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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

FREE SACRED TRINITY CHURCH, a
California nonprofit religious corporation;
and OPTIMUM HEALTH INSTITUTE –
SAN DIEGO, a California nonprofit
religious corporation,

Plaintiff,

v.

INTERNAL REVENUE SERVICE,

Defendant.

Case No.: 3:21-cv-1756-W (JLB)

**ORDER GRANTING PLAINTIFFS’
EX PARTE APPLICATION TO
CORRECT THE RECORD [DOC. 28]**

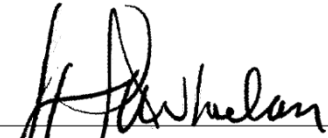
Pending before the Court is Plaintiffs’ ex parte application to correct the record. (*App.* [Doc. 28].) Defendant IRS did not file an opposition to the application. During the pendency of Defendant’s motion to dismiss in early 2022, the IRS completed its audit of Plaintiffs and issued a final adverse determination letter. In the letter, the IRS said that it reclassified Plaintiff Free Sacred Trinity Church “in a manner that has negative tax consequences going forward.” (*Id.* at 1.) The Court then stated in two subsequent Orders (Docs. 19 and 20) that Plaintiffs’ tax-exempt status as a church was revoked. Plaintiffs argue that this is not an accurate representation of what the IRS did. The IRS apparently “decided to reclassify Free Sacred Trinity Church retroactive to 2016 as not being a church, though continuing to recognize it as a nonprofit organization described in 26

1 U.S.C. § 501(c)(3).” (*App.* at 2.) Plaintiffs are allegedly challenging that reclassification
2 in a separate action in U.S. Tax Court, and that reclassification is not yet final. (*Id.*)
3 Accordingly, the Court **GRANTS** Plaintiffs’ *ex parte* application to correct the record
4 (specifically Docs. 19 and 20) and clarifies that:

- 5 (1) Plaintiff Free Sacred Trinity Church’s tax-exempt status was not revoked by
6 the IRS.
7 (2) Rather, the IRS reclassified Free Sacred Trinity from being a church to being
8 another kind of nonprofit public organization described in 26 U.S.C. §
9 501(c)(3).

10 **IT IS SO ORDERED.**

11 Dated: July 27, 2022

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14 Hon. Thomas J. Whelan
15 United States District Judge
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