule of Nascar Related Expenses

TRX Date	Account	Account Description	Vdr ID	Originating Master Name	Amount	Reference	Description
06/30/11	01-6615	Lodging-PCO-IMC			\$126.71	MLYNCH MAY 11 - RH	May 11 MLynch-RW ALOFT
06/30/11	01-6615	Lodging-PCO-IMC			\$136.40	MLYNCH MAY 11 - RH	May 11 MLynch-RW HOMEWOOD SUIT
06/30/11	01-6615	Lodging-PCO-IMC			\$136.40	MLYNCH MAY 11 - RH	May 11 MLynch-RW HOMEWOOD SUIT
06/30/11	01-6615	Lodging-PCO-IMC			\$136.40	MLYNCH MAY 11 - RH	May 11 MLynch-RW HOMEWOOD SUIT
06/30/11	01-6615	Lodging-PCO-IMC			\$370.57	AMEX AA MAY 11 - JL	May-11 Amx/JL-AMERICA'S BEST V
06/30/11	01-6615	Lodging-PCO-IMC			\$370.57	AMEX AA MAY 11 - JL	May-11 Amx/JL-AMERICA'S BEST V
06/30/11	01-6620	Transportation Expense-MKT-I			\$125.00	AMEX AA APR 11- MM	Ap-11 Amx/MM-RON'S TOWING, IN
06/30/11	01-6620	Transportation Expense-MKT-I			\$125.00	AMEX AA APR 11- MM	Ap-11 Amx/MM-RON'S TOWING, IN
06/30/11	01-6620	Transportation Expense-MKT-I			\$67.78	AMEX AA MAY 11 - JL	May-11 Amx/JL-SHELL OIL 930022
06/30/11	01-6620	Transportation Expense-MKT-I			\$434.21	AMEX AA MAY 11 - JL	May-11 Amx/JL-TRIANGLE RENT A
06/30/11	01-6620	Transportation Expense-MKT-I			\$68.40	AMEX AA MAY 11 - JL	May-11 Amx/JL-CASEYS 02
06/30/11	01-6620	Transportation Expense-MKT-I			\$95.68	AMEX AA MAY 11 - JL	May-11 Amx/JL-SHELL OIL 574282
06/30/11	01-6620	Transportation Expense-MKT-I			\$71.12	AMEX AA MAY 11 - JL	May-11 Amx/JL-QT 215 QT 215
06/30/11	01-6620	Transportation Expense-MKT-I			\$69.18	AMEX AA MAY 11 - JL	May-11 Amx/JL-CASEYS 02
06/30/11	01-6620	Transportation Expense-MKT-I			\$70.00	MLYNCH JUNE 11 - JL	June 11 MLynch-JL MURPHY EXPRE
06/30/11	01-6620	Transportation Expense-MKT-I			\$514.03	MLYNCH JUNE 11 - JB	June 11 MLynch-JB HERTZ RENT-A
06/30/11	01-6620	Transportation Expense-MKT-I			\$37.13	MLYNCH JUNE 11 - JB	June 11 MLynch-JB CHEVRON 0020
06/30/11	01-6620	Transportation Expense-MKT-I			\$9.00	MLYNCH MAY 11 - JL	May 11 MLynch-JL SPINX #128 CA
06/30/11	01-6620	Transportation Expense-MKT-I			\$5.92	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-SHELL OIL 574440
06/30/11	01-6620	Transportation Expense-MKT-I			\$10.81	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-SHELL OIL 574441
06/30/11	01-6620	Transportation Expense-MKT-I			\$29.62	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-RAPID ROBERTS 11
06/30/11	01-6620	Transportation Expense-MKT-I			\$353.51	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-ENTERPRISE RENT
06/30/11	01-6620	Transportation Expense-MKT-I			\$7.25	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-MARATHON PETROLE
06/30/11	01-6620	Transportation Expense-MKT-I			\$44.71	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-SHELL OIL 575426
06/30/11	01-6620	Transportation Expense-MKT-I			\$45.58	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-MOTOMART #3359
06/30/11	01-6620	Transportation Expense-MKT-I			\$524.70	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-ENTERPRISE RENT
06/30/11	01-6620	Transportation Expense-MKT-I			\$68.62	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-MARSHALL'S ONE S
06/30/11	01-6620	Transportation Expense-MKT-I			\$310.43	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-ENTERPRISE RAC
06/30/11	01-6620	Transportation Expense-MKT-I			\$54.06	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-EXXONMOBIL
06/30/11	01-6620	Transportation Expense-MKT-I			\$27.96	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-PILOT CORPORATIO
06/30/11	01-6620	Transportation Expense-MKT-I			\$49.05	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-SHELL OIL 575409
06/30/11	01-6620	Transportation Expense-MKT-I			\$6.94	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-SHELL OIL 548340
06/30/11	01-6620	Transportation Expense-MKT-I			\$47.94	MLYNCH MAY 11 - RH	May 11 MLynch-RW RACEWAY6748 4
06/30/11	01-6620	Transportation Expense-PCO-II			\$59.19	MLYNCH MAY 11 - RH	May 11 MLynch-RW EXXONMOBIL 45
06/30/11	01-6620	Transportation Expense-PCO-II			\$66.26	MLYNCH MAY 11 - RH	May 11 MLynch-RW RACEWAY6748 4
06/30/11	01-6620	Transportation Expense-PCO-II			\$634.95	AMEX AA MAY 11 - JL	May-11 Amx/JL-TRIANGLE RENT A

DAYSTAR TELEVISION NETWORK
Schedule of Nascar Related Expenses

TRX Date	Account	Account Description	Vdr ID	Originating Master Name	Amount	Reference	Description
06/30/11	01-6620	Transportation Expense-PCO-II			\$64.20	AMEX AA MAY 11 - JT	May-11 Amx/JT-CHARLOTTE YELLOW
06/30/11	01-6620	Transportation Expense-PCO-II			\$25.00	CASH ADV MAY 11 - MG	Carolina Taxi- Cash Adv - MG
06/30/11	01-6625	Travel Meals-GEN-IMC			\$22.13	MLYNCH APR 11 - LT	Apr 11 MLynch-LT JACK IN THE B
06/30/11	01-6625	Travel Meals-EXE-IMC			\$66.13	MLYNCH MAY 11 - RH	May 11 MLynch-RW CALIFORNIA DR
06/30/11	01-6625	Travel Meals-MKT-IMC			\$21.46	MLYNCH APRIL 11 - RS	Apr 11 MLynch-RS SCHLOTZSKY'S
06/30/11	01-6625	Travel Meals-MKT-IMC			\$11.23	MLYNCH APRIL 11 - RS	Apr 11 MLynch-RS WM SUPERCENTE
06/30/11	01-6625	Travel Meals-MKT-IMC			\$14.90	AMEX AA MAY 11 - JL	May-11 Amx/JL-CULVER'S OF NEWT
06/30/11	01-6625	Travel Meals-MKT-IMC			\$25.86	AMEX AA MAY 11 - JL	May-11 Amx/JL-CULVER'S OF NEWT
06/30/11	01-6625	Travel Meals-MKT-IMC			\$26.53	AMEX AA MAY 11 - JL	May-11 Amx/JL-MCDONALD'S F2525
06/30/11	01-6625	Travel Meals-MKT-IMC			\$47.51	AMEX AA MAY 11 - JL	May-11 Amx/JL-SNAK ATAK #33 00
06/30/11	01-6625	Travel Meals-MKT-IMC			\$13.73	AMEX AA MAY 11 - JL	May-11 Amx/JL-WENDYS #9999
06/30/11	01-6625	Travel Meals-MKT-IMC			\$7.67	AMEX AA MAY 11 - JL	May-11 Amx/JL-LONE STAR CONOCO
06/30/11	01-6625	Travel Meals-MKT-IMC			\$13.77	AMEX AA MAY 11 - JL	May-11 Amx/JL-DONUT PLAZA 3700
06/30/11	01-6625	Travel Meals-MKT-IMC			\$7.88	AMEX AA MAY 11 - JL	May-11 Amx/JL-KANGAROO EXPRESS
06/30/11	01-6625	Travel Meals-MKT-IMC			\$15.34	AMEX AA MAY 11 - JL	May-11 Amx/JL-BOJANGLES
06/30/11	01-6625	Travel Meals-MKT-IMC			\$55.08	AMEX AA MAY 11 - JL	May-11 Amx/JL-OUTBACK #3432 30
06/30/11	01-6625	Travel Meals-MKT-IMC			\$17.50	AMEX AA MAY 11 - JL	May-11 Amx/JL-BOJANGLES RESTAU
06/30/11	01-6625	Travel Meals-MKT-IMC			\$35.98	AMEX AA MAY 11 - JL	May-11 Amx/JL-THE OLIVE GARDEN
06/30/11	01-6625	Travel Meals-MKT-IMC			\$1.75	AMEX AA MAY 11 - JL	May-11 Amx/JL-CANTEEN VENDING
06/30/11	01-6625	Travel Meals-MKT-IMC			\$13.61	AMEX AA MAY 11 - JL	May-11 Amx/JL-HUDSON NEWS - DA
06/30/11	01-6625	Travel Meals-MKT-IMC			\$16.09	AMEX AA MAY 11 - JL	May-11 Amx/JL-WENDYS #9999
06/30/11	01-6625	Travel Meals-MKT-IMC			\$12.38	AMEX AA MAY 11 - JL	May-11 Amx/JL-SHELL OIL 574282
06/30/11	01-6625	Travel Meals-MKT-IMC			\$4.97	AMEX AA MAY 11 - JL	May-11 Amx/JL-QT 215 QT 215
06/30/11	01-6625	Travel Meals-MKT-IMC			\$24.75	AMEX AA MAY 11 - JL	May-11 Amx/JL-MCDONALD'S F1206
06/30/11	01-6625	Travel Meals-MKT-IMC			\$4.41	AMEX AA MAY 11 - JL	May-11 Amx/JL-LOVES COUNTRY ST
06/30/11	01-6625	Travel Meals-MKT-IMC			\$55.84	AMEX AA MAY 11 - JL	May-11 Amx/JL-BUFFALO WILD WIN
06/30/11	01-6625	Travel Meals-MKT-IMC			\$21.36	AMEX AA MAY 11 - JL	May-11 Amx/JL-MCDONALD'S F3287
06/30/11	01-6625	Travel Meals-MKT-IMC			\$19.00	AMEX AA MAY 11 - JL	May-11 Amx/JL-SHELL OIL 910022
06/30/11	01-6625	Travel Meals-MKT-IMC			\$28.64	AMEX AA MAY 11 - JL	May-11 Amx/JL-4E 59 GLOBAL N51
06/30/11	01-6625	Travel Meals-MKT-IMC			\$9.22	MLYNCH JUNE 11 - JB	June 11 MLynch-JB HILLS CREEKS
06/30/11	01-6625	Travel Meals-MKT-IMC			\$1.02	MLYNCH JUNE 11 - JB	June 11 MLynch-JB CHEVRON 0020
06/30/11	01-6625	Travel Meals-MKT-IMC			\$1.63	MLYNCH JUNE 11 - JB	June 11 MLynch-JB CHEVRON 0020
06/30/11	01-6625	Travel Meals-MKT-IMC			\$13.64	MLYNCH JUNE 11 - JB	June 11 MLynch-JB CHURCH'S CHI
06/30/11	01-6625	Travel Meals-MKT-IMC			\$13.41	MLYNCH JUNE 11 - JB	June 11 MLynch-JB KRYSTAL MACO
06/30/11	01-6625	Travel Meals-MKT-IMC			\$2.77	MLYNCH JUNE 11 - JB	June 11 MLynch-JB OLD CLINTON
06/30/11	01-6625	Travel Meals-MKT-IMC			\$2.04	MLYNCH JUNE 11 - JB	June 11 MLynch-JB BP FOOD SHOP

DAYSTAR TELEVISION NETWORK
Schedule of Nascar Related Expenses

TRX Date	Account	Account Description	Vdr ID	Originating Master Name	Amount	Reference	Description
06/30/11	01-6625	Travel Meals-MKT-IMC			\$10.26	MLYNCH JUNE 11 - JB	June 11 MLynch-JB CHEVRON 0020
06/30/11	01-6625	Travel Meals-MKT-IMC			\$14.91	MLYNCH JUNE 11 - JB	June 11 MLynch-JB TACO BELL #0
06/30/11	01-6625	Travel Meals-MKT-IMC			\$20.19	MLYNCH JUNE 11 - JB	June 11 MLynch-JB SHOOTERS
06/30/11	01-6625	Travel Meals-MKT-IMC			\$4.67	MLYNCH JUNE 11 - JB	June 11 MLynch-JB CHEVRON 0005
06/30/11	01-6625	Travel Meals-MKT-IMC			\$9.32	MLYNCH JUNE 11 - JB	June 11 MLynch-JB KRISTAL MACO
06/30/11	01-6625	Travel Meals-MKT-IMC			\$3.56	MLYNCH JUNE 11 - JB	June 11 MLynch-JB MARATHON OIL
06/30/11	01-6625	Travel Meals-MKT-IMC			\$34.89	MLYNCH JUNE 11 - JB	June 11 MLynch-JB BP FOOD SHOP
06/30/11	01-6625	Travel Meals-MKT-IMC			\$59.92	MLYNCH MAY 11 - JL	May 11 MLynch-JL ON THE BORD11
06/30/11	01-6625	Travel Meals-MKT-IMC			\$7.17	MLYNCH MAY 11 - JL	May 11 MLynch-JL EXXONMOBIL 47
06/30/11	01-6625	Travel Meals-MKT-IMC			\$9.56	MLYNCH MAY 11 - JL	May 11 MLynch-JL MARATHON OIL
06/30/11	01-6625	Travel Meals-MKT-IMC			\$12.20	MLYNCH MAY 11 - JL	May 11 MLynch-JL CHICK-FIL-A #
06/30/11	01-6625	Travel Meals-MKT-IMC			\$8.72	MLYNCH MAY 11 - JL	May 11 MLynch-JL MCDONALD'S F4
06/30/11	01-6625	Travel Meals-MKT-IMC			\$7.34	MLYNCH MAY 11 - JL	May 11 MLynch-JL MCDONALD'S F2
06/30/11	01-6625	Travel Meals-MKT-IMC			\$5.68	MLYNCH MAY 11 - ML	May 11 MLynch-SM MCDONALD'S F1
06/30/11	01-6625	Travel Meals-MKT-IMC			\$120.22	MLYNCH MAY 11 - ML	May 11 MLynch-SM CALIFORNIA DR
06/30/11	01-6625	Travel Meals-MKT-IMC			\$27.45	MLYNCH MAY 11 - ML	May 11 MLynch-SM ZAXBY'S 01304
06/30/11	01-6625	Travel Meals-MKT-IMC			\$23.06	MLYNCH MAY 11 - ML	May 11 MLynch-SM STARBUCKS COR
06/30/11	01-6625	Travel Meals-MKT-IMC			\$39.42	MLYNCH MAY 11 - ML	May 11 MLynch-SM UNCLE BUCKS F
06/30/11	01-6625	Travel Meals-MKT-IMC			\$17.51	MLYNCH MAY 11 - ML	May 11 MLynch-SM MCDONALD'S F3
06/30/11	01-6625	Travel Meals-MKT-IMC			\$10.25	MLYNCH MAY 11 - ML	May 11 MLynch-SM CASEYS 000267
06/30/11	01-6625	Travel Meals-MKT-IMC			\$11.41	MLYNCH MAY 11 - ML	May 11 MLynch-SM MCDONALD'S F3
06/30/11	01-6625	Travel Meals-MKT-IMC			\$10.23	MLYNCH MAY 11 - ML	May 11 MLynch-SM MCDONALD'S F3
06/30/11	01-6625	Travel Meals-MKT-IMC			\$8.94	MLYNCH MAY 11 - ML	May 11 MLynch-SM MCALISTER'S D
06/30/11	01-6625	Travel Meals-MKT-IMC			\$18.74	MLYNCH MAY 11 - ML	May 11 MLynch-SM WALGREENS #65
06/30/11	01-6625	Travel Meals-MKT-IMC			\$26.22	MLYNCH MAY 11 - ML	May 11 MLynch-SM BAZZARELLI PI
06/30/11	01-6625	Travel Meals-MKT-IMC			\$5.74	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-CHIPOTLE 0752 54
06/30/11	01-6625	Travel Meals-MKT-IMC			\$14.02	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-MOTOMART #3359
06/30/11	01-6625	Travel Meals-MKT-IMC			\$15.19	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-PANDA EXPRESS 12
06/30/11	01-6625	Travel Meals-MKT-IMC			\$12.29	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-STEAK-N-SHAKE#02
06/30/11	01-6625	Travel Meals-MKT-IMC			\$19.73	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-SONIC DRIVE IN #
06/30/11	01-6625	Travel Meals-MKT-IMC			\$31.23	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-CHIPOTLE 0752 54
06/30/11	01-6625	Travel Meals-MKT-IMC			\$3.55	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-TA TRUCKSTOP OF
06/30/11	01-6625	Travel Meals-MKT-IMC			\$50.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-SOUTHBOUND FOOD
06/30/11	01-6625	Travel Meals-MKT-IMC			\$45.24	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-RED ROBIN 421 RE
06/30/11	01-6625	Travel Meals-MKT-IMC			\$130.00	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-LANCASTERS BBQ #
06/30/11	01-6625	Travel Meals-MKT-IMC			\$20.45	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-DOMINO'S 4487 00
06/30/11	01-6625	Travel Meals-MKT-IMC			\$16.31	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-THE GROVE ATL 80

Daystar_010084

DAYSTAR TELEVISION NETWORK

Schedule of Nascar Related Expenses

TRX Date	Account	Account Description	Vdr ID	Originating Master Name	Amount	Reference	Description
06/30/11	01-6625	Travel Meals-MKT-IMC			\$10.43	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-THE GROVE ATL 80
06/30/11	01-6625	Travel Meals-MKT-IMC			\$52.38	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-TEXAS ROADHOUSE
06/30/11	01-6625	Travel Meals-MKT-IMC			\$27.93	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-WFM-OATS HIN 103
06/30/11	01-6625	Travel Meals-MKT-IMC			\$1.25	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-OFF THE RAIL 650
06/30/11	01-6625	Travel Meals-MKT-IMC			\$1.04	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-MOTOMART #3359
06/30/11	01-6625	Travel Meals-MKT-IMC			\$20.83	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-BRIOCHE DOREE 25
06/30/11	01-6625	Travel Meals-MKT-IMC			\$4.65	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-BRIOCHE DOREE 25
06/30/11	01-6625	Travel Meals-MKT-IMC			\$13.26	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-ALLOUEZ QUIK STO
06/30/11	01-6625	Travel Meals-MKT-IMC			\$2.85	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-KWIK TRIP 47000
06/30/11	01-6625	Travel Meals-MKT-IMC			\$12.23	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-MCDONALD'S F6812
06/30/11	01-6625	Travel Meals-MKT-IMC			\$3.25	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-HUDSON NEWS O'H
06/30/11	01-6625	Travel Meals-MKT-IMC			\$3.68	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-OFF THE RAIL 650
06/30/11	01-6625	Travel Meals-MKT-IMC			\$19.81	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-OFF THE RAIL 650
06/30/11	01-6625	Travel Meals-MKT-IMC			\$11.34	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-OFF THE RAIL 650
06/30/11	01-6625	Travel Meals-MKT-IMC			\$11.06	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-AIR HOST GREEN B
06/30/11	01-6625	Travel Meals-MKT-IMC			\$5.41	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-ROAD RANGER #242
06/30/11	01-6625	Travel Meals-MKT-IMC			\$4.13	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-PILOT CORPORATIO
06/30/11	01-6625	Travel Meals-MKT-IMC			\$2.14	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-7-ELEVEN 27328 0
06/30/11	01-6625	Travel Meals-MKT-IMC			\$12.46	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-BRIOCHE DOREE 25
06/30/11	01-6625	Travel Meals-MKT-IMC			\$28.33	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-PARKER JOHNS 650
06/30/11	01-6625	Travel Meals-MKT-IMC			\$5.50	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-MCDONALD'S F3390
06/30/11	01-6625	Travel Meals-POP-IMC			\$7.31	AMEX JUNE 11 - LT	Jun-11 Amx/JT-WENDYS
06/30/11	01-6625	Travel Meals-PCO-IMC			\$30.33	MLYNCH APRIL 11 - RH	Apr 11 MLynch-RW JACK IN THE B
06/30/11	01-6625	Travel Meals-PCO-IMC			\$33.93	MLYNCH APRIL 11 - RH	Apr 11 MLynch-RW PAPA JOHNS 11
06/30/11	01-6625	Travel Meals-PCO-IMC			\$15.81	MLYNCH MAY 11 - RH	May 11 MLynch-RW MCDONALD'S F1
06/30/11	01-6625	Travel Meals-PCO-IMC			\$88.12	MLYNCH MAY 11 - RH	May 11 MLynch-RW RUBY TUESDAY
06/30/11	01-6625	Travel Meals-PCO-IMC			\$5.50	MLYNCH MAY 11 - RH	May 11 MLynch-RW WXYZ
06/30/11	01-6625	Travel Meals-PCO-IMC			\$19.13	MLYNCH MAY 11 - RH	May 11 MLynch-RW MCDONALD'S F4
06/30/11	01-6625	Travel Meals-PCO-IMC			\$31.36	MLYNCH MAY 11 - RH	May 11 MLynch-RW MCDONALD'S F2
06/30/11	01-6625	Travel Meals-PCO-IMC			\$16.93	AMEX AA MAY 11 - JT	May-11 Amx/JT-ROMANOS 1206 002
06/30/11	01-6625	Travel Meals-PCO-IMC			\$25.29	AMEX AA MAY 11 - JT	May-11 Amx/JT-ROMANOS 1206 002
06/30/11	01-6625	Travel Meals-PCO-IMC			\$10.00	CASH ADV MAY 11 - MG	Bojangles - Cash Adv - MG
06/30/11	01-6930	Cellular & Pager-MKT-IMC			\$6.95	R-Amex June 11-JL Accrual	Jun-11 Amx/JL-BOINGO WIRELESS
06/30/11	01-6935	Internet Access-MKT-IMC			\$30.63	MLYNCH MAY 11 - JL	May 11 MLynch-JL AT&T DATA
06/30/11	01-6935	Internet Access-MKT-IMC			\$30.63	MLYNCH MAY 11 - JL	May 11 MLynch-JL AT&T DATA

Daystar 010085

DAYSTAR TELEVISION NETWORK
Schedule of Nascar Related Expenses

TRX Date	Account	Account Description	Vdr ID	Originating Master Name	Amount	Reference	Description
06/30/11	01-7110	Office Supplies-MKT-IMC			\$21.63	MLYNCH APRIL 11 - RH	Apr 11 Mlynch-RW PARTY CITY #4
06/30/11	01-7110	Office Supplies-MKT-IMC			\$96.75	AMEX AA APR 11- MM	Apr-11 Amx/MM-WAL-MART 5247
06/30/11	01-7110	Office Supplies-MKT-IMC			\$8.65	AMEX AA APR 11- MM	Apr-11 Amx/MM-PARTY CITY #488
06/30/11	01-7110	Office Supplies-MKT-IMC			\$45.65	AMEX AA APR 11- MM	Apr-11 Amx/MM-WAL-MART 1178
06/30/11	01-7110	Office Supplies-MKT-IMC			\$11.49	AMEX AA APR 11- MM	Apr-11 Amx/MM-WAL-MART 5247
06/30/11	01-7110	Office Supplies-MKT-IMC			\$21.59	MLYNCH JUNE 11 - JB	June 11 Mlynch-JB PROFESSIONAL
06/30/11	01-7120	Computer Expense-MKT-IMC			\$537.76	AMEX AA APR 11 - MLAP	Apr-11 Amx/MLAP-WAL-MART 1178
06/30/11	01-7140	Office Equipment-MKT-IMC			\$539.09	AMEX A APRIL 11 - JT	Apr-11 Amx/IT-BARNES & NOBLE 2
06/30/11	01-7210	Gas/Parking/Tolls-MKT-IMC			\$67.15	AMEX AA MAY 11 - JL	May-11 Amx/JL-KWIK ZONE 103 10
06/30/11	01-7210	Gas/Parking/Tolls-POP-IMC			\$66.19	AMEX AA APRIL 11 - RN	Apr-11 Amx/RN-7-ELEVEN 33093 0
06/30/11	01-7210	Gas/Parking/Tolls-PCO-IMC			\$2.00	CASH ADV MAY 11 - MG	DFW Airport - Cash Adv - MB
06/30/11	01-7220	Auto Repair/Maint-MKT-IMC			\$144.90	MLYNCH APRIL 11 - RS	Apr 11 Mlynch-RS EULESS B AND
06/30/11	01-7220	Auto Repair/Maint-MKT-IMC			\$80.00	MLYNCH MAY 11 - MH	May 11 Mlynch-MH TWO BIT TOW
06/30/11	01-7220	Auto Repair/Maint-MKT-IMC			\$719.50	MLYNCH JUNE 11 - MH	June 11 Mlynch-MH AUTO MOBILE
05/17/11	01-7230	Local Mileage Reimbursement N1025	Norman, Ryan D		\$130.56	MILEAGE REIMBURSEMENT/N	Purchases
06/20/11	01-7310	Advertising-MKT-IMC	C1240	Charisma Media	\$900.00	ONLINE NEWSLETTER-NASCAR	Purchases
06/02/11	01-7315	Promotion-MKT-NETWORK	D1213	Disc Replicators International	\$1,075.00	Promo-SetFree/theJourneyNA	Purchases
06/15/11	01-7315	Promotion-MKT-NETWORK	C1263	Christian Apparel International	\$114.71	HOODIES/NASCAR	Purchases
08/11/11	01-7315	Promotion-MKT-NETWORK	B1151	Blue Moose Tees	\$160.00	WOOL CAP/DAYSTAR RACING	Purchases
05/24/11	01-7315	Promotion-MKT-IMC-Nascar	B1151	Blue Moose Tees	\$321.00	NASCAR HOODED SWEATSHIRT	Purchases
05/27/11	01-7315	Promotion-MKT-IMC-Nascar	B1151	Blue Moose Tees	\$487.00	Daystar racing t-shirts	Purchases
05/27/11	01-7315	Promotion-MKT-IMC-Nascar	M1029	Martin Business Products	\$1,090.00	Bracelets - NASCAR	Purchases
06/10/11	01-7315	Promotion-MKT-IMC-Nascar	C1143	Corples	\$600.00	NASCAR HANDOUTS	Purchases
06/29/11	01-7315	Promotion-MKT-IMC-Nascar	B1151	Blue Moose Tees	\$1,091.00	NASCAR T-SHIRTS	Purchases
06/29/11	01-7315	Promotion-MKT-IMC-Nascar	C1267	CM2 Concepts	\$75.00	NASCAR PROJECT/CHANGES T	Purchases
06/30/11	01-7315	Promotion-MKT-IMC-Nascar			\$3,750.00	AMEX AA APR 11- MM	Apr-11 Amx/MM-TEXAS MOTOR SPEE
06/30/11	01-7315	Promotion-MKT-IMC-Nascar			\$3,750.00	MLYNCH APRIL 11 - RS	Apr 11 Mlynch-RS TEXAS MOTOR S
03/31/11	01-7315	Promotion-MKT-IMC	P1083	Premier Glow	\$10,500.00	GLOW BRACELETS/NASCAR	Purchases

Daystar_010086

DAYSTAR TELEVISION NETWORK

Schedule of Nascar Related Expenses

TRX Date	Account	Account Description	Vdr ID	Originating Master Name	Amount	Reference	Description
06/30/11	01-7325	Business Premiums-MKT-IMC			\$2,975.00	MLYNCH APRIL 11 - RS	Apr 11 MLynch-RS FAST ADVERTIS
04/15/11	01-7325	Business Premiums-MKT-IMC	F1017	Fast Advertising	\$2,975.00	BAGS FOR NASCAR	Purchases
04/15/11	01-7325	Business Premiums-MKT-IMC	F1017	Fast Advertising	\$873.00	DUFFEL BAGS FOR NASCAR	Purchases
04/15/11	01-7325	Business Premiums-MKT-IMC	P1131	Pinnacle Office Products	\$2,213.43	KEYCHAINS/NASCAR	Purchases
04/15/11	01-7325	Business Premiums-MKT-IMC	M1029	Martin Business Products	\$9,833.77	GLOW STICKS/BRACELETS	Purchases
04/22/11	01-7325	Business Premiums-MKT-IMC	F1017	Fast Advertising	\$1,485.00	FOLDING CHAIRS/NASCAR	Purchases
06/14/11	01-7415	Consulting Fee-MKT-IMC	A1009	A. Larry Ross Communications	\$6,307.30	PR FOR NASCAR	Purchases
06/20/11	01-7415	Consulting Fee-MKT-IMC	A1009	A. Larry Ross Communications	\$130.00	NEWS RELEASE-NASCAR	Purchases
08/11/11	01-7625	License & Permits-GEN-Netwo	N1057	Nascar Media Group	\$16,000.00	RACE CAR LICENSING FEES	Purchases
06/30/11	01-7735	Business Meals-MKT-IMC			\$34.78	AMEX AA APR 11- MM	Apr-11 Amx/MM-TOM THUMB STORE
06/30/11	01-7735	Business Meals-MKT-IMC			\$40.23	AMEX AA APR 11- MM	Apr-11 Amx/MM-WAL-MART 5247
06/30/11	01-7735	Business Meals-MKT-IMC			\$3.79	AMEX AA APR 11- MM	Apr-11 Amx/MM-SUBWAY 32
06/30/11	01-7735	Business Meals-MKT-IMC			\$23.27	AMEX AA APR 11- MM	Apr-11 Amx/MM-SUBWAY 38
06/30/11	01-7735	Business Meals-MKT-IMC			\$29.36	MLYNCH APRIL 11 - RS	Apr 11 MLynch-RS WENDYS #5497
06/30/11	01-7735	Business Meals-MKT-IMC			\$59.71	MLYNCH APR 11 - DT	Apr 11 MLynch-DT COTTON PATCH
06/30/11	01-7735	Business Meals-POP-IMC			\$12.07	AMEX AA APRIL 11 - RN	Apr-11 Amx/RN-SHELL OIL 910027
06/30/11	01-7750	Unclassified Expenses-MKT-IM			\$32.00	MLYNCH JUNE 11- JB	June 11 MLynch-JB GEORGIA MUSI

expenses
total \$172,154

11:56 1 A. Yes.

2 Q. The first one is a promissory note from a
3 local church dated July 12, 2007. And do you see that,
4 sir?

11:56 5 A. I do.

6 Q. And this was a loan that Daystar made to a
7 church named Champions Gate Church, correct?

8 A. Correct.

9 Q. And the leader of that church was a man named
10 Frank Harber, right?

11 A. Reverend Dr. Frank Harber.

12 Q. And he had been a special assistant to you
13 within the Daystar organization, hadn't he?

14 A. Yes, sir.

11:56 15 Q. Was he still a special assistant to you when
16 this loan was made?

17 A. No, sir.

18 Q. Because according to the financial statement,
19 the promissory note is dated July 12, 2007. Do you see
20 that, sir?

11:56 21 A. Right. I don't think that he was. Again, I
22 can't remember every date of everything that has
23 happened.

24 Q. Sure. And no one would expect you to. But if
25 we look back at the organizational chart, which is

11:57 1 Plaintiff's Exhibit 4, the first page -- actually, let's
2 look at the second page because it's easier to read.

3 As of January 12, 2007, Frank Harber was
4 still serving as your special assistant at Daystar.

11:57 5 A. Yes, sir.

6 Q. He's also your golfing buddy, isn't he?

7 A. He is.

8 Q. Now, Champions Gate Church defaulted on its
9 loan, didn't it?

11:57 10 A. They did.

11 Q. And they never paid back any of the principal
12 on that, did they?

13 A. No, they did not.

14 Q. And as a result, this year, Daystar has taken,
15 in lieu of foreclosure, a deed to the real estate that
16 secured this note.

17 A. That's correct.

18 Q. Now, let's go down to the 20-million-dollar
19 loan there. That's a promissory note from a local
20 church dated September 30, 2009. And this was a loan
21 made to Gateway Church, correct?

22 A. That's correct.

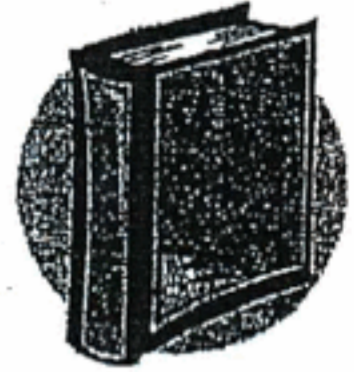
23 Q. And that's the church attended by you and
24 Mrs. Lamb, right?

25 A. Yes.

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Business to Business Department
 PO Box 19728
 Birmingham, AL 35219

*Thank You
 For Your Order*



Invoice

Billing Information:

Daystar, Inc.
 3901 Highway 121
 Justin Machacek
 Bedford, Texas 76021-3009
 United States

To:
 Daystar, Inc.
 3901 Highway 121
 Justin Machacek
 Bedford, Texas 76021-3009
 United States

Card Type: PO Last 5 Digits: [REDACTED] Expiration Date: [REDACTED] Reference #: PN# 09.12.08-Justin

Checked By: _____

Order	Shipment ID	Shipment Date	Shipment Method				
4212348684786	1	September 12, 2008	Standard Shipping				
Qty	Prv Shp	Qty Shp	Qty BO	Item	Description	Unit Price	Amount
1000	0	1000	0	9781400073757	Surrender All (Hardcover) by Joni Lamb	12.59	12590.00
<p>APPROVED Special Project Code: <u>1004951</u> Dept. _____ Acct. # _____ Reviewed By: _____ Date: _____ Approved By: _____ Date: _____ Approved Amount \$ _____ Description: _____</p>							

Subtotal of Items	\$12590.00
Shipping & Handling	\$0.00
Sales Tax	\$0.00
Total (In U.S. Dollars)	\$12590.00

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9539657	CL T	1226.61
990 19.99 38%CORPORATE		
SURRENDER ALL		
9539657	CL T	1226.61
990 19.99 38%CORPORATE		
SURRENDER ALL		
9539657	CL T	1226.61
990 19.99 38%CORPORATE		
SURRENDER ALL		
9539657	CL T	1226.61
990 19.99 38%CORPORATE		
SURRENDER ALL		
9539657	CL T	1226.61
990 19.99 38%CORPORATE		
SURRENDER ALL		
9539657	CL T	247.80
200 19.99 38%CORPORATE		

Subtotal	24780.00
Tax Exempt ID [REDACTED]	
00 Items Total	24780.00
VISA	24780.00
ACCT # [REDACTED]	
AUTH: 799574	

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10/31/2008 04:58PM

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or after 30 days.
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5500 GREENVILLE AVE.
DALLAS TX 75206
(214) 739-1166

STORE: 0078 REG: 02/62 TRAN#: 5285
SALE 10/31/2008 EMP: 00101

Auth By: 00101	
Auth By: 00101	
SURRENDER ALL	
9539657 CL T	1226.61
990 19.99 38%CORPORATE	
SURRENDER ALL	
9539657 CL T	1226.61
990 19.99 38%CORPORATE	
SURRENDER ALL	
9539657 CL T	1226.61
990 19.99 38%CORPORATE	
SURRENDER ALL	
9539657 CL T	1226.61
990 19.99 38%CORPORATE	
SURRENDER ALL	
9539657 CL T	1226.61
990 19.99 38%CORPORATE	
SURRENDER ALL	
9539657 CL T	1226.61
990 19.99 38%CORPORATE	
SURRENDER ALL	
9539657 CL T	1226.61
990 19.99 38%CORPORATE	
SURRENDER ALL	
9539657 CL T	1226.61
990 19.99 38%CORPORATE	
SURRENDER ALL	
9539657 CL T	1226.61
990 19.99 38%CORPORATE	
SURRENDER ALL	

PLAINTIFF'S
EXHIBIT

Valle, Luis

From: Mills, Patty [REDACTED]
Sent: Tuesday, November 18, 2008 4:33 PM
To: Valle, Luis
Subject: Credit Card Charge Complete
Attachments: image001.gif

Luis,

Thanks for the payment. Please let me know if you need any more books or any other help.

Point of Sale - Receipt

Charge	Approved -Daystar/Word Of God Fellowship
Order#	4212348684786
Group ID	Dpt.com
Print Date	11/18/08
Total	\$12,590.00 -PAID
Contact	Luis Valle [REDACTED]
Time	November 18, 2008 5:27:01 PM EST
Credit Card LE	[REDACTED]

Patty Mills
B2B Customer Service Manager
1-800-201-3550 Ext. 3
Fax 205-909-3396

APPROVED
Special Project Code: 1004951
Dept. 11705 Acct. # 1-102900
Reviewed By: [Signature] Date: _____
Approved By: _____ Date: _____
Approved Amount \$ _____
Description: Credit Card Payment

Surrender all Books Purchase

TO: Senator Grassley
CC: Senate Finance Committee files
FROM: Theresa Pattara & Sean Barnett
RE: Review of Media-Based Ministries
DATE: January 6, 2011

Staff Work

Pastor Hinn and Joyce Meyer complied with your request and engaged staff in constructive, open dialogue. Through our review of their responses as well as our conversations with their representatives, we learned that they each had separately undertaken significant reforms, some of which began before your inquiry. These reforms are outlined in the letters they submitted to you, which are attached. The reforms undertaken by Pastor Hinn and Joyce Meyer are extensive and are to be commended. Staff completed its review of these organizations as a result of these reforms. Joyce Meyer Ministries also became a member of the Evangelical Council for Financial Accountability in March, 2009.

The other four either did not provide a response or provided incomplete responses. As a result, Committee staff obtained information about these churches from public sources and third party informants. Informants were either current or former officers, directors, and key employees, current or former members, or watch dog groups. Overviews of each of the four are attached.

Issuance of Subpoenas

While gathering the requested information on the four churches from other sources, we also continued to reach out to the lawyers for the four churches. When it became obvious that we would not be receiving complete responses, we entered into conversations with the Chairman's staff as well as Senate Legal Counsel to issue subpoenas. We noted that the subpoenas you had agreed to issue as Chairman or Ranking Member had all been "friendly". That is, they were issued to an individual who wanted to provide information to the Committee but needed to be protected by a subpoena request.

As noted above, we spoke with several informants in completing our reviews of the four churches did not comply with your requests. Almost all of those who spoke with us insisted on complete anonymity while others were too frightened to speak with us even anonymously. Some had received warnings from the churches that they would be sued if they violated confidentiality agreements they had signed. Even though we explained that a subpoena should protect them from retaliation, including lawsuits, some became even more frightened when offered a "friendly" subpoena. They became concerned about needing an attorney and still feared retaliation by the churches. As a result, we believed that issuing subpoenas to informants would be counterproductive.

Separately, Committee rules regarding the issuance and enforcement of subpoenas require the participation of the Chairman. In addition, significant Committee and Senate Legal Counsel resources would be needed to issue and enforce the subpoenas, since we the four churches would likely challenge any subpoenas issued to them. The Committee's consideration of health reform legislation, which began in the winter of 2009, ensured that we would not have the time or resources to issue and enforce the subpoenas. As a result, staff also decided against issuing subpoenas to the churches.

Tax Status of the Ministries

Note that each of the six "ministries" classifies itself as a "church". As a result, they did not have to file a Form 1023, *Application for Recognition of Tax-Exemption*, and do not have to file a Form 990, *Return of Organization Exempt from Tax*, with the Internal Revenue Service (IRS). However, we did search Guidestar.org for related organizations and asked the IRS to do the same. With very limited exception, we did not find a Form 990 for any of the churches or their related organizations.

As indicated in the separate summary for each church, there are multiple for-profit and non-profit entities related to each church. Multiple "assumed" or "doing business as" names were also used. Regarding the non-profit organizations, a Form 990 generally was not found on Guidestar.org. It is safe to assume that some of these entities are deemed "integrated auxiliaries" of the church and therefore are exempt from filing the Form 990.

The number and types of entities, including private airports and aircraft leasing companies, raises concerns about the use of the church's tax-exempt status to avoid taxation. However, given the four churches' refusal to provide tax information, we are unable to determine whether and the extent to which they are reporting and paying taxes on income earned in those entities.

Other Organizations Referred to the Committee

After the letters went out to the six churches, constituents from across the country wrote requesting congressional investigations of other churches and religious organizations. Concerns and complaints were similar to those regarding the six and were mainly focused on use of organization funds for compensation and other perks. Another complaint focused on fundraising practices, particularly those that targeted the sick and elderly. Lack of transparency regarding finances and related party transactions was another top issue.

The organizations included several media ministries, several other non-denominational churches, some Catholic and Baptist churches, the Church of Scientology, Kabbalah Centres, the New York City mosque being built near the World Trade Center site, a church that sends prayer solicitations via mail with requests for donations, and a voodoo church that solicits donations through its website. While we did not contact these organizations directly, we researched news stories, viewed Forms 990 from

Guidestar.org, and, in some cases, spoke with third parties knowledgeable about the organizations.

Issues for Consideration

Tax provisions affecting churches and religious organizations are similar to the general charity provisions in that they have not been updated in decades. Fraudulent solicitations by a Catholic order of priests in the mid-1970s, and the resulting proposed legislation in 1977, was the impetus for the creation of the Evangelical Council for Financial Accountability (ECFA) in 1979. (See Appendix A for more information). Less than ten years later, in 1987, the House Ways and Means Committee conducted extensive hearings on the Jim and Tammy Faye Bakker scandal. (See Appendix B for more information).

More than thirty years after the Catholic order scandal and more twenty years after the Bakker scandal, it is common to hear about religious organizations being “a reinvented form of the money-positive strand of televangelism that was disgraced with the scandals involving Jimmy Swaggart and Jim Bakker”.¹

In 1987, then-Congressman Dorgan posed the following question: “What kind of accountability is now required; what kind of information is required, is information sufficient now, is it available to allow those to whom the appeal for funds is directed to make reasonable decisions about the advisability of contributions?”²

Our review of the six media-based ministries as well as the others indicates that these questions are still relevant today. While the majority of churches and religious organizations operate with policies and procedures that make them accountable to their members, it is the small minority that don’t that are subject to scrutiny by the members and the public, including the press. These outliers present tax policy issues for consideration.

Appendix C contains a list of these issues specific to churches and religious organizations. Appendix D contains a list of issues raised by our review of churches and religious organizations but are actually applicable to all 501(c)(3) charitable organizations, and in the case of excess benefit transactions, to organizations exempt under sections 501(c)(3) and 501(c)(4) of the tax code.

The electioneering prohibition imposed on charities puts the IRS in a very difficult position as it juxtaposes tax-exemption requirements with freedom of speech limitations. With respect to churches and religious organizations, many may view such free speech limitations as a violation of constitutional principles. IRS enforcement of this prohibition can never be effective as IRS agents rarely witness violations of the prohibition. As a result, the IRS has to rely on third party referrals. Auditing violations of this prohibition

¹ Sarah Barmak, A Bear Market for Prosperity Theology, Toronto Star, Oct. 11, 2008, at ID01.

² Federal Tax Rules Applicable to Tax-Exempt Organizations Involving Television Ministries: Hearing Before the Subcomm. on Oversight of the House Comm. on Ways and Means, 100th Cong. 8 (1987).

essentially boil down to the IRS refereeing who said what, when. While political activity was not a central issue raised in the review of the media based ministries, it is one of the greatest sources of tension between the IRS and religious organizations. As a result, we thought it appropriate to consider this issue and seek input on how to amend these rules while seeking input on the other tax issues. Appendix E contains a description of the current law.

For the tax issues presented, a discussion of the present law and a description of the issue also are included. The questions we raise are not exclusive or comprehensive, as we expect those responding to the issues to raise further questions.

APPENDIX A: Background on the ECFA

On January 4, 1977, Rep. Charlie Wilson introduced H.R. 41, which was a bill “to require the furnishing of certain information in connection with the solicitation of charitable contributions by mail.” According to a 1978 Time Magazine article, Rep. Wilson introduced this bill in response a fundraising scandal involving the Baltimore branch of the Pallottine order of Roman Catholic priests.³

According to a summary available on <http://www.thomas.gov>, the bill:

- Requires charitable organizations which solicit, by any means, the remittance of a contribution by mail to include with such solicitation: (1) the legal name and principal address of the organization; (2) the purpose of the solicitation and intended use of the contribution; (3) the obligation of the organization to furnish the information required by this Act; and (4) the percentage of all such contributions remaining for direct application to charitable purposes, after deducting total administrative costs, during the most recent complete fiscal year, or in some cases the fiscal year preceding such fiscal year.
- Directs that all of the above information be transmitted, whether in writing or by radio or television, conspicuously in a non-technical, readily understandable manner. Requires that such organization furnish, upon request, such audit reports, accounts, or other information as the Postal Service may require to establish or verify the information included in the solicitations.
- Requires such organizations to furnish within 30 days to anyone who has been solicited and so requests, pertinent financial information reasonably sufficient to verify any information included in the solicitation.
- Sets forth the method by which such organizations with outside income may distribute administrative costs.
- Exempts from these requirements: (1) membership organizations when soliciting their own members; (2) schools, colleges, and universities when soliciting their students, alumni, faculty, governing boards, committees, or family members of such individuals; and (3) charitable organizations authorized by and exclusively making expenditures to a school, college, or university when soliciting such individuals.

Senator Mark Hatfield may have considered introducing Rep. Wilson’s bill in the Senate. However, later that year, it is widely reported that he “addressed a group of key

³ “Religion: Radix Malorum Est Cupiditas?”, Time Magazine, January 23, 1978 available at <http://www.time.com/time/magazine/article/0,9171,919320,00.html>

Christian leaders and challenged them to police their own mission agencies as a "Christian Better Business Bureau" or face the potential of government intervention"⁴.

As a result, it is understood the Billy Graham Evangelistic Association joined with World Vision to found the Evangelical Council for Financial Accountability (ECFA). According to ECFA's member profile, the Rev. Graham's organization is a charter member and has been a member since December 1, 1979.⁵

⁴ <http://www.ecfa.org/Content/GeneralBackground>

⁵ <http://www.ecfa.org/MemberProfile.aspx?ID=4764>

APPENDIX B: Summary of Jim & Tammy Faye Bakker Case

On March 18, 1987, James Bakker resigned as president and chairman of the board of the PTL Club, the television ministry he founded with his wife, Tammy Faye Bakker. Mr. Bakker resigned after confessing to a “sexual encounter” with a church secretary, Jessica Hahn, in 1980.⁶ Bakker had been head of a Christian broadcasting empire that reached 13 million viewers a day as well as a 2,300 acre Christian resort, Heritage USA, near Fort Mill, S.C. In early May 1987, Bakker was expelled from the Assemblies of God denomination amid the disclosure that PTL had paid Ms. Hahn \$265,000 to buy her silence. At the same time, news was circulating that the Bakkers had been paid about \$1.6 million in bonuses and salaries in 1986 and \$4.6 million over the preceding 39 months, and that their possessions included a 55-foot houseboat, a \$45,000 Mercedes-Benz, a \$55,000 Rolls-Royce, and homes and apartments in Tega Cay, S.C., Gatlinburg, Tenn., Palm Springs, and Highland Beach, Fla. After his resignation, Bakker fled the \$1.3 million parsonage he occupied as PTL leader and took refuge in his Palm Springs mansion.⁷

In June 1987, the PTL ministry filed for court protection from its creditors under federal bankruptcy laws. PTL officials blamed Bakker for PTL’s financial problems, but Bakker denied any serious financial wrongdoing, saying, “We preach prosperity. We preach abundant life.”⁸ Later that year a federal grand jury began investigating whether the Bakkers and their top former associates should be charged with crimes connected with their mismanagement of the PTL ministry,⁹ and major contributors to PTL filed a \$758 million racketeering and fraud suit against Bakker and several associates, alleging widespread fraud in obtaining donations from “lifetime partners.”¹⁰

On April 22, 1988, the Internal Revenue Service revoked the tax-exempt status of the PTL ministry, based on an examination of PTL’s records in bankruptcy court. The IRS report concluded that Jim and Tammy Bakker and their aides profited excessively from donations to the ministry, and that the operations of Heritage USA theme park were commercial rather than religious.¹¹

On November 10, 1988, a federal bankruptcy judge ordered Jim and Tammy Bakker, and the former vice-president of PTL and administrative assistant to Bakker, David Taggart, to repay \$7.7 million to PTL for reaping undeserved profits and mismanaging the television ministry. The judge said the expenditures at PTL under Bakker were “unbelievable” and a “waste of PTL’s money.” Accusing Bakker and Taggart of “gross mismanagement” and “total disregard for reality,” the judge said that the two had

⁶ Wayne King, Bakker, Evangelist, Resigns His Ministry Over Sexual Incident, N.Y. Times, March 21, 1987, at 11.

⁷ William E. Schmidt, For Jim and Tammy Bakker, Excess Wiped Out a Rapid Climb to Success, N.Y. Times, May 16, 1987, at 18.

⁸ Gary Klott, PTL Asks Court For Protection From Creditors, N.Y. Times, June 13, 1987, at 11

⁹ Grand Jurors Open Inquiry on PTL Ministry, N.Y. Times, Aug. 18, 1987, at A17.

¹⁰ Racketeering Suit Filed Against PTL Ministry, N.Y. Times, Nov. 19, 1987, at D30.

¹¹ I.R.S. Revokes PTL Tax Exemption, N.Y. Times, Apr. 23, 1988, at 18.

“approached the management of the corporation with a reckless indifference to the financial consequences of their acts.”¹²

On December 5, 1988, Bakker and the former chief operations officer of PTL, Richard Dortch, were indicted on federal charges of defrauding as many as 150,000 contributors and diverting more than \$4 million for their personal use. According to the indictment, the two men deliberately misled contributors and PTL board members in soliciting contributions of more than \$158 million from “lifetime partners,” money that was never used for intended purposes. The solicitations – made by way of television appeals, mailings and telephone calls – sought “lifetime partners” who would pay from \$1,000 to \$10,000 for the guarantee of free lodging once a year in any of the planned hotels, motels, and campgrounds at Heritage USA. Of the two planned hotels, only one was completed. Bakker sold more than 66,000 partnerships in the Heritage Grand Hotel, though he promised followers that only 25,000 would be sold. And he sold 74,000 partnerships in the never-finished Towers Hotel, though he said only 30,000 would be sold. Other projects that Bakker had promised the lifetime partners – including an inn and campground – were never built. Instead, the money went toward bonuses for Baker and his wife ranging from \$740,000 in 1984 to \$1,055,000 in 1986. During the same period, Mr. Dortch received bonuses of \$550,000. In a separate indictment, David Taggart and his brother, James Taggart, who was employed by PTL as an interior designer, were charged with diverting \$1.1 million from PTL for personal use and not reporting the income to the IRS.¹³ Richard Dortch was sentenced to eight years in prison and a \$200,000 fine for wire fraud and conspiracy.¹⁴ David and James Taggart were convicted on charges of tax evasion and conspiracy. Each was sentenced to 18 years in jail and fined \$500,000.¹⁵ And in October 1989, Jim Bakker was convicted on 24 counts of fraud and conspiracy, sentenced to 45 years in prison, and fined \$500,000.¹⁶

Amid the controversy swirling around the Bakkers and PTL, the Subcommittee on Oversight of the House Committee on Ways and Means held a hearing to review the federal tax laws applicable to tax exempt organizations conducting television ministries “to ensure ... that tax-deductible contributions are spent only for religious and charitable purposes.”¹⁷ The October 6, 1987, hearing was called because, in the words of then-Congressman Byron Dorgan,

¹² Bakker and Ex-Aide Are Ordered to Pay \$7.7 Million to PTL, N.Y. Times, Nov. 11, 1988, at A27.

¹³ Ronald Smothers, Bakker and Ex-Aide Are Charged With Defrauding Donors to PTL, N.Y. Times, Dec. 6, 1988, at A1.

¹⁴ Bakker Aide Receives 8-Year Fraud Sentence, N.Y. Times, Aug. 25, 1989, at D18.

¹⁵ 2 Former PTL Aides Sentenced to Jail, N.Y. Times, Sept. 9, 1989, at 16.

¹⁶ Peter Applebome, Bakker Is Convicted on All Counts; First Felon Among TV Evangelists, N.Y. Times, Oct. 6, 1989, at A1; Peter Applebome, Bakker Sentenced to 45 Years For Fraud in His TV Ministry, N.Y. Times, Oct. 25, 1989, at A1.

¹⁷ Federal Tax Rules Applicable to Tax-Exempt Organizations Involving Television Ministries: Hearing Before the Subcomm. on Oversight of the House Comm. on Ways and Means, 100th Cong. 4 (1987) (statement of Hon. J.J. Pickle, Chairman, Subcomm. on Oversight)

...Television evangelism has been one of America's growth industries in the last decade. In addition to using the technology of television to spread the Word of the Lord, evangelists have also discovered that the electronic collection plate can be very lucrative, and that collection of enormous amounts of money provides evangelists not only with substantial opportunities to do good but also serious obligations. While it is true that the exceptions have gotten most of the attention, it is clear that at least some evangelists have not been able to maintain accountability for the vast sums that they have collected. The stories of million-dollar salaries, million-dollar jets, and houses from Malibu to Miami raise not only eyebrows, but also some questions of reporting and accountability."¹⁸

¹⁸ *Id.* at 8.

Appendix C: Church & Religious Organization Issues for Consideration

1) Advisory Committee for Churches & Religious Organizations

The IRS currently sponsors several advisory committees under the Federal Advisory Committee Act, including the Advisory Committee on Tax-Exempt and Government Entities (ACT). While the ACT has had members from churches and religious organizations, the ACT is not dedicated solely to those organizations. We recommend that the IRS sponsor an advisory committee comprised of representatives of churches and religious organizations, including practitioners or other experts, and that would consider only issues related to churches and religious organizations.

We believe that such a Committee would be helpful in facilitating an ongoing dialogue between churches and religious organizations and the IRS. Through our discussions with various stakeholders after the letters went out to the six churches, we perceived there to be a very high level of distrust between churches and religious organizations and the government.

This was most evident in your May 2008 meeting organized by the Alliance Defense Fund and that was attended by representatives from The Family Research Council, Focus on the Family, National Religious Broadcasters and others. The meeting was eye opening for us since, as tax professionals, we were not aware of non-tax issues that posed a threat to the operation of churches and religious organizations. This group specifically raised concerns about the Employment Non-discrimination Act (ENDA), which is not a tax issue.

We propose that, while the new advisory committee may be sponsored by the IRS, other federal agencies with significant interaction with churches and religious organizations should also participate in this committee. Such agencies could include the Federal Election Commission, Federal Communications Commission, the Federal Trade Commission, and possibly the White House Office of Faith Based and Community Organizations.

A federal advisory committee for churches and religious organizations would hopefully result in a proactive and collaborative approach to compliance with federal laws, with a focus on education and outreach, as opposed to a reactive, enforcement-oriented approach. Such a committee could, for example, take on responsibilities similar to the IRS Art Advisory Panel.¹⁹

2) Parsonage Allowances

Present law

¹⁹See <http://www.irs.gov/individuals/article/0,,id=96804,00.html> for more information.

Under section 107(1),²⁰ the rental value of a home furnished to a minister of the gospel as part of compensation for services is not included in the minister's gross income for federal income tax purposes.

Under section 107(2), any rental allowance paid to a minister of the gospel as part of compensation for services that are ordinarily the duties of a minister of the gospel is not included in gross income of the minister for federal income tax purposes, but only to the extent that the allowance is used for housing or rental expenses and does not exceed the fair rental value of the home, including furnishings, appurtenances such as a garage, and utilities. This rental allowance is commonly referred to as a "parsonage allowance." To qualify for the section 107(2) exclusion, an amount paid to a minister to rent or otherwise provide a home must be designated by the employing church as a rental allowance pursuant to official action taken in advance of such payment as evidenced in an employment contract, in the minutes of (or a resolution by) the church's governing body, in the budget, or in some other appropriate official instrument.

Although section 265 generally disallows a deduction for expenses allocated to tax-exempt income, section 265(a)(6)(B) creates an exception by allowing the recipient of a rental allowance excludable from gross income under section 107 to deduct mortgage interest (under section 163) and real property taxes (under section 164) on his or her home.

Discussion

Congress first excluded from gross income the rental value of parsonages furnished to ministers of the gospel in the Revenue Act of 1921.²¹ That provision, which was essentially equivalent to present section 107(1), was limited to clergy living in church-owned houses where no actual cash flowed from the church to the minister. Ministers who received cash to compensate for the lack of a parsonage felt themselves at a disadvantage because they had to pay tax on the additional income.²²

In 1954, Congress adopted section 107(2), thereby allowing a minister of the gospel to designate a portion of compensation as a housing allowance and exclude that amount from income. According to the committee report on the provision, the original statute was "unfair to those ministers who are not furnished a parsonage, but who receive larger salaries (which are taxable) to compensate them for expenses they incur in supplying their own home. Both the House and your committee [have] removed the discrimination in existing law by providing that the present exclusion is to apply to rental allowances paid to ministers to the extent used by them to rent or provide a home."²³

²⁰ Unless otherwise specified, all section references are to the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

²¹ Pub. L. No. 67-98, § 213(b)(11), 42 Stat. 239 (1921).

²² Kamron Keele, A Plea For the Repeal of Section 107: No More Tax-Free Mansions For Dubious "Ministers of the Gospel," 56 Tax Law. 73, 77 (2002).

²³ S. Rep. No. 83-1622, at 16 (1954).

Congressman Peter Mack, the sponsor of the provision, was more forthcoming about his motives:

Certainly, in these times when we are being threatened by a godless and antireligious world movement, we should correct this discrimination against certain ministers of the gospel who are carrying on such a courageous fight against this foe. Certainly, this is not too much to do for these people who are caring for our spiritual welfare.²⁴

Congressman Mack was moved, in part, by reports that the clergy generally earn less than people working in other occupations.

Of our clergymen, 55 percent are receiving less than \$2,500 per year. This is some \$256 less than the \$2,668 annual median income for our labor force. It is well to keep in mind that many of these clergymen support families like the rest of us, and that many of these clergymen still receive low income based on the 1940 cost of living but must pay 1953 rents for a dwelling house.²⁵

Section 107(2) was enacted before the advent of television ministries and megachurches. The use of that section's provisions by millionaire televangelists has not been without controversy.

As head of the PTL ministry, Jim Bakker lived in a "\$1.3 million waterfront home" owned by the ministry.²⁶ The Bankruptcy Court, in 1988, ordered Jim Bakker to repay PTL nearly \$5 million for excessive salaries and bonuses, misuse of corporate funds, and breach of fiduciary duty, noted in its opinion that PTL, which had paid Bakker remuneration totaling \$4,326,169 over PTL's four fiscal years from May 31, 1983, through May 31, 1987, had not only paid Bakker a housing allowance of not less than \$2,000 per month, but, in addition, had paid the utilities used at the parsonage occupied by Bakker. Utility expenses incurred for power and water often exceeded \$1,000 per month and, occasionally, \$2,000 per month.²⁷

In 1993, the Rev. Leroy Jenkins, the president of Leroy Jenkins Evangelistic Association and pastor of Healing Hill Church in Delaware, Ohio, was charged with two counts of income tax evasion. According to reports, Jenkins had bought a house in Tampa, Florida, because he was spending most of his time in Florida conducting crusades. The attorney for the Association told church officials that they could consider Jenkins's Florida house a parsonage, and that the payments the Church made on Jenkins's mortgage could be considered a non-taxable parsonage allowance, even though the Church already provided Jenkins a parsonage in Delaware, Ohio. The IRS assessed

²⁴ H.R. Comm. on Ways and Means, Hearings on Forty Topics Pertaining to the General Revision of the Internal Revenue Code, 83rd Cong. 1576 (1953).

²⁵ *Id.* at 1575.

²⁶ Bakkers Given Time to Move, N.Y. Times, June 15, 1987, at A14.

²⁷ Benton v. Bakker (In re Heritage Vill. Church and Missionary Fellowship), 92 B.R. 1000, 1008-09 (Bankr. D.S.C. 1988).

additional taxes in 1987 and 1988, saying that the mortgage payments and upkeep costs paid by the Church on the Florida house were taxable income to Jenkins.²⁸

According to records in a civil lawsuit, televangelist Walter V. Grant was receiving a \$175,000-a-year parsonage allowance before he was imprisoned for income tax evasion in 1995.²⁹

According to a report in the L.A. Times, televangelist Paul F. Crouch, president of Trinity Broadcasting Network, makes a habit of ordaining the network's station managers and department heads as ministers so that they could deduct 100% of their housing costs as a "parsonage allowance."³⁰

Rick Warren is a minister and the founder of Saddleback Valley Community Church. According to a church press release, Saddleback was the fourth-biggest church in the United States in 2007, with 22,000 people in weekly attendance served by more than 300 ministers.³¹ In 1992, Warren bought a house for \$360,000. In 1993, the Church paid Warren \$77,663, and Warren excluded the entire amount from income as a housing allowance. In 1994, the Church paid Warren \$86,175, and Warren excluded \$76,300 from income as a housing allowance. In 1995, the Church paid Warren \$99,653, and Warren excluded \$84,278 from income as a housing allowance.

The IRS, contending that the amount excludable from income under section 107(2) could not exceed the fair market rental value of the home, assessed deficiencies and penalties on the difference between the rental value of Warren's home and the amount Warren excluded from income. The Tax Court held that the section 107(2) exclusion is not limited to the fair market rental value of the home, but to the amount used to provide a home.³² The case was appealed to the U.S. Ninth Circuit, which appointed Erwin Chemerinsky as amicus to brief the court on whether to it should consider the constitutionality of section 107(2) and whether Warren's claimed exclusion violates the Establishment Clause because it provides a tax benefit available only to "ministers of the gospel." The appeal was dismissed³³ when the Clergy Housing Allowance Clarification Act of 2002 (CHACA)³⁴ was enacted. CHACA adopted the IRS interpretation of the statute and provides that the housing allowance is limited to the fair rental value of a minister's housing. But it also specifies that this interpretation applies only prospectively and not to the tax years involved in the Warren dispute. The

²⁸ Randall Edwards, Jenkin's Attorney: Home was Parsonage, Columbus Dispatch (OH), Mar. 18, 1993, at 02C.

²⁹ David Cay Johnston, Your Taxes: From Holy Men to Houses, A World of Tax Breaks, N.Y. Times, Mar. 1, 1998, at 31.

³⁰ Mark I. Pinsky, Christian Broadcaster Defends Methods: Acquisition of Station, Treatment of Employees Under Question, L.A. Times, Apr. 9, 1989, at 27.

³¹ <http://www.rickwarrennews.com/saddleback.htm>

³² Warren v. Comm'r, 114 T.C. 343 (2000).

³³ Warren v. Comm'r, 302 F.3d 1012 (9th Cir. 2002).

³⁴ Pub. L. No. 107-181, 116 Stat. 583 (2002). H.R. 4156, 107th Cong. (2002), passed the House by a unanimous vote and the Senate by unanimous consent.

sponsors of CHACA explained that the bill was designed to prevent the Ninth Circuit from considering the constitutionality of section 107(2).

As did the legislative history of the original section 107(2) in 1953, the legislative history of the 2002 CHACA evidences a particular concern for clergy of modest means ministering to small and rural churches. During consideration of the House bill, Congressman Earl Pomeroy of North Dakota made this observation:

If the housing exclusion is struck down ... churches, which already operate on the thinnest of margins, would be unable to offset this tax increase and, as a result, many could actually lose the services of their clergy. Rural churches are especially vulnerable.... North Dakota has more churches per capita than any other State in the country, more than 2,000 churches, 78 percent of which are located in communities of under 2,500 people. These are congregations just struggling to get by. We have already lost 400 churches over the last several years³⁵

Senator Baucus, who co-sponsored the Senate version of the bill with Senator Grassley, stated that—

The vast majority of clergy across America work very hard for very modest pay. Especially in rural areas like we have in Montana, many congregations are small, pay is low, and ministers are very dependent upon their churches providing or paying for their housing.³⁶

The parsonage allowances provided by small, rural churches, however, are generally not the ones that attract the attention of the media and the public. The ones provided by churches with denominational or similar oversight also do not attract attention. Press reports generally focus on the ministers living in multi-million dollar mansions.³⁷ The value of the houses owned by the churches reviewed by the Committee dwarf that of the house provided to Jim Bakker when he was head of PTL. See the individual church summaries for details about the values of each of their parsonages.

Note that the U.S. Bureau of Labor Statistics reports that the average housing expenditure for all households in the United States in 2007 was \$16,920.³⁸

³⁵ Cong. Rec. H1300 (Apr. 16, 2002)

³⁶ Cong. Rec. S2957 (Apr. 18, 2002)

³⁷ See, e.g., William Symonds, Earthly Empires: How Evangelical Churches are Borrowing From the Business Playbook, Bus. Wk., May 23, 2005, at 78; Michael Luo, Preaching a Gospel of Wealth In a Glittery Market, New York, N.Y. Times, Jan 15, 2006, at 11; Martin C. Evans, Their Faith In the Dollar, Newsday, Nov. 12, 2006, at A24; Kent Garber, Preaching a Gospel of Excess?: A Senator Probes the Finances of Celebrity Televangelists, U.S. News & World Rep., Feb. 25, 2008, at 16; Eric Gorski, Televangelist Shares His Wealth – With Family and Church Board, St. Louis Post-Dispatch, July 27, 2008, at A3.; Televangelist's Jet Not Tax-Exempt, Hous. Chron., Dec. 11, 2008, at B10.

³⁸ <http://www.stats.bls.gov/news.release/cesan.htm>

The value of the parsonage and housing allowances is separate from the issue of who is a “minister” eligible for the exclusion. Some of the organizations reviewed by the Committee provide parsonage or housing allowances to family members and employees who may be deemed ministers solely to be eligible for the income tax exclusion.

Committee staff first became aware of potential abuses in the classification of the ministers when the Volunteers of America (VoA) responded to your March 24, 2005, letter. In its response, VoA explained that it is an ecumenical Christian church and is classified as a church or a convention or association of churches. After receiving this response, a VoA insider met with Committee staff. The insider provided a list of almost 200 employees who were designated as “ministers” for tax purposes.

In addition, the Clergy Housing Allowance Clarification Act of 2002 did not resolve the Establishment Clause issue raised in the appeal of the Warren case to the Ninth Circuit. The section 107 exclusion, insofar as it benefits only “ministers of the gospel,” is vulnerable to the charge of being an unconstitutional establishment of religion.³⁹

Another issue is whether ministers should receive a parsonage allowance for more than one residence. As noted above, Congressional intent with respect to the original 1953 provision and the subsequent 2002 amendment appears to be focused on the ability of small, rural churches to attract and retain ministers. It is not clear whether Congress intended to allow churches to provide, or ministers to receive allowances for, more than one residence or a vacation home.

In Driscoll v. Commissioner, the IRS challenged a minister’s exclusion for a second home under the premise that Congress only intended to provide the income tax exclusion for one home. The ministers in this case had a second home that was on a lake. In a 7-6 decision, the Tax Court ruled that no such limitation could be interpreted from the statutory language.⁴⁰

Issues for Consideration

Should the parsonage allowance be limited to a single primary residence or to a specific dollar amount?

To withstand further constitutional scrutiny, should section 107 be amended to broaden its applicability?⁴¹

³⁹ See e.g., Ellen P. Aprill, Parsonage and Tax Policy: Rethinking the Exclusion, Tax Notes Today, Aug. 27, 2002, 2002 TNT 166-18; Erwin Chemerinsky, The Parsonage Exemption Violates the Establishment Clause and Should Be Declared Unconstitutional, 24 Whittier L. Rev. 707 (2003); Karmon Keele, A Plea For the Repeal of Section 107: No More Tax-Free Mansions for Dubious “Ministers of the Gospel”, 56 Tax Law 73 (2002).

⁴⁰ 135 T.C. 27 (2010)

⁴¹ Model statutory language can be found in Ellen P. Aprill, Parsonage and Tax Policy: Rethinking the Exclusion, Tax Notes Today, Aug. 27, 2002, 2002 TNT 166-18.

Should the parsonage allowance be limited to a more select group of individuals?

3) IRS Filing Requirements

Present law

Section 6033(a)(1) requires organizations exempt from tax under section 501(a) to file an annual return.

Section 6033(a)(3)(A)(i) excepts churches, their integrated auxiliaries, and conventions or associations of churches from the section 6033(a)(1) filing requirement.

Section 6033(a)(3)(A)(ii) excepts from the section 6033(a)(1) filing requirement any organization (other than a private foundation) the gross receipts of which are not normally more than \$25,000 in each taxable year.⁴²

Section 6033(a)(3)(A)(iii) excepts from the section 6033(a)(1) filing requirement “the exclusively religious activities of any religious order.”

Section 6033(a)(3)(B) authorizes the Secretary of the Treasury to except other organizations from filing annual returns where the Secretary determines that such filing is not necessary to the efficient administration of the internal revenue laws.

Section 6033(i) requires any organization that does not file an annual return because its annual gross receipts are not normally more than \$25,000 to instead file an annual notice, in electronic form, containing basic information about the organization, such as its name, address, EIN, name and address of a principal officer, and evidence that it is exempt from the annual return filing requirements of section 6033(a)(1).

If an organization that is required to file an annual return under section 6033(a)(1) or an electronic notice under section 6033(i) fails to file for 3 consecutive years, the organization’s exemption from tax under section 501(a) is considered revoked under section 6033(j)(1) on and after the date set for filing the third annual return or notice. Under section 6033(j)(2), an organization whose tax-exempt status is revoked under section 6033(j)(1) must apply to the IRS to obtain reinstatement of exempt status regardless of whether the organization was originally required apply for exemption.

Under section 508(a), an organization will not be treated as one described in section 501(c)(3) unless it gives notice to the Secretary that it is applying for recognition of such status. However, section 508(c)(1)(A) excepts churches, their integrated auxiliaries, and conventions or associations of churches from the section 508(a) notice requirement.

⁴² Section 6033(a)(3)(A)(ii) limits the exception to organizations with gross receipts normally not more than \$5,000. Under authority granted in then section 6033(a)(2)(B), the IRS increased the amount to \$25,000 effective for tax years ending on or after December 31, 1982. See IRS Announcement 82-8.

History of the annual return filing requirement

Tax-exempt organizations were not required to file annual information returns until 1943. But when, in 1943, Congress enacted a provision requiring exempt organizations to file annual information returns, it excepted religious organizations, educational organizations, and charitable organizations. Furthermore, there were no penalties for failure to file.⁴³

Finding that “the primary purpose of [the information return] requirements is to provide the Internal Revenue Service with the information needed to enforce the tax laws,” Congress, in 1969, concluded “that experience of these past two decades has indicated ... that more information is needed on a more current basis for more organizations, and that this information must be made available to more public....”⁴⁴ Consequently, Congress enacted section 6033 of the Code as part of the Tax Reform Act of 1969 to require additional exempt organizations to file annual information returns.. The Act also instituted monetary penalties for failure to file. The original House bill, H.R. 13270, would have required every exempt organization to file an annual information return, “except where the Secretary ... determines this to be unnecessary for efficient tax administration.... Administrative exceptions will be limited and are apt to take the form of permitting groups of affiliated organizations (such as chapters, lodges, etc., of national organizations) to file the equivalent of consolidated returns.”⁴⁵

The Senate Finance Committee introduced two exceptions to the annual filing requirement. First, it excepted churches, their integrated auxiliary organizations, and conventions or associations of churches. Second, it excepted any organization that normally has annual gross receipts of \$5,000 or less.⁴⁶ The conference committee followed the Senate amendment, but also excepted from the filing requirement “any religious order with respect to its exclusively religious activities (but not including any educational, charitable, or other exempt activities which would serve as a basis of exemption under section 501(c)(3) if an organization which is not a religious organization is required to report with respect to such activities).”⁴⁷

Constitutional considerations

Churches have no constitutional rights beyond those accorded any other type of religious organization. Unlike the tax law, the U.S. Constitution does not distinguish churches from other religious organizations. The word “church” does not appear in the Constitution; the First Amendment refers to “religion,” not “church.”

The Constitution does not require the government to exempt churches from federal income taxation or from filing tax and information returns. Although tax exemption for

⁴³ 1943 Revenue Act, ch. 63, 58 Stat. 21 36-37 (1943).

⁴⁴ H.R. Rep. No. 91-413, pt. 1, 36 (1969).

⁴⁵ *Id.*

⁴⁶ S. Rep. No. 91-552, 52 (1969).

⁴⁷ H.R. Rep. No. 91-782, 286 (1969).

religious institutions has been incorporated into American income tax statutes since the inception of the modern income tax in 1894, such exemption is a privilege, not a constitutional right.⁴⁸ “It has never been thought that freedom from taxation was a prerequisite attaching to the privileges of the First Amendment. The national government grants exemptions to ministers and churches because it wishes to do so, not because the Constitution compels.”⁴⁹ “The collection and payment of ... generally applicable tax ... imposes no constitutionally significant burden on ... religious practices and beliefs. The Free Exercise Clause accordingly does not *require* the State to grant [a religious organization] an exemption from ... generally applicable ... tax.”⁵⁰

The state, having exempted religious organizations from taxation, can require, in return, that they show their entitlement to exemption by conforming to the same financial reporting and tax audit provisions that apply to secular nonprofit organizations.⁵¹ Requiring churches to file an annual information return does not offend either the Free Exercise Clause or the Establishment Clause. “The free exercise inquiry asks whether government has placed a substantial burden on the observation of a central religious belief or practice and, if so, whether a compelling governmental interest justifies the burden.... Even a substantial burden would be justified by the ‘broad public interest in maintaining a sound tax system,’ free of ‘myriad exceptions flowing from a wide variety of religious beliefs.’”⁵²

A sound tax system requires accountability from organizations that receive special tax benefits such as exemption from federal income tax. Testifying before the Oversight Subcommittee of the House Committee on Ways and Means at the 1987 hearing concerning television ministries (“1987 Hearing”), Michael Sanders, a practicing attorney and professor of exempt organization law at Georgetown University Law Center, remarked that “while I agree whole-heartedly with the propriety of certain special protections and procedures for religious organizations, we must also consider the government’s compelling interest in assuring that tax exempt income is used for religious purposes as well as the public’s expectation that this is being done.”⁵³ Speaking at the same hearing, Roscoe L. Egger, Jr., a former Commissioner of Internal Revenue, argued that:

Notwithstanding the fears expressed by some about the abridgment or impairment of their amendment rights ... it is not fair to the people ... who pay their taxes to not have reasonable assurance that the law is being applied

⁴⁸ See, e.g., Walz v. Tax Comm’n, 397 U.S. 664 (1970); Bob Jones Univ. v. United States, 461 U.S. 574 (1983); Texas Monthly, Inc. v. Bullock, 489 U.S. 1 (1989); Jimmy Swaggart Ministries v. Bd. of Equalization, 493 U.S. 378 (1990).

⁴⁹ Murdoch v. Pennsylvania, 319 U.S. 105, 130 (1943).

⁵⁰ Jimmy Swaggart Ministries, 493 U.S. at 392.

⁵¹ Reka Potgieter Hoff, Financial Accountability of Churches for Federal Income Tax Purposes: Establishment or Free Exercise? 11 Va. Tax Rev. 71, 135 (1991).

⁵² Hernandez v. Comm’r, 490 U.S. 680, 699-700 (1989) (quoting United States v. Lee, 455 U.S. 252, 260 (1982)).

⁵³ Federal Tax Rules Applicable to Tax-Exempt Organizations Involving Television Ministries: Hearing Before Subcomm. on Oversight of the H. Comm. on Ways and Means, 100th Cong. 250 (1987)

uniformly and evenhandedly.... They are entitled to know that the people who get special benefits under the tax laws ... are entitled to those [benefits].... This country benefits from a high rate of voluntary compliance with our tax laws. Voluntary compliance is the key element in our tax administration system. I believe Americans will continue to meet their tax obligations as long as they feel that they are being treated fairly and that others are also paying their fair share.⁵⁴

To survive a constitutional challenge under the Establishment Clause, a state action must have a secular purpose, have as its principal or primary effect neither the advancement nor inhibition of religion, and must not create an excessive government entanglement with religion.⁵⁵ “A generally applicable tax has a secular purpose and neither advances nor inhibits religion, for the very essence of such a tax is that it is neutral and nondiscriminatory on questions of religious belief. Thus, whatever the precise contours of the Establishment Clause, its undisputed core values are not even remotely called into question by [a] generally applicable tax.”⁵⁶ Furthermore, a “routine regulatory interaction” between the IRS and a religious institution [such as collecting information about the organization’s services, products, and transactions] which involves no inquiries into religious doctrine, ... no delegation of state power to a religious body, ... and no ‘detailed monitoring and close administrative contact’ between secular and religious bodies ... does not of itself violate the nonentanglement command.”⁵⁷

At the 1987 Hearing, Congressman Charles B. Rangel expressed frustration at the notion that constitutional considerations played any part in exempting churches from filing information returns:⁵⁸

Mr. Rangel: Do you see where filing an annual report by churches would be in violation of the constitutional right of separation of church and state?

[IRS Commissioner] Mr. Gibbs: I have assumed ... that was the reason – or certainly one of the prominent reasons – for specifically excluding them by statute in 1969.

Mr. Rangel: Well, why do you reach that assumption? You know, it is only a congressional decision. Has any court said that you cannot put limitations on the privilege of tax exemption? We do it in unrelated [business income] taxes. We do it in lobbying. We do it in political affairs. We do it in FCC control. What in God’s name could be even remotely considered a violation of the constitutional rights of churches to say that they should file an annual report as to how much money they got and what they did with it?

⁵⁴ *Id.* at 240-242.

⁵⁵ *Lemon v. Kurtzman*, 403 U.S. 602, 612-13 (1971).

⁵⁶ *Jimmy Swaggart Ministries*, 493 U.S. at 394.

⁵⁷ *Hernandez*, 490 U.S. at 696-697.

⁵⁸ Federal Tax Rules Applicable to Tax-Exempt Organizations Involving Television Ministries: Hearing Before Subcomm. on Oversight of the H. Comm. on Ways and Means, 100th Cong. 54-55 (1987).

Mr. Gibbs: We are of the opinion that there is not a constitutional prohibition on requiring churches to file Form 990 information returns. For instance, currently religious organizations that are not churches are required to file Form 990, and churches, as well as other religious organizations are subject to detailed examinations of their books and records. We believe that both of these current law requirements are constitutional and, with respect to examinations of books and records, can be considered more intrusive than the filing of Form 990. [citations omitted]. The only constitutional problem we would foresee ... would be if a statute differentiated between religious denominations in filing requirement in a manner that favored one denomination over another. [See, Bob Jones Univ. v. United States, 461 U.S. 574, 604 (footnote 30) (1983); Christian Echoes Nat'l Ministry v. United States, 470 F.2d 849, 857-859 (10th Cir. 1972)]

Discussion

As the federal agency delegated responsibility for the administration and enforcement of the tax laws, the IRS is responsible both for ensuring that an organization claiming to be exempt from federal income taxation under section 501(c)(3) meets the requirements of that section; specifically, that the organization is organized and operated exclusively for exempt purposes, that its net earnings do not inure to the benefit of private shareholders and individuals, that it does not engage in substantial amounts of lobbying, and that it does not intervene in political campaigns.

Thus, even though churches do not have to file an annual information return with the IRS, the IRS is still responsible for enforcing the tax laws that apply to them. Audits are IRS's primary method for enforcement of the tax laws. In determining which organizations to examine (and in determining whether the organizations selected for examination are complying with the tax laws), the IRS relies heavily on the information supplied in the Form 990. But because the Code exempts churches both from applying to the IRS for recognition of exemption and from filing annual returns, it is difficult for the IRS to discover and investigate abuses of section 501(c)(3) status by churches that do not choose to seek recognition of tax-exempt status or to file annual returns.

Currently, anyone can set up an organization, call the organization a church, solicit tax-deductible contributions, and – unless the organization voluntarily applies for recognition of tax-exempt status or files annual returns – that organization will be invisible to the IRS and operate virtually without government oversight because no state requires religious organizations to register and file annual financial reports with the state attorney general.⁵⁹

⁵⁹ Marion R. Fremont-Smith, The Search for Greater Accountability of Nonprofit Organizations: Recent Legal Developments and Proposals for Change, 76 Fordham L. Rev. 609, 628 (2007).

Because churches do not even have to notify the IRS when they form, anyone can set up an entity to receive donations, claim church status when asked, and then shut down quickly. This is easier than ever to do today through the internet. Two of the entities referred to the Committee for investigation were a mail order church and a website set up by a woman practicing voodoo. Both were referred to the Committee because of solicitation concerns.

While the word “church” might evoke the image of a place “far from the madding crowd,” in reality church institutions come in all varieties and all are buffeted by the same concerns that shake secular society and are vulnerable to the same temptations and sins that visit civil institutions. The label “church” does not guarantee that the organization to which it attaches is operating exclusively (or even slightly) for religious purpose.

In addition, the average person may not see a difference between a charitable religious organization and a church. For example, we received inquires asking why the Billy Graham Evangelistic Association and the Trinity Broadcasting Network filed a Form 990 but the media-based organizations we reviewed did not.

In the case of the Church of Scientology, an organization for which we received multiple investigation requests, it might appear that obtaining church status is a result of having the financial resources to battle the IRS. On Oct. 1, 1993, the IRS entered into a closing agreement with that organization under which the IRS agreed, among other things, to recognize the Church of Scientology International (and its subordinate ministries), Scientology Missions International (and its subordinate ministries), and the Church of Spiritual Technology (“CST”), among others, as exempt under section 501(c)(3), and to classify them as “churches” within the meaning of section 170(b)(1)(A)(i), thereby excepting them from the requirement to file annual information returns under section 6033. The IRS also determined that numerous other Scientology-related organizations “are church-affiliated organizations that need not file annual Forms 990.”⁶⁰ The details of the agreement were kept secret until reported in the Wall Street Journal in December 1997.⁶¹

Scientology is not a “conventional” church, and had not been treated as such by the IRS for many years. But with the 1993 closing agreement, the IRS did an “about face” and effectively relinquished earlier court victories, including one just a year earlier over Scientology’s CST. For in a 1992 decision, the U.S. Court of Claims sided with the IRS against CST, holding that CST had not shown itself to be exempt under section 501(c)(3). In the court opinion dismissing the CST’s complaint against the government, Judge Bruggink observes that “procedures for handling money in Scientology are remarkably complex,” and says that any attempt “to describe Scientology’s Byzantine management structure and financial arrangements [is] difficult due to the proliferation of

⁶⁰ Closing Agreement on Final Determination Covering Specific Matters, § III, at 97 Tax Notes Today 251-24.

⁶¹ Douglas Frantz, Tax Agency Hints at Inquiry on Leak on Scientologists, N.Y. Times, Jan. 1, 1998, at A13.

entities and accounts and the overlap of personnel.” The Court remarks on Scientology’s “scriptural emphasis on taking in money as well as passive resistance to tax inquiries,” and notes that “other courts have encountered this same phenomenon (citations omitted).”⁶² Finding that “CST is linked by a cat’s cradle of connection ... to the rest of Scientology ... coupled with the commercial character of much of Scientology [with its] virtually incomprehensible financial procedures, its scripturally-based hostility to taxation ... and [CST’s] enormous potential for both accumulating wealth and bestowing shelter from taxation,” the Court concludes that “the inference is inescapable that CST is merely the latest incarnation of the on-going effort of Scientology as a whole to shelter income from taxation.”⁶³

The IRS also relinquished an earlier victory in the Supreme Court which, in 1989, sided with the IRS in holding that fixed payments to the Church of Scientology in return for services known as “auditing” and “training” were not charitable deductions under section 170(c) of the Code.⁶⁴ But under the 1993 closing agreement, the IRS agreed not to contest the deductibility of such fixed payments.⁶⁵

Lawrence Gibbs, who, as IRS Commissioner, had testified at the 1987 Hearings, called the IRS’s decision to recognize Scientology as a tax-exempt church “very surprising.... When you have as much litigation over as much time, with the general uniformity of results that the Service had with Scientology, it is surprising to have the ultimate decision be favorable. It was even more surprising that the Service made the decision without full disclosure, in light of the prior background.”⁶⁶

“Prior background” refers to a sixteen year period in which the IRS refused to recognize Scientology’s tax-exempt status and during which “litigation involving Scientology organizations has often been protracted and combative.”⁶⁷ Though it recognized the Church of Scientology of California as tax-exempt on 1954, the IRS revoked the church’s exemption in 1967. In 1984, the Tax Court sided with the IRS, holding that the church was not tax-exempt because it had a substantial commercial purpose, its net earnings had improperly benefitted key Scientology officials, and it had the illegal purpose of conspiring to impede the IRS from collecting taxes. The court found that, “in pursuit of the conspiracy, [the church had] filed false tax returns, burglarized IRS offices, stole IRS documents, and harassed, delayed, and obstructed IRS agents who tried to audit Church records.”⁶⁸

It has been reported that Scientologists waged a similar campaign of harassment and intimidation against the IRS just before the IRS’s “stunning reversal” of position on

⁶² Church of Scientology v. United States, 26 Cl. Ct. 713, 733-34 (1992).

⁶³ *Id.* at 736-37.

⁶⁴ Hernandez v. Comm’r, 490 U.S. 680 (1989).

⁶⁵ Closing Agreement on Final Determination Covering Specific Matters, § VII, at 97 Tax Notes Today 251-24.

⁶⁶ Douglas Frantz, Taxes and Tactics: Behind an I.R.S. Reversal – A Special Report; Scientology’s Puzzling Journey From Tax Rebel to Tax Exempt, N.Y. Times, Mar. 9, 1997, at § 1, p. 1;

⁶⁷ Church of Scientology v. United States, 26 Cl. Ct. 713, 727 (1992).

⁶⁸ Church of Scientology of California v. Comm’r, 83 T.C. 381, 505 (1984).

Scientology's tax-exempt status in 1993. After conducting more than 30 interviews and reviewing thousands of pages of public and internal church records, the New York Times reported that the IRS's closing agreement with Scientology "followed a series of unusual internal I.R.S. actions that came after an extraordinary campaign orchestrated by Scientology against the agency and people who work there;" a campaign in which "Scientology's lawyers hired private investigators to dig into the private lives of I.R.S. officials and to conduct surveillance operations to uncover potential vulnerabilities.... The church also financed an organization of I.R.S. whistleblowers that attacked the agency publicly."⁶⁹

The "unusual internal I.R.S. actions" referred to in the report began when Scientology's leader, David Miscavige, was granted an impromptu (and, therefore, highly irregular) meeting with the IRS Commissioner, after which the IRS created a special commission to negotiate a settlement with Scientology outside normal agency procedures. After the commission decided that all Scientology entities should be exempt from taxes, IRS tax law specialists reviewing the exemption applications of individual Scientology organizations were instructed to "ignore substantive tax issues,"⁷⁰ such as whether the organization was engaged in too much commercial activity or whether its activities provided undue private benefit to its leaders, issues which, if considered, might have argued against tax-exempt status.

A recent series of special reports in the St. Petersburg Times (Florida)⁷¹ on abusive behavior by Scientology leaders tells how Scientology waged a war of attrition against the IRS in the late 1980s, filing 200 lawsuits against the IRS, seeking documents by which to prove IRS harassment, and challenging the IRS's refusal to grant tax exemptions to church entities. As part of the campaign, "some 2,300 individual Scientologists also sued the [IRS], demanding tax deductions for their contributions."⁷² Under the 1993 closing agreement, the Church "agreed to drop more than 2,000 lawsuits against the tax agency and present and former tax officials,"⁷³ and to "stop assisting people or groups suing the IRS...."⁷⁴ The Times reports also show how the Church of Scientology continues to "[use] intimidation and brutality to control its employees, places financial ambition above spiritual service to its members, and stops at nothing to undermine its critics."⁷⁵

⁶⁹ Frantz, Taxes and Tactics: Behind an I.R.S. Reversal – A Special Report: Scientology's Puzzling Journey From Tax Rebel to Tax Exempt, N.Y. Times, Mar. 9, 1997, at § 1, p. 1.

⁷⁰ *Id.*

⁷¹ See Joe Childs & Thomas C. Tobin, The Truth Rundown, St. Petersburg Times (Florida), June 21, 2009, at 1A; Thomas Tobin & Joe Childs, Death in Slow Motion, St. Petersburg Times (Florida), June 22, 2009, at 1A.; Thomas Tobin & Joe Childs, Ecclesiastical Justice, St. Petersburg Times (Florida), June 23, 2009, at 1A.

⁷² Joe Childs & Thomas C. Tobin, The Truth Rundown, St. Petersburg Times (Florida), June 21, 2009, at 1A.

⁷³ Douglas Frantz, Tax Agency Hints at Inquiry on Leak on Scientologists, N.Y. Times, Jan. 1, 1998, at A13.

⁷⁴ Edward P. Jones, Details of 1993 IRS, Scientology Settlement Disclosed, 19 Exempt Org. Tax Rev. 305 (1998).

⁷⁵ The Abuse Behind Scientology's Façade, St. Petersburg Times (Florida), June 24, 2009, at 10A.

Considering the history of enmity between Scientology and the IRS, the unusual circumstances and irregular processes that brought about a closing agreement that constituted a complete reversal of previous IRS determinations concerning Scientology-related organizations—determinations that had been affirmed by numerous courts, and the secrecy surrounding the particulars of the agreement, “suspicions that the exemption finally was granted ... because of relentless intimidation and pressure rather than an interpretation of the tax code” are not surprising.⁷⁶ Once the particulars of the agreement were publicized, some tax experts expressed concern that the IRS merely wanted “to buy peace from the Scientologists.”⁷⁷

The Church of Scientology (and many of its multitudinous subordinate organizations) – which courts have found to have a “Byzantine management structure”, a commercial character, and incomprehensible financial procedures”, and which secured its tax-exempt (and church) status, in part it seems, by wearing down the IRS through an aggressive campaign of harassing litigation, culminating in a closing agreement arrived at through “unusual internal I.R.S. actions”, is now classified as a church and so does not file a Form 990.

As churches and ministries grow in size – in terms of members, income, and value of assets – the need for accountability becomes ever greater. Concern over a lack of transparency and accountability was raised repeatedly during the 1987 Hearing. Testifying before the committee, former IRS Commissioner Egger observed that “while I believe there is an overwhelming consensus supporting the basic tax treatment extended to churches, it is clear that these tax benefits have attracted the attention of unscrupulous and fraudulent operators....”⁷⁸

Government officials testifying at the 1987 Hearing quickly focused on the church exception to the annual return filing requirement as one of the main reasons that abuses at some TV ministries go undetected. The Assistant Treasury Secretary for Tax Policy, O. Donaldson Chapoton, testified that “the absence of the kind of information routinely obtained for other tax-exempt organizations makes it difficult for the IRS to achieve effective enforcement of the laws applicable to organizations that claim to be churches.... Exempting churches from reporting requirements and placing restrictions on IRS audit activities reduce the ability of the IRS to administer and enforce the law.”⁷⁹ IRS Commissioner Gibbs added that “the fundamental issues for tax administration ... are the appropriate degree of public accountability by religious organizations soliciting public contributions and the ability of the Service to audit these organizations to ensure compliance with the tax laws.... [U]nder current law, the Service is limited by the information it ... receives from churches and the restrictions on our ability to audit churches. The Service, therefore, is unable to assure the same level of compliance with

⁷⁶ *Id.*

⁷⁷ Edward P. Jones, Details of 1993 IRS, Scientology Settlement Disclosed, 19 Exempt Org. Tax Rev. 305 (1998).

⁷⁸ Federal Tax Rules Applicable to Tax-Exempt Organizations Involving Television Ministries: Hearing Before Subcomm. on Oversight of the H. Comm. on Ways and Means, 100th Cong. 241 (1987).

⁷⁹ *Id.* at 14-15.

the tax law by [churches] as is the case with other tax-exempt organizations....”⁸⁰
“Since we have no information in the way of an initial application or annual returns, this largely means that it is a reactive type of thing. It is only after it comes to our attention in a credible way from the public that we can even begin an audit.”⁸¹ Law professor Michael Sanders remarked that because churches need not file information returns, the IRS “is in a situation where they are being embarrassed because everyone assumes that they are carrying out their responsibility to the public and the Congress when in fact they do not know about many of the problems because they do not have the facts.”⁸²

Congressman Rangel was particularly disturbed to learn that the government was ignorant of the charitable dollars raised by churches:

Mr. Rangel: From what I understand from the testimony of this panel, any person or organization could declare themselves a church, enjoy tax exemption, and you would have no way of knowing.

Secretary Chapoton: That is correct.

Commissioner Gibbs: Indeed, that has been one of the principal problems in the mail order ministry area.

Mr. Rangel: It would seem to me that for any amounts of monies that could be solicited publicly or privately by these churches, you would have no way of knowing whether there is any tax abuse or violation of any civil or criminal laws.

Commissioner Gibbs: It is difficult unless it was somehow brought to our attention, because if the church does not file an application or an annual form [990], we may very well have difficulty in determining that.

Mr. Rangel: What you are saying is that people can solicit millions of dollars and you have no way to account to the federal government.

Commissioner Gibbs: Yes, sir.⁸³

Congressman Dorgan was at a loss to understand how the government and the public could learn about dubious fundraising practices if churches are not required to file annual information returns. Addressing the Rev. D. James Kennedy of Coral Ridge Ministries and Coral Ridge Presbyterian Church, he posited the following scenario:

Mr. Dorgan: Assume for a moment that I decided tomorrow that I am a minister.... In my ministry, I am going to go on television, preach, and ask for money. I am going to get some money and I am going to put it in my pocket. I

⁸⁰ *Id.* at 33.

⁸¹ *Id.* at 41.

⁸² *Id.* at 247.

⁸³ *Id.* at 54.

am going to use it for my good, to enhance my lifestyle, spend it the way I want to spend it on trips and vacations and so on. What would you think would be the remedy for that kind of behavior...?

the Rev. Kennedy: I would think that if a person is going to give money to something, that they have ... a responsibility to learn where it is going.

Mr. Dorgan: How would they do that sir? ... For example, the PTL; I understand the local newspaper was trying to find out for five years what was happening to the money. How would the public understand what I am doing with the money if I am not required to submit a [Form] 990 report. How could they find out?

the Rev. Kennedy: They could write and ask for a financial statement.⁸⁴

The Rev. Jerry Falwell, representing the Old Time Gospel Hour, while conceding the value of the information reported on Form 990, was hesitant to have Congress impose a filing requirement on churches, saying that "I wish all churches voluntarily would file a [Form] 990 or at least voluntarily make their financials public, willingly, without being asked. But I would oppose the churches being compelled to do so because of excessive entanglement."⁸⁵

But requiring churches to abide by the same filing rules as other tax-exempt organizations is less likely to result in government entanglement than carving out an exception for churches. Because the Code does not define the word "church," it cedes to the IRS the job of setting the criteria for determining which organizations are churches and which are not. The Rev. Oral Roberts thought that the IRS should not be the judge of whether an organization qualifies as a church:

I did not know exactly if you were going to discuss religion, because if we did, I was going to ask you can you define a "church." I think the IRS has a real problem because they will say to one group you are a church, and to another group, you are not. I really think the Congress should address that.⁸⁶

It seems to me that our [Oral Roberts] Ministry is a church in every sense of the word, yet the Internal Revenue Service says we are not a church.⁸⁷

Echoing Oral Roberts' concern, the Court of Federal Claims, in a recent case, said it is "uncomfortable with criteria used by the IRS for determination of the church status of religious organizations," finding that those criteria "are time-conditioned and reflect institutional characteristics that no longer capture the variety of American religions and religious institutions in the twenty-first century. The regime appears to favor some forms of religious expression over others in a manner in which, if not

⁸⁴ *Id.* at 72.

⁸⁵ *Id.* at 90.

⁸⁶ *Id.* at 161.

⁸⁷ *Id.* at 153.

inconsistent with the letter of the Constitution, the court finds troubling when considered in light of the constitutional protections of the Establishment and Free Exercise Clauses.”⁸⁸

At the 1987 Hearing, Oral Roberts also raised the issue of unequal treatment between churches and non-church religious organizations.

It appears to me that not all religious organizations are treated equally under existing tax laws.... Although I do not claim to understand the legal intricacies of how a religious organization and a church are different, I do know that the Oral Roberts organizations are required to file ... yearly informational [Form] 990 returns. These reports disclose our contributions and expenses among other things, and are available to anyone. Other churches are not required to file these reports and that, again, is something I do not understand. Certainly I am not opposed to filing these reports, but I feel very strongly that these laws should be uniformly applied. If the Oral Roberts Ministry is required to file these reports, then should not the Catholics, the Mormons, the Baptists, the Methodists, and all other churches also be required to file these same reports? ... It seems to me that either our existing tax laws are not being uniformly applied to all churches such as ours, or the tax laws should be changed to remedy this discrepancy. Should not all churches be treated equally under the law? Organizations, whether religious or secular, which raise contributions from the public must be accountable. Some changes in the law to insure this accountability as well as uniform enforcement may be needed.⁸⁹

It is telling that the witnesses at the 1987 Hearing representing religious organizations required to file information returns were uniformly supportive of the Form 990 filing requirement. Oral Roberts did not see self-policing by a voluntary accreditation agency like the Evangelical Council for Financial Accountability (ECFA) as an adequate substitute to filing reports with the IRS.⁹⁰ (Note that Oral Roberts University became an ECFA member in 2009). Asked whether his ministry was a member of ECFA, the Rev. Roberts responded:

We were invited to be a member of that ... but we believed there was no teeth in it; and I think that has been proved by the PTL thing. Ours was so much stronger; our auditing procedures and our filing of the [Form] 990 every year.... We have a corps of auditors.... Anybody in the United States can get a copy of our [Form] 990 report at any time, by writing the IRS; it is available to the media, to everybody in America.... Why wouldn't all file a [Form] 990 – why? I have no

⁸⁸ Found. of Human Understanding v. United States, No. 1:04-cv-01441 (Fed. Cl. e-filed July 21, 2009).

⁸⁹ Federal Tax Rules Applicable to Tax-Exempt Organizations Involving Television Ministries: Hearing Before Subcomm. on Oversight of the H. Comm. on Ways and Means, 100th Cong. 153 (1987).

⁹⁰ Information on the ECFA Website (<http://www.ecfa.org/Content/WhatIsECFA.aspx>) describes ECFA as “an accreditation agency dedicated to helping Christian ministries earn the public’s trust through adherence to *Seven Standards of Responsible Stewardship*. Founded in 1979, ECFA provides accreditation to leading Christian nonprofit organizations that faithfully demonstrate compliance with established standards for financial accountability, fund-raising, and board governance.”

objection at all. In fact, if it will help, if there is a loss of confidence, let us do something about it.⁹¹

Asked about the scandal surrounding televangelist Jim Bakker and the PTL, the Rev. Roberts said:

Well, if they file a [Form] 990 like we do and have the accountants and accuracy, there is no way that could have happened in my organization, so I do not understand it – how could it have happened?⁹²

The Rev. Ben Armstrong, representing the National Religious Broadcasters, agreed that, regardless of whether a religious broadcasting organization is a member of an ethical and financial accreditation body like the NRB, there is still a need for the IRS to determine whether such organization is in compliance with the Tax Code.⁹³ And Gordon D. Loux, chairman of the board of the Evangelical Council for Financial Accountability, told the Subcommittee that “we would feel that the IRS Form 990 is a minimal requirement that ought to be met by those that are operating in the public service.”⁹⁴ (Note that the ECFA clarified Loux’s position in a 2009 letter to Senator Grassley.) The Rev. Larry Jones of Larry Jones International Ministries; Feed the Children and the Rev. Paul F. Crouch of Trinity Broadcasting Network both said that they had “no problem” with filing the Form 990, with the Rev. Crouch citing the Apostle Paul’s admonishment to “provide all things honest in the sight of all men.”⁹⁵

All six media-based organizations we reviewed are classified as churches and so do not file 990s. With respect to the four that did not comply with the Committee’s requests, as indicated in the separate summary for each church, there are multiple for-profit and non-profit entities related to each church. Multiple “assumed” or “doing business as” names were also used. For example, we found at least 21 “assumed names” registered with the State of Texas for Eagle Mountain International Church (also known as Kenneth Copeland Ministries). These included record companies and recording studios. This raises the question of whether church status is being gamed to shield such activities of a tax-exempt entity from public scrutiny. This also raises the question of whether Congress intended for an organization to be exempt from filing a Form 990 if its activities were deemed be regular, i.e., non-church, charitable activities or the activities would be subject to income taxes if not deemed to be charitable.

A Form 990 generally was not found on Guidestar.org for the non-profit entities found to be associated with the churches. As a result, we assumed that some of these entities

⁹¹ Federal Tax Rules Applicable to Tax-Exempt Organizations Involving Television Ministries: Hearing Before Subcomm. on Oversight of the H. Comm. on Ways and Means, 100th Cong. 158-159 (1987). Oral Roberts University became an accredited member of ECFA on March 13, 2009 (<http://www.ecfa.org/PressReleaseDisplay.aspx?PressReleaseID=194>).

⁹² Federal Tax Rules Applicable to Tax-Exempt Organizations Involving Television Ministries: Hearing Before Subcomm. on Oversight of the H. Comm. on Ways and Means, 100th Cong. 162 (1987).

⁹³ *Id.* at 234-235.

⁹⁴ *Id.* at 235.

⁹⁵ *Id.* at 177, 198.

are deemed “integrated auxiliaries” of the church and therefore exempt from filing the Form 990. As a result, we are concerned that the “integrated auxiliary” classification is also being gamed.

For example, New Birth Missionary Baptist Church (NBMBC), Eddie Long’s church, listed, in its response to the Committee, LongFellows Youth Academy (LYFA) as an integrated auxiliary. Alumni of LYFA programs filed suit against Long alleging sexual misconduct when they were minors. According to LFYA’s website⁹⁶, the organization was established in 2004 by Bishop Eddie L. Long. No address or phone number is provided under the “Contact” section of the website.

On its website, LYFA’s states its vision as: “Training our youth to Love, Live, and Lead.” A mission statement or goals or objectives are not provided. A section of the website titled “The Facts and Statistics” indicates that LYFA provides college scholarships and education in areas such as physical training and conflict resolution.

While LFYA’s does solicit donations on its website, the website does not contain any information regarding LYFA’s tax status. Donations are processed through PayPal. On LYFA’s website, NBMBC is listed under a section titled, “Lasting Legacy Wall”, which appears to be a list of sponsors.

LYFA is listed on Guidestar.org with an address of 6400 Woodrow Road, c/o Frederick Folson, Lithonia, GA 30038 but a Form 990 is not available. Frederick Folson is the Chief Financial Officer (CFO) of New Birth Missionary Baptist Church (NBMBC). As a result, staff presumes that LYFA is not filing a Form 990 because it is taking advantage of the integrated auxiliary exception. If it wasn’t for LYFA’s affiliation with NBMBC, LYFA’s tax-exemption would derive from its educational activities – not church activities – and would therefore have had to file a Form 990. This raises the question of whether these type of organizations is what Congress envisioned when exempting integrated auxiliaries from filing a Form 990.

We also have concerns about organizations dissolving charitable organizations into a church so those activities would not be subject to public scrutiny. For example, we found that Bishop Eddie Long dissolved Bishop Eddie L. Long Ministries, Inc. (BELL) in 2002 and transferred BELL’s assets to Long’s church, the New Birth Missionary Baptist Church. The benefit of not having to file a 990 that comes with church status just makes it more difficult for the IRS review and audit activities that otherwise would be reported on a Form 990. The lack of IRS oversight is not as worrisome when there is oversight by an independent third party, such as the ECFA, or even denominational oversight.

A 2005 study of megachurches in the United States found that between 35 and 40 percent of those surveyed claimed to be nondenominational, and that many of the rest

⁹⁶ <http://www.longfellowyouthacademy.org> (last visited on January 2, 2011)

downplay their denominational affiliation.⁹⁷ Creflo Dollar's World Changers Church International, Randy White's Without Walls International Church, and the Benny Hinn Ministries are all characterized as "nondenominational" in a database of megachurches maintained by the Hartford Institute for Religious Research.⁹⁸

According to a report in the Atlanta Journal and Constitution:

Some pastors take advantage of a lack of denominational accountability to enrich themselves, said J. Lee Grady, editor of Charisma, a national magazine that covers charismatic churches.... "There are many independent churches out there today that are accountable to no one," he said. Their board structures are controlled by a few insiders and no one can bring correction.⁹⁹

A Washington Post article about Star Scott, the pastor of Calvary Temple in Sterling, Virginia, reports that Scott "led Calvary to leave the Assemblies of God denomination and become independent.... Scott's decision to leave the Assemblies of God removed a level of financial oversight, and he eliminated boards and public votes, former members said. Calvary's constitution calls for finances to be administered 'by the presiding elder and/or recognized Apostle.' Scott holds both positions, according to church documents. The constitution also says that if the church closes, all property will be controlled by the apostle." Experts with the Assemblies of God called Calvary's lack of transparency "unusual." "It's not the norm within the Assemblies of God for the pastor to be able to determine everything," said Ron Hall, chairman of church ministries and Valley Forge Christian College and a longtime Assemblies minister. "This is a prime example of someone who wants ultimate control. I would think there would be serious flags."¹⁰⁰ In July 2009, it was reported that "the IRS is investigating [Scott's] control of church finances, which include \$8.5 million in church real estate and hundreds of thousands of dollars' worth of vehicles that he and his wife use in a "racing ministry."¹⁰¹

This lack of governmental, independent or denominational oversight is troubling when considering that churches can reach the size of large taxable corporations, control numerous taxable and non-taxable subsidiaries, and bestow Wall Street-size benefits on their ministers. The 2005 megachurch survey found that there were 1,210 megachurches (i.e., Protestant congregations that draw 2,000 or more attendees in a typical weekend) in the United States, nearly double the number that existed five years

⁹⁷ Scott Thumma et al., Megachurches Today 2005: Summary of Research Findings 4-5 (2005), available at http://hrr.hartsem.edu/megachurch/megastoday2005_summaryreport.html.

⁹⁸ Database of Megachurches in the U.S., <http://hrr.hartsem.edu/megachurch/database.html>.

⁹⁹ John Blake, Bishop's Charity Generous to Bishop: New Birth's Long Received \$3 Million, Atlanta J.-Const., Aug. 28, 2005, at A1.

¹⁰⁰ Michelle Boorstein, In Va., a Powerful and Polarizing Pastor: A Loudoun Minister Inspires Loyalty From Followers, Anger From Ex-Members With Torn Lives and Moral Pain, Wash. Post, Nov. 16, 2008, at A01.

¹⁰¹ Michelle Boorstein, IRS Is Investigating Finances, Pastor of Sterling Church Says, Wash. Post, July 21, 2009, at B03.

earlier.¹⁰² The survey also found that average annual expenditure of a megachurch in 2005 was \$5.6 million.¹⁰³ A follow-up study conducted in 2008 found that average megachurch income in 2008 was \$6.5 million. Generally, fifty percent of income went to salaries, a quarter to buildings, and a quarter to missions and programs.¹⁰⁴

Creflo Dollar's World Changers Church International and Eddie Long's New Birth Missionary Baptist Church place among the 20 largest of the 1,366 megachurches listed in the Hartford Institute's database. An article in an Atlanta newspaper reports that "[Bishop Eddie Long's] New Birth Missionary Baptist Church, Atlanta's largest congregation has a membership of about 25,000.... Its Lithonia campus sits on 250 acres, a tract big enough to hold six Mall of Georgia shopping centers."¹⁰⁵ The campus encloses a "\$50 million, 10,000-seat sanctuary, a Christian school of more than 200 students, bookstore, computer lab, and the fully equipped Samson Fitness Center with racquetball and basketball courts and saunas."¹⁰⁶

Joyce Meyer Ministries (JMM), which posts its annual reports on its website, reports 2008 revenues of \$112 million (including \$93.3 million in contributions), and total assets on December 31, 2008, of \$79.7 million. (Note that JMM became a member of the ECFA in March 2009). The 2006 audited financial statements of Without Walls International Church show revenue for calendar year 2006 of \$39.9 million, and total assets on December 31, 2006, of \$39.3 million.¹⁰⁷ The audited financial statements of Benny Hinn Ministries for 2006, which were provided to the Finance Committee but are not posted on the Ministries' web site, show total revenue and support of \$97.93 million. A story written for CBS News reports Kenneth Copeland as saying that his ministry "takes in about \$100 million a year in revenue."¹⁰⁸

Creflo Dollar's World Changer's Church does not make its financial statements public. An article in an Atlanta newspaper states that the church claims a membership of 30,000, and that services are conducted in an \$18 million, 8,500 seat "World Dome."¹⁰⁹ According to its website, the Church currently operates satellite churches in Brooklyn

¹⁰² Scott Thumma et al., Megachurches Today 2005: Summary of Research Findings 1 (2005), *available at* http://hrr.hartsem.edu/megachurch/megastoday2005_summaryreport.html.

¹⁰³ *Id.* at 25.

¹⁰⁴ Scott Thumma and Warren Bird, Changes in American Megachurches: Tracing Eight Years of Growth and Innovation in the Nation's Largest-Attendance Congregations 4-5 (2008), *available at* http://hrr.hartsem.edu/megachurch/megastoday2008_summaryreport.html.

¹⁰⁵ John Blake, Metro Atlanta's Megachurches: Supersize: Today's Pastors feed Multitudes With More Than Worship, Atlanta J.-Const., Apr. 20, 2003, at 1.

¹⁰⁶ Christopher Quinn, Figures Released by Megachurch, Atlanta J.-Const., Nov. 11, 2007, at E1.

¹⁰⁷ The 2006 audited financial statements of Without Walls International Church (WWIC) were once available from the website of Paula White Ministries at <http://www.paulawhite.org/images/Documents/auditfinancials.pdf>, but that URL was dysfunctional on 07/27/2009; the websites of WWIC and Paula White Ministries as they appeared on 07/27/2009 have no links to any financial statements.

¹⁰⁸ Laura Strickler, Church Bylaws Show "Control Freak" Televangelist, at http://www.cbsnews.com/stories/2008/04/21/cbsnews_investigates/main4033537.shtml

¹⁰⁹ Christopher Quinn, Figures Released by Megachurch, Atlanta J.-Const., Nov. 11, 2007, at E1.

and Queens, NY, and has plans to open an additional 17 satellite churches around the country. Dollar's goal is to have 500 satellite churches.¹¹⁰

Changing the annual filing requirements to address these concerns poses significant challenges, including constitutional ones. Eliminating the church exception would most likely withstand constitutional scrutiny. However, such a requirement would unnecessarily burden the overwhelming majority of churches, particularly those that are already financially challenged. Such a requirement would also needlessly burden the IRS's Exempt Organizations Office which many believe already doesn't have enough resources. Moreover, eliminating the church exception to the filing requirements would also be contrary to Congress's intent. Congress sent a strong signal with the enactment of section 7611, also known as the Church Audit Procedures Act, and the 2002 amendments to the parsonage allowance provision, that it expects minimal interference in church operations from the IRS. As a result, we do not recommend completely eliminating the church exception to the filing requirements, i.e., we do not recommend requiring every church to file a Form 990.

However, we did discuss limiting the filing exception in various ways. Requiring some version of the Form 990-N, "e-postcard", which was implemented in 2007, was one idea. It only requires basic information such as federal employer identification number, name, address, and a contact person for the organization.

We considered limiting the exception to churches that provided members with some voting rights. For example, at one Baptist church in Virginia, members are entitled to vote on the annual budget, the calling and dismissing of the pastor, the recommendation of a trustee or deacon. Members are entitled to see the budget before voting and can ask questions pertaining to any item on the budget, including salaries and balances in bank accounts. All internal groups created and empowered by the church shall be accountable to the church, unless otherwise specified by church action; this includes but is not limited to the Trustee Board and the Deacon Board.

We found another example from a Community church.

The Congregation will

- A. Elect members to fill vacancies on the Board of Trustees and approve the budget for the ensuing year by a majority vote.
- B. Call or dismiss the pastor in accordance with the pertinent denominational policy.
- C. Approve or disapprove any proposed unbudgeted expenditures that would exceed ten per cent of the total current budget.
- D. Hold an annual meeting during the month of January when it will receive reports of all ministry teams, officers, and ministers for the year just ended.

¹¹⁰ <http://www.creflodollarministries.org/SatelliteChurch/SatelliteChurch.html>

- E. Hold special meetings as needed. A quorum at congregational meetings will be the President of the Board of Trustees or the President's designee and ten per cent of active membership. Voting by proxy is not allowed.¹¹¹

A Unitarian Universalist Congregation provides the following.

Membership

Membership is available to all regardless of race, age, gender, sexual orientation, ethnic and national origin, social status, economic status, marital status or disability.

At the annual business meeting, members vote on the budget and conduct other business.

Members are entitled to vote on the following: buying and selling of real property, calling and dismissing a minister, amending or replacing bylaws¹¹²

We also considered limiting the filing exception for those subject to denominational oversight or oversight by an independent third party, such as the ECFA. We also considered requiring churches to publicly disclose only certain information, such as related entities and policies and procedures. Finally, we considered eliminating the integrated auxiliary exception.

However, the constitutional law analysis required to consider these limitations was beyond our expertise. We also realize that ECFA may be the only "accreditation" organization that exists for religious organizations and its Christian-centered approach may deter non-Christian churches from joining ECFA.

Issues for Consideration

Should new entities claiming church status at least be required to notify the IRS of its intent to claim church status?

Alternatively, should new entities claiming church status only be required to notify the IRS of church status if they intend to solicit contributions from the public?

Would any of the limitations to the filing exception discussed above, or requiring an "e-postcard" for certain organizations, be feasible without violating constitutional principles?

What role could the proposed Advisory Committee on Churches and Religious Organizations play in assisting the IRS with examination selection criteria and education and outreach efforts?

Could the IRS consider denominational or independent third party oversight when determining criteria for selecting churches for audit?

¹¹¹ <http://www.flagstafffederatedchurch.org/archives/minutes/BOT%20Minutes%2003232010.pdf>

¹¹² <http://www.mpuuc.org/aboutmpuuc/bylaws.pdf>

Regardless of whether the filing requirements are unchanged, could ECFA's model be replicated for other churches and religious organizations?

4) Church Tax Inquiries and Section 4958 Excise Taxes

Present law

Section 7611 prohibits the IRS from conducting a church tax inquiry or church tax examination unless certain procedural prerequisites are met. Before the IRS can conduct a church tax inquiry, an appropriate high-level Treasury official must reasonably believe, on the basis of facts and circumstances recorded in writing, that the church in question may not be exempt or may be carrying on an unrelated trade or business,¹¹³ and the church must be given written notice of the beginning of such inquiry.¹¹⁴ A "church tax inquiry" is defined as any inquiry to a church (other than an examination) to serve as a basis for determining whether a church is exempt from tax under section 501(a) by reason of its status as a church, or is carrying on an unrelated trade or business or is otherwise engaged in activities which may be subject to federal taxation.¹¹⁵ The statute contains procedural provisions designed to hasten the determination of church tax liabilities, including a requirement that church tax inquiries and examinations generally be completed no later than two years after the date of the examination notice.¹¹⁶

Section 7611(i)(2) states that the section 7611 does not apply to any inquiry or examination relating to the tax liability of any person other than a church. Similarly, Treas. Reg. 301.7611-1, Q&A-6, states that the church inquiry and examination procedures described in section 7611 do not apply to any inquiry or examination relating to the tax liability of any person other than a church. However, Treas. Reg. 53.4958-8(b) states that the church audit procedures of section 7611 must be followed by the IRS in initiating and conducting any inquiry or examination into whether an excess benefit transaction has occurred between a church and a disqualified person even though no tax liability would be imposed on the church itself under section 4958.

Discussion

Section 7611 was enacted as part of the Deficit Reduction Act of 1984. According to the Joint Committee on Taxation's explanation of the 1984 Act, Congress, in putting restrictions on church tax inquiries and examinations, "recognized that an increasing number of taxpayers had ... utilized the church form primarily as a tax-avoidance device. Congress believed that the IRS must retain an unhindered ability to pursue

¹¹³ I.R.C. § 7611(a)(2).

¹¹⁴ I.R.C. § 7611(a)(3).

¹¹⁵ I.R.C. § 7611(h)(2).

¹¹⁶ I.R.C. § 7611(c)(1).

individuals who use the church form in this manner.”¹¹⁷ In describing the scope of the church tax inquiry and examination procedures, the JCT explanation says that:

Congress intended that inquiries or examinations that relate primarily to the tax status or liability of persons other than the church ... rather than the tax status or liability of the church itself, not be subject to the church tax inquiry and examination procedures. These inquiries or examinations may include ... (1) inquiries or examinations regarding the inurement of church funds to a particular individual or to another organization, which inurement may result in the denial of all or part of such individual’s or organization’s deduction for contributions to the church, (2) inquiries or examinations regarding the assignment of income or services or excessive contributions to a church, and (3) inquiries or examinations regarding a vow of poverty by an individual or individuals followed by a transfer of property or an assignment of income or services to the church. The IRS may inquire of a church regarding these matters without being considered to have commenced a church tax inquiry and may proceed to examine church records relating to these issues (including enforcement of a summons for access to such records) without following the requirements applicable to church tax examinations, subject to the general Code rules regarding examinations of taxpayer books and records.... In an inurement case, the IRS may request information or examine church records regarding amounts of money, property, or services transferred to the individual or individuals in question (including wages, loans, or noncontractual transfers), the use of church funds for personal expenses, or other similar matters, outside of the church tax inquiry and examination procedures.¹¹⁸

Since section 4958, imposes tax only on the disqualified person who is provided an excess benefit (and on any organization manager who knowingly participates in an excess benefit transaction), but not on the organization that provides the excess benefit, an IRS inquiry or examination into someone’s tax liability under section 4958 for excess benefits provided by a church would not be an inquiry or examination into the tax status or liability of the church itself and, thus, not a “church tax inquiry” as defined in section 7611(h)(2).

Issues for Consideration

Should 7611 protections be removed for a disqualified person’s 4958 tax liability arising from excess benefits provided by a church?¹¹⁹

¹¹⁷ Staff of the J. Comm. on Taxation, 98th Cong., General Explanation of the Revenue Provisions of the Deficit Reduction Act of 1984 1140 (J. Comm. Print 1985).

¹¹⁸ *Id.* at 1146-47.

¹¹⁹ See IRS correspondence to Senator Grassley dated February 21, 2008, for information about IRS audit information regarding churches and 4958.

Appendix D: Other Tax-Exempt Organization Issues for Consideration

The issues and discussion impact all 501(c)(3) organizations, including churches and religious organizations. These issues are discussed in this memo because they are also issues for the churches we reviewed.

1) Governance & Self Dealing

Present law

Under section 508(e)(1), a private foundation is not exempt from taxation under section 501(a) unless its governing instrument prohibits the foundation from, among other things, engaging in any act of self-dealing as defined in section 4941(d).

Discussion

Section 4941 (imposing an excise tax on acts of self-dealing between a disqualified person and a private foundation) and Section 508 were enacted as part of The Tax Reform Act of 1969. The Senate Finance Committee report that accompanied the bill explains the section 508 provision as follows:

To limit opportunities for improper self-dealing, and to facilitate appropriate action by State officials to supervise private foundations, the bill requires, as a condition of tax exemption, that the foundation's governing instrument prohibit it from engaging in self-dealing.

In order to encourage and facilitate effective State involvement, the bill contains, as an additional condition of exemption for private foundations, a requirement that the governing instrument ... prohibit self-dealing....¹²⁰

But when section 4958 (imposing an excise tax on excess benefit transactions between a disqualified person and a section 501(c)(3) organization other than a private foundation) was enacted in 1996, it was not buttressed by a similar requirement that the governing instruments of non-private foundations prohibit excess benefit transactions. Imposing such a requirement as a condition of exemption for section 501(c)(3) organizations (other than private foundations) would work to "limit opportunities for" excess benefit transactions and "encourage and facilitate effective State involvement" in the supervision of such organizations.

Issue for Consideration

Should 508(e)(1) be amended to limit then exemption under section 501(c)(3) (other than a private foundation) to those with governing instruments that prohibit the organization excess benefit transactions (as currently defined in section 4958(c)(1))?

¹²⁰ S. Rep. No. 91-552, at 34, 56 (1969).

2) Excess Benefit Transactions

Charitable organizations are frequently criticized for the compensation packages they provide to their officers, directors, trustees and key employees, especially when the package includes luxury vehicles and private jets. Related party transactions and non-arms length transactions are another frequent complaint. The six media-based ministries were also subject to these criticisms and our reviews of each confirm that such criticisms are warranted. See the individual church overviews for more information.

However, the section 4958 excess benefits transactions excise tax is the only tool available to the IRS to combat unreasonable compensation, including salaries and perks. The provision was enacted in 1996 but final regulations were not issued until 2002. Over the past eight years, the provision, combined with the regulations, are generally considered ineffective. As a result, we are recommending the following changes to strengthen the provision.

a) Reason to Know Standard

Present law

Section 4958(a)(2) imposes an excise tax on any organization manager who “knowingly” participates in an excess benefit transaction, unless such participation is not willful and is due to reasonable cause. An “excess benefit transaction” is any transaction in which an economic benefit is provided by an applicable tax-exempt organization directly or indirectly to, or for the use of, any disqualified person if the value of the economic benefit provided exceeds the value of the consideration (including the performance of services) received for providing the benefit. An “organization manager” is any officer, director, or trustee of an organization, as well as any individual having powers or responsibilities similar to those of an officer, director, or trustee. Under Treasury regulations, an organization manager participates “knowingly” in a transaction only if he or she:

- a) Has actual knowledge of sufficient facts so that, based solely on those facts, such transaction would be an excess benefit transaction;
- b) Is aware that such a transaction, under the circumstances, may violate the tax law provisions governing excess benefit transactions; and
- c) Negligently fails to make reasonable attempts to ascertain whether the transaction is an excess benefit transaction, or is in fact aware that it is such a transaction.¹²¹

The term “knowing” does not mean having reason to know; however, evidence tending to show that a manager has reason to know of a particular fact or particular rule is

¹²¹ Treas. Reg. § 53.4958-1(d)(4)(i).

relevant in determining whether he or she had actual knowledge of such a fact or rule.¹²²

An organization manager's participation in an excess benefit transaction will not ordinarily be considered "knowing" if the manager relies on a reasoned written opinion of an appropriate professional with respect to matters within the expertise of the professional.¹²³ The absence of a written opinion does not, by itself, create any negative inference that the organization manager's participation was "knowing." Appropriate professionals on whose written opinion an organization manager may rely are (1) legal counsel, including in-house counsel, (2) certified public accountants or accounting firms with expertise in the relevant tax law matters, and (3) independent valuation experts who hold themselves out to the public as appraisers or compensation consultants, perform the relevant valuations on a regular basis, are qualified to make valuations of the type of property or services involved, and include in the written opinion a certification that the three preceding requirements are met.¹²⁴ Similarly, a private foundation manager's participation in a self-dealing transaction will ordinarily not be considered knowing if he or she relies on the advice of legal counsel (including house counsel), though not of other persons.¹²⁵

Furthermore, an organization manager's participation will not be considered knowing if the appropriate authorized body that approved the transaction meets the requirements for invoking the rebuttable presumption of reasonableness under Treas. Reg. § 53.4958-6(a) with respect to the transaction.¹²⁶

Participation by an organization manager is "willful" if it is voluntary, conscious, and intentional, but not if the manager does not know that the transaction is an excess benefit transaction.¹²⁷

Discussion

The current "knowing" standard is a high threshold, and provides extensive escape routes for those charged with setting and reviewing salaries.¹²⁸ By penalizing only knowing participants, the current rules create an incentive for managers to remain ignorant.¹²⁹ If excused from penalty when unaware that behavior violates a particular statute, managers have little reason to educate themselves about the law or the facts. But if they were made subject to tax when they should have known that particular behavior violated a statute, managers would likely take greater pains to learn about and

¹²² Treas. Reg. § 53.4958-1(d)(4)(ii).

¹²³ Treas. Reg. § 53.4958-1(d)(4)(iii).

¹²⁴ Treas. Reg. § 53.4958-1(d)(4)(iii).

¹²⁵ Treas. Reg. § 53.4941(a)-1(b)(6).

¹²⁶ Treas. Reg. § 53.4958-1(d)(4)(iv).

¹²⁷ Treas. Reg. § 53.4958-1(d)(5).

¹²⁸ Jill S. Manny, Nonprofit Payments to Insiders and Outsiders: Is the Sky the Limit? 76 Fordham L. Rev. 735, 756 (2007).

¹²⁹ Bonnie Brier, A Critique of the Intermediate Sanctions Proposal Contained in the Revenue Reconciliation Act of 1995, H.R. 2491, 13 Exempt Org. Tax Rev. 211, 213 (1996).

deter wrongful acts.¹³⁰

A “reason to know” standard is used in section 4965, which was enacted as part of the Tax Increase Prevention and Reconciliation Act of 2005. Section 4965 imposes an excise tax on an entity manager who approves or otherwise causes a tax-exempt entity to be a party to a prohibited tax shelter transaction, and knows, or has reason to know, that the transaction is a prohibited tax-shelter transaction. The conference report accompanying the bill includes an explanation of “reason to know”:

In general, the conferees intend that in order for an entity or entity manager to have reason to know that a transaction is a prohibited tax shelter transaction, the entity or entity manager must have knowledge of sufficient facts that would lead a reasonable person to conclude that the transaction is a prohibited tax shelter transaction. If there is justifiable reliance on a reasoned written opinion of legal counsel (including in-house counsel) or of an independent accountant with expertise in tax matters, after making full disclosure of relevant facts about such a transaction to such counsel or accountant, that a transaction is not a prohibited tax shelter transaction, then absent knowledge of facts not considered in the reasoned written opinion that would lead a reasonable person to conclude that the transaction is a prohibited tax shelter transaction, the reason to know standard is not met.

Not obtaining a reasoned written opinion of legal counsel does not alone indicate whether a person has reason to know. However, if a transaction is extraordinary for the entity ... or the transaction is of significant size, either in an absolute sense or relative to the receipts of the entity, then, in general, the presence of such factors may indicate that the entity or entity manager has a responsibility to inquire further about whether a transaction is a prohibited tax shelter transaction, or absent such inquiry, that the reason to know standard is satisfied.

The Treasury Department has issued proposed regulations under section 4965 that further explicate the “reason to know” standard.¹³¹

As a result, we recommend adoption of a “reason to know” standard. The Panel on the Nonprofit Sector recommended a adoption of such a standard in its 2005 report.¹³²

b) Extend Excise Tax to Entity

Present law

¹³⁰ Nina J. Crimm, A Case Study of a Private Foundation’s Governance and Self-Interested Fiduciaries Calls for Further Regulation, 50 Emory L.J. 1093, 1183 (2001).

¹³¹ Excise Taxes on Prohibited Tax Shelter Transactions and Related Disclosure Requirements, 72 Fed. Reg. 36927 (proposed July 6, 2007) (to be codified at 26 C.F.R. pt. 53)

¹³² Panel on the Nonprofit Sector in its 2005 report to Congress, Strengthening Transparency, Governance, and Accountability of Charitable Organizations 61 (2005).

Section 4958 imposes a tax on any disqualified person who engages in an excess benefit transaction with an applicable tax-exempt organization and on any organization manager who knowingly approves such transaction. But there is no tax imposed on the applicable tax-exempt organization that provides the excess benefit to the disqualified person.

Discussion

The lack of an entity-level tax under section 4958 stands in contrast to the treatment of private foundations involved in self-dealing transactions. For even though section 4941 imposes taxes for self-dealing only on the self-dealer and, in certain cases, the foundation manager, in most cases an act of self-dealing is also a “taxable expenditure” that subjects the foundation itself to tax under section 4945, because it is an amount paid for a noncharitable purpose.

When 4958 was enacted, Congress intentionally excluded the entity from being subject to the tax. Generally, it was thought that an organization was already harmed by an individual who received an excess benefit and, as a result, shouldn’t be punished further.

Because no tax is imposed on the organization itself (or on any manager who does not “knowingly” participate), there is little incentive for the organization’s governing body or managers to scrutinize transactions for excess benefits or to prevent excess benefit transactions from occurring.¹³³ When an organization’s governing body lacks independence, as is the case with the six churches we reviewed, there is even less incentive.

As a result, we recommend extending section 4958 sanctions to organizations that provide an excess benefit if the authorizing body did not meet the minimum standard of due diligence recommended below.

c) Replace “Rebuttable Presumption” with “Minimum Standards for Due Diligence”¹³⁴

Present rules

The House Ways and Means Committee report accompanying the 1996 Taxpayer Bill of Rights 2 – the legislation that added section 4958 to the Code – states that:

“Excise benefit transactions” subject to excise taxes include transactions in which a disqualified person engages in a non-fair-market-value transaction with an

¹³³ Bonnie Brier, A Critique of the Intermediate Sanctions Proposal Contained in the Revenue Reconciliation Act of 1995, 13 Exempt Org. Tax Rev. 211, 213-14 (1996).

¹³⁴ A similar proposal was made by the staff of the J. Comm. on Taxation in 2005. See Staff of the J. Comm. on Taxation, 109th Cong., Options to Improve Tax Compliance and Reform Tax Expenditures 260 (2005).

organization or receives unreasonable compensation.... Existing tax law standards (see sec. 162) apply in determining reasonableness of compensation and fair market value. In applying such standards, the Committee intends that the parties to a transaction are entitled to rely on a rebuttable presumption of reasonableness with respect to a compensation arrangement with a disqualified person ... and with respect to the reasonableness of the valuation of property sold or otherwise transferred ... by an organization to (or from) a disqualified person.... The Secretary of the Treasury and IRS are instructed to issue guidance in connection with the reasonableness standard that incorporates this presumption.¹³⁵

In response, the Secretary issued rules that set out a procedure by which an organization can create a rebuttable presumption of reasonableness with respect to compensation arrangements and property transfers involving disqualified persons. Payments made by an applicable tax-exempt organization to a disqualified person under a compensation arrangement are presumed to be reasonable, and a transfer of property (or the right to use property) is presumed to be at fair market value, if:

- 1) The compensation arrangement or the terms of the property transfer are approved in advance by an authorized body of the organization composed entirely of individuals who do not have a conflict of interest with respect to the arrangement or transfer;
- 2) The authorized body obtained and relied on appropriate data as to comparability prior to making its determination; and
- 3) The basis for the determination is adequately and concurrently documented.¹³⁶

The comparability data must be sufficient, given the knowledge and expertise of the members, for the authorized body to determine that the compensation arrangement in its entirety is reasonable or that the transaction is at the fair market value. In the case of compensation, such data may include (1) information regarding compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions; (2) the availability of similar services in the geographic area of the organization; (3) compensation surveys compiled by independent firms; and (4) written offers from similar organizations competing for the services of a particular individual. In the case of property transactions, such data may include independent appraisals, as well as offers received as part of an open and competitive bidding process.¹³⁷

If each of the requirements is met, the transaction is “presumed” to be reasonable or at fair market value. To rebut the presumption (and be able to impose the excise tax), the

¹³⁵ H.R. Rep. No. 104-506, at 56-57 (1996); the rebuttable presumption of reasonableness found in the regulations to section 4958 does not have a statutory basis. The history of the presumption is recounted in: Staff of the J. Comm. on Taxation, 109th Cong., Options to Improve Tax Compliance and Reform Tax Expenditures 262, n.561 (2005).

¹³⁶ Treas. Reg. § 53.4958-6(a).

¹³⁷ Treas. Reg. § 53.4958-6(c)(2).

IRS must develop sufficient contrary evidence to rebut the probative value of the comparability data relied on by the authorized body. In the case of a fixed payment of compensation, the rebuttal evidence is limited to evidence relating to facts and circumstances existing on the date the parties entered into the contract.¹³⁸ The failure to qualify for the rebuttable presumption of reasonableness does not create any negative inference or implication that a transaction is an excess benefit transaction.¹³⁹

Discussion

The rebuttable presumption of reasonableness is intended to be an incentive for organizations to adopt procedures that presumably protect against excess benefit transactions. It is based on the idea that “reasonableness” can be met through a good faith effort to find information on what similar organizations, both for-profit and nonprofit, pay their executives. But because many for-profit salary packages include stock options and incentives keyed to profits, the “gravitation to the mean” that typically occurs from the use of comparability data is likely to result in higher salaries at nonprofit charities.¹⁴⁰

Under the current section 4958 regime, once the procedures for establishing a rebuttable presumption are complied with, the burden of proof shifts to the IRS to develop sufficient contrary evidence to rebut the probative value of the comparability data used by the authorizing body. Shifting the burden of proof undermines the effectiveness of section 4958 by emphasizing process over substance. The effect of the presumption is to shift the focus from whether too much compensation was paid to whether appropriate procedures were followed. If the appropriate procedures were followed, an IRS agent examining the transaction would be inclined to abandon the issue, because the burden of developing sufficient contrary evidence would normally be too high.¹⁴¹

On the other hand, aside from the inflationary effect caused by reliance on “appropriate data as to comparability,” the procedures used to satisfy the rebuttable presumption of reasonableness are commendable and ought to be encouraged. As a result, we recommend eliminating the rebuttable presumption but retaining the minimum standard of due diligence that have now become ubiquitous. This would shift the burden of proof back to organization managers and disqualified persons while incorporating existing best practices. However, we realize that removing the rebuttable presumption also removes the incentive to adopt those procedures. Thus, this recommendation would need to be considered in conjunction with the adoption of a “reason to know standard” (discussed above) as well as the proposal immediately following regarding establishing guidelines for, and requiring disclosure of, compensation studies.

¹³⁸ Treas. Reg. § 53.4958-6(b).

¹³⁹ Treas. Reg. § 53.4958-6(e).

¹⁴⁰ Peter Frumkin & Alice Andre-Clark, Nonprofit Compensation and the Market, 21 U. Haw. L. Rev. 425, 464-465, 472 (1999).

¹⁴¹ Staff of the J. Comm. on Taxation, 109th Cong., Options to Improve Tax Compliance and Reform Tax Expenditures 262-63 (2005).

d) Develop Guidelines & Require Disclosure of Compensation Studies

Present law

As noted above, the regulations for section 4958 permit organizations to rely on comparability data, including data from for-profit organizations, to establish the rebuttable presumption. Congress signaled that the use of for-profit compensation information was acceptable in the legislative history for section 4958.

Discussion

Since the regulations for section 4958 went into effect, the rebuttable presumption safe harbor, particularly the use of comparability data, has resulted in a “race to the top” in officer and key employee compensation. Throughout the course of charity investigations during the past nine years, including hospitals and religious organizations, Committee staff has obtained and reviewed many compensation studies. Often times, staff found that decision makers rely on a compensation consultant’s analysis and simply rubber stamp the consultant’s recommendation without challenging the consultant’s assumptions.

A compensation report prepared for one of the six churches we reviewed refers to the biennial Southern Baptist Convention Compensation Study issued by the state Baptist conventions, GuideStone Financial Resources, and LifeWay Christian Resources. The 2008 Study reports that the average compensation of full-time senior pastors of Southern Baptist churches is \$55,276, with an average “pay package” of \$66,484. For purposes of the study, the term “compensation,” as applied to ordained ministers, included salary, housing allowance, the fair rental value of church-owned housing, and utilities for church owned housing. The term pay package included “compensation” plus social security equivalent, retirement benefits, and insurance paid by the church. Full-time senior pastors of churches with budgets greater than \$1 million received compensation between \$52,033 and \$303,902, with an average of \$101,824, and pay packages between \$65,999 and \$364,000, with an average of \$124,736. Full-time senior pastors of churches with an average of 1,000 or more attendees received compensation between \$63,000 and \$303,902, with an average of \$127,744, and pay packages between \$83,500 and \$364,000 with an average of \$155,689.¹⁴²

Staff reviewed a compensation study prepared for one of the six churches by a leading compensation consulting firm that also does studies for for-profit organizations. The consulting company used data from the 2004 Southern Baptist Convention Compensation Study to justify high salaries for the minister. The Baptist Study reported the \$236,000 as “high” compensation for a full-time pastor of a church with 1,000 or more members and an annual budget of \$800,000. Thus, the consulting company argued that, since a minister reached between 5 million and 15 million people, and

¹⁴² <http://compstudy.lifeway.com/compstudy/homepage.do> (last visited July 27, 2009)

since the church's annual budget is over \$100 million, the minister should be compensated ten times \$236,000. Taking into consideration the compensation of for-profit CEOs and media personalities like Oprah Winfrey, Britney Spears, Madonna, Rosie O'Donnell, and David Letterman, and mindful that the minister also receives income from book royalties and consulting fees, the consulting company recommended that the minister's total compensation be set at \$2 million. Note, however, that minister is only able to "reach" millions of people through the media, i.e., they are not physically present in the church. Thus, we questioned whether television and radio audiences should have been compared to the number of attendees as the Baptist study did.

Ministers at another one of the six churches we reviewed have employment agreements that specify that their salaries shall be "comparable to the compensation of other pastors, secular CEOs, performers, and personalities whose ministries ... businesses ... or professional activities and production are of similar scope."

In compensation studies prepared for organizations other than churches, staff has noted that compensation consultants often make comparisons to organizations that are difficult to justify as being comparable when considering, among other things, revenues, number of employees, geographic location and activities. Yet, directors, trustees and others responsible for approving compensation packages rarely question the analysis conducted by the compensation consultants.

As a result we recommend developing guidelines for compensation studies, including when a comparison to for-profit organization is appropriate, and requiring public disclosure of the studies and data used to determine compensation. Again, this recommendation would need to be considered in conjunction with the adoption of a "reason to know standard" and the elimination of the rebuttable presumption as discussed above.

3) Income Exclusion for Gifts Received through Charitable Organizations

Present Law

Under section 102(a), gross income does not include the value of property acquired by gift, bequest, devise, or inheritance. Section 102(c) provides an exception for "employee gifts": there is no exclusion from gross income for any amount transferred by or for an employer to, or for the benefit of, an employee.

Discussion

Some of the ministers related of the churches we reviewed are reported to have received "love offerings." The 2006 audited financial statements of Without Walls International Church state that Randy and Paula White "receive gifts and love offerings that are passed through the church." And a church spokesperson for Eddie Long's New

Birth Missionary Baptist Church said that Long does not receive a salary from the church, but does take a “love offering.”¹⁴³

Larry L. McSwain, a professor at Mercer University’s McAfee School of Theology, warns that “one of the practices of many churches, especially non-denominational and African-American ones, is to provide a love offering from the members to their pastor in place of salary. This technique is, for some, a way of avoiding the reporting of income.”¹⁴⁴

In 2007, Gregory L. Clarke, the pastor of a church, was convicted of tax fraud for underreporting and fraudulently misstating his taxable income on his 2000, 2001, and 2002 returns.¹⁴⁵ At trial, the defense argued that “Clarke received gifts, not salaries. Church deacons and trustees ... testified the \$60,000 given to Clarke was a ‘love offering.’”¹⁴⁶ One news story reported that pastors of several local churches “testified that their churches gave Clarke money for preaching at revivals or fulfilling speaking engagements. However they said the money represented gifts, not pay.” One pastor “testified his church gave Clarke two checks for \$1,500 as a gift for preaching his annual appreciation day.” Another pastor “identified for jurors a \$125 check his church paid Clarke for participating in an annual leadership conference. [The pastor] insisted that the money was a gift to help defray costs.”¹⁴⁷

There is considerable confusion and misinformation about whether a “love offering” or similar payments to a minister should be treated as taxable income or as an excludable gift. Some commentators think the answer depends on whether the payor is able to deduct the payment as a charitable contribution. For example the Kansas Nebraska Convention of Southern Baptists, which defines a love offering as “an offering that is given from the heart to someone that has ministered to that very heart, and is not given simply because it is a tax-deductible charitable contribution,” advises that “if the ‘love offering’ is received and designated for an individual for any occasion and the donor is not given a tax-deductible charitable contribution receipt, then the gift to the minister (recipient) is not considered taxable income.” But “if the donors are given a tax-deductible charitable contribution receipt, the gift must then be considered income to the recipient.”¹⁴⁸

Whether a transfer is a gift for federal income tax purposes is a question of fact.¹⁴⁹ Although no definition of gift appears in the Code or the regulations, the Supreme Court stated that one of the essential elements of a gift is the existence of “detached and

¹⁴³ Becky Ogburn, Who’s Who?, News & Observer (Raleigh, NC), Jan. 20, 2008, at E2.

¹⁴⁴ Larry L. McSwain, Megachurch Probe Challenges All Church Ministries, <http://ethicsdaily.com/news.php?viewStory=12010>.

¹⁴⁵ See United States v. Clarke, 562 F. 3d 1158, 1164 (11th Cir. 2009).

¹⁴⁶ Val Walton, Clarke Guilty on All Counts; Baptist Minister Was Tried For Filing False IRS Returns, Birmingham News (Alabama), July 21, 2007, at 1A.

¹⁴⁷ Val Walton, Church Leaders Testify Pastor Got Gifts, Not Pay, Birmingham News (Alabama), July 18, 2007, at 1B.

¹⁴⁸ http://www.kncsb.org/legal/Love_Offerings.pdf.

¹⁴⁹ Comm’r v. Duberstein, 363 U.S. 278, 288 (1960).

disinterested generosity.”¹⁵⁰ The transferor’s intention is a significant factor in determining whether a transfer is a gift. It is more likely that the intent to make a gift can be proven when the transferor has not received, and does not expect to receive, anything in exchange for the transfer. For example, the Tax Court has held that payments to a taxpayer by two shareholders of the corporation for which the taxpayer had rendered services were excluded from the taxpayer’s gross income as gifts because the taxpayer had been fully compensated and the shareholders, expecting nothing more in return, were merely being generous.¹⁵¹ The likelihood that a transfer will be considered a gift is greater if the transferor is not under an obligation to make the transfer. But the absence of a legal obligation to make a transfer does not make a transfer a gift if it is made to protect the transferor’s public image or to retain the goodwill of the recipient.¹⁵²

On several occasions courts have found that payments by a congregation to its minister are not in the nature of a gift made out of detached and disinterested generosity but, instead, have the character of compensation for services. In reaching their conclusion, the courts emphasized that the payments were made in the context of a professional or service relationship between a minister and a group being ministered to (a church community or congregation), and not in the context of a family relationship or a personal friendship between individuals which is the usual setting for acts of detached and disinterested generosity. For example, in Banks v. Comm’r, church members transferred cash to their minister on four “special” days during the year “because she was their minister, she had done an outstanding job in the past, she was there to help them with their problems when they needed her, and they wanted to keep her as their minister in the future.” The minister also drew a salary from the church. Holding that the cash transfers were taxable payments for services and not nontaxable gifts, the court said that “the transfers arose out of petitioner’s relationship with her congregation as its minister.... The evidence indicates that the primary reason for the transfers ... was not detached and disinterested generosity, but rather, the church members’ desire to reward petitioner for her services as a pastor and their desire that she remain in that capacity.... There was strong, objective evidence that the amounts transferred ... were part of a highly structured program for transferring money to petitioner on a regular basis.... The regularity of the payments from member to member and year to year indicated that they were the result of a highly organized program to transfer cash from church members to petitioner. The existence of such a program suggests that the transfers did not emanate from a detached and disinterested generosity, but instead, were designed to compensate petitioner for her service as a minister.”¹⁵³

In Goodwin v. United States, the court held that substantial payments given to a pastor and his wife on “special occasions” were taxable income, not excludable gifts. According to the court, “the critical fact ... is that the special occasion gifts were made by the congregation as a whole, rather than by individual Church members. The cash

¹⁵⁰ *Id.* at 285.

¹⁵¹ Runyan v. Comm’r, T.C. Memo 1984-623.

¹⁵² Biglow v. Comm’r, T.C. Memo 1985-284.

¹⁵³ Banks v. Comm’r, T.C. Memo 1991-641; Tax Ct. Memo LEXIS 700, 12-13.

payments were gathered by congregation leaders in a routinized, highly structured program. Individual Church members contributed anonymously, and the regularly-scheduled payments were made to the Rev. Goodwin on behalf of the entire congregation.... The special occasion gifts were substantial compared to Goodwin's annual salary. The congregation, collectively, knew that, without these substantial, on-going cash payments, the Church likely could not retain the services of a popular and successful minister at the relatively low salary it was paying."¹⁵⁴

And in Swaringer v. Comm'r, T.C. Summ. Op. 2001-37, the Tax Court held that transfers to a pastor out of "offerings" of the congregation were taxable income, not gifts. The pastor was not paid a regular salary by the church, but earned a living through employment as a secretary. The court said that the evidence strongly suggested that the transfers were not gifts because they "arose out of the [pastor's] relationship with the members of the congregation presumably because they believed he was a good minister and wanted to reward him."

Since one's impulse to contribute, as a member of a congregation, to a love offering or other solicitation of money for the benefit of a minister will always be motivated, in part, by feelings of appreciation, gratitude, or indebtedness for the minister's ministry to that congregation (i.e., provision of services) and not simply by feelings of "detached or disinterested generosity" between individuals, amounts collected by or through the agency of church for the benefit of their minister should not be considered gifts excludable from gross income under section 102. Although section 102(c) denies gift treatment to amounts transferred by an employer to an employee, it is not always the case that the minister is an employee of the congregation from which the love offering or other payment is transferred. A minister is considered a self-employed individual for social security act purposes and may also be considered self-employed for income tax or retirement plan purposes unless employed by a congregation for a salary.¹⁵⁵

Issue for Consideration

Should "love offerings" or other similar donations be excluded from the gross income of the recipient when a charitable organization has facilitated those collections?

Should the analysis be different if the recipient is a "disqualified person"?

¹⁵⁴ Goodwin v. United States, 67 F.3d 149, 152 (8th Cir. 1995).

¹⁵⁵ Internal Revenue Service, Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers 3 (2008).

Appendix E: Eliminate or Circumscribe Electioneering Prohibition

Present law

(1) Tax Law

(a) Electioneering Prohibition

An organization cannot be exempt from federal income tax as an organization described in section 501(c)(3) unless it “does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to), any candidate for public office.” The regulations provide that activities that constitute participation or intervention in a political campaign include, but are not limited to, the publication or distribution of written or printed statements or the making of oral statements on behalf of, or in opposition to, a candidate for public office.¹⁵⁶ A determination whether an organization has participated or intervened is based upon all the relevant facts and circumstances. This prohibition on political campaign intervention by section 501(c)(3) organizations is referred to as the “electioneering prohibition” for short.

Under section 4955, an amount paid or incurred by a section 501(c)(3) organization to participate in, or intervene in, a political campaign for public office is considered a “political expenditure.”¹⁵⁷ Section 4955(a) imposes an initial tax on each political expenditure by a section 501(c)(3) organization equal to 10 percent of the amount of the expenditure. In addition, an initial tax equal to 2½ percent of the organization’s political expenditures is imposed on any organization manager who agrees to the making of any expenditure, knowing it to be a political expenditure. If the expenditure is not promptly corrected, section 4955(b) imposes an additional tax equal to 100 percent of the political expenditure upon the organization, and an additional tax equal to 50% of the expenditure upon any manager who refuses to agree to the correction.

Section 6852 authorizes the IRS to immediately determine the amount of income tax and section 4955 tax due from an organization that flagrantly violates the electioneering prohibition, which taxes shall be immediately due and payable.

Section 7409 authorizes the IRS to seek an injunction from a federal district court prohibiting any further political expenditures by an organization that “has flagrantly participated in, or intervened in . . . any political campaign” and that has not ceased the expenditures upon being notified that the Service intends to seek an injunction.

(b) Lobbying Restriction

¹⁵⁶ Treas. Reg. 1.501(c)(3)-1(c)(3) (iii).

¹⁵⁷ I.R.C. § 4955(d)(1).

An organization is exempt under section 501(c)(3) only if “no substantial part of [its] activities is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in [section 501](h)).”

Thus, section 501(c)(3) allows organizations exempt under that section to lobby so long as they do not devote a substantial part of their activities to attempting to influence legislation. The IRS has not adopted a percentage test for determining whether a substantial part of an organization’s activities consist of lobbying; rather, a facts and circumstances test is used. But in one court case, the court held that an organization’s attempts to influence legislation that constituted less than five percent of the organization’s total activities were not substantial.¹⁵⁸ In another case, the court noted that an organization’s expenditures for lobbying activities ranged from 16.6 to 20.5 percent of total expenditures during a four-year period, and concluded that “for an organization “to devote so much of its total resources to legislative activities, it fairly can be concluded that its purposes no longer accord with conceptions traditionally associated with common-law charity.”¹⁵⁹

Section 501(h) of the Code, enacted in 1976, allows section 501(c)(3) public charities to elect to have their lobbying activities governed by expenditure tests in lieu of being subject to the “substantial part” test (churches and private foundations and not allowed to make the election). A public charity that makes the election may make lobbying expenditures within specified dollar limits determined under section 4911. If an electing public charity’s lobbying expenditures are within the dollar limits determined under section 4911(c), the electing public charity will not owe tax under section 4911, nor will it lose its tax-exempt status. If, however, the electing public charity’s lobbying expenditures exceed its section 4911 lobbying limit, the organization is subject to an excise tax on the excess lobbying expenditures. Further, if an electing public charity’s lobbying expenditures normally are more than 150 percent of its section 4911 lobbying limit, the organization’s tax-exempt status as a section 501(c)(3) organization will be revoked.

A public charity that elects the expenditure test may nevertheless lose its tax exempt status if it is an action organization, i.e., its main or primary objective or objectives (as distinguished from its incidental or secondary objectives) may be attained only by legislation or a defeat of proposed legislation; and it advocates, or campaigns for, the attainment of such main or primary objective or objectives as distinguished from engaging in nonpartisan analysis, study, or research and making the results thereof available to the public.¹⁶⁰

In Regan v. Taxation With Representation of Washington, 461 U.S. 540 (1983), the Supreme Court ruled that the section 501(c)(3) lobbying restriction is constitutional. TWR, a section 501(c)(3) organization, argued that the lobbying limitation violated its right to freedom of speech under the First Amendment.

¹⁵⁸ Seasongood v. Comm’r, 227 F.2d 907, 912 (6th Cir. 1955).

¹⁵⁹ Haswell v. United States, 205 Ct. Cl. 421, 443-44 (1974).

¹⁶⁰ Treas. Reg. 1.501(c)(3)-1(c)(3).

In holding that the lobbying restriction does not violate the First Amendment, the Court posited that—

Both tax exemptions and tax-deductibility are a form of subsidy that is administered through the tax system. A tax exemption has much the same effect as a cash grant to the organization of the amount of tax it would have to pay on its income. Deductible contributions are similar to cash grants of the amount of a portion of the individual's contributions. The system Congress has enacted provides this kind of subsidy to ... those charitable organizations that do not engage in substantial lobbying. In short, Congress chose not to subsidize lobbying as extensively as it chose to subsidize other activities that non-profit organizations undertake to promote the public welfare....¹⁶¹

Relying on Cammarano v. United States, 358 U.S. 498 (1959) – in which the Court upheld a Treasury regulation that denied business expense deductions for lobbying activities, holding that Congress is not required by the First Amendment to subsidize lobbying – the Court in TWR said—

The Code does not deny TWR the right to receive deductible contributions to support its non-lobbying activity, nor does it deny TRW any independent benefit on account of its intention to lobby. Congress has merely refused to pay for lobbying out of public monies.... Congress has not infringed any first Amendment rights or regulated any First Amendment activity. Congress has simply chosen not to pay for TWR's lobbying.¹⁶²

(2) Campaign Finance Law

In Buckley v. Valeo, 424 U.S. 1 (1976), the Supreme Court considered the constitutionality of the Federal Election Campaign Act of 1971 (FECA), as amended in 1974. The Court upheld the constitutionality of certain statutory provisions, including contribution limitations to candidates for federal office and disclosure and record-keeping provisions. But the Court found other provisions unconstitutional, including a \$1,000 limitation on independent expenditures. Former 18 U.S.C. § 608(e)(1), which the appellants contended is unconstitutionally vague, provides that “no person may make any expenditure ... relative to a clearly identified candidate during a calendar year which, when added to all other expenditures made by such person during the year advocating the election or defeat of such candidate, exceeds \$1,000.” Noting that “vague laws may not only ‘trap the innocent by not providing fair warning’ or foster arbitrary and discriminatory application’ but also operate to inhibit protected expression by inducing ‘citizens to steer far wider from the unlawful zone ... than if the boundaries of the forbidden areas were clearly marked,’”¹⁶³ the Court observed that “although ‘expenditure,’ ‘clearly identified,’ and ‘candidate’ are defined in the Act, there is no definition clarifying what expenditures are ‘relative to’ a candidate. The use of so

¹⁶¹ Regan v. Taxation With Representation of Washington, 461 U.S. 540, 544 (1983).

¹⁶² *Id.* at 545-46.

¹⁶³ Buckley v. Valeo, 424 U.S. 1, 41 n.48 (1976).

indefinite a phrase as ‘relative to’ a candidate fails to clearly mark the boundary between permissible and impermissible speech”¹⁶⁴ The Court said that, although the context of section 608(e)(1) “clearly permits, if indeed it does not require, the phrase ‘relative to’ a candidate to be read to mean ‘advocating the election or defeat of’ a candidate [it is a mistake to think] that this construction eliminates the problem of unconstitutional vagueness altogether.”¹⁶⁵

[T]he distinction between discussion of issues and candidates and advocacy of election or defeat of candidates may often dissolve in practical application. Candidates, especially incumbents, are intimately tied to public issues involving legislative proposals and governmental actions. Not only do candidates campaign on the basis of their positions on various public issues, but campaigns themselves generate issues of public interest. In an analogous context, this Court in Thomas v. Collins, 323 U.S. 516 ... (1945), observed:

[W]hether words intended and designed to fall short of invitation would miss the mark is a question both of intent and of effect. No speaker, in such circumstances, safely could assume that anything he might say upon the general subject would not be understood by some as an invitation. In short, the supposedly clear-cut distinction between discussion, laudation, general advocacy, and solicitation puts the speaker in these circumstance wholly at the mercy of the varied understanding of his hearers and consequently of whatever inference may be drawn as to his intent and meaning. Such a distinction offers no security for free discussion. In these conditions it blankets with uncertainty whatever may be said. It compels the speaker to hedge and trim.¹⁶⁶

The Court then concluded that:

The constitutional deficiencies described in “Thomas v. Collins” can be avoided only by reading s 608(e)(1) as limited to communications that include explicit words of advocacy of election or defeat of a candidate, much as the definition of “clearly identified” in s 608(e)(2) requires that an explicit and unambiguous reference to the candidate appear as part of the communication.... We agree that in order to preserve the provision against invalidation on vagueness grounds, s 608(e)(1) must be construed to apply only to expenditures for communications that in express terms advocate the election or defeat of a clearly identified candidate for federal office.¹⁶⁷

The Court said that “[t]his construction would restrict the application of § 608(e)(1) to communications containing express words of advocacy of election or defeat, such as

¹⁶⁴ *Id.* at 41.

¹⁶⁵ *Id.* at 42.

¹⁶⁶ *Id.* at 42-43.

¹⁶⁷ *Id.* at 43-44.

‘vote for,’ ‘elect,’ ‘support,’ ‘cast your ballot for,’ ‘Smith for Congress,’ ‘vote against,’ ‘defeat,’ ‘reject.’”¹⁶⁸

The Bipartisan Campaign Reform Act of 2002 (BCRA), P.L. 107-155 (H.R. 2356, 107th Cong.) significantly amended the FECA. Section 203 of the BCRA prohibits corporations and labor unions from using their general treasury funds (and any person from using funds donated by a corporation or labor union) to finance electioneering communications. Instead, the statute requires that such ads be paid for with corporate or labor union political action committee (PAC) regulated hard money.

Section 201 of the BCRA defines “electioneering communication” as any broadcast, cable, or satellite communication that refers to a clearly identified candidate for Federal office, is made within 60 days of a general election or 30 days of a primary election or political party caucus, and, in the case of a communication that refers to a candidate for an office other than President or Vice President, is targeted to the relevant electorate.¹⁶⁹ But if such definition is “held to be constitutionally insufficient by final judicial decision,” Section 201 provides, alternatively, that the term “electioneering communication” means “any broadcast, cable, or satellite communication which promotes or supports a candidate for [Federal] office, or attacks or opposes ad candidate for that office (regardless of whether the communication expressly advocates a vote for or against a candidate) and which also is suggestive of no plausible meaning other than an exhortation to vote for or against a specific candidate.”

In McConnell v. FEC, 540 U.S. 93 (2003), the Supreme Court held that neither the First Amendment nor Buckley prohibits BCRA’s regulation of “electioneering communications,” even though such communications do not contain express advocacy. The Court found that the speech regulated by section 203 of the BCRA was the “functional equivalent” of express advocacy. The Court said that the distinction made by Buckley between express and issue advocacy was a matter of statutory interpretation, not constitutional command, and that Buckley’s narrow reading of the FECA provisions to avoid problems of vagueness and overbreadth “did not suggest that a statute that was neither vague nor overbroad would be required to toe the same express advocacy line.”¹⁷⁰ While section 203 prohibits corporations and labor unions from using their general treasury funds for electioneering communications, the Court observed that they are still free to use separate segregated funds (PACs) to run such ads. Therefore, the Court concluded that it is erroneous to view this provision of BCRA as a “complete ban” on expression rather than simply a regulation.¹⁷¹

In Fed. Election Comm’n v. Wisconsin Right to Life, Inc., 127 S. Ct. 2652 (2007), the Supreme Court held that section 203 of the BCRA was unconstitutional as applied to ads broadcast by WRTL. Those ads accused a group of Senators of filibustering to delay and block federal judicial nominees, and told voters to contact Wisconsin

¹⁶⁸ *Id.* at 44 n.52.

¹⁶⁹ 2 U.S.C. 434(f)(3)(A)(i).

¹⁷⁰ McConnell, 540 U.S. at 192.

¹⁷¹ *Id.* at 204.

Senators Feingold and Kohl to urge them to oppose the filibuster. Recognizing that the ads would be illegal “electioneering communications” under section 203 of the BCRA if run within 30 days of the Wisconsin primary, but believing it had a First Amendment right to broadcast them, WRTL filed suit against the FEC seeking declaratory and injunctive relief and alleging that section 203’s prohibition was unconstitutional as applied to those ads. The Court said that because section 203 burdens political speech, it is subject to strict scrutiny under which the government must prove that applying BCRA to WRTL’s ads furthers a compelling governmental interest and is narrowly tailored to achieve that interest. While recognizing that McConnell had ruled that the BCRA survives strict scrutiny to the extent it regulates express advocacy or its functional equivalent, the Court said that McConnell did not establish an intent-and-effect test for determining if a particular ad is the functional equivalent of express advocacy, and did not purport to overrule Buckley, which rejected an intent-an-effect test for distinguishing between discussions of issues and candidates. The Court found that, because the ads may reasonably be interpreted as something other than an appeal to vote for or against a specific candidate, they are not the functional equivalent of express advocacy and therefore fall outside McConnell’s scope. To safeguard freedom of speech on public issues, a court should find that an ad is the functional equivalent of express advocacy only if the ad is susceptible to no reasonable interpretation other than as an appeal to vote for or against a specific candidate.¹⁷² The Court held that because WRTL’s ads were not express advocacy or its functional equivalent, and because the FEC identified no interest sufficiently compelling to justify burdening WRTL’s speech, section 203 of the BCRA was unconstitutional as applied to the ads.

In Citizen’s United v. Fed. Election Comm’n, 530 F. Supp. 2d 274 (D.D.C. 2008), the District Court rejected the plaintiff’s claim that section 203 of the BCRA violated the First Amendment on its face. The Supreme Court, however, agreed that BCRA did in fact violate free speech rights.¹⁷³

Past Legislative Proposals to Amend the Electioneering Prohibition

Legislation has been introduced in the past several Congresses that would have allowed churches to participate in at least some campaign activity without jeopardizing their tax-exempt status.¹⁷⁴

In the 107th Congress, the Houses of Worship Political Speech Protection Act (H.R. 2357) would allow churches to engage in campaign activity so long as such activity was “no substantial part” of the church’s activities. The “no substantial part” test is a flexible test, and would require the IRS to judge each church on a case-by-case basis.¹⁷⁵ And

¹⁷² WRTL, 127 S. Ct. at 2667.

¹⁷³ Citizens United v. FEC, 130 S. Ct. 876 (U.S. 2010)

¹⁷⁴ Erika K. Lunder & L. Paige Whitaker, Churches and Campaign Activity: Analysis of the Houses of Worship Free Speech Restoration Act and Similar Legislation, Congressional Research Service, at 1 (2009)

¹⁷⁵ *Id.* at 6.

the Bright-Line Act of 2001 (H.R. 2931) would allow a church to engage in campaign activity as long as it did not normally make expenditures for campaign activity in excess of 5 percent of its gross revenues and as long as it did not normally spend more than 20 percent of its gross revenues on campaign and lobbying activities combined. The bill did not define “normally.”

In the 108th Congress, a provision in the American Jobs Creation Act of 2004, H.R. 4520, as originally introduced, would add a new subsection to section 501, entitled “Safe Harbor for Churches,” which would provide that:

- A church would not be treated as having engaged in electioneering because of a statement by one of its religious leaders which is clearly identified as a statement made as a private citizen and not made on behalf of the church.
- A church would not lose its tax-exempt status unless its leaders unintentionally engage in electioneering on more than three separate occasions during any calendar year or intentionally engage in electioneering.

H.R. 4520 would also add a new section to the Code imposing a tax on churches for “impermissible activities,” i.e., electioneering. If a church unintentionally engages in electioneering on three occasions during a calendar year, it would be subject to a tax equal to the highest corporate tax rate multiplied by the organization’s gross income for the calendar year. The amount would be reduced by 1/52 if there is only one violation in the year or by ½ if there are only two violations during the year. Any tax imposed under this new section would be reduced by the amount of any tax imposed under section 4955.¹⁷⁶

The Houses of Worship Free Speech Restoration Act (H.R. 235) was introduced in both the 108th and 109th Congresses. It would add a new subsection to section 501 providing that a church would not lose its tax-exempt status or be deemed to have engaged in electioneering “because of the content, preparation, or presentation of any homily, sermon, teaching, dialectic, or other presentation made during religious services or gatherings.”

In the 110th Congress, H.R. 2275 would repeal the political campaign prohibition entirely, in which case a church’s political campaign activity would be limited only by the general section 501(c)(3) requirement that the church be organized and operated exclusively for exempt purposes. Churches and other section 501(c)(3) organizations would still be subject to the section 4955 tax on political expenditures.¹⁷⁷

Discussion

The electioneering prohibition on section 501(c)(3) organizations should be repealed or circumscribed with respect to churches and other section 501(c)(3) organizations (other than private foundations) because “the game is not worth the candle.” The IRS is required to draw on its limited resources to police a provision that has no express

¹⁷⁶ *Id.* at 5

¹⁷⁷ *Id.* at 4.

purpose that can be deduced from the legislative history,¹⁷⁸ is harsher than what is necessary to address legitimate policy concerns, is vague (and therefore difficult for charities to comply with and for the IRS to enforce), and rarely results in any punishment being imposed on non-complying organizations or excise tax revenues being collected for the U.S. Treasury. Several legal scholars have questioned the constitutionality of the prohibition.¹⁷⁹ The only sure effect of the prohibition has been to cause headaches for the IRS, especially when a church is accused of overstepping the prohibition's tenuous borders.¹⁸⁰

A Prohibition Without a Purpose? Congress Gave No Reasons for Enacting the Electioneering Prohibition

Although "charitable" organizations have been exempt from paying federal income tax for as long as there has been a tax, it was not until 1934 that any limits were placed on their political activities, and then only on lobbying, not electioneering. An early Senate version of the bill that would become the Revenue Act of 1934 proposed limits on electioneering as well as a lobbying by denying a charitable contribution deduction for "contributions made to an organization a substantial part of whose activities is participation in partisan politics or in carrying on propaganda, or otherwise attempting to influence legislation."¹⁸¹ However, the Conference Committee deleted the "partisan politics" language, one congressman stating that "we were afraid that this prohibition was too broad, and we succeeded in getting the Senate conferees to eliminate [the provision concerning] partisan politics."¹⁸² Thus, the 1934 Revenue Act imposed a restriction on lobbying only.

But in 1954, then-Senator Lyndon B. Johnson introduced a floor amendment to the Revenue Act of 1954 that would prohibit electioneering by section 501(c)(3) organizations. No hearings were held on the subject, and there is no discussion of the Johnson amendment in the Act's legislative history, but Johnson's remarks on the

¹⁷⁸ See, e.g., Deirdre Dessingue, Prohibition In Search of a Rationale: What the Tax Code Prohibits; Why; To What End? 42 B.C. L. Rev. 903. (2001).

¹⁷⁹ See, e.g., Laura Brown Chisolm, Politics and Charity: A Proposal For Peaceful Coexistence, 58 Geo. Wash. L. Rev. 308 (1990); Erik J. Ablin, The Price of Not Rendering to Caesar: Restrictions On Church Participation in Political Campaigns, 13 Notre Dame J.L. Ethics & Pub. Pol'y 541 (1999); Steffen N. Johnson, Of Politics and Pulpits: A First Amendment Analysis of IRS Restrictions on the Political Activities of Religious Organizations, 42 B.C. L. Rev. 875 (2001); Chris Kemmitt, RFRA, Churches and the IRS: Reconsidering the Legal Boundaries of Church Activity in the Political Sphere, 43 Harv. J. on Legis. 145 (2006); Keith S. Blair, Praying for a Tax Break: Churches, Political Speech, and the Loss of Section 501(c)(3) Tax Exempt Status, 86 Denv. U.L. Rev. 405 (2009).

¹⁸⁰ For example, the Alliance Defense Fund (ADF) is intent on challenging the constitutionality of the electioneering prohibition. During the 2008 presidential campaign, ADF organized Pulpit Freedom Sunday, when "32 pastors in different parts of the country spoke out on candidates and their stands on the issues during church services, hoping to provide the IRS into revoking participating churches' exemptions and thereby spark a showdown in court. So far, the IRS response has been silence, so the ADF is planning another effort for this fall. An ADF attorney said Pulpit Freedom Sunday will take place every year until pastors have the right to preach freely from their pulpits." 2009 TNT 145-6 (July 31, 2009).

¹⁸¹ S. Rep. no. 558, 73d Cong., at 26 (1934).

¹⁸² 78 Cong. Rec. 7831 (1934).

Senate floor suggest that he intended merely to extend the existing lobbying restrictions to electioneering and not to creating a new, more punitive regime for electioneering.¹⁸³

Revocation is Toughest Sanction

Section 501 of the Internal Revenue Code effectuates Congress's determination to favor organizations set up and operated to further certain purpose deemed beneficial to society at large (such as religious, charitable, and educational purposes) by exempting such organizations from federal income tax. Similarly, with section 170(c)(2), Congress encourages the public to support organizations that further religious, charitable, educational, and other "exempt" purposes, by allowing a deduction from federal income tax for contributions to such organizations. It is logical that Congress would not want tax-exempt organizations to engage in activities that further a purpose that is not one of those for which tax exemption is accorded. Likewise, it is logical that Congress would not want tax-deductible contributions used to further a purpose that is not one of the purposes that the charitable contribution deduction was meant to encourage. Under common law, political purposes are not considered to be charitable purposes. Reflecting case law, the Restatement of the Law on Trusts, Second, says that "a trust to promote the success of a particular political party is not charitable."¹⁸⁴ Therefore, it is logical that Congress would want to discourage tax-exempt organizations from engaging in political activities.

But other kinds of activities that do not further an exempt purpose are discouraged under the tax law without resort to revocation of exemption for the slightest infraction. The general rule is that a section 501(c)(3) organization must engage *primarily* in activities that accomplish exempt purposes; i.e., an organization is not regarded as operated exclusively for exempt purposes if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.¹⁸⁵ Put another way, an organization generally will not lose its exemption under section 501(c)(3) for merely engaging in an activity that is not in furtherance of exempt purposes as long as non-exempt activities do not constitute a substantial part of overall activities. For example, an exempt organization may operate a trade or business and maintain its exemption as long as it is not organized and operated for the primary purpose of carrying on an unrelated trade or business.¹⁸⁶ Rather than revoke the exempt status of an organization that engages in an unrelated trade or business, the Code subjects the organization to a tax on its unrelated business income.¹⁸⁷

The lobbying restrictions are in harmony with this "insubstantial part" rule, because they condone an insubstantial level of lobbying. An organization that elects to limit its

¹⁸³The transcript in the Congressional Record reads: "Mr. Johnson of Texas: Mr. President, this amendment seeks to extend the provisions of section 501 of the House bill, denying tax-exempt status to not only those people who influence legislation but also to those who intervene in any political campaign on behalf of any candidate for any public office" (100 Cong. Rec. 9604 (1954))

¹⁸⁴ Restatement (Second) of Trusts § 374, cmt. k (1959).

¹⁸⁵ Treas. Reg. § 1.501(c)(3)-1(c)(1).

¹⁸⁶ Treas. Reg. § 1.501(c)(3)-1(e).

¹⁸⁷ I.R.C. §§ 511-514.

lobbying expenditures to the levels prescribed in section 501(h) and 4911 is subject to tax only if it exceeds those expenditure levels, and it does not risk the loss of exemption unless it substantially exceeds those levels over the course of several years. In contrast, the absolute ban on electioneering with its hair-trigger revocation penalty is an anomaly.

Although electioneering is not the only activity that is absolutely proscribed by the terms of section 501(c)(3), it is the only proscribed activity for which there is no effective alternative. For example, section 501(c)(3) also contains a prohibition on inurement; i.e., “no part of the net earnings” of a section 501(c)(3) organization may “[inure] to the benefit of any private shareholder or individual.” But because “inurement” is difficult to prove (much less understand), and the penalty, even for a scintilla of inurement is so onerous (revocation of tax-exempt status), the inurement prohibition is rarely enforced. Eventually Congress enacted section 4958 to impose taxes, as an alternative to revocation, with respect to certain types of inurement (known as excess benefit transactions) involving public charities. Treasury regulations to section 4958 set out procedures that charities can follow to establish the reasonableness of their transactions with insiders, thereby giving charities a degree of confidence that such transactions will not be considered inurement that results in revocation.

Like inurement, the precise scope of proscribed electioneering is difficult to define. Like the inurement prohibition, the electioneering prohibition imposes an onerous penalty on an offending organization – loss of tax-exempt status. But unlike inurement, there is no alternative, less onerous scheme, similar to section 4958, for deterring electioneering. For although section 4955 imposes taxes on political expenditures, most violations of the electioneering prohibition do not involve “expenditures,” but merely speech, and section 4955 provides no “safe harbor” by which a charity might establish that certain speech is permissible issue advocacy rather than impermissible electioneering.

The problem with an absolute prohibition on electioneering is that there is no “bright line” between issue advocacy and partisan politics. The IRS can construe speech to be electioneering even if no mention is made of an election or a person’s status as a candidate for public office. For example, the James Madison Center for Free Speech filed a lawsuit in federal district court challenging an IRS determination that Catholic Answers, a section 501(c)(3) charity, had made “political expenditures” because its president, Karl Keating posted a message on the organization’s website prior to the 2004 election in which he argued that John Kerry (then a presidential candidate) should not receive Holy Communion because of his “pro-abortion” positions. The lawsuit accuses the Treasury regulations of being vague and overbroad and, consequently, of chilling the First Amendment free speech rights of non-profit organizations. The suit asks that the regulations on “political intervention” be struck down or narrowly construed to encompass only speech that expressly advocates the election or defeat of a clearly identified candidate.¹⁸⁸

¹⁸⁸ Complaint available at <http://www.jamesmadisoncenter.org/CAKK/CAKKComplaint.pdf>

The Parameters of a “Facts-and-Circumstances” Electioneering Test are Difficult to Circumscribe

While the IRS has issued guidance to help charities understand the types of behavior that could constitute electioneering,¹⁸⁹ the “facts and circumstances” approach used by the IRS for determining a violation of the ban causes church and charity officials a great deal of confusion and anxiety. A Congressional Research Service report says that “the statute and regulations do not offer much insight as to what [electioneering] activities are prohibited.”¹⁹⁰

Even the IRS officials responsible for investigating violations of the electioneering prohibition have difficulty discerning its scope. An audit by the Treasury Inspector General for Tax Administration (TIGTA) found that “[IRS] employees responsible for identifying and researching referrals with alleged political interventions ... did not always understand why certain referrals were not included in the initiative [by the Referral Committee].” TIGTA recommended that the director of the IRS’s EO function “seek to improve the consistent understanding of prohibited political intervention criteria within the EO function.”¹⁹¹

Enforcement Efforts Sap IRS Resources And Revocations are Rare

Proving a violation of the electioneering prohibition, like proving inurement, is often difficult. And proving electioneering by church officials is particularly fraught with difficulty because the IRS is prohibited by the church audit procedures of section 7611 from conducting a church tax inquiry or examination unless a “high-level Treasury official reasonably believes (on the basis of facts and circumstances recorded in writing) that the church” has engaged in activity that puts its tax-exempt status in doubt. The staff of the Joint Committee on Taxation found that the church audit procedures “[make] it more difficult for the IRS to initiate an examination of a church even if there is clear evidence of impermissible activity on the part of the church and [hampers] IRS efforts to educate churches with respect to actions that are not permissible, such as what constitutes impermissible political campaign intervention.”¹⁹²

Testifying before the House Ways and Means Committee in 2002, then-director of the IRS Exempt Organizations office, Steven Miller, said “this is a challenging area for the IRS to administer. This is not the first time that Congress has reviewed our activities in this area.” Miller went on to list some of those challenges:

¹⁸⁹ See, e.g., Rev. Rul. 2007-41, 2007-25 I.R.B. 1421.

¹⁹⁰ Erika Lunder, Tax-Exempt Organizations: Political Activity Restrictions and Disclosure Requirements, Cong. Res. Serv., Sept. 11, 2007.

¹⁹¹ Treasury Inspector General For Tax Administration, Improvements Have Been Made to Educate Tax-Exempt Organizations and Enforce the Prohibition Against Political Activities, but Further Improvements Are Possible 2-3 (June 18, 2008).

¹⁹² Staff of the Joint Committee on Taxation, Report of Investigation of Allegations Relating to Internal Revenue Service Handling of Tax-Exempt Organization Matters, JCS-3-00, at 19 (2000).

First we have the issue of attribution. Was an individual making a pronouncement in his or her individual capacity, or can the pronouncement be attributed to the tax-exempt organization...?

A second difficult issue is whether a given pronouncement constitutes political campaign intervention. In this area specifically, the IRS is faced with reviewing both the content and circumstances surrounding the distribution of voter guides during worship services or on church property....

Finally, the section 4955 excise tax that can be used in lieu of revocation may not be effective [because] the tax is based on expenditures. Yet there are times when this excise tax does not correspond to the prohibited intervention. For example what is the expenditure related to an endorsement of a candidate during a sermon from the pulpit? ... [All] these considerations ... taken together ... make the area more challenging to regulate.¹⁹³

Before 2004, the IRS only occasionally looked into third-party allegations electioneering activities. Miller testified at the 2002 Hearings that the IRS had “revoked religious organizations or religious-affiliated organizations four or five times in the last 20 years.”¹⁹⁴ But because the IRS “has seen a growth in the number and variety of allegations of [charities intervening in political campaigns] during election cycles ... coupled with the dramatic increases in money spent during political campaigns,” the IRS initiated a Political Activities Compliance Initiative (PACI) for the 2004 election cycle, the objective of which was to promote compliance with the electioneering ban by expeditiously reviewing allegations of political intervention by tax-exempt organizations and initiating examinations when deemed appropriate. Since the 2004 Initiative, the IRS has continued to conduct political activity compliance initiatives during Federal election years.

For the 2004 Initiative, the IRS received 166 referrals alleging prohibited political campaign intervention by section 501(c)(3) organizations, among which were nineteen allegations that a church official had endorsed a political candidate during regular church services. The number of referrals is quite small considering that GuideStar reports that there are 1.8 million “IRS-recognized tax-exempt organizations,”¹⁹⁵ and the Yearbook of American and Canadian Churches reports that there are 331,000 church congregations in the United States.¹⁹⁶ The IRS selected 110 organizations for examination, including 47 churches. The examinations mainly concerned tax-exempt organizations that had allegedly been involved in a single instance of potentially prohibited electioneering. Forty-six referrals alleged the distribution of printed materials such as printed documents or signs supporting a particular candidate or biased voter

¹⁹³ Review of Internal Revenue Code Section 501(c)(3) Requirements for Religious Organizations, Hearing Before the Subcomm. On Oversight of the H. Comm. On Ways and Means, 107th Cong. (2002).

¹⁹⁴ *Id.* at 15 (2002).

¹⁹⁵ <http://www2.guidestar.org/rxg/analyze-nonprofit-data/index.aspx>; GuideStar maintains a database of tax-exempt organizations.

¹⁹⁶ Julia Duin, Americans Leaving Churches in Doves, Washington Times, Sept. 21, 2008, at A09.

guides. Thirty-five referrals alleged improper verbal statements, such as a church official endorsing a candidate during church services, or candidates making campaign speeches at functions sponsored by a tax-exempt organization. Thirty-four referrals alleged the distribution of prohibited electioneering material electronically such as on a Website or in an email. And fifteen referrals alleged inappropriate political contributions. In the majority of cases, the examination concluded with the IRS issuing a closing letter to the tax-exempt organization warning the organization of the consequences of future prohibited electioneering. However, six examinations resulted in the revocation of the organization's tax-exempt status. Of the 107 examinations concluded by December 2008, the IRS had substantiated electioneering by sixty two organizations.¹⁹⁷

The Treasury Inspector General for Tax Administration, in its audit of the 2004 Initiative, observed that excise taxes on political activities are difficult to assess either because "tax-exempt assets were not used" or because "it is difficult to calculate the amount of tax-exempt assets used in a prohibited activity.... As a result, it is rare for the IRS to assess excise taxes at the conclusion of an examination.... In 5 of the 99 cases, the IRS assessed excise taxes in the amount of \$12,945.37." The audit report also observed that "by their very nature, IRS examinations are highly intrusive and require resources of both the IRS and the tax-exempt organization being examined. In addition, some political activity examinations are lengthy due to their complexity and the fact that certain cases involve additional legal requirements that must be followed," probably an allusion to the church audit procedures. "For example, some of the initial examinations in the 2004 Initiative started in late 2004, while some of the examinations were not completed until mid-2007 or early 2008, and three were still ongoing when we completed our fieldwork."¹⁹⁸

For the 2006 election cycle, the IRS received 237 referrals, among which were 13 allegations that a church official had endorsed a political candidate during regular church services. The IRS selected 100 organizations for examination, including 44 churches. As of March 30, 2007, at which time only 40 examinations had been closed, the IRS had substantiated political intervention by, and had issued written advisories to, only 4 churches. In neither 2004 nor 2006 did the IRS revoke, or propose to revoke, the exempt status of a church.¹⁹⁹

The IRS undertook another PACI for the 2008 2010 election cycles, but results have not yet been reported.

Issues for Consideration

Prior legislative proposals addressing the electioneering prohibition focused solely on churches. However, as discussed earlier, church status can be gamed. In addition,

¹⁹⁷ Treasury Inspector General for Tax Administration, Statistical Profile of Alleged Political Intervention by Tax-Exempt Organizations in the 2004 Election Season (May 12, 2009)

¹⁹⁸ *Id.*

¹⁹⁹ Internal Revenue Service, 2006 Political Activities Compliance Initiative, at http://www.irs.gov/pub/irs-tege/2006paci_report_5-30-07.pdf

providing exceptions or separate rules for churches does not significantly reduce IRS's enforcement burden. We considered several ideas for reform of this provision but, again, lacked the expertise in constitutional law to make an informed recommendation. However, two ideas we believe would survive a constitutional challenge are:

- 1) Replace the prohibition with a limitation similar to the lobbying restrictions, or
- 2) Retain prohibition but define "Participate In" or "Intervene In" in terms of expenditures and electioneering communications per federal election law.

Kenneth Copeland

**Tarrant Appraisal District
Business Personal Property**

08/13/2013

Account Number: 11673338

Business Name: Eagle Mountain Intl Church

Property Location: 14355 Morris Dido Newark Rd, No City

Owner Information: Eagle Mountain Intl Church

Attn: Tax Dept

14355 Morris Dido Newark Rd

Fort Worth Tx 76192-0001

Property Type: Business Aircraft

Taxing Jurisdictions: 099 Regional Water District

220 Tarrant County

222 Emergency Svcs Dist #1

224 Tarrant County Hospital Dist

225 Tarrant County College Dist

918 Eagle Mtn-Saginaw ISD

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database.

Proposed Values for Tax Year 2013

2013 Market Value	\$9,000,000
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*Casus
Citation 10X*

5-Year Value History

Tax Year	Appraised Total	Market Total
2012	\$10,100,000	\$10,100,000
2011	\$11,700,000	\$11,700,000
2010	\$13,500,000	\$13,500,000
2009	\$17,000,000	\$17,000,000
2008	\$17,000,000	\$17,000,000

2013 Rendition Received? Y

Worked? Y

2013 Notice Sent:

Protest Deadline: 05/31/2013

Exemptions: Absolute Church

Property Data

State Code: M2 Pvt Aircraft

SIC: 00000

Real Estate Account: 04270118

Agent: None

Kenneth Copeland parsonage

Tarrant Appraisal District

Real Estate

08/13/2013

Account Number: 03878856

Georeference: A 508-1B

Property Location: 6000 Indian Creek Rd, No City

Owner Information: Eagle Mountain Intl Ch Inc

Attn Accounting

PO Box 728

Newark Tx 76071-0728

1 Prior Owner

Legal Description: Flores, Don Thomas Survey

A 508 Trs 1B & 2B

Portion With Exemption

(4% of Land Value)

Taxing Jurisdictions: 099 Regional Water District

220 Tarrant County

222 Emergency Svcs Dist #1

224 Tarrant County Hospital Dist

225 Tarrant County College Dist

918 Eagle Mtn-Saginaw ISD

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database.

Proposed Values for Tax Year 2013

	Land	Impr	2013 Total ††
Market Value	\$4,978	\$6,307,722	\$6,312,700
Appraised Value †	\$4,978	\$6,307,722	\$6,312,700
Approximate Size †††			18,280
Land Acres			0.0000
Land SqFt			0

† Appraised value may be less than market value due to state-mandated limitations on value increases

†† A zero value indicates that the property record has not yet been completed for the indicated tax year

††† Rounded

5-Year Value History

Tax Year	XMPT	Appraised Land	Appraised Impr	Appraised Total	Market Land	Market Impr	Market Total
2012	004	\$4,978	\$6,165,422	\$6,170,400	\$4,978	\$6,165,422	\$6,170,400
2011	004	\$4,978	\$6,165,422	\$6,170,400	\$4,978	\$6,165,422	\$6,170,400
2010	004	\$4,978	\$6,106,022	\$6,111,000	\$4,978	\$6,106,022	\$6,111,000
2009	004	\$4,978	\$6,244,322	\$6,249,300	\$4,978	\$6,244,322	\$6,249,300
2008	004	\$4,978	\$6,244,322	\$6,249,300	\$4,978	\$6,244,322	\$6,249,300

Protest Deadline: 05/31/2013

Exemptions: Absolute Church

Property Data

Deed Date: 06/13/1986

Deed Vol: 000000

Deed Page: 0000

Year Built: 1999

Pct Complete: 100

TAD Map: 2000 472

MAPSCO: 002T

Agent: 00604 Meritax Prop Tax Consultants

Class: 225

State Code: A1 Single Family

Garage Bays: 06

Central Air: Y

Central Heat: Y

Pool: N

Kenneth Copeland

**Tarrant Appraisal District
Business Personal Property**

08/13/2013

Account Number: 12075779

Business Name: Eagle Mountain Int Church

Property Location: 14355 Morris Dido Newark Rd, No City

Owner Information: Eagle Mountain Int Church

Tax Dept

PO Box 728

Newark Tx 76071-0728

Property Type: Business Aircraft

Taxing Jurisdictions: 099 Regional Water District

220 Tarrant County

222 Emergency Svcs Dist #1

224 Tarrant County Hospital Dist

225 Tarrant County College Dist

918 Eagle Mtn-Saginaw ISD

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database.

Proposed Values for Tax Year 2013

2013 Market Value	\$1,800,000
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5-Year Value History

Tax Year	Appraised Total	Market Total
2012	\$2,800,000	\$2,800,000
2011	\$2,800,000	\$2,800,000
2010	\$2,800,000	\$2,800,000
2009	\$2,800,000	\$2,800,000
2008	\$3,600,000	\$3,600,000

2013 Rendition Received? Y

Worked? Y

2013 Notice Sent:

Protest Deadline: 05/31/2013

Exemptions: Absolute Church

Property Data

State Code: M2 Pvt Aircraft

SIC: 00000

Real Estate Account: 05703603

Agent: None

Kenneth Copeland airport

Tarrant Appraisal District

Real Estate

08/13/2013

Account Number: 05703603

Georeference: A1700-2A

Property Location: 19000 Hangar Rd, No City

Owner Information: Eagle Mountain Intl Ch Inc

Attn Accounting

PO Box 728

Newark Tx 76071-0728

Legal Description: Wilcox, Jacob Survey #65

A1700 Trs 2A 2A1 2B 2D 3A 4B1

4C1 4D1 4F1 & A1124 Trs 1 IA1

A 505 Tr 1A1&A1967 Trs 1A1 ID

Taxing Jurisdictions: 099 Regional Water District

220 Tarrant County

222 Emergency Svcs Dist #1

224 Tarrant County Hospital Dist

225 Tarrant County College Dist

918 Eagle Mtn-Saginaw ISD

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database.

Proposed Values for Tax Year 2013

	Land	Impr	2013 Total ††
Market Value	\$789,710	\$7,973,843	\$8,763,553
Appraised Value †	\$789,710	\$7,973,843	\$8,763,553
Approximate Size †††			184,699
Land Acres			116.9940
Land SqFt			5,096,259

† Appraised value may be less than market value due to state-mandated limitations on value increases

†† A zero value indicates that the property record has not yet been completed for the indicated tax year

††† Rounded

5-Year Value History

Tax Year	XMP	Appraised Land	Appraised Impr	Appraised Total	Market Land	Market Impr	Market Total
2012	004	\$789,710	\$7,973,843	\$8,763,553	\$789,710	\$7,973,843	\$8,763,553
2011	004	\$789,710	\$7,973,843	\$8,763,553	\$789,710	\$7,973,843	\$8,763,553
2010	004	\$789,710	\$7,973,843	\$8,763,553	\$789,710	\$7,973,843	\$8,763,553
2009	004	\$796,898	\$7,966,655	\$8,763,553	\$796,898	\$7,966,655	\$8,763,553
2008	004	\$796,898	\$7,966,655	\$8,763,553	\$796,898	\$7,966,655	\$8,763,553

Protest Deadline: 05/31/2013

Exemptions: Absolute Church

Property Data

Deed Date: 01/01/1901

Deed Vol: 000000

Deed Page: 0000

Year Built: 1985

Class:060

State Code: F1 Commercial

Garage Bays: 00

Central Air:

Central Heat:

Pool: N

TAD Map: 2000 476

MAPSCO: 002M

Agent: 00604 Meritax Prop Tax Consultants

Kenneth Copeland Church

Tarrant Appraisal District

Real Estate

08/13/2013

Account Number: 07122195

Georeference: A1700-2A01A1

Property Location: 14385 Morris Dido Newark Rd, No City

Owner Information: Eagle Mountain Intl Ch Inc

Attn Accounting

PO Box 728

Newark Tx 76071-0728

Legal Description: Wilcox, Jacob Survey #65

Abst 1700 Trs 2A1A1 2A2A 2A4 &

Abst 1124 Trs 1A2 & 1B

Taxing Jurisdictions: 099 Regional Water District

220 Tarrant County

222 Emergency Svcs Dist #1

224 Tarrant County Hospital Dist

225 Tarrant County College Dist

918 Eagle Mtn-Saginaw ISD

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database.

Proposed Values for Tax Year 2013

	Land	Impr	2013 Total ††
Market Value	\$62,100	\$3,428,803	\$3,490,903
Appraised Value †	\$62,100	\$3,428,803	\$3,490,903
Approximate Size †††			85,866
Land Acres			9.2000
Land SqFt			400,752

† Appraised value may be less than market value due to state-mandated limitations on value increases

†† A zero value indicates that the property record has not yet been completed for the indicated tax year

††† Rounded

5-Year Value History

Tax Year	XMPT	Appraised Land	Appraised Impr	Appraised Total	Market Land	Market Impr	Market Total
2012	004	\$62,100	\$3,428,803	\$3,490,903	\$62,100	\$3,428,803	\$3,490,903
2011	004	\$62,100	\$3,428,803	\$3,490,903	\$62,100	\$3,428,803	\$3,490,903
2010	004	\$62,100	\$3,428,803	\$3,490,903	\$62,100	\$3,428,803	\$3,490,903
2009	004	\$62,100	\$3,428,803	\$3,490,903	\$62,100	\$3,428,803	\$3,490,903
2008	004	\$62,100	\$3,428,803	\$3,490,903	\$62,100	\$3,428,803	\$3,490,903

Protest Deadline: 05/31/2013

Exemptions: Absolute Church

Property Data

Deed Date: 01/01/1998

Deed Vol: 000000

Deed Page: 0000

Year Built: 1997

TAD Map: 2000 480

MAPSCO: 002H

Agent: 00604 Meritax Prop Tax Consultants

Class: 130

State Code: F1 Commercial

Garage Bays: 00

Central Air:

Central Heat:

Pool: N

Word of God Fellowship, Incorporated,
a Georgia Corporation
Summary of Minutes for Fiscal 2010



Board Members

- ✓ Marcus D. Lamb – Present
- ✓ Joni Lamb – Present
- ✓ Jimmie F. Lamb – Absent
- ✓ Corinne Lamb – Present
- ✓ John T. Calendar – Present

Annual matters

- Confirmation that corporate annual reports were filed as required for the State of Texas and Georgia.
- Confirmation of various State and local reports being filed periodically throughout the year as required.
- Approved Tuggle, Burton & Co., PC as Auditors: date of last audited financial statement – June 30, 2009 and brief review.
- Approved ex officio Arnold Torres, Business Administrator of Daystar Television Network, to prepare summary of Annual Board of Director's Meeting Minutes for Fiscal 2010.
- Review and approved current overall employee compensation and housing allowances.
- Review and approved current insurance coverage: Frost (Chubb) insurance (property, auto, inland marine, general liability, media, D/O etc.).
- Review and approved current operating budget and year-to-date income and expenses.
- Review of liquidity and investments.
- Review and approved current 403(b) plan.
- Review and approved employee benefit plan (Medical/Dental).
- Review and approved accounts receivable and determination if collection procedures are warranted on any accounts.
- Review status of any outstanding loans (Daystar paid-off only outstanding term loan).
- Discussion of additional items requiring board action was reviewed and approved as follows:
 - 1) Authority approved and granted to negotiate and execute renewal and/or new agreements for cable systems throughout the noted countries.
 - Asia: India, Nepal, Pakistan, Cameroon, Sierra Leone
 - Europe: The Netherlands, Belgium, Spain, France, Italy, The United Kingdom, Germany
 - Africa: Nigeria, South Africa, Uganda, Tanzania, Kenya, Liberia, Ghana
 - 2) Authority approved and granted to purchase full power Station WMAK, Knoxville TN for \$2 million.