

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT  
FRANKLIN COUNTY, ILLINOIS**

---

**THREE ANGELS BROADCASTING NETWORK,**

Plaintiff

v.

**ILLINOIS DEPARTMENT OF REVENUE,  
Defendant, and THOMPSONVILLE COMMUNITY  
HIGH SCHOOL DIST. NO. 112, and  
THOMPSONVILLE SCHOOL DIST. NO. 62,  
Intervenors**

Defendants

No. 04 MR 15

Barbara S. Rowe  
Administrative Law Judge

---

VOLUME FIVE OF FIVE

**ANSWER AND ADMINISTRATIVE RECORD  
OF THE ILLINOIS DEPARTMENT OF REVENUE**



**LISA MADIGAN**  
Attorney General of Illinois  
Revenue Litigation Bureau  
500 S. Second Street  
First Floor  
Springfield, Illinois 62706  
(217) 782-9022

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT  
FRANKLIN COUNTY, ILLINOIS**

**THREE ANGELS BROADCASTING  
NETWORK,**

Plaintiff

v.

**ILLINOIS DEPARTMENT OF REVENUE,  
Defendant, and THOMPSONVILLE COMM.  
HIGH SCHOOL DIST. NO. 112, and  
THOMPSONVILLE SCHOOL DIST. NO. 62,  
Intervenors**

Defendants

No. 04 MR 15

**ANSWER AND ADMINISTRATIVE RECORD  
OF THE ILLINOIS DEPARTMENT OF REVENUE**

Now Comes the Illinois Department of Revenue and Brian Hamer, Director, through their attorney, LISA MADIGAN, Attorney General, and respectfully submits as its Answer to the Complaint For Administrative Review filed in this cause, the following record of administrative proceedings taken before the Illinois Department of Revenue, together with the exhibits submitted thereto, pursuant to 735 ILCS 5/3-101, et seq.

Respectfully submitted,

Brian Hamer, Director  
Illinois Department of Revenue

By: LISA MADIGAN  
Attorney General of Illinois  
Revenue Litigation Bureau  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-9022

**THREE ANGELS BROADCASTING NETWORK,**

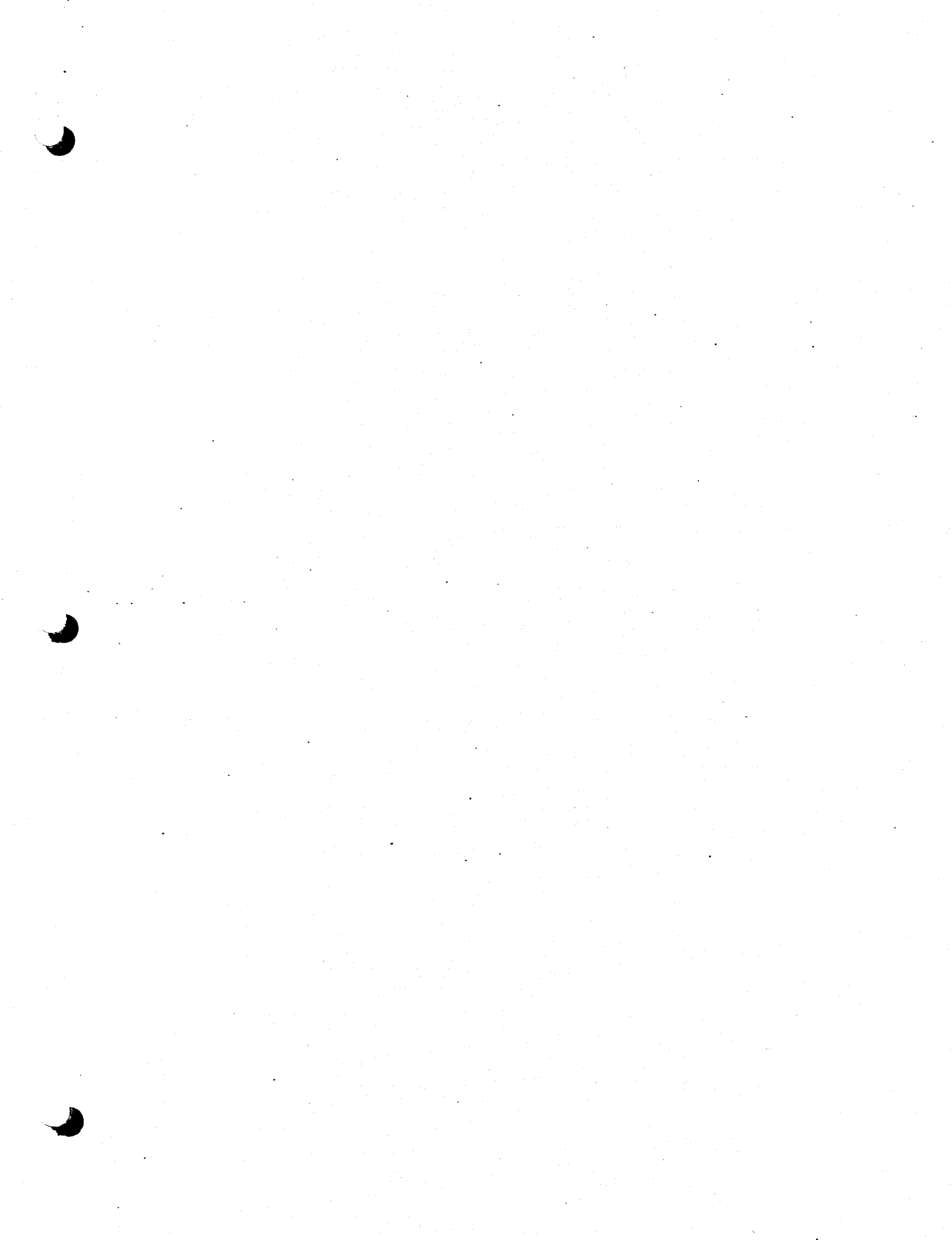
**V.**

**ILLINOIS DEPARTMENT OF REVENUE, and  
THOMPSONVILLE COMMUNITY HIGH SCHOOL DISTRICT NO. 112, and  
THOMPSONVILLE SCHOOL DISTRICT NO. 62**

**04 MR 15**

**TABLE OF CONTENTS**

I	Transcript .....	000001-000739
II	Department Exhibits.....	000740-000755
III	Applicant's Exhibits.....	000756-000841
IV	Intervener's Exhibits .....	000842-001087
V	Notices, Motion, Orders.....	001088-001412
VI	Briefs .....	001413-001530
VII	Offers of Proof .....	001531-001709
VIII	Administrative Decision.....	001710-001757



See video with blue label entitled:

3ABN Viewer Program Sampler

Applicant's Ex. # 11

THREE ANGELS BROADCASTING NETWORK, INC.  
ANALYSIS OF SALES  
FOR THE YEAR 2000

	Airtime Sales	Satellite Sales	Video and Other	Rental Income	Total
Sales	603,842.23	2,665,397.84	146,300.30	31,347.49	3,446,887.86
Expenses					
Depreciation on buildings (53,390.82 X 20%)	(10,678.16)				(10,678.16)
Depreciation on downlinks (465,759.24 X 20%)	(93,151.84)				(93,151.84)
Depreciation on production equipment (483,474.54 X 20%)	(96,694.91)				(96,694.91)
Airtime expense (1,851,467.75 X 20%)	(370,293.55)				(370,293.55)
Downlink expense (878,101.18 X 20%)	(175,620.24)				(175,620.24)
Supplies Broadcasting (398,275.86 X 20%)	(79,655.17)				(79,655.17)
Satellite purchases		(2,995,088.49)			(2,995,088.49)
Newsletter			(114,936.03)		(114,936.03)
Literature			(139,459.55)		(139,459.55)
Rental expenses				(13,295.49)	(13,295.49)
	(222,251.64)	(329,690.65)	(108,095.28)	18,052.00	(641,985.57)

**EXHIBIT**  
**APPLICANT'S**  
# 22

**001531**

THREE ANGELS BROADCASTING NETWORK, INC.  
ANALYSIS OF SALES  
FOR THE YEAR 2001

	Airtime Sales	Satellite Sales	Video and Other	Rental Income	Total
Sales	857,768.47	618,832.21	251,109.82	35,039.93	1,762,750.43
Expenses					
Depreciation on building (65,506.74 X 20%)	(13,101.35)				(13,101.35)
Depreciation on downlinks (497,594.59 X 20%)	(99,518.92)				(99,518.92)
Depreciation on production equipment (503,594.59 X 20%)	(100,718.92)				(100,718.92)
Airtime expense (2,139,050.5 X 20%)	(427,810.10)				(427,810.10)
Downlink expense (841,049.96 X 20%)	(168,209.99)				(168,209.99)
Supplies Broadcasting (209,142.00 X 20%)	(41,828.40)				(41,828.40)
Satellite purchases		(460,500.32)			(460,500.32)
Wages (825,160.07 X 20%)	(165,032.01)				(165,032.01)
Newsletter			(173,655.01)		(173,655.01)
Literature			(105,779.46)		(105,779.46)
Rental expenses				(10,575.77)	(10,575.77)
	(158,451.22)	158,331.89	(28,324.65)	24,464.16	(3,979.82)

Depr allocated            1,066,695.92  
Total depr                1,594,085.78

**EXHIBIT**  
*APPLICANT'S*  
# 23

**001532**

1700 17th Street, NW • Suite 200  
Washington, DC 20006  
202 240 2400

John@betareporting.com  
www.betareporting.com

... There is No Substitute for Quality  
1.800.ETA (2382)  
Accurate • Reasonably Priced

Secured E-mail  
Web-based Transcript Delivery

Suite 400  
Alexandria, VA 22314  
703.684.1234 (2382)

**DISK  
ENCLOSED**

tabbles  
**EXHIBIT**  
APPLICANTS  
#25 C

**061533**



STATE OF ILLINOIS  
DEPARTMENT OF REVENUE  
OFFICE OF ADMINISTRATIVE HEARINGS

-----X  
THREE ANGELS BROADCASTING :  
NETWORK, INC., :  
: Applicant, :  
: v. : No. 01-PT-0027  
: DEPARTMENT OF REVENUE, :  
STATE OF ILLINOIS, :  
: Respondent. :  
-----X

Silver Spring, Maryland

Friday, July 26, 2002

Deposition of

TED WILSON

A witness, called for examination by counsel  
for Intervenors pursuant to notice and  
agreement of counsel, beginning at  
approximately 10:10 a.m. at the General  
Conference of Seventh Day Adventists, 12501  
Old Columbia Pike, Silver Spring, Maryland,  
before Peggy Daniels of Beta Reporting &  
Videography Services, notary public in and  
for the State of Maryland, when were present

01533a

on behalf of the respective  
parties:

APPEARANCES:

On behalf of Applicant:

LEE BOOTHBY, ESQUIRE  
Boothby & Yingst  
4545 42nd Street NW., Suite 201  
Washington, D.C. 20016  
(202) 363-1773

On behalf of Intervenors:

JOANNE PETTY, ESQUIRE  
Robbins Schwartz Nicholas Lifton  
& Taylor, Ltd.  
North Clark Street, Suite 900  
Chicago, Illinois 60602  
(312) 332-7760

\* \* \* \* \*

01533b

help in the construction and that kind of thing.

Q So while you were in Russia they were still constructing the studio?

A Yes.

Q And by the time you had left Russia was the studio up and running?

A I don't think it was up and running at that time. If it was -- the studio was not completed. I'm not really aware that they were broadcasting.

MS. PETTY: That's all the questions I have now.

MR. BOOTHBY: I've got questions. Can we take a short break?

MS. PETTY: Sure.

(Recess)

MR. BOOTHBY: Good morning. This is the deposition testimony which is being taken de bene esse to be utilized at the hearing as trial testimony before the Office of Administrative Hearings of the Illinois

Department of Revenue which will be introduced at the time that the hearing will be held in this matter in connection with Three Angels Broadcasting Network, Inc., Applicant, and the Department of Revenue of the State of Illinois, Respondent, in Thompsonville Community High School District Number 112 and Thompsonville School District Number 62, Interveners.

EXAMINATION BY COUNSEL FOR APPLICANT

BY MR. BOOTHBY:

Q Would you state your name for the record?

A Ted Norman Clair Wilson.

Q Can you tell me what your current occupation is?

A Currently I am an ordained minister of the Seventh Day Adventist Church and a general vice president of the General Conference of Seventh Day Adventists.

Q And how long have you been employed by the Seventh Day Adventist

Church?

A It's about 27 years or so.

Q What is your current position with the church?

A General vice president of the General Conference of the Seventh Day Adventists.

Q What are your responsibilities and duties as the vice president of the Seventh Day Adventist Church?

A My particular duties as assigned by the president have to do with a varied assortment of activities having to do with working with Adventist World Radio, Adventist Television Network, our in-house operations within the headquarters building itself for support services, our human resources office. I advise the different -- following departments, Communication Department, Adventist Chapel Ministries, Publishing Department, and work closely with a number of other areas, advise also the

Ministerial Association and working with various other aspects, including the Council on Evangelism and Witness.

Q And when were you given this responsibility?

A It was July 2000.

Q Now, you mentioned your responsibility with the Department of Communication within the church. Did you assume that responsibility at the same time that you became vice president?

A Yes.

Q And I think you mentioned that you were chairman of the Adventist TV Network Committee. Is that correct?

A Yes, that's correct.

Q Did you assume that responsibility when you became vice president?

A Yes, essentially after the president had assigned duties to those of us who are general vice presidents.

Q What is the Adventist Television

Network?

A Adventist TV Network or ATN is a system that the church uses to share evangelistic programming, other informational programming, to Seventh Day Adventist churches primarily and, of course, Seventh Day Adventist members internationally. We have approximately 13,000 downlink sites, primarily churches and could be institutions and in some cases it may be home-received but in most cases this would be church-related.

The Adventist Television Network is helping to share internally information to church members in a variety of languages and also to share our mission and the gospel, as Christ has commissioned, to the public as well.

(Applicant Deposition

No. Exhibit 1 was marked for identification.)

BY MR. BOOTHBY:

Q I'd like to go into your educational background as well as your subsequent experience. I've had marked as Exhibit 1 a document consisting of two pages. On the face side it says, "Fax sheet, Ted N.C. Wilson, Vice President, General Conference of Seventh Day Adventists."

I'd like to have you review that document with me, if you would. It lists, for instance, your educational background, and it indicates that you have a B.A. in religion and business administration from Columbia Union College. Is Columbia Union College a church-related institution?

A It is. It is a college, tertiary level college, accredited and owned and operated by the Seventh Day Adventist Church.

Q And where is that located?

A It's located in Takoma Park, Maryland.



Q Was there a reason why you chose to pursue religion business administration when you went to college?

A Well, I was headed towards the ministry, an active ministry, and my father encouraged me to also look at the business administration side as well in order to prepare myself for activities within a church. It's always good to have business experience. You're dealing with funds in the church. You need to deal with them ethically and carefully according to God's blessing and to utilize funds in the right way. So the religion major, of course, led me on to the seminary and I'm very happy also to have had that experience with having a business major as well.

Q You mentioned your father. Was he also a minister in the Adventist Church?

A He is an ordained minister as was my grandfather before he died.

Q Your grandfather was also a

minister in the Adventist Church?

A He was.

Q Did your father hold any official position within the General Conference of Seventh Day Adventists?

A He did. For a period of approximately 12 years he served as a vice president of the General Conference as in essence president of a division, the North American Division, and then for about 12 years was the president of the General Conference.

Q Now, your education at Columbia Union College, you graduated with an B.A., correct?

A Yes, I did.

Q And when was that?

A 1971.

Q You mentioned the seminary that you attended. What's the name of the seminary?

A It's the Seventh Day Adventist

Theological Seminary, which is located on the campus of Andrews University, which is a Seventh Day Adventist owned and operated institution.

Q And what degree did you receive there?

A A Master of Divinity, M.Div.

Q Is the seminary at Andrews basically the seminary that is operated by the church for its ministers?

A The seminary at Andrews is, you could say, the hub or the mother of seminaries throughout the world and there are many seminaries now that provide not only basic undergraduate but also graduate training. But many of them have connections to Andrews University since it is basically the hub of theological teaching.

Q Your resume also makes reference to Loma Linda University. Did you attend that institution?

A Yes, I had the privilege of

attending Loma Linda and receiving a master of science in public health and interestingly it was a conjoint program at the time worked out between Andrews University and Loma Linda so that a future pastor who was taking an M.Div., Master Divinity, could also work within the conjoint program and receive a public health masters for two additional quarters beyond the nine quarters required for an M.Div.

So in essence within three years you could have two masters degrees using electives and that kind of thing. It was a special program arranged. And that was primarily done because of the Seventh Day Adventist Church's very deep understanding and commitment to the relationship between the spiritual and the physical and social and mental.

Q Is Loma Linda University an Adventist institution?

A It is owned and operated by the

Seventh Day Adventist Church.

Q What is the primary focus of Loma Linda University within the structure of Adventist colleges and universities?

A Its primary concern is in the health-related sciences.

Q It's located in California, is it?

A In Southern California, Loma Linda, California, yes.

Q Does it have connected with it a hospital or other medical institution?

A It is the -- the overall organization comprises the Loma Linda University Medical Center and a behavioral science center, of course, a dental school and other related activities, including a more community-oriented hospital close by.

Q Do you know whether that institution has any concern or focus on nutrition?

A They have a very strong department within the School of Public Health and I'm

sure other schools as well give emphasis to the area of nutrition.

Q And was that part of your study, also?

A I took a course in nutrition, yes.

Q Is there a particular reason why that institution would have an interest or concern in nutrition aside from normal medical concern?

A The institution of Loma Linda was actually founded and instigated by the urging of one of the founders of the Seventh Day Adventist Church, Ellen G. White, who we believe to be inspired by God in terms of many different aspects of Christian living. And one of those areas is the area of health and of nutrition, of preventive medicine, of helping people to not only live longer but enjoy life better because of the absence of detrimental things such as alcohol, tobacco, improper use of drugs, et cetera, as well as very proactive things such as proper

exercise, nutrition, sleep, rest, fresh air, which essentially we call natural remedies.

So those things are very important to the Seventh Day Adventist Church and actually formed the basis for the establishment of Loma Linda. Originally the name of the medical school that was developed was the College of Medical Evangelists and now it, of course, is simply the School of Medicine, Loma Linda University. So from its very inception it had in it the urging and the foundation to disseminate this important information.

Q You had mentioned that you attended the seminary at Andrews University. Did it have similar beginnings, including the involvement of the individual you had mentioned, Ellen White?

A Yes, very much so. In fact Andrews University was known as Emmanuel Missionary College and prior to that Battle Creek College, which was essentially one of

the very first institutions, educational institutions, which the church established. Education plays an enormously large role in the Seventh Day Adventist church life and we have probably, and this is not to boast but to give God the glory, the largest protestant educational system throughout the world. That's how much Seventh Day Adventists believe in Christian education, everything from the very young all the way through university level.

Q You'd mentioned the name in its origin of Andrews University was Battle Creek College. Was the college at one time located at Battle Creek, Michigan?

A It was located there.

Q Did it have as part of its origin any involvement with concern for health?

A If anyone knows of the origin of the Seventh Day Adventist Church and anything about Battle Creek, Michigan, you will know that Seventh Day Adventists were



very pivotal in the development of activities in that area that included, of course, Battle Creek College and perhaps those not so familiar with Adventist activities would know that there was Battle Creek Sanitarium that was developed in that area. John Harvey Kellogg developed a sanitarium which was very much fostered by the Seventh Day Adventist Church and, as I already mentioned, Ellen White's involvement in focusing on that area.

So there was also a publishing house in Battle Creek. It was a hub and a center of Seventh Day Adventist work that related to health, education, publishing, the dissemination of the beliefs of Seventh Day Adventists.

Q And in the publishing work did they publish information and materials concerning health as it relates to spiritual life?

A Oh, very much so. And there is

plenty of literature which the church has printed down through the years to show that and still print.

Q With reference to, for instance, Andrews University and its predecessor name Emmanuel Missionary College and before that, Battle Creek College I assume that it has facilities for the feeding of students?

A It certainly does.

Q Does it have certain restrictions as to the diet that is served to students?

A It does. It's a vegetarian diet. It's not strictly vegan. The Seventh Day Adventists encourage its church members and others to be vegetarians. Many Adventists are lacto-ovo vegetarians using dairy and eggs. Many are vegans. And then others who are not vegetarian certainly abide by the Levitical laws in terms of clean and unclean meat. But the church certainly encourages people to live as healthy a lifestyle as is possible depending on your location.

Q We are currently here in one of the conference rooms at the General Conference at Seventh Day Adventist. Is that true?

A Yes.

Q And do you have a facility in this building for the serving of meals, at least lunch time meals, to the employees that have worked within this facility?

A Yes, we do and it is strictly vegetarian.

Q Is there a theological basis a reason for that or is it just a choice?

A The scripture indicates, I Corinthians 10, that whatever we do, whatever we eat or drink, we ought to do it to God's glory. The scripture tells of the, of course, clean and unclean meats in the Old Testament in the Levitical account. Theologically it is not a doctrine of the Seventh Day Adventist Church to be a vegetarian but, as science has shown so

001550

succinctly, especially in recent decades, it is greatly to an individual's advantage to eat that which is low in fat and the simpler the diet the better.

So from a theological standpoint we would certainly believe that the body is the temple of the holy spirit, as scripture says, and that we need to put into it that which will build up the physical body because the mind and the nerve endings are part of the body and that is the way that God impresses individuals through the holy spirit.

Q Do you serve tea or coffee in this building?

A We don't serve tea or coffee that would be caffeinated. That again is a stimulant and a drug. And we encourage people to resist and stay away from those things that will be stimulants.

Q Is that based purely on choice or is that a theological basis that you have

that as part of your requirements in your facility?

A Of course, the Bible doesn't specifically mention coffee but it does talk about good health. In III John Verse 2 it talks about being in physical health as you are in spiritual health and there are many verses in scripture that would indicate the healthy lifestyle.

The writings of Ellen White, which again I would say the church believes are inspired by God, point out ways in which to live a much healthier lifestyle. So in those terms, in the general terms, living a healthy lifestyle certainly is a very basic tenet of the Seventh Day Adventist Church.

Q Let me ask you this. Within this facility do you have any departments that deal with the topic of health?

A We have a longstanding department entitled currently The Health Ministries Department which not only helps to give

guidance to hospitals and medical institutions but has in the past and is developing very strong promotion of healthy lifestyles, preventive medicine, and an abstinence from alcohol and tobacco. In fact we have a very special organization, the international organization for the prevention of alcoholism and drug abuse, the international commission, ICPA, and this has its specific role to foster internationally and with many different organizations an emphasis on abstinence from alcohol, which we believe is very detrimental to healthful living.

Q Does the church have any publications dealing with health?

A There is a magazine specifically dealing with health called Vibrant Life that is published by the Review and Herald Publishing Association. There are many books that are published, including vegetarian cook books, pamphlets, a lot of

material on helping people to stay healthy and stay away from tobacco, stop-smoking clinics, and all of that kind of thing.

Q To complete your educational background you have also attended New York University? Is that true?

A Yes, I have.

Q What degree do you have from that institution?

A It's a Ph.D. in religious education.

Q And when did you receive that degree?

A That was in 1981.

Q Why did you choose to pursue that course of study?

A I was working in New York, in New York City, at the time and it was a doctoral program which I was privileged to participate in. New York University, of course, is a private institution not affiliated with the Seventh Day Adventist

Church.

Q In looking at your educational background, the different courses that you pursued, you have pursued religion and business administration, health, your theological pursuit at Andrews University and the religious education at New York University. Did you have an objective and if so what was your objective in pursuing that combination?

A Well, every individual is different, of course, and has a specific interest. I suppose early on my father influenced me greatly in helping to show that there are aspects of church life that need to be focused on and this gives quite a general broad picture because a lot of these areas are very integral to the activities of Seventh Day Adventists. So it's not simply focused on religion per se or theology but I've been very fortunate and privileged to have the opportunity of getting a fairly



broad input on different areas that concern the church.

Q Have you found that this training, this educational background, has been significant in any way in your work as a church employee?

A Very much so. I have been a pastor of a local church as well as dealing with health aspects, providing seminars, stop-smoking seminars, stress management clinic, cooking schools, so the public health masters, which had as its emphasis health education, was certainly very helpful in my activities. In terms of the theological aspect I think that's understood in dealing with people and the evangelistic activities.

The religious education component at New York University gave me a broader understanding of how to provide that belief system that we have to others and was a real challenge as any doctoral program is.

Q You mentioned you have conducted cooking schools. In what context would you do that? Can you give me an example?

A Primarily my wife would provide the cooking school and I would help facilitate in the church and providing it as a community service to people who would like to have a better lifestyle and, of course, to church members with certainly the understanding that there are many other things that we would like to share with those who are interested in good health, good spiritual health. So it's provided as a service to the public and certainly as a way of helping people to understand a fuller concept of what life is all about and what Christ really wants them to be.

Q Would those cooking schools be conducted within the church? By within the church I mean within either an evangelistic meeting or some meeting that was sponsored by the church itself?

A Yes.

Q And in that context is when you or your wife would provide that?

A Sure.

Q You also mentioned stress seminars. Was that in the context of your church work that you provided that?

A Yes, of course, because we're living in a very complex age and the church should not simply be so sterile as to have people coming to church services per se without benefitting them in every aspect of life. And the stress seminars were simply to help the public and church members to be able to cope from a Christian perspective with the pressures of our age.

Q When you conducted your stress seminars was there a religious component to those seminars?

A Yes, definitely. And when people would come to these seminars they would -- most people would understand that there was

going to be some spiritual emphasis because generally speaking classes or stop-smoking clinics would be held in churches. At times it could be held in public halls and that kind of thing.

Q Your credentials as you've listed included your ordination as a minister of the Adventist church but you also are certified in the health field, are you?

A Yes.

Q And what is that certification?

A Well, it is a voluntary certification within the area of health education. It's not mandatory yet but probably will be from the Commission on Health Education and Credentialing. And it's called a certified health education specialist. It's a CHES. We use those initials.

Q Your denominational service began when?

A Essentially in 1974 after

001559

graduating from Loma Linda University.

Q And in what capacity?

A I was a local church pastor.

Q I'm not going to go through every post that you've held over the period of years but your resume indicates that you've held a number of positions both here in this country and overseas. Is that correct?

A Yes, that's correct.

Q I wanted to focus on a couple, however. Your resume indicates that you were from 1981 to 1985 the ministerial and stewardship secretary, Africa-Indian Ocean division. Can you tell me fairly succinctly what your responsibilities were there?

A The areas of ministerial development and also stewardship, Christian stewardship activity, were combined at that time and I was directing that. Essentially my work was working with pastors to help them to understand their role and how to best serve as pastors and also to foster the

evangelistic aspects of a church. We would develop materials, we would hold seminars, and in relation to that as well the stewardship aspect, which is a very important component of the Seventh Day Adventist Church, we believe, according to scripture in the tithing system and free-will offerings, tithing meaning one-tenth of your income. We understand from the Christian perspective that everything belongs to God and that we are only stewards. Whatever he provides us to us we are to use conscientiously and in a proper way.

So he requires in Malachi 3, Chapter 3 Verses 8 to 10, talks about will you rob God and then it says you will rob God by not returning your tithe and your offerings. The 10 percent actually belongs to God, we believe. He owns everything but he's asking us to return 10 percent. Beyond that free-will offerings are something

between you and God as to how you would like to return them and we would develop materials in that respect.

Q During at least a portion of this period of time from '81 to '84 you were health and temperance director of that division? Is that correct?

A Yes, that's correct.

Q And what were your responsibilities there?

A General supervision of the many clinics that we had, some hospitals. These are all mission hospitals essentially and clinics in very remote and difficult challenging areas. As well as providing supervision and encouragement for health education aspects, encouraging pastors, health workers, health employees and lay people at the church to use their medical and health skills in helping the public and church members in knowing how to live more healthfully. So aspects of supervision as

001562

well as health education.

Q Your resume indicates that from 1992 to 1996, and I've skipped over a couple of other responsibilities, you were president of the Euro-Asia Division of the General Conference of Seventh Day Adventists. Where was the headquarters of that division?

A The headquarters was in Moscow, Russia.

Q In connection with your work there did you have experience or contact with the applicant here, Three Angels Broadcasting Network, in any way?

A I did. They were building a facility in Nizhny-Novgorod, a studio, and at that time we, of course, were living in Moscow and that was part of our territory. The territory essentially covered the former Soviet Union.

Q And did you have occasion to visit the facility while that was being



constructed?

A I did visit the facility once during the construction period.

Q And as I understand it that was being constructed for the Three Angels Broadcasting Network?

A Yes, it was.

Q Did you have occasion to learn what was going to be housed in that facility in addition to the Three Angels Broadcasting studio itself?

A Yes, there was to be what we call a conference office. It's a local, regional administrative office as well as I think at one time and I'm not sure how it's developed because I'm not there now but I think they were going to have at least two or three different local churches meeting in the building.

Q And did you see a facility that was to be made available for church services there?

A Yes. Yes.

Q So in a sense there was a cooperative effort between Three ABN and the official church for the housing of the conference office as well as for the location of the church facility itself.

A Very much so.

Q Your resume indicates that from 1996 to 2000 you were president of the Review and Herald Publishing Association, which is listed as being located at Hagerstown, Maryland. Who owns the Review and Herald Publishing Association?

A It's owned and operated by the General Conference of Seventh Day Adventists.

Q Is it a separate legal entity?

A It is.

Q But it is a General Conference institution, true?

A Yes, it is.

Q And what does that institution do?

A Its primary focus is to produce Christian literature that will be used by church members and the public in helping understand Christian living in every aspect.

Q Would that include health?

A Yes, very much so.

Q Temperance?

A Yes, absolutely.

Q How about stewardship?

A Very much so.

Q Does it produce secular material or religious material?

A It's almost exclusively religious material for the Seventh Day Adventist Church.

Q Does it publish the official church paper?

A It does. It produces -- publish -- prints because there is a publishing board, the Adventist Review, yes.

Q Are any of those publications actually sold?

001566

A Oh, yes. In fact we hope most of them would be sold except for small pamphlets which churches would purchase and then church members could give away. But essentially those materials are produced for sale.

Q Would they be only sold at cost?

A No. Of course, there is a mark-up on those in order to provide a gain for the publishing house as well as the distribution system because in order to operate something you have to have the wherewithal to do that.

Q And so when you were to determine the price of a book or other publication how would you go about determining the price in a general sense?

A There are formulas for that which we have experts there who do that and it depends on the length of the book, the type of paper, the amount of investment in the cover, the advertising that goes along with it, et cetera.

**001567**

Q Would you include handling costs and shipping?

A Yes.

Q Other costs?

A Well, included in those would also be royalties for the author and whatever mark-up is appropriate for a particular product.

Q What do you mean by a mark-up?

A Well, obviously in order to provide for the sustenance of the Review and Herald Publishing Association, which does not receive any appropriations or subsidies necessarily from the church. It's expected to operate on its own in terms of its business activities. It's not there to amass great fortunes but it is there to sustain its mission, which is to assist the Seventh Day Adventist Church. So obviously you have to provide a margin of income on a product that is sold.

Q Would this be also true with

001563

reference to other institutions operated by the church that might be selling its product? I think you mentioned at one time maybe Pacific Press. Is that another publishing house of the church?

A It is. It is an institution of the General Conference with the same type of approach as far as publishing Christian literature.

Q Do you have knowledge as to whether they would have a mark-up also?

A Yes, they would, certainly.

Q We covered a good share of your responsibilities as general vice president and General Conference chair. I wanted to ask you a couple of questions. Are you familiar with the church's Media Production Center?

A I'm acquainted with the activities. I have not visited the current site. It is a brand new site. I have visited the former site of the Media Center

**001569**

but it is a state of the art media center.

Q And where is that located?

A Currently it's in Simi Valley, California.

Q And do they produce television programs?

A They do.

Q Can you give me an example of three or four programs?

A They provide -- of course, each organization is separate in its own budgetary entity but they will produce programs for It is Written Television, telecasts for Faith for Today, for Breath of Life, and other requests that the church may have.

MS. PETTY: I'm sorry. I'm just going to insert an objection here to this testimony because it was never disclosed and I don't think it's relevant but go ahead.

BY MR. BOOTHBY:

Q You may proceed. With reference

001570

to the relationship between the separate entity, let's say, It is Written and the production facility would there be a charge from the production facility, which is owned by the church, to the entity such as It is Written?

A Yes, there would be.

Q In other words there would be a charge for production?

A Exactly because each organization has to live within its own budget and how things are configured in a budgetary way.

Q I think you mentioned perhaps four different entities that were producing programs at the media production facility. Do you know whether those programmings are also aired on Three ABN, Three Angels Broadcasting Network?

A Yes, according to the schedule It Is Written is on, Breath of Life, also Voice of Prophecy. That is actually a radio program although they do have some

001571



television aspects. So those would be shown on Three ABN.

Q I'm going to move on to another area. Based upon your current responsibilities are you familiar with a relationship that has been formalized in a joint declaration of commitment between the General Conference of Seventh Day Adventist and the Three Angels Broadcasting Network?

A Yes, I am.

(Applicant Deposition Exhibit No. 2 was marked for identification.)

BY MR. BOOTHBY:

Q I show you what has been marked as Exhibit 2 and ask if that is the formal document that was entered into in connection with the relationship you've just testified to?

A Yes, it is.

Q And can you tell me whether you are familiar with this document?

001572

A Yes, I am familiar with it.

Q And when was this document executed, according to the document?

A It's dated the 4th day of November 1997.

Q It bears certain signatures on the second page. There are signatures under the General Conference of Seventh Day Adventist, three signatures. Are you familiar with the individuals whose signatures appear on this document?

A Yes, I am.

Q The first signature is Robert S. Folkenberg. Who is he and what was his position at the time?

A Pastor Folkenberg was the president of the General Conference of Seventh Day Adventists at the time.

Q The second signature is G. Ralph Thompson. What was his position at the time?

A Pastor Thompson was the secretary,

001573

the second officer of the General Conference.

Q And the third signature is Robert Rawson. What was his position at the time?

A Pastor Rawson was the treasurer of the General Conference.

Q Would these be officials that would normally execute documents of this character for the church?

A They could be depending on the item under consideration. It all depends on the context.

Q There are also three other signatures following signed on behalf of Three Angels Broadcasting Network. Walter Thompson, M.D., do you know that person?

A Yes, I know Dr. Thompson, yes.

Q And do you know what his position was at that time?

A He was and is the board chair of Three ABN.

Q And how long have you known him?

A I've known him probably at least 12 or more years, at least probably that. He's been very much involved in the evangelistic aspects of the church and assisting -- an evangelist in the health component. He's a very dedicated Adventist physician.

Q The second signature is Danny Shelton. Do you know what his position is?

A He's president of Three ABN.

Q And how long have you known him?

A Probably about 10 years or so.

Q Do you know whether he's a member of the Adventist Church?

A Yes, he is a member.

Q And the third signature is Linda Shelton, listed as vice president of Three ABN, and are you familiar with her?

A Yes, I am.

Q Is she a member of the Adventist Church?

A Yes.

001575

Q Looking at the joint declaration, you'll note that the very first paragraph states that, "The General Conference of Seventh Day Adventists and Three Angels Broadcasting Network are committed to faithfulness, to God's word, and loyalty to Bible truths as formulated in the 27 fundamental beliefs of the Seventh Day Adventist Church."

Are you familiar with what is referred to there as the 27 fundamental beliefs of the Seventh Day Adventist Church?

A Yes, I am. These are beliefs which are taken from scripture as we understand it and constitute a very foundational understanding of our doctrinal understanding of the scripture.

(Applicant Deposition Exhibit  
No. 3 was marked for  
identification.)

BY MR. BOOTHBY:

Q I show you what has been marked as

001570

Exhibit 3 and ask whether this is the document which set forth the 27 fundamental beliefs of the Seventh Day Adventist Church as referred to in the Joint Declaration of Commitment.

A Yes, it is.

Q I'm going to ask you some more questions in a minute but before I do that I want to go back to this joint declaration, Exhibit 2. It separates on the first page commitments that Three Angels Broadcasting Network made and as a second part of the first page the administrators of the General Conference commitment.

Going first to the commitment by Three Angels Broadcasting, looking at those commitments, why have you become aware of this particular document, in what capacity?

A I believe I first became aware of the document after I was asked to join the General Conference and because I am responsible for working with Adventist

061577

Television Network this, of course, came into the setting because of Three ABN and its activities, which are quite similar to the activities of Adventist Television Network.

Q Did you have occasion to visit the Southern Illinois facilities of Three Angels Broadcasting Network?

A Yes, I did.

Q And do you know where they're located?

A In southern Illinois. It was I think November of 2000 when I visited there.

Q And did anyone accompany you to that meeting from the General Conference?

A Yes, we had the director of our communication department, Ray Dabrowski, and also the director of our Adventist Television Network, which at that time was called Adventist Global Communication Network, Brad Thorpe (?).

Q And how much time did you spend on

001578

that visit?

A We spent parts of two days there.

Q Were there other people that met you there in addition to the Three Angels Broadcasting officials or employees?

A We had Mr. Denzil McNiellus.

Q And who is he?

A He is president of the Adventist Layman's Services and Industries, ASI for short.

Q And what is that organization?

A It is a very supportive layman's organization that comprises not only individuals, Adventists, business people, but also institutions which we call self-supporting institutions, either educational or health or medical, which have as their common goals the same goals that the Seventh Day Adventist Church has. And in fact these people are Seventh Day Adventist members but they have their own private or separate organizations and they

001573



are part of this organization that is extremely supportive of the church.

Q Have you had other contacts with Three ABN over the period of time you have been general vice president of the General Conference of Seventh Day Adventists?

A Yes, periodically either telephone calls or seeing someone from Three ABN.

Q As far as the commitment that Three Angels Broadcasting Network made in this understanding have you found that Three Angels Broadcasting has carried out these commitments?

A They are very supportive of the church and they have carried out their commitment to be supportive and to be helpful to the church and to work with the church in whatever situation they find themselves.

Q With reference to the second part, the administrators of the General Conference commitment, there are a number of

001500

commitments that are listed A through E. I want to ask you perhaps starting with B. It says, "Establish such official communications and planning forums, including supporting ministries such as Three ABN with world and division leaders that may be appropriate." Has that been done by the church?

A Well, we have a special advisory which has been established not too long ago in reference to communication aspects and I think Three ABN is to be represented on there.

Q Is that a church committee?

A Yes, it's an advisory -- communication advisory aspect. The organization of Three ABN does interact with other international organizations, divisions as we call them, and from time to time that is something which comes in an interaction with the General Conference and that kind of thing. The General Conference is working

**001581**

cooperatively with Three ABN.

Q For instance, when you were head of the Euro-Asia Division and when you were in Moscow and Three ABN established facilities there did you work with them during that period of time not financially but in making available division personnel to work with them and meeting with appropriate people and so forth?

A We had quite a cordial relationship and we assisted people who were working as volunteers or whatever capacity there were in trying to get their construction completed facilitating either transportation, maybe, to the airport or letting them stay at our facility trying to assist in ways in which to help them.

Q And would the division personnel actually on an ongoing basis discuss with them concerns that the church might have with reference to the facility?

A As it would pertain to a

001582

particular situation. We had discussions in Moscow especially in relationship to the actual property that was there and their relationship to the local conference, as we've mentioned before, that was going to be housed there.

Q Item C on this list in the second portion states, "Encourage General Conference departments, world divisions, and church institutions to utilize the services of Three ABN for production and distribution of programming as may be appropriate with the understanding that the agreements between the applicable Seventh Day Adventist organizations and Three ABN include at a minimum that the financial arrangements and copyright ownership be documented in writing."

With reference to the production and distribution of programming are you aware of such cooperation that has existed between General Conference institutions,

001583

personnel, and other church employees and Three ABN in production and distribution?

A Well, I'm not intimately knowledgeable about all the various activities in that scope but certainly where there are activities that the Three ABN organization has been working with in terms of church activity we certainly would want to encourage a very clear understanding as to how those relationships would evolve and be carried out.

The -- we have groups, especially let's say Global Mission, that is part of our General Conference headquarters. It has a regular program talking about the mission of the church, the activities of the church, interviewing people. So in that respect there is an involvement with their programming and production.

Q Does Three ABN carry on its programming meetings that the church may have either at the General Conference level

001584

or within a conference or division?

A Yes, periodically they may broadcast such as the once very five years General Conference session, which is an international business session, official session of the General Conference, as well as evangelistic programming, series of meetings that are held either from the North American Division setting or outside of the country.

Q With reference to Item D, "Encourage Seventh Day Adventist Church organizations to submit programming for distribution on Three ABN with the recognition and understanding that Three ABN will review all programming," are you familiar with what has been done at least in part in connection with that commitment?

A There are organizations which have a working relationship with Three ABN and provide programming for it. We've already mentioned It Is Written, Breath of Life,

Voice of Prophecy. The General Conference itself is in the process of producing a news program, a weekly news program, called Newslite, which will tell about developments of the Seventh Day Adventist Church internationally, and that is being offered to Three ABN to put on the air and, of course, they'll have to decide whether they want to utilize it or not. They have seemed very interested in doing that.

Q And Item E, "Encourage the fostering of a spirit of unity and cooperation between all organizations of the Seventh Day Adventist Church and Three ABN," is it your belief that that has been carried out by the administrators of the General Conference?

A Yes. Yes, we are endeavoring to do that and that's the way every organization ought to operate.

Q I want to come back now to I think it's Exhibit 3, the fundamental beliefs of

the Seventh Day Adventist Church, and there are certain items that I want to ask you about. But before I do that I think you testified that this is an expression of what the church understands its fundamental beliefs to be. Is that correct?

A Yes.

Q Let's take number 12, which is on the second sheet. Incidentally, do you know where this particular document came from, in other words in what it was included, because I see the second sheets says page 6 so obviously it's part of another document?

A Yes, it comes from what's known as the Seventh Day Adventist Year Book and this comes from 2001. It is essentially -- or actually I think it's 2002 Year Book. The year book gives the addresses, officers, and a basic outline of the organization of the Seventh Day Adventist Church worldwide.

In the very front of the book there's some interesting information about

001587



different things, including the by-laws of the General Conference. And even prior to that at the very beginning, essentially at the very beginning of the book, are these listings of the 27 fundamental beliefs.

Q Item 12 is headed "The Remanent and Its Mission," and I note, for instance, within that paragraph it says after certain information, "This proclamation is symbolized by the three angels of Revelation 14." Can you tell me does this particular belief of the church relate in any way to the activities of Three Angels Broadcasting Network?

A Yes, of course, it does. The three angels of Revelation 14 constitute -- essentially it's verses, like, 6 to 12 -- constitute the very core of what Seventh Day Adventists believe to be their mission and that is to share with people the great challenge of bringing people back to a true worship of God as opposed to something which

001583

is false and that's what these angels are signifying and in reality saying in the scripture, to give God the glory and not human beings.

And the three angels of Revelation 14 are perhaps the crux of the uniqueness of the Seventh Day Adventist Church. In fact people many times will either wear a little pin maybe that has three angels or you'll see murals depicting these three angels. It is the mission and the special emphasis that the church gives in proclaiming the wonderful gospel of Jesus Christ and so the three angels is very integral to that.

Q And with your understanding of the Three Angels Broadcasting Network do you know whether they attempt to carry out that particular belief of the church?

A Absolutely in a very concrete way through broadcasting evangelistic and religious programming and, of course, their very name implies that.

09153J

Q Item 16, Spiritual Gifts and Ministries, you'll notice within that paragraph it states, "Given by the agency of the holy spirit with portions to each member as he wills the gifts provide all abilities and ministries needed by the church to fulfill its divinely ordained functions. According to the scriptures, these gifts include such ministries as faith, healing, prophecy, proclamation, teaching, administration, reconciliation, compassion, and self-sacrifice, service and charity for the health and encouragement of people."

Does this relate only to what the church as an official body does or does this relate to other groups within the church?

A Well, as it says at the very beginning of that paragraph, it says, "God bestowed upon all members of his church in every age spiritual gifts." So this is not specifically talking about uniquely the organized official General Conference or

001590

denominational system. It's talking about church members, what constitutes the church. The church is essentially people and, of course, any organization that counts itself as affiliated and connected with the mission of the Seventh Day Adventist Church this would certainly cover them.

Q How at all does the Three Angels Broadcasting Network carry out this particular fundamental belief of the church?

A Well, in reviewing their program guide and in looking at the programming one can see that they certainly cover very heavily theological components, proclamation of the Bible, and scriptural injunction through preaching, through interviews, and through different types of formats. They also have an emphasis on health and better living, an emphasis on Christian stewardship, emphasis on children and helping them to understand as they grow the importance of looking to Christ and

001591

Christian education and that kind of thing. So their programming is very specifically focused on the fulfillment of the mission of the church.

Q Item 20 deals with stewardship. What do you understand that relates to?

A Stewardship, as I explained earlier, is Christian stewardship, belief that God owns everything, that he has entrusted us with the resources that we do enjoy, and it is our responsibility to use those resources to the betterment of individuals and the betterment of the church.

Stewardship is a personal thing. It is also a corporate thing. Individuals are requested to -- or it's indicated in scripture that we are to return 10 percent of our income, that which is income to you in reality, to the Lord and that's the basis of the financial system of the Seventh Day Adventist Church, in addition free-will

001592

offerings as you and God decide on those in your relationship.

Q Based upon your understanding of the Three ABN programming does Three Angels Broadcasting Network programming communicate this particular Adventist belief?

A Three ABN covers every aspect of church doctrine and is very much involved in sharing all of these aspects.

Q The next item I want you to look at is 21, Christian Behavior. Are you familiar with that belief of the church?

A Yes, I am.

Q And what does that cover generally?

A It covers essentially the comportment of an individual as a Christian and involves not only social interaction with people but your own personal physical responsibilities as far as being the temple of the holy spirit. Each body is that. And it gives a heavy emphasis on proper

001593

Christian living from the standpoint of preserving your body in the best possible way.

Q You may have answered this already in your previous answer but does Three ABN programming communicate this particular Adventist belief?

A Very much so in the programming that it has, yes.

Q The next item is 22, Marriage and the Family. Does Three ABN communicate this fundamental belief?

A As far as I know they would -- I don't think they've ever had a marriage on television but they, of course, would very much promote the biblical understanding of marriage and of proper sexual relationships within the biblical context and the home and the family is very much a part of Three ABN's approach.

Q I notice, for instance, it admonishes that parents are to bring up

001594

their children to love and obey the Lord.  
Are you aware of children's programs on  
Three ABN that would encourage this  
particular idea of the church?

A They have programming and I don't  
watch all their programming but just the  
other night I did watch a particular musical  
rendition where there was a lovely family of  
four children and mother and father. They  
were all singing together. The values of  
Christian family activity and the values of  
children actually learning Christian  
principles is very much a part of Three  
ABN's emphasis.

Q You mentioned that you were  
watching a program the other night. Do you  
have facilities at your home to watch and to  
listen to Three ABN programming?

A Yes, I do.

Q And from time to time do you do  
that?

A Yes, from time to time.

**001595**



Q Do you have knowledge based upon your contact with church members as to whether a large proportion of Adventist members watch Three ABN?

A I don't have specific figures on that but I would say that there is a fairly large group of people who avail themselves of either whatever distribution system there might be to be able to watch it. I certainly don't think there's a majority of church members that watch it because many people don't have access to it but there are many who do, yes.

Q Item 27, which is the last item, it's under the New Earth. Does Three ABN relate in its programming to this particular belief?

A Which number was it, 27? Oh, yes, definitely. This is the hope of anyone who is a Seventh Day Adventist or a Christian who has the understanding -- a biblical understanding of Christ's soon return. And

**001596**

this is a direct and focused subject which every Adventist would believe in. It's part of our name, Adventist. It means advent or coming and we believe in the second imminent return of Jesus Christ.

(Applicant Deposition Exhibit No. 4 was marked for identification.)

BY MR. BOOTHBY:

Q I want to move on to another exhibit. This is a Group Exhibit 4 and it consists of the Three ABN monthly program guides for the year 2000 and 2001, which are the years that are particularly in question in this particular proceeding.

Perhaps you might just take the first one. Well, let me ask you a more general question to start with. Have you reviewed these documents to look at the programming that aired during 2000 and 2001 on the Three Angels Broadcasting Network?

A I looked at a number of these

001597

programming guides.

Q Do you also receive and have you received at least during the last year and a half programming guides directly from Three ABN in addition to the review that you've had of these guys?

A Yes, I received one personally.

Q For each month?

A Yes.

Q In looking at that particular exhibit, and we've already gone over these 27 fundamental beliefs, does the programming guide, for instance, the one you're looking at I think is for January 2000, reflect the telecasting of information concerning these fundamental beliefs of the church?

A Yes, very much so.

Q Just briefly give us some examples of some of the programming.

A Well, again, I don't know every single one of these programs but if you look at something -- here's one, United Prison

061593

Ministries. The Seventh Day Adventist Church carries out a very effective ministry to prisoners not only in this country but in other parts of the world helping inmates to understand their need of Christ and that he is truly their future. United Prison Ministries is actually one of those supporting ministries that helps the church.

Pentecost 2000, this was an evangelistic series. If I'm not mistaken it was actually done in Africa.

Q Was that from a --

A Sponsored by the Seventh Day Adventist Church, yes. ADRA's World. This is talking about the activities of the Adventist Development and Relief Agency, our humanitarian and relief arm of the Seventh Day Adventist Church.

It Is Written, this is a very specifically evangelistically-oriented program that is produced by the Seventh Day Adventist Church. Global Mission Front

06159J

Line, I've already mentioned that they talk about activities of a missionary nature all around the world. So there are various things, including West Brook Hospital.

Q Tell us about that.

A This is essentially produced -- it was produced by the Faith for Today television organization, which is -- if I'm not mistaken Faith for Today is the longest running Christian television program on the air in the United States.

Q Is that an Adventist church entity that produces that?

A Yes.

Q Faith for Today?

A Faith for Today, it is part of the North American division of the Seventh Day Adventist Church, the General Conference.

The West Brook Hospital, that's just the name of -- particular format that they were using, which was an interesting format set in a hospital which was involving

001000

interpersonal relationships and how pastors and chaplains or physicians could help individuals who were in crisis situations and, of course, with the very pointed objective of helping people to be introduced to Christ.

There are other aspects. Here's Keepers of the Flame, a tremendous program produced by the Seventh Day Adventist Church talking about the history of the Christian movement and the Seventh Day Adventist Church. There are many, many indications. Net New York, this is something where evangelistic activity was taking place in New York. Even Melody from My Heart, this is obviously a musical emphasis. Christian music, of course, plays an important part in the Christian's life.

So just about everything, including a five-day, stop-smoking clinic. As I think we've already mentioned, this is an important part of the Adventist viewpoint

in life in helping people not only to get off cigarettes but to help them find a better way of life.

Q And is there a spiritual dimension in those stop-smoking programs?

A Very much so. We don't try to push things on people or make them uneasy but we certainly do indicate that if you believe in a higher power and in something beyond yourself that you ought to avail yourself of that power. And, of course, we encourage people -- would encourage them if they would ask further as to who that higher power is. We believe, of course, it's God.

Q After reviewing all of the program guides for the two years have you found anything at all inconsistent with the teachings and beliefs of the Seventh Day Adventist Church?

A The programming guides that I have looked at, they are very consistent with the Seventh Day Adventist Church beliefs and

**051602**

promotion of doctrines and lifestyle of Seventh Day Adventist.

Q Have you found anything that you would term to be secular as distinguished from religious in the context of beliefs of the Adventist Church?

A No.

Q The programming that you have seen there in the two years of monthly programming and also based upon your own viewing within your home, can you tell me how the programming is similar to or different from what the church's Adventist Television Network either produces now or plans to produce in the future?

MS. PETTY: I'm going to object. I think that's outside the scope of the disclosure and irrelevant.

BY MR. BOOTHBY:

Q Go ahead.

A The emphasis that the Adventist Television Network is giving and Three ABN,

**001603**



of course, is similar but there are differences in that ATN is in fact operated by the church structure itself and therefore has direct access to church members in churches and will be producing programming that is specifically oriented to whatever specific goals that the church administration would have but many of those goals, of course, are very similar. But there are two different organizations. There may be nuances of difference in terms of actual program content, but then that's because they're two different organizations with similar objectives.

Q Can you tell me at least as things are currently based upon your responsibilities here at the General Conference in the area of religious communications whether it is your understanding that Three ABN fulfills a need for the church that the church is not able to provide currently?

001604

A Three ABN is on 24 hours a day seven days a week and the church does not have that capacity at this time. So in that respect at this time they would certainly be fulfilling that. I think one has to look at it in the perspective that there's not just one particular line or way of doing things lock step.

We have other systems that are not sponsored by the General Conference but actually are promoting and utilizing programming of the Seventh Day Adventist Church besides Three ABN and my guess is as technology increases and the ease in which to accomplish that there will be probably many systems operated by local churches or local conference organizations that will utilize programming but will not actually be controlled, let's say, by the Seventh Day Adventist Church proper or certainly the General Conference so that there will be many avenues of people being able to hear

001605

this message, which is one message, but a variety of channels of which to avail themselves.

Q In preparation for your testimony today were you provided video catalog supplements for the years 2000 and 2001?

A Yes.

(Applicant Deposition Exhibits Nos. 5 and 6 were marked for identification.)

BY MR. BOOTHBY:

Q I show you what has been marked as Exhibit 5 and Exhibit 6 and have you reviewed those documents?

A Yes, I have.

Q What do you understand those documents to contain generally?

A What I would understand them to be would be a catalog listing of programming that is taking place which people are able to purchase, videocassettes, perhaps music, and that kind of thing.

001605

Q I'd like to just briefly go through and let's just take Exhibit 6, the one for 2001. Are both the documents rather similar in their content?

A Yes, I think they are.

Q If you will turn with me to page 4 of Exhibit 6, the catalog for 2001, do you see a listing under Three ABN Flagship Programs and then underneath that Three ABN Presents Live? Do you see that?

A Yes, I do.

Q In looking down through that list do you recognize individuals' names that are ministers of the Adventist Church?

A Yes, there are many.

Q Just quickly can you go through that listing on page 4 and over on the top of page 5?

A Do you want specifically ordained ministers or employees?

Q Or those that are employees of the church.

001607

A On Covering the Truth Michael Hasel, he is a teacher at one of our universities. State of the Dead, Ed Reid.

MS. PETTY: Before I interrupt you any further I'm just going to make an objection to all these people as being undisclosed and irrelevant but go ahead, continue.

MR. BOOTHBY: You can have a blanket objection.

BY MR. BOOTHBY:

Q Go ahead.

A The Sabbath, Jeff Blanko, a retired noted theologian from the Adventist Church, John Carter, pastor of a church, Samuel Thomas, pastor of a church, Doug Bachelor, a television evangelist, Tim Standish, a member of -- he's not a minister but one of our scientists at Geo-Science Research Institute, John Baldwin, a teacher at the seminary, Randy Yonker, a teacher at the seminar, Ken Cox, an ordained minister.

There are many. Cliff Goldstein, who is the editor of our Dealt Sabbath School Study Guides.

Q I see the name of Neal C. Wilson there and Global Missions.

A Yes, that happens to be my father, who shared on a particular program about activities of the mission of the church. Mike Ryan, listed with him there, the director of Global Missions, who works in this office. Steve Wohlberg, Left Behind Deception, Steve Wohlberg, who is a Seventh Day Adventist minister. And Elder Don Schneider, the president of the North American Division. So those are typical of the types of people listed on this particular page.

Q Would you turn with me to page 7, Bible and Prophecy Topics? You'll see under Bible answers there's a whole list of videos from Doug Bachelor. I think you've already identified him as a televangelist?

001603

A Yes.

Q And he has been employed and is employed by the Adventist Church?

A He is.

Q And going down through that list generally does that list basically cover a vast variety of the teachings of the Adventist Church?

A A vast variety. I have not studied each one of these topics but just looking over them it would cover just about everything that the Seventh Day Adventist Church believes in in terms of doctrinal and lifestyle activity, much of it.

Q On page 10 there is A Closer Look, and the hosts were Ty Gibson and James Rafferty. Do you see the listing of videos there? There are several listings.

A Yes.

Q Would those topic headings relate to the church's understanding of prophecy?

A They certainly would and these are

001610

very specific, prophetic titles to these particular videos. I am not acquainted with these videos but the titles would be extremely consistent with the Seventh Day Adventist Church's understanding.

Q And over on the next page, page 11, Dimensions of Prophecy, Kenneth Cox, and there is a listing there of titles. Are those titles familiar with you as a pastor?

A Very much so.

Q And in keeping with Adventist teachings?

A Yes.

Q Over on page 14, Left Behind, Fact or Fiction, you see the host being Mark Finley. Do you know Mark Finley?

A I do.

Q And who is he?

A Mark Finley is the director-speaker of It is Written television programming and a very well-known Bible evangelist.

001611



Q On page 17 you'll see worship services and it lists worship services from Fort Worth SDA, one from Pioneer Memorial Church and over on page 18 Sacramento Central Sabbath School, over on 19, Tabernacle Hour from Battle Creek SDA Church. Are these churches that you are familiar with?

A I'm not -- I don't think I've ever been to the Fort Worth Adventist Church but certainly Pioneer Memorial Church, which is at Andrews University in Berrien Springs. Sacramento, I think I have visited there. Battle Creek Church, I've been there.

Q And these are Adventist institutions? They're local churches?

A Absolutely.

Q Over on page 26 you see Health and Lifestyle Topics. Do you see a listing under "Abundant Living"?

A Yes.

Q Are you familiar at all with that

001612

programming?

A No, I'm not familiar with the programming.

Q How about the topic?

A The topics would be the typical type of subject matter that Seventh Day Adventists would be promoting and sharing either in a program setting or certainly on television.

Q Over on page 28 there's Health for a Lifetime and you see various guests. Are you familiar with any of those guests?

A I am acquainted with a few. I'm acquainted with the names of a few.

Q And are these topics that would be included within the Adventist church's church program, its teachings to its members and to the public?

A Very much so.

Q On page 30 is Help Yourself to Health, Dr. Agatha Thrash from Uchee Pines. Are you familiar with her?

**061613**

A Yes.

MS. PETTY: I'm going to make an objection. I think all this is getting cumulative and my standing objection as to relevance.

MR. BOOTHBY: I'm almost through with it.

BY MR. BOOTHBY:

Q And is that a self-supporting ministry, Uchee Pines?

A It is.

Q Do you know her to be a part of that particular self-supporting ministry?

A She was. I think if I'm not mistaken she's deceased now.

Q But at the time?

A Yes, and a very strong promoter of healthy lifestyles.

Q And would those subjects be ones that the church would promote as part of its church outreach?

A Absolutely.

001614

Q You've already mentioned on page 34 West Brook Hospital being a church program produced by Faith for Today. Is that correct?

A Yes.

Q Over on page 40 you'll notice that there is a camp meeting 1997. Are you familiar with the Three ABN camp meeting?

A I have heard that they have them. I've not attended any. Or have seen it, I've seen reference to it.

Q Over on that same page there there's a listing of Three ABN on the road and there's a whole listing on that page and over on page 41 of camp meetings from various locations.

Can you tell me what a camp meeting is?

A A camp meeting is a spiritual event that generally takes place over a number of days, anywhere from three to ten days, let's say, where church members who

can will come to a location that is either a camp setting or perhaps a large venue where they would have large amounts of seating. And it originates, of course, from the time when people actually camped and this is a longstanding type of meeting.

It is extremely evangelistic and religious in nature and they have various seminars, depending on the place, that would have to do with healthy living, with various aspects of Christian lifestyle, and, of course, very doctrinal and biblical subjects and preaching.

Q It lists various places like Southern Illinois camp meeting. Are these conferences or meetings to your knowledge sponsored by local conferences of the Adventist Church?

A Yes, to my knowledge most of these would all be sponsored by the official denominational entity of that territorial area.

**001613**

Q In your review of both Exhibits 5 and 6, these catalogs, which perhaps contain more detail than in the monthly television program guide, did you find anything in there that you believed was not of a religious character within the context of the teaching of the Adventist Church?

A No, I did not see anything that would not be included in that scope of Adventist proclamation.

(Applicant Deposition Exhibit No. 7 was marked for identification.)

BY MR. BOOTHBY:

Q I want to show you what has been marked as Exhibit 7. This is a document that I think was attached to the applicant's answers to interrogatories propounded by the interveners. It talks in terms of Three Angels Broadcasting Network, organizations that may have purchased time or stated to have purchased time..

001617

Can you tell me whether you are familiar with any or all of those organizations?

A I'm not intimately acquainted with all of them but there are some that I certainly know about. Adventist Disaster and Relief, Agency it should actually be. Adventist Frontier and Mission is an independent organization that sends out Seventh Day Adventist missionaries. I'm not acquainted with the next topic or the next line. Amazing Facts is a television and radio organization of the Seventh Day Adventist Church.

Carter Report is something that is actually operated by one of our pastors. Florida Conference is an administrative unit of that region. General Conference is, of course, the organization for which I work. Global Missions is a department of the General Conference or a part of the General Conference in terms of trying to reach

**001613**

unentered territories around the world,  
unentered in terms of the gospel message.

Gospel Outreach is a self-  
supporting organization as is Light Bearers  
Ministry. Living Faith I am not acquainted  
with. LMN I am not acquainted with.  
Message for Today, I'm not acquainted with  
that.

Outpost Center, Incorporated, is a  
very strong, self-supporting ministry of the  
Seventh Day Adventist Church. It is not a  
part of the denominational structure but a  
very strong supporting ministry in terms of  
missionary outreach.

Pacific Press is a General  
Conference publishing institution. Quiet  
Hour is a strongly supporting evangelistic  
radio and television ministry. It Is  
Written is a production of the Seventh Day  
Adventist Church. I don't know the next,  
Reuben Arn.

Texas Media Center, I really am

001619



not sure about that one. The Quiet Hour I've already mentioned, self-supporting. United Prison Ministries, self-supporting, very supportive of the church. Voice of Prophecy is primarily a radio broadcast but has some television aspects and is a denominational organization.

(Applicant Deposition Exhibit No. 8 was marked for identification.)

BY MR. BOOTHBY:

Q Thank you. I'm going to show you Exhibit 8, which was also Deposition Exhibit 7. It was attached as the response to answers to interrogatories by Three Angels Broadcasting Network, of free offers viewers could request in the year 2001 and I'm not going to have you go through this completely because of time. But I'd like to have you look, perhaps, just quickly at this and tell me whether some of these items are major publications that the Adventist Church has

over the years attempted to disseminate to the general public.

A There are magazines and, of course, books which the church produces from its publishing houses which are very much a part of the entire outreach of the church. Did you want me to specifically mention some of these?

Q Just perhaps three or four.

A Certainly there is one here, These Times, a special issue. There are others, Vibrant Life, Health Planner, Bible Readings. It's actually Bible Readings for the Home. Desire of Ages, The Great Controversy, Ministry of Healing, Education, these are very standard books of the church, a number of which have been written by Ellen G. White.

Q Let me ask you with reference to Ministry of Healing what does that deal with?

A It's a wonderful book dealing with

the various aspects of proper living and not only physically but mentally, helping the individual to focus on proper living habits and also on complete dependence upon Christ for their spiritual and physical well-being.

Q But it deals basically with physical health?

A Yes, very much so.

Q And I think there was another one, Bible Readings for the Home Circle.

A Yes, this takes Bible -- takes topics, questions that are asked, and then responds to them in terms of biblical references and covers just about every topic you could think about in terms of general Christian living and doctrinal understanding.

Q Would these be the same kind of topics that Three ABN programs?

A Yes, certainly.

Q Based upon your experience and knowledge, your review of these documents,

your viewing of the television programming as your time permits, based upon your training as a minister of the Seventh Day Adventist Church and your responsibilities as an official of the church, do you have an opinion as to whether the programming and other activities of Three ABN are religious in context in keeping with Adventist theologians?

A According to my knowledge, they are very consistent with Seventh Day Adventist theology and outreach and, as I mentioned before, their very name, although we keep referring to them as Three ABN, it is Three Angels Broadcasting Network, which refers back to Revelation 14:6-12, which is very much the core of the unique motivation and message that the Seventh Day Adventist Church has.

Q And have you seen anything at all as you've watched the television programming or as you have looked through not only their

monthly programming but the more comprehensive and detailed publications where they offer the videos of various programming that you would understand not to be within the teachings of the Adventist church, exclusively religious?

A       What I have seen is very much in line with what the Seventh Day Adventist Church would believe and seems to be part and parcel of the objectives and goals that the Seventh Day Adventist Church has.

Q       Do you have an opinion as to although it is a supporting ministry and not the official church whether the Three Angels Broadcasting Network provides an important and significant contribution to the work of the church?

MS. PETTY: I'm going to make an objection here as being an undisclosed opinion.

BY MR. BOOTHBY:

Q       You may answer.

A Certainly, any avenue that is opened up by God to carry his message from the scripture is something that is appreciated and needed by many people because it is sharing that which is truth and helping people to become better individuals.

MR. BOOTHBY: You may inquire.

MS. PETTY: Thank you.

FURTHER EXAMINATION BY COUNSEL FOR  
INTERVENORS

BY MS. PETTY:

Q I'm sorry. Good morning. I'm Joanne Petty, the attorney representing interveners, the school districts in this case. I just have a few questions.

First I'd like to direct your attention to Exhibit 8, where you testified that there are some books on that list that are standard publication materials of the Seventh Day Adventist Church?

A Yes.

Q Does the Seventh Day Adventist Church provide these books to Three ABN, make them available to Three ABN for distribution?

A I'm not aware of their arrangements but almost assuredly Three ABN would purchase those from the output system that the church has for materials or someone would purchase it for Three ABN and donate them.

Q So these standard books of the Seventh Day Adventist are usually for sale?

A Yes.

Q And do you know where the distribution of these materials takes place?

A Much of it takes place through what's known as the Adventist Book Center, a system of Christian book stores or perhaps arrangements directly with the publishing houses for large amounts of print runs, whatever it might be.

Q Is that for the distribution by

the Seventh Day Adventist Church that you're referring to?

A That is part of the Seventh Day Adventist Church, the distribution system. It's for the public as well as for church members.

Q And what about Three ABN's distribution system, do you know where that is?

A I don't have information about that.

Q You refer to a visit you made to the Three ABN headquarters in November of 2000?

A Yes.

Q And you were there for approximately two days?

A Yes.

Q While you were there it was to reiterate the promise of cooperation between Three ABN and the Seventh Day Adventist Church. Is that fair?



A Yes.

Q You took a tour of the facilities?

A Yes.

Q Are you aware of whether you took a tour of the parcel of property that's at issue in this case?

A I believe that I took a tour of that one. It was a large facility, rather new.

Q And on the days that you were there did it appear to you as though people were working in an office conducting business?

A They were going about their normal activities it would have appeared to me.

Q And the normal activities to your perception on the days that you were there were not to hold Sabbath services?

A I wasn't there on a Saturday, on Sabbath.

Q Are you aware of whether the facility's open on Saturday?

A I don't believe it's open for regular business activity. If they have a special program there I'm sure -- then it's open and they are videoing the program.

Q But you don't know if that occurs?

A I'm assuming so because they have some stage settings and they have an auditorium which I think they were in the process of actually finishing.

Q The facility that you visited, did they have offices there, an administration office?

A Yes.

Q And so people were taking phone calls and conducting the day to day activities of Three ABN?

A It appeared to me they were conducting regular activities, including the type of creative endeavors and whatever activities are needed.

I might say that here at the General Conference we do that every day,

too, because this is the activity of the church. It doesn't happen just on Saturday.

MS. PETTY: I'm going to make an objection as being nonresponsive since there's no question pending.

BY MS. PETTY:

Q You mentioned you also provide a service to the public through churches by holding cooking classes or stop-smoking clinics, stress seminars, and other certain classes?

A Yes.

Q Do you charge a fee for participants?

A Many times a fee is charged but it basically covers just Xeroxed materials or a syllabus that might be provided. We have found in the past that if someone is charged even \$10.00 for a stop-smoking clinic they're much more likely to take it more seriously than if it were given simply as a free service.

But in some places these things are offered on a free basis. In others it's simply for incidental activity, generally speaking.

Q Getting back to the joint declaration, which was Exhibit 2, part of the responsibilities of Three ABN in paragraph C is to reiterate our endorsement of the concepts of the Seventh Day Adventist Church organization as set forth in the book of Seventh Day Adventist beliefs, chapters 11 through 13, and in the writings of Ellen G. White.

So one of their responsibilities, according to this agreement, is to support the Seventh Day Adventist ministries?

A As I would understand it from that particular statement it is to support the concept of the Seventh Day Adventist Church organization as a church itself, yes, to be supportive of that.

Q In your interpretation of this

agreement would this require them to identify, and when I say "them" I mean Three ABN, themselves as Seventh Day Adventists?

A No, I don't think they would have to identify themselves. They simply in their messages or proclamation or programming be consistent with what the church believes and promotes and in any activities, either in programming or otherwise, that they would be supportive of the church as an organization.

Q Besides the administration and function of the facility that you visited, and you said there was also a production studio, are you aware of any other purposes of that piece of property or other uses of that piece of property at Three ABN?

A Where this large building is?

Q Yes..

A No, activities having to do with Three ABN production and meetings that they may hold, all of which I would assume are

spiritually oriented and within the emphasis of the mission of the church.

(Recess)

BY MS. PETTY:

Q Exhibit 7, it was the organizations that purchased air time from Three ABN through December 31, 2001. The General Conference of the Seventh Day Adventist Church is contained on this list, right?

A It's written there.

Q Global Missions, also part of the General Conference, is also on this list?

A Yes.

Q For instance, Adventist Disaster and Relief Organization you said is another independent?

A No, it's the humanitarian relief and development agency that is operated by the church but is its own organization.

Q And so based on the title it would appear that the organizations on that list

have provided programming and have purchased air time for Three ABN to air those programs, correct?

A That's what this page would indicate but I have to indicate to you that I am not acquainted with the activities of purchasing air time with the exception of It Is Written and that kind of thing. There may be some assistance that's given but I really am not in a position to give you any strong explanation of that.

Q So you cannot tell us whether the General Conference of the Seventh Day Adventist Church has actually purchased air time?

A I can't tell you that, no, because I'm just not involved with the business aspect of that. I'm not sufficiently aware of that.

Q Are you aware of any arrangements where the General Conference or the Global Missions would provide programming for Three

ABN to air?

A Yes, Global Missions provides programming in terms of interviews about world mission activity, and it has a regular program. I'm not really aware specifically of the financial arrangements for that.

Q But somebody else at the General Conference would be aware of that?

A I would imagine so, yes.

Q Do you have any knowledge of the production costs to Three ABN for producing and distributing and airing programs?

A No, I don't.

Q And when we were looking at the catalogs earlier there are prices associated with the sale of those items?

A Um-hmm, yes.

Q You cannot tell us then the prices that are listed in the catalogs what their relationship is to the cost to Three ABN?

A I really -- I don't know what their pricing structure is or their costing



situation is so from that perspective no, I couldn't.

Q So you can't offer us any opinions on that?

A No, any opinion would be pretty much a conjecture. I certainly don't think that it is excessive if that would be of any help.

Q And the basis for your opinion?

A Simply from the standpoint that that seems to be a price that would be appropriate for a length of the various programs that are being provided. I'm not involved with their pricing situation so I don't know.

Q Are you referring to what you'd pay for a video in a movie store in relation to the prices?

A Or perhaps a video that would be made available even through the church system of evangelistic meetings or music or whatever it is.

Q So this is your feeling of what you would pay to purchase a video such as that?

A I would imagine.

Q You would feel comfortable paying those prices for those videos?

A If I wanted them I guess I -- if I needed them or wanted them that's what I would need to pay.

Q The General Conference has no administrative input or control in the function of Three ABN. Is that correct?

A It does not, right.

Q You do not tell Three ABN what to broadcast?

A No, we do not.

Q However, you can raise issues with Three ABN if you disagree as to the content of their programming?

A We can.

Q And that's pursuant to the joint resolution or joint declaration?

A Yes, sure.

Q And in 2000 that situation came up twice?

A It did.

Q On at least two occasions?

A Yes.

Q And the joint declaration provides a three-step process for resolving those disagreements?

A Yes.

MS. PETTY: Those are all the questions I have.

MR. BOOTHBY: I just have to follow up on a couple of things.

FURTHER EXAMINATION BY COUNSEL FOR  
APPLICANT

BY MR. BOOTHBY:

Q On the two occasions that an issue arose that it was felt there was some discussion necessary can you tell me what each related to?

A One item had to do with a

particular interview of an individual who was living in another part of the world and that individual was apparently causing some friction and difficulty within the local church setting. And by Three ABN putting on this interview which they did, as I understand it, very innocently it was causing further friction and difficulty in that regional area. And so, of course, they didn't air it any more and certainly took steps to resolve the difficulty that they had with the local church organizations.

Q Did you know --

A With the other one it was I think a misunderstanding and difficulty in terms of some technical translation situation.

Q Something wasn't translated or it wasn't translated properly?

A No, it wasn't translated according to an agreement in a particular language or something like that.

Q With reference to the first item

dealing with the problems that were generated by the interview I'm not asking you about the individual that brought it to your attention but do you know by what channel it came back to the General Conference that there was some kind of a problem?

A It was -- I think we were made aware of it through our denominational structure.

Q Were you involved in resolving this matter pursuant to the joint declaration?

A You mean this particular matter we're talking about?

Q Yes.

A Yes.

Q And did you then bring this matter up with Three ABN?

A Yes, I did.

Q And what kind of response did you receive from Three ABN when you brought it

up to them?

A It was a setting of trying to resolve the situation and ultimately it was resolved and we have had no difficulty from that particular situation.

Q Did you feel that you had good cooperation from the people at Three ABN in resolving the matter?

A They worked with us in a very positive way to try to resolve it.

Q With reference to the second item, which I think you termed as being more technical, being a translation problem, how did that come to your attention?

A I think it was brought to our attention again through the church system.

Q And are you the one that brought this to the attention of the people at Three ABN?

A Yes. I'm sure they may have heard of it before but we then tried to bring about some resolution and understanding.

Q And was that resolved to your satisfaction?

A Yes, more or less. It was an event that took place in the past and hopefully in the future it won't occur again.

Q Did either of these items suggest to you that Three ABN was not conducting its activities and programming in keeping with the beliefs and teachings of the Seventh Day Adventist Church?

A No, Three ABN is very supportive of those teachings and does not want to do anything to harm that good relationship with the church.

Q You've been a church administrator for a substantial period of time. Do you run into these same problems even within the church? I don't mean these specific problems but on a day to day basis are there problems that arise not dissimilar to these problems?

MS. PETTY: Objection, outside the scope.

THE WITNESS: I can go ahead?

MS. PETTY: Go ahead, yes.

THE WITNESS: Yes, that's -- much of what we deal with on a daily basis, weekly basis, is helping to carry about the challenges Paul calls us to in I Corinthians, the ministry of reconciliation and helping people to work out concerns.

BY MR. BOOTHBY:

Q Now, counsel has brought to your attention there is a mechanism to resolve any concerns that the church may have concerning the activities of Three ABN which is a three-step process. Is that correct?

A Yes.

Q Have you ever had to go to the second or third step?

A No, we haven't.

Q And the first step is merely informal communication in the spirit of



cooperation? Is that true?

A Yes, that's correct.

Q But there is a process that the church and Three ABN have established to resolve any differences between them, correct?

A Yes, and while I've been involved we have only used the first step.

Q And as I understand it the whole process encourages cooperation in resolving any questions that may arise?

A Yes.

Q In the event that the three steps did not resolve a program as I understand it from this document then the Joint Declaration of Commitment would terminate, correct?

A Yes, that would be the case.

Q So although the church does not have any administrative control there is at least within the Joint Declaration of Commitment some kind of a mechanism that

ultimately would come into play in the event that there was not mutual cooperation; isn't that true?

A Yes, as in any agreement, most any agreement, there would be a situation where people need to observe those things to which they have agreed.

Q Counsel objected to a comment that you made but I do want to find out your response. She asked you concerning your visit to Three ABN and what you observed during the course of the day and she mentioned something about were people using the telephone and engaged in normal operations. Did you see anything going on on your visits there differently than what would go on in this building when you walk in in the morning and observe what's going on?

A No.

Q Just perhaps the different subject or content but the secretaries were still

performing their work there as here? Is that correct?

A Yes. Any organization, whether it be religious in nature or business or whatever it is, has to have some form of official procedure and they were carrying on their activities as we would here in this building as the world headquarters or in a publishing house or in a hospital or whatever setting there is that needs a mechanism in which to accomplish their mission.

Q Did you recall when you met with these people at Three ABN, when you had their meeting with them, anyone offered prayer?

MS. PETTY: Objection, outside the scope.

BY MR. BOOTHBY:

Q You may answer.

A Yes. In fact I believe we had a season of prayer.

Q Would that be how you would conduct a meeting here, perhaps, from time to time?

A Yes and in fact I think the meeting opened with prayer. We would open our committees here in the church headquarters with prayer. When I chair a meeting I always like to have a closing prayer as well asking God to not only bless what we voted but to guide in the disposition of whatever's been voted.

Q When you went to Three ABN did you notice any kind of a spiritual atmosphere there?

A Well, their whole focus is aimed at a spiritual proclamation and that's what their purpose is.

Q But I mean on that day in your discussions and in what you observed was there a spiritual atmosphere?

A Yes. I mean, obviously, that's the basis of their organization. There was

Christian courtesy. There was certainly prayer. The programming that was being prepared was all in the context of -- well, when I say programming they were not actually shooting programming but some of the concepts we looked at and the creative activity had to do with the mission of Three ABN and of the mission of the church.

Q You were asked about stop smoking and the charge of a fee to cover materials. As I understand it from your testimony that is something that you have done in the context of programs held by the church itself in its stop-smoking program?

A Yes, it's been my privilege to help many people quit smoking and I hope they've stayed off of it and I've held many stop-smoking clinics.

Q And from time to time the church would also have some nominal fee for conducting this kind of a program?

A Certainly.

MR. BOOTHBY: Nothing further.

MS. PETTY: I have no questions.

Thank you.

MR. BOOTHBY: Thank you very much.

(Whereupon, at 2:09 p.m., the deposition of TED WILSON was adjourned.)

\* \* \* \* \*

See video entitled:

Beta Reporting and Video (202) 638-2400 (800) 522-BETA

**Case: 3 Angels Broadcasting Network v. Illinois Dept of Revenue**  
Witness: Ted Wilson Date: July 26, 2002 Tapes 1 and 2

Applicant's Ex. 25(a) and (b)

# 3ABN Tax Case - Expert Witness Report

## Denis Fortin

### Personal Qualifications:

Currently I am Associate Dean and Associate Professor of Theology at the Seventh-day Adventist Theological Seminary, Andrews University, Berrien Springs, Michigan. I have been teaching at the Seminary since 1994 and have been Associate Dean for two years. I teach courses in Christian theology and Adventist doctrines at the Masters and Doctoral levels.

I have earned a Bachelor of Arts degree in pre-ministry studies at Canadian Union College, in Alberta in 1982, and a Master of Divinity degree at Andrews University, in Michigan in 1986. In 1995, I earned a Doctor of Philosophy degree at the Université Laval, in Quebec. My doctoral thesis was on the subject of early Adventist history and theology in Quebec in the nineteenth century. From 1982 to 1993, I worked as a pastor for the Seventh-day Adventist Church in Quebec, Canada. Since joining the faculty at the Seminary I have authored a number of articles and manuscript on the history and theology of the Seventh-day Adventist Church.

### List of Materials Reviewed:

In preparation for this hearing, I have reviewed the following materials from 3ABN:

Video Tape: *Mending Broken People: The 3ABN Story*

Video Tape: *Help Yourself to Health*, # 69 and #71

Video Tape: *Trust Services*

Three Angels Broadcasting Network 1999 Video Catalog

Three Angels Broadcasting Network Television & Radio Summer 2001 Catalog

3ABN Statement of Activities - Give Away (Year ended December 31, 2000)

3ABN Statement of Activities - Give Away (Year ended December 31, 2001)

January 2000 3ABN Monthly Program Guide

3ABN Radio Monthly Program Guide January 2001



001650



## Description of Materials in Appendices

In order to support my opinion regarding 3ABN's religious broadcasting programs, I have included in appendices a number of Seventh-day Adventist documents. These documents, I believe, support the idea that Seventh-day Adventist thought and lifestyle include teachings on health and stewardship.

Ellen G. White Statements: Among Seventh-day Adventists, Ellen G. White is viewed as an authority figure and her writings are considered inspired. Many of her writings have influenced how church members view topics and issues related to health and personal stewardship. The appendix includes copies of statements from Ellen G. White's writings which address health and stewardship topics and issues.

Statements of Seventh-day Adventist Beliefs: Seventh-day Adventists have had a few statements of beliefs since their church organized in 1863. The appendix includes copies of the two most recent statements, 1931 and 1980. Both statements include articles related to health, lifestyle, and stewardship.

Articles from the *Adventist Review*: The *Adventist Review* is the general paper of the Seventh-day Adventist Church. It regularly publishes articles on health and stewardship related topics. Two recent articles are included as examples: "Estate Planning: Now More Than Ever" (May 2002), and "Is Obesity Genetic?" (May 9, 2002).

Adventist News Network Bulletins: The Adventist News Network sends out weekly email bulletins of news items related to Adventist events. Such bulletins often include latest news items that support Adventist health and lifestyle beliefs. In the appendix are included three such ANN Bulletins for May 14, 2002 ("Groundbreaking Study Links Water with Heart Health"), May 21, 2002 ("Studies Warn Against Complacency in Coffee Drinking"), and June 11, 2002 ("Hungarian Seminar Focuses on Harmful "Health" Practices").

## Expert Witness Opinion

After reviewing the materials sent to me by 3ABN and being familiar with 3ABN's programming for a number of years, it is my opinion that 3ABN's programming and ministry reflect the teachings and mission of the Seventh-day Adventist Church.

The various materials I have reviewed indicate that 3ABN offers a variety of programs on its network. Most of the programs present religious and biblical topics in the form of sermons, discussions or seminars. These programs are aimed at various age groups including adults, teens and children. Some of the programs are musical

programs featuring singers, choirs and artists who perform various Christian instrumental or vocal selections. The religious nature of all these programs is evident.

3ABN offers also a variety of programs on health and lifestyle topics. These programs include presentations on health in general, disease prevention, simple home remedies, healthful cooking, exercise, physiology, etc. I believe these programs also reflect Seventh-day Adventist teachings. For over one hundred years the Seventh-day Adventist Church has taught that Christians should take care of their bodies which are the "temple of the Holy Spirit." This teaching has included a biblical holistic understanding of human life, proper eating habits, abstinence from harmful substances (tobacco, alcohol, drugs, etc.), and living a positive lifestyle. The Seventh-day Adventist doctrine of health and lifestyle is addressed in one of the fundamental beliefs of the church (#21 [1980]). As part of its mission, the church has endeavored to teach these principles not only to its own members but also to the wider community. Local Adventist congregations often offer health lectures to the community. Seventh-day Adventists view these health and lifestyle principles not only as good medical advice for disease prevention and better quality of life but also as religious principles. Within this context, it is my opinion that these programs offered by 3ABN fall within the teachings of the Seventh-day Adventist Church and are religious in their intent and mission.

A few programs presented by 3ABN discuss topics related to personal money matters such as debt reduction and 3ABN's trust services. Seventh-day Adventists view these topics within what they call principles of personal stewardship and are addressed in one of the fundamental beliefs of the Church (#20 [1980]). As mentioned above, the Adventist understanding of life is holistic and includes personal financial matters. The writings of Ellen G. White include many references to managing one's personal time, work, influence, and material resources for the glory of God. It is also my opinion that given this context, these programs offered by 3ABN reflect the teachings of the Seventh-day Adventist Church and are religious in their intent and mission.

In conclusion, it is my opinion as a Seventh-day Adventist minister and as a professor of Seventh-day Adventist theology and history at the church's main seminary, that the programming aired by Three Angels Broadcasting Network is consistent with and in furtherance of the beliefs and mission of the Seventh-day Adventist church.

Denis Fortin  
Denis Fortin

26 Aug. 2002  
Date

## Faculty Curriculum Vitae

*J. H. Denis Fortin*

*Associate Professor of Theology  
Department of Theology and Christian Philosophy  
&  
Associate Dean  
Seventh-day Adventist Theological Seminary*

### Educational Achievements

---

- 1995 Université Laval, Québec  
Ph.D. – Doctorat en théologie  
Thesis: "L'adventisme dans les Cantons de l'Est du Québec: implantation et institutionnalisation au XIXe siècle."
- 1986 Andrews University, Berrien Springs, Michigan  
Master of Divinity – Magna Cum Laude
- 1982 Canadian Union College, College Heights, Alberta  
Bachelor of Arts – High honours
- 1978 Collège François-Xavier Garneau, Québec  
Diplôme d'études collégiales en sciences pures et appliquées.

### Experience

---

- 1994-present Seventh-day Adventist Theological Seminary, Andrews University  
2000-present Associate Dean  
1998-present Associate Professor of Theology  
1994-1998 Assistant Professor of Theology
- 1982-1993 Québec Conference of Seventh-day Adventists  
1991-1993 Post-graduate study leave [Part-time pastor (not remunerated)]
- 1986-1991 Pastor  
Québec City District: Québec City, St-Raymond-de-Portneuf, and Jonquièr  
La Chaudière District: St-Georges-de-Beauce and Lac Mégantic
- 1982-1985 Assistant Pastor  
Eastern Townships District: Sherbrooke, Waterville, South Stukely and Abercorn  
(1983-1985: Master of Divinity student at Andrews University)

001653

## Professional Activities

---

### Teaching

- 2002      Courses taught during this year:  
GSEM534 – The Writings of Ellen G. White  
THST964 – Seminar in Historical Theology: Shapers of Christian Thought  
THST629 – Interchurch Dialogue
- Since 1994      Seventh-day Adventist Theological Seminary, Andrews University  
Courses taught:  
THST504 – Introduction to Theology  
THST532 – Survey of Christian Theology II  
THST608 – Doctrine of the Sabbath  
THST626 – Modern Christian Theology  
THST629 – Interchurch Dialogue  
THST646 – Studies in Historical Theology  
THST670 – Principles of Christian Ethics  
THST684 – Seminar in Historical Theology: Doctrine of Atonement  
THST964 – Seminar in Historical Theology: Shapers of Christian Theology  
GSEM534 – The Writings of Ellen G. White
- 1992-1993      Québec Conference Lay Training School  
Course taught:  
History of the Seventh-day Adventist Church

### Service

- 2000-present      Associate Dean, SDA Theological Seminary (includes participation on the following committees: Seminary Deans' Council (secretary), Seminary Building Committee (secretary), Masters Committee (chair), Distance Education committee, Doctor of Ministry committee, PhD/ThD Committee, Educational Technology committee, Student Life committee, MDiv Curriculum and Delivery System Review Steering committee (NAD), Master of Divinity InMinistry Dream Team, Academic Administration Council, Graduate Programs Committee (School of Education), ).
- 1996-present      Evergreen Pathfinder Club, Pioneer Memorial Church, Berrien Springs, Michigan  
1996-2001: Club Director  
2001-present: Instructor
- 1997-present      Adult Sabbath School Teacher, Pioneer Memorial Church, Berrien Springs, Michigan
- 1999-2001      Director, Master of Divinity program, SDA Theological Seminary (included participation in the following committees: Seminary Deans' Council, Academic Policies and Curricula Committee, Admission and Petitions Committee, ).
- 1995-1999      Member, Religious Affairs and Chapel Committee, SDA Theological Seminary

- 1995-1998 Director, Seminary Orientation Committee, SDA Theological Seminary
- 1995-1998 Member, Seminary Faculty Fellowship Committee, SDA Theological Seminary
- 1995-1998 Member, North American Division Church Planting Committee (for Seeds Conventions)
- 1992-1993 Member, Ministry Magazine Board of Pastoral Consultants
- 1992 Pathfinder Area Coordinator, Québec Conference
- 1991-1994 Member, Executive Committee of the Québec Conference
- 1991-1994 Member, French Advisory Council of the North American Division of Seventh-day Adventists
- 1991 Assistant Youth Director, Québec Conference
- 1991 Invested Master Guide (21 July 1991)
- 1990-1993 Member, Executive Committee of the General Conference of Seventh-day Adventists (pastoral delegate for the SDA Church in Canada)
- 1990-1993 Member, Executive Committee of the North American Division of Seventh-day Adventists (pastoral delegate for the SDA Church in Canada)
- 1989-1994 Director, Deputy Director, and Instructor of Les Chevaliers Pathfinder Club, Québec City Church
- 1988-1991 Conseil Québécois sur le tabac et la santé (Québec Council on Tobacco and Health: lobbying organization regrouping various health related groups and associations of the Province of Québec.)
  - 1988-1989 Executive Secretary
  - 1989-1990 Administrative member
  - 1990-1991 Treasurer
- 1988-1989 Member, Management and Operating Committees for the Projet Acadien-Québécois, The SDA Church in Canada
- 1987-1993 Board Chairman, Service d'enseignement à domicile, Québec Conference (Elementary level French correspondence school similar to Home Study International.)
- 1986-1991 Member, Conference Education Council, Quebec Conference
- 1981-1982 Prcsident, Student Association, Canadian Union College
- 1980-1981 Secretary, Student Ministerial Association, Religion Department, Canadian Union College

## Research / Scholarship

### *Professional Memberships*

- Since 1994 American Academy of Religion
- Since 1995 Evangelical Theological Society
- Since 1998 Adventist Society for Religious Studies
- Since 1999 Faith and Order Commission, National Council of the Churches of Christ in the USA

### *Refereed Journal Articles*

- "Ellen G. White's Conceptual Understanding of the Sanctuary and Hermeneutics." *Journal of the Adventist Theological Society*, 1998 (9:1-2), 160-166.
- "Ordination in the Writings of Ellen G. White." In Nancy Vyhmeister, ed., *Women Ministry: Biblical and Theological Perspectives* (Berrien Springs, MI: Andrews University Press, 1998), 115-133.
- "Nineteenth-century Evangelicalism and Early Adventist Statements of Beliefs." *Andrews University Seminary Studies*, Spring 1998 (36:1), 51-67.
- "'The World Turned Upside Down': Millerism in the Eastern Townships of Quebec, 1835-1845." *The Journal of Eastern Townships Studies*, Fall 1997 (11), 39-59.

### *Professional Journal/Periodical Articles (not refereed)*

- "Sixty-Six Books or Eighty-one? Did Ellen White Recommend the Apocrypha?" *Adventist Review*. March 28, 2002 (179:13), 8-12.
- "Oldest Adventist Church in Canada – Shining Light for 123 Years." Co-authored with Jo-Anne Anderson and Milton McElroy. *Canadian Adventist Messenger* (69:7), July 2000, 3.
- "The South Stukely Seventh-day Adventist Church." Co-authored with Jo-Anne Anderson and Milton McElroy. *The Outlet* (6:239), June 2000, 15.
- "Assurance of Salvation." *Adult Sabbath School Lessons*, Teacher's Edition Commentary. January-March 2000.
- "The Doll House." *Perspective Digest*, 1999 (4:4), 52-58.
- "On the Road to Zimbabwe." *Adventist Review*, November 12, 1998 (175:46), 24-26.
- "'The World Turned Upside Down': Millerism in the Eastern Townships of Quebec, 1835-1845." *The Outlet* (4:212), March 1998, 8-12.

"The South Stukely Church: Where It All Began." *Adventist Heritage* (14:3), Winter 1992, 14-18, 21, 33.

"La loi de Dieu est-elle encore valide?" *La Sentinelle*, Octobre 1991, 8-9.

### ***Unpublished Monographs and Papers***

"The William Miller Correspondence in the Eastern Townships of Quebec." 51 pp. Transcription and edition for the Seventh-day Adventist Church in Canada and Historical societies in Quebec. December 1998.

"Records of the Seventh-day Adventist Church of East Richford, Vermont, and Sutton, Canada East." 53 pp. Transcription and edition done for the Seventh-day Adventist Church in Canada and Historical societies in Quebec. December 1998.

"John Porter and the Danville Advent Christian Church." 17 pp. Written for the Danville Advent Christian Church in Danville, Quebec. April 1998.

"Millerism in the Eastern Townships of Quebec, 1835-1845." 27 pp. Written for the Seventh-day Adventist Church in Canada and the Quebec Conference. December 1996.

"L'enseignement du Nouveau Testament et l'évidence scientifique sur les viandes impures." 34 pp. 1988.

### ***Book Reviews in Academic Publications***

Couch, Mal, general ed. *A Biblical Theology of the Church*. (Grand Rapids, MI: Kregel, 1999), 330 pp. Reviewed in *Journal of the Evangelical Theological Society*, publication forthcoming.

Dederen, Raoul, ed. *Handbook of Seventh-day Adventist Theology*. (Hagerstown, MD: Review and Herald, 2000), 1027 pp. Reviewed in *Andrews University Seminary Studies* (39:2), Autumn 2001, 321-323.

Zurcher, J. R. *Touched With Our Feelings: A Historical Survey of Seventh-day Adventist Thought on the Human Nature of Christ*. (Hagerstown, MD: Review and Herald, 1999), 308 pp. Reviewed in *Andrews University Seminary Studies* (38:2), Fall 2000, 342-344.

Quinn, John R. *The Reform of the Papacy: The Costly Call to Christian Unity*. (New York: Crossroad, 1999), 189 pp. Reviewed in *Andrews University Seminary Studies* (38:1), Spring 2000, 173-175.

Marguerat, Daniel, and Bernard Reymond, eds. *Le Protestantisme et son avenir*. (Genève: Labor et Fides, 1998), 150 pp. Reviewed in *Laval Théologique et Philosophique* (55:3), octobre 1999, 534-536.

Fackre, Gabriel, and Michael Root. *Affirmations and Admonitions: Lutheran Decisions and Dialogue with Reformed, Episcopal, and Roman Catholic Churches* (Grand Rapids:

Eerdmans, 1998), xi + 124 pp. Reviewed in *Andrews University Seminary Studies* (37:2), Autumn 1999, 304-306.

Byrne, James M. *Religion and the Enlightenment: from Descartes to Kant* (Louisville, KY: Westminster John Knox Press, 1996), xiii + 253 pp. Reviewed in *Andrews University Seminary Studies* (36:2), Autumn 1998, 290-292.

McGrath, Alister E. *A Passion for Truth: The Intellectual Coherence of Evangelicalism* (Downers Grove: InterVarsity Press, 1996), 287 pp. Reviewed in *Andrews University Seminary Studies* (36:1), Spring 1998, 146-148.

Nilson, Jon. *Nothing Beyond the Necessary: Roman Catholicism and the Ecumenical Future* (New York: Paulist Press, 1995), 105 pp. Reviewed in *Andrews University Seminary Studies* (35:1), Spring 1997, 143-145.

McGrath, Alister E., editor. *The Christian Theology Reader* (Cambridge, MA: Blackwell, 1995), xxiv + 422 pp. Reviewed in *Andrews University Seminary Studies* (35:1), Spring 1997, 133-134.

Geisler, Norman L., and Ralph E. MacKenzie. *Roman Catholics and Evangelicals: Agreements and Differences* (Grand Rapids: Baker Book House, 1995), 538 pp. Reviewed in *Andrews University Seminary Studies* (35:1), Spring 1997, 120-122.

### **Scholarly/Professional Papers Read**

"Issues for the Next Decade," First International Conference on Ellen G. White and Adventist History, Battle Creek, MI, May 17, 2002.

"The Cross of Christ: Theological differences between Ellen G. White and J. H. Waggoner," First International Conference on Ellen G. White and Adventist History, Battle Creek, MI, May 16, 2002.

"The World Turned Upside Down: Millerism in the Eastern Townships of Quebec, 1835-1845," Association of Seventh-day Adventist Historians, Berrien Springs, MI, April 13, 2001.

"Current Perspectives on Petrine Ministry and Papal Primacy," Adventist Theological Society/Evangelical Theological Society, Nashville, NT, November 16, 2000.

"Authority in the Church," National Council of the Churches of Christ in the USA, Faith and Order Commission, Chicago, IL, October 13, 2000.

"To every nation, tribe, language and people: A Seventh-day Adventist perspective on eschatology and mission," National Council of the Churches of Christ in the USA, Faith and Order Commission, Charlotte, NC, March 12, 1999.

"A Response to O.C. Edwards' Paper: 'Eschatology and Mission in the Anglican Tradition.'" National Council of the Churches of Christ in the USA, Faith and Order Commission, Charlotte, NC, March 12, 1999.



TX40

TAX EXEMPTION SYSTEM  
PROPERTY TAX REVIEW SCREEN

TXM040

EXEMPTION #: 9987-0241 96-100-00035 PROP INDEX: 06-17-103-005  
NAME: TRI-STATE CHRISTIAN TV WTCT TV 27

---RECOMMENDATION BY COUNTY---

ACTION: -

-----FIRST REVIEW-----

APPLICATION DATE: 02 11 1997 ACTION DATE: 06 27 1997 REVIEWER: DMC  
ACTION: P - PARTIAL EXEMPT EFFECTIVE: 11 04 1996 SUSPENDED: 05 02 1997  
CERTIFICATE DATE: 07 03 1997 TO LEGAL: FROM LEGAL:  
COMMENTS: 4,6,7,11,13 WHAT WAS THE USE OF THIS PROPERTY FROM 11-4-96.  
TO 12-1-96? HAS RENOVATION BEEN STARTED IN 1996? IF SO GIVE A DETAILED

-----FORMAL HEARING-----

APPLICATION DATE: ACTION DATE: RETURN DATE:  
ACTION: - EFFECTIVE: HEARING DATE:  
COMMENTS:

ENTER BROWSE, INDEX, COM, PRO, PTR, PTD, PTC, SAL, SOP,  
END, EXEMPT # OR DOCKET # ==>



TX35

TAX EXEMPTION SYSTEM  
PROPERTY TAX GENERAL SCREEN

TXM035

EXEMPTION NUMBER : 9987 - 0241 - 96 - 100 - 00035

NAME : TRI-STATE CHRISTIAN TV WTCT TV 27

PROPERTY ADDRESS : 111 AIRWAY DRIVE

CITY : MARION

STATE : IL ZIP : 62959 - 0000

PROP INDEX NUMBER : 06-17-103-005

CO REFERENCE :

RELEVANT LAW : 2

PROPERTY USAGE : OFFICE

LAND ASSMT :

BLDG ASSMT : 374,730

LEGAL DESCRIPTION : 06-17-103-006

ABOVE PARCELS ARE EXEMPT

06-17-103-004 IS TAXABLE

(PROPERTY NOT IN EXEMPT USE)

MAILING NAME : SHANE CHANEY

ADDRESS LINE 1 : PO BOX 1010

ADDRESS LINE 2 :

CITY : MARION

STATE : IL ZIP : 62959 - 0000

ENTER BROWSE, INDEX, COM, PTR, SAL, SOP

END, EXEMPT # OR DOCKET # ==>



**Illinois Department of Revenue**

OFFICE OF LOCAL GOVERNMENT SERVICES, 3-520  
101 W. JEFFERSON STREET  
SPRINGFIELD, IL 62702

DEPARTMENT OF REVENUE  
DOCKET NO.: 96-100- 35

TELEPHONE: 217/785-2252

REAL ESTATE EXEMPTION CERTIFICATION BY THE DEPARTMENT OF REVENUE  
IN ACCORDANCE WITH 35 ILCS 205/108, 119 AND 137

NAME OF PROPERTY OWNER:  
TRI-STATE CHRISTIAN TV WTCT TV 27

COUNTY NAME: WILLIAMSON

COUNTY PARCEL NUMBER AND/OR LEGAL DESCRIPTION: 06-17-103-005.

06-17-103-006  
ABOVE PARCELS ARE EXEMPT  
06-17-103-004 IS TAXABLE  
(PROPERTY NOT IN EXEMPT USE)

ON THE BASIS OF THE STATEMENT OF FACTS AND SUPPORTING DOCUMENTS, THE DEPARTMENT AT 1ST REVIEW HEREBY ISSUES THIS CERTIFICATE APPROVING THE EXEMPTION FOR 16% OF THE 1996 ASSESSMENT YEAR.

IF THE PROPERTY CONTINUES TO MEET ALL THE QUALIFICATIONS FOR EXEMPTION, THE PROPERTY OWNER MAY FILE AN ANNUAL CERTIFICATE OF STATUS PURSUANT TO 35 ILCS 205/19 WITH THE COUNTY ASSESSOR OR SUPERVISOR OF ASSESSMENTS OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED. FILING OF THE ANNUAL CERTIFICATE OF STATUS IS THE RESPONSIBILITY OF THE PROPERTY OWNER. THE ANNUAL CERTIFICATE OF STATUS FORM CAN BE OBTAINED FROM THE OFFICE OF COUNTY ASSESSOR OR SUPERVISOR OF ASSESSMENTS.

THE DEPARTMENT OF REVENUE DOCKET NO. INDICATED ABOVE IS THE CERTIFICATE NUMBER AND SHOULD BE REFERENCED ON THE ANNUAL CERTIFICATE OF STATUS AND IN ALL FUTURE CORRESPONDENCE REGARDING THIS PARCEL. IF YOU DO NOT AGREE WITH THIS DECISION, ANY APPLICATION FOR A FORMAL HEARING TO APPEAL FROM THE DEPARTMENT'S DECISION MUST BE FILED IN WRITING WITH THE DEPARTMENT WITHIN 20 DAYS FROM THE DATE OF THIS DECISION. A BRIEF, CITING ADDITIONAL FACTS AND AUTHORITIES RELIED ON BY THE PETITIONER, MAY ALSO BE SUBMITTED AT THAT TIME.

THIS IS AN IMPORTANT LEGAL DOCUMENT  
AND SHOULD BE RETAINED AS PART OF YOUR PERMANENT RECORDS

DECISION ISSUED:  
JULY 3, 1997

STATE CERTIFICATE OF MAILING  
DEPARTMENT OF REVENUE  
This is to certify that I am an Employee of the Department of Revenue, charged with the duty of mailing documents or notices, and that I personally mailed the ~~copy~~ **DIRECTOR** this document to the above mentioned taxpayer at the above address by placing the original of this document in a properly addressed and sealed envelope, by sealing said envelope and stamping it as follows, by mailing the same at the United States Post Office located at Springfield, Illinois, to be delivered by Certified Mail, Return Receipt Requested.

*Ken Zehnder*  
Signature

001664

24  
v. 30

Department of Revenue  
DOR Docket No. 96-100-35

REAL ESTATE EXEMPTION CERTIFICATION BY THE DEPARTMENT OF REVENUE  
IN ACCORDANCE WITH 35 ILCS 205/108, 119 AND 137

Name of Property Owner: TRI-STATE CHRISTIAN TV, INC

County Name: WILLIAMSON

County Parcel Number and/or Legal Description: \_\_\_\_\_

06-17-103-005 ALL CODE ARE exempt.

06-17103004 PART 1-4 IS TAXABLE

~~Property is exempt from the~~  
~~assessable value of property not in exempt use~~  
(Property not in Exempt Use)

(Effective Date of Exemption 11-4-96)

THIS IS AN IMPORTANT LEGAL DOCUMENT  
AND SHOULD BE RETAINED AS PART OF YOUR PERMANENT RECORDS

ON THE BASIS OF THE STATEMENT OF FACTS AND SUPPORTING DOCUMENTS, THE DEPARTMENT AT 1ST REVIEW HEREBY ISSUES THIS CERTIFICATE APPROVING THE EXEMPTION FOR \_\_\_\_\_ % OF THE \_\_\_\_\_ ASSESSMENT YEAR.

IF THE PROPERTY CONTINUES TO MEET ALL THE QUALIFICATIONS FOR EXEMPTION, THE PROPERTY OWNER MAY FILE AN ANNUAL CERTIFICATE OF STATUS PURSUANT TO 35 ILCS 205/19 WITH THE COUNTY ASSESSOR OR SUPERVISOR OF ASSESSMENTS OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED. FILING OF THE ANNUAL CERTIFICATE OF STATUS IS THE RESPONSIBILITY OF THE PROPERTY OWNER. THE ANNUAL CERTIFICATE OF STATUS FORM CAN BE OBTAINED FROM THE OFFICE OF COUNTY ASSESSOR OR SUPERVISOR OF ASSESSMENTS.

THE DEPARTMENT OF REVENUE DOCKET NO. INDICATED ABOVE IS THE CERTIFICATE NUMBER AND SHOULD BE REFERENCED ON THE ANNUAL CERTIFICATE OF STATUS AND IN ALL FUTURE CORRESPONDENCE REGARDING THIS PARCEL. IF YOU DO NOT AGREE WITH THIS DECISION, ANY APPLICATION FOR A FORMAL HEARING TO APPEAL FROM THE DEPARTMENT'S DECISION MUST BE FILED IN WRITING WITH THE DEPARTMENT WITHIN 20 DAYS FROM THE DATE OF THIS DECISION. A BRIEF, CITING ADDITIONAL FACTS AND AUTHORITIES RELIED ON BY THE PETITIONER, MAY ALSO BE SUBMITTED AT THAT TIME.

Initial Reviewer: DC 6-23-97  
Initials and Date

Quality Reviewer: lis 4/27/97 001662



# Illinois Department of Revenue

Office of Local Government Services  
101 West Jefferson Street, 3-520  
Springfield, Illinois 62702

## MEMORANDUM

### COPY DISTRIBUTION

- Property owner
- Clerk of the B/R or Appeals
- Department file

TO: Applicant and Williamson County

FROM: Exemption Section, Office of Local Government Services

DATE: May 22, 1997

RE: Tri-State Christian TV, Inc.

DOR Docket No.: **96-100-35**  
County complaint No.: 100

P.I.N.(s): 06-17-103-004 & 005 & 006

We are in receipt of your application requesting an exemption from property taxes for the subject property. After an initial review of the application, we find that we require additional information to determine eligibility.

#### Specifically:

1.  Proof of ownership (Deed, title policy, etc.)
2.  Copy of organization's charter or articles of incorporation showing the purpose of the organization.
3.  Financial statement/annual report showing both income and expenses for the year 19.
4.  Affidavit describing in detail the exact uses of the property, the frequency of those uses, the portions of the property put to those uses, and the date the uses commenced.
5.  Pictures of the exterior and interior depicting actual use.
6.  Plot plan or drawing, showing boundaries of parcel(s), showing each building's location and showing the use of all areas of land.
7.  A floor plan or drawing labeled as to actual use of all areas of the building(s).
8.  Copies of all leases or rental agreements for the year 19.
9.  Copy of your bylaws that provide for fees to be waived or adjusted according to ability to pay.
10.  Copy of your 501(c)2 or 501(c)3 exemption issued by the Internal Revenue Service.
11.  Copy of the Real Estate Certificate of Exemption issued by the Department or proof of eligibility for exemption of the facility served by this ancillary property.
12.  Complete and return the attached parsonage/convent questionnaire.
13.  Other: **What was the use of this property from 11-4-96 to 12-1-96? Has renovation been started in 1996? If so give a detailed list of things done in 1996.**

We are requesting that you provide the documentation outlined above and submit it to this office within thirty (30) days of the date on this letter. **FAILURE TO SUBMIT THE INFORMATION REQUESTED WITHIN THE TIME ALLOTTED WILL LEAVE US NO CHOICE BUT TO DENY THE EXEMPTION.** Please make reference to the DOR Docket Number above in any correspondence, and refer all correspondence to the attention of: Exemption Section.

Should you have any questions please call Della Cooper, 217/785-2252 (FAX 217/524-0526). Thank you for your consideration and cooperation in this matter.

**Special Note:** A copy of all material should be provided to your local Board of Review/Appeals.

JOHN BATTEAU, CIAO  
**SUPERVISOR OF ASSESSMENTS**

WILLIAMSON COUNTY COURTHOUSE  
MARION, ILLINOIS 62959

Phone (618) 997-1301  
Ext. 225  
FAX (618) 997-2541

Office Hrs. 8:00 - 4:00  
Monday thru Friday

Feb. 5, 1996

Illinois Department of Revenue  
Local Government Services Bureau  
Attn: Exemption Section  
101 West Jefferson Street  
P O Box 19033  
Springfield, Il 62794-9033

RE: Application for Tax Exemption by Tri-State Christian TV  
P.I.N. 06-17-103-004, 06-17-103-005, 06-17-103-006  
Williamson County, Illinois

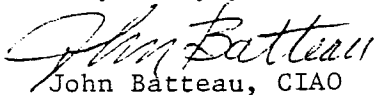
Dear Sir:

During consideration of the captioned application, it became apparent to the members of the Board of Review that this matter was too complex to easily categorize, and that it did not have the expert resources at hand to make a recommendation.

The Board, through its clerk, sought advice from the Williamson County States Attorney for direction in this matter. His advice was to seek the expertise of your department in hopes that the best interest of all concerned would be served.

Moreover, the Williamson County Board of Review requests your due consideration of this application for exemption.

Very truly yours,



John Batteau, CIAO  
Supervisor of Assessments

JB/bv

001664

Application for Property Tax Exemption

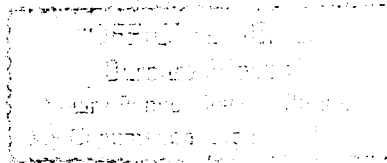
Affidavit of Use

This property is used as corporate offices and day to day operations of Tri-State Christian TV, Inc.. It will handle all corporate personnel and the operations of all stations in the Tri-State network.

*Shaw Chang*

13<sup>th</sup> day of Dec. 1996

Barbara Vinson





**Illinois Department of Revenue**

LOCAL GOVERNMENT SERVICES BUREAU

**Religious  
Application for Property Tax Exemption  
To Board of Review/Appeals - Statement of Facts**

County Reference No.: 100  
County Use Only

DOR Docket No.: 96-100-35  
Revenue Use Only

**PLEASE TYPE OR PRINT**

**PART I - Identification Of Property**

- County in which property is located: Williamson  
Owner of property: Tri-State Christian TV, Inc.  
Applicant: \_\_\_\_\_
- Street Address of Property: 111 Airway Drive City: Marion ZIP 62959
- Permanent Parcel Identification Number: 06-17103-004 06-17103-005 06-17103-006  
*(If the parcel involved in this application is a division of the property assigned the above parcel number and a new permanent parcel number is not yet assigned, write "Division" after the parcel number.)*
- Attach a legal exhibit, when no parcel number exists, a partial take occurs or PIN on Question No. 3 is a Division.
- Dimensions or acreage of this land parcel: .79 A. .71 A. .70 A.
- Date on which the deed or contract for deed was executed: 11 / 4 / 96  
Month Day Year

RECEIVED  
DEPT. OF REVENUE

FEB 11 1997

**PART II - Previous Applications**

*This information will expedite handling of this application.*

- Does the organization or entity applying for this property tax exemption have an Illinois sales tax exemption number?  
Yes  No  . . . If "Yes," enter sales tax exemption number here. E9987-0241-03  
If "No," do you want a sales tax exemption? Yes  No
- Is there a previous property tax exemption application that involves this parcel or organization?  
Yes  No  . . . If "Yes," enter Department of Revenue docket number, if known, or month and year of application if docket number is not known. 84-100-48

EXEMPTION SECTION

**PART III - Property Description And Use**

- Days and Hours of Services: 5-7 days per week / 8-10 hours per day
- 9(a). If this is the parsonage, is it used for other than living quarters, pastoral or church duties? Yes  No
- 9(b). Is the pastor/minister ordained, commissioned or licensed? Yes  No   
*If "No," attach a copy on the church constitution or laws on duties of his title and a copy of the individual's certificate receiving the title.*
10. State the specific date use of this property for the above stated purpose began: 11/18/96
11. Enter the use, square feet of ground area, and number of stories in each building on this property:  

Bldg.	Use	Square Feet of Ground Area	No. of Stories	Basement? (Y/N)
1	Offices	12,000	1	yes
2				
3				
12. Is any income derived from this property? Yes  No  . . . If "Yes," explain. (See Instructions)
13. If this application reduces the assessed valuation by \$100,000 or more, have you given notice to the municipality, school district, and community college district in which the property is situated? Yes  No



## PART IV - Documentation

14. Mark an exhibit number or a check mark in the boxes below to indicate the documents or other items attached to this application. Those boxes marked with an "X" are required on all applications.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Deed, Proof Of Ownership, Contract For Deed, Etc.   | <input checked="" type="checkbox"/> Picture          |
| <input type="checkbox"/> Parsonage Questionnaire If This Application Is For A Parsonage | <input checked="" type="checkbox"/> Affidavit Of Use |
| <input type="checkbox"/> Church Bulletin  |  |
| <input type="checkbox"/> Copies Of Leases, If Property Is Leased Or Rented              |  |

## PART V - Correspondence

15. Person (applicant) to contact regarding this application: Shane Chaney	Owner (if other than applicant):
Name: P.O. Box 1010	Name:
Street Address, Rural Route, Post Office Box, etc. Marion, IL 62959	Street Address, Rural Route, Post Office Box, etc.
City, State, ZIP Code	City, State, ZIP Code
area code Phone Number: (618) 997-9333	area code Phone Number: ( )

◀ I hereby certify this to be a true and correct reporting of all the facts arising in connection with this application. ▶

Applicant's Signature: X Shane Chaney Dated: 11-8-96  
Position: Controller

## PART VI - Board of Review/Appeals Recommendation

16. Current assessment: \$ 374,730 For assessment year 19 95

17. State all the facts considered by the Board of Review/Appeals in recommending approval or denial of the exemption application. The Board of Review made no recommendation on this request for exemption. Instead, it requests expert evaluation and consideration by the Dept. of Revenue regarding this matter. Please see attached letter of explanation.

18. RECOMMENDATION by County Board of Review/Appeals:  
 Full year exemption No recommendation  
 Partial year exemption From: \_\_\_\_\_ To: \_\_\_\_\_  
 Partial exemption for the following described portion of the property: \_\_\_\_\_  
 Deny Exemption

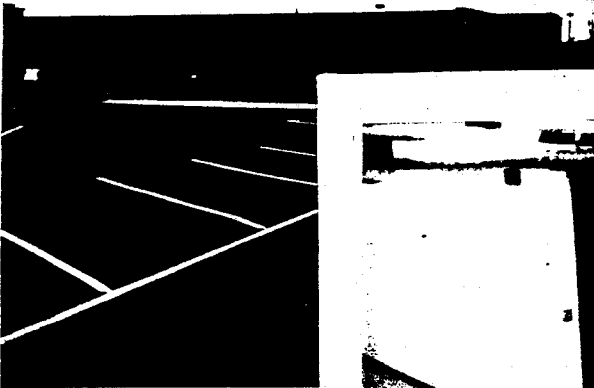
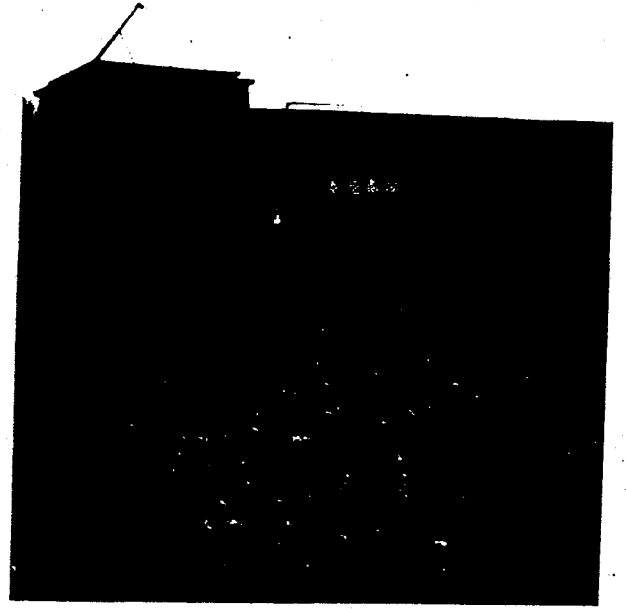
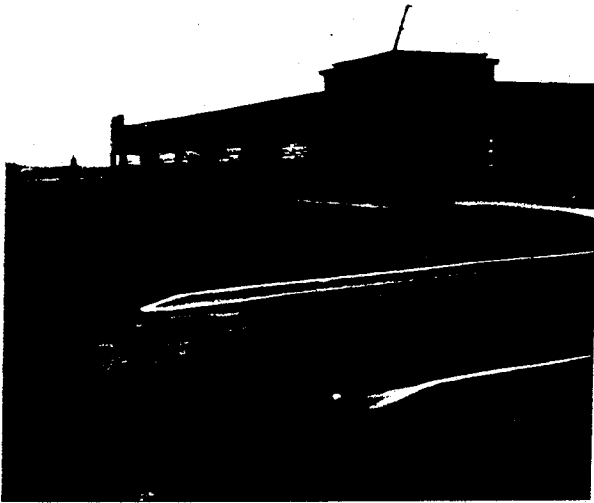
Date of Board's action: 1 130 197  
Month Day Year

◀ I hereby certify this to be a correct report to the Illinois Department of Revenue of the proceedings arising in connection with this Exemption Request. ▶

Clerk of the Board of Review/Appeals: X Ami Battay 2-4-97  
Signature

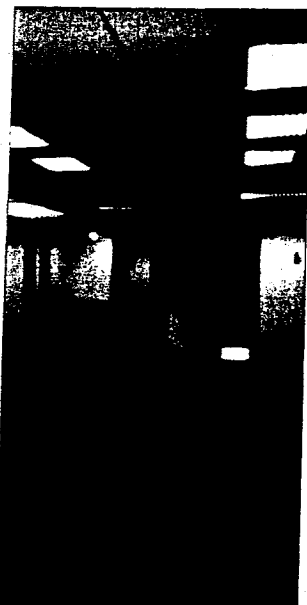
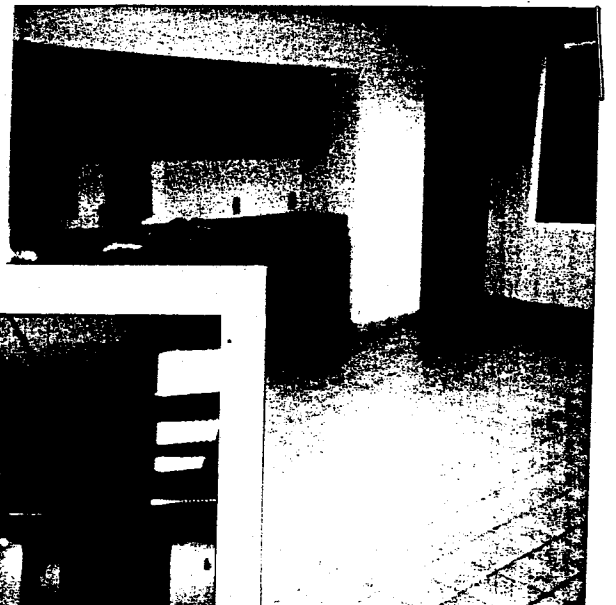
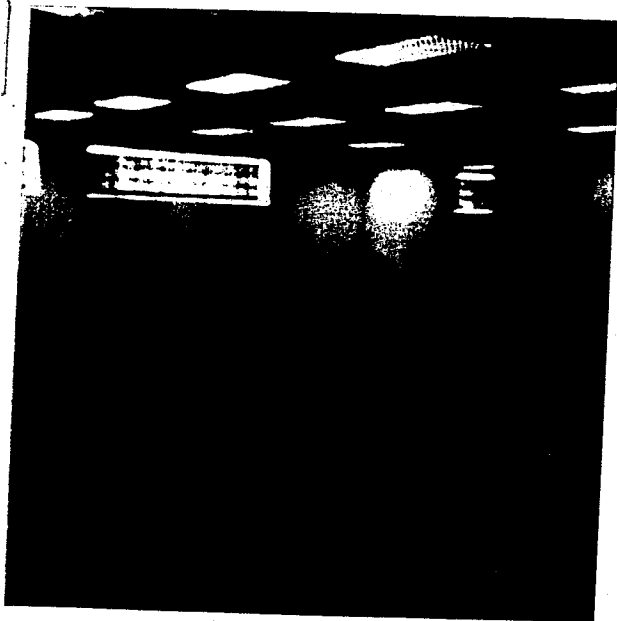
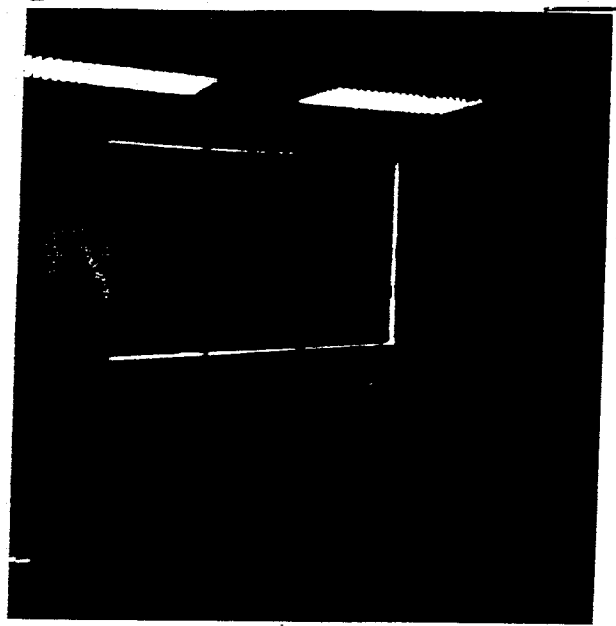
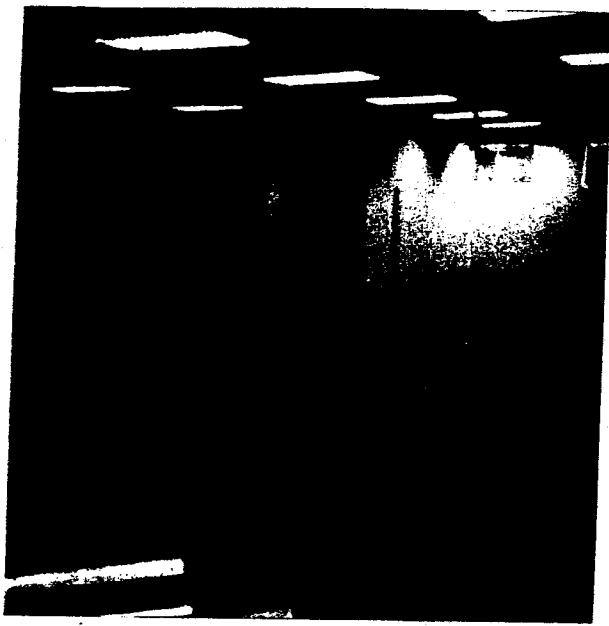
Once the County Board of Review has made a recommendation, the Clerk of the Board should sign this statement of facts and mail it with all documentation to:

ILLINOIS DEPARTMENT OF REVENUE  
LOCAL GOVERNMENT SERVICES BUREAU  
ATTN EXEMPTION SECTION  
101 WEST JEFFERSON STREET  
PO BOX 19033  
SPRINGFIELD IL 62794-9033  
**001667** 9



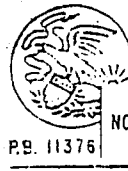
001668

10



001669

WILLIAMSON  
COUNTY  
0 2 9 9 0 6



STATE OF ILLINOIS  
REAL ESTATE TRANSFER TAX  
NOV - 4 '96  
DEPT. OF REVENUE  
945.00  
BEB

DEED  
RECORD 439 PAGE 777

STATE OF ILLINOIS } ss. 11663  
WILLIAMSON COUNTY }  
This instrument was filed for record  
this 4 day of Nov 19 96  
at 11:11 o'clock A M., and recorded  
in Deed Record 439 Page 777

*Bonnie R. Bowen*  
COUNTY CLERK & RECORDER

**WARRANTY DEED**

The Grantor, FREEMAN UNITED COAL MINING COMPANY, a Delaware corporation, 1999 Wabash Avenue, Suite 200B, Springfield, Illinois, 62704-5364, for and in consideration of Ten Dollars (\$10) and other good and valuable consideration, in hand paid, Conveys and Warrants to TRI STATE CHRISTIAN TV, an Ohio not-for-profit corporation, P. O. Box 1010, Marion, Illinois, 62959-1010, the following described Real Estate, to-wit:

Lots 15, 16 and 17 of the Airport Business Center being a subdivision of a part of the Northwest Quarter of the Northwest Quarter, Section 17, Township 9 South, Range 2 East of the Third Principal Meridian, Williamson County, Illinois, all as more fully shown by the plat thereof recorded in Plat Record 7, page 89, on December 3, 1984, in the Office of the Recorder of Williamson County, Illinois

Subject to easement dated June 23, 1953, recorded June 30, 1953, in Miscellaneous Record 66, page 43, in favor of Illinois Electric & Gas Company.

Subject to easement dated June 1, 1965, recorded July 26, 1965, in Miscellaneous Record 111, page 102, in favor of General Telephone Company of Illinois.

Subject to Aviation Easement dated December 6, 1977, recorded December 21, 1977, in Miscellaneous Record 150, page 511.

001670

14

Subject to right of way dated June 18, 1985, recorded July 1, 1986, in Miscellaneous Record 179, page 202, in favor of Central Illinois Public Service Company.

Subject to Ordinance No. 2-69 being an Ordinance Regulating the Height of Structures and Objects of Natural Growth and otherwise regulating the use of property in the vicinity of the Williamson County Airport, dated March 10, 1969, recorded June 11, 1969, in Miscellaneous Record 124, page 577.

Subject to Declaration of Restrictions dated January 4, 1985, recorded January 7, 1985, in Book 177, page 171, and Amendment to Declaration of Restrictions dated July 21, 1988, recorded August 5, 1988, in Miscellaneous Record 192, page 627.

Subject to Building Set Back Lines as shown on the plat of said subdivision recorded in Plat Record 7, page 89..

Subject to accrued but unpaid real estate taxes.

Situated in the County of Williamson, in the State of Illinois.

Dated this 4<sup>th</sup> day of November, 1996.

FREEMAN UNITED COAL MINING COMPANY

BY

Michael R. Caldwell

Michael R. Caldwell

Vice President, Engineering

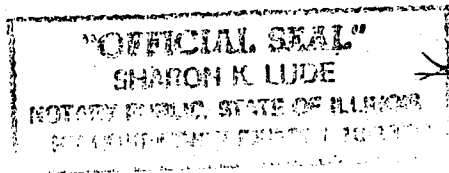
TAX STATEMENT SHOULD BE MAILED TO:

Tri State Christian TV  
P. O. Box 1010  
Marion, Illinois, 62959-1010

STATE OF ILLINOIS )  
 )  
COUNTY OF WILLIAMSON ) SS.

I, the undersigned a Notary Public in and for said County, in the State aforesaid, do hereby certify that Michael R. Caldwell, Vice President, Engineering, personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument of writing as his free and voluntary act, and as the free and voluntary act of the said corporation for the uses and purposes therein set forth, pursuant to authority given by the Board of Directors of said corporation.

Given under my hand and notarial seal this 4<sup>th</sup> day of November, 1996.



*Sharon K. Lude*  
\_\_\_\_\_  
Notary Public

This instrument was prepared by:

Terry R. Black  
Campbell, Black, Carmine & Hedin, P.C.  
108 South Ninth Street  
P. O. Drawer C  
Mt. Vernon, IL 62864

c:\indocs\freeman\deeds\tristate

REC'D JAN 23 1997

**ROBBINS, SCHWARTZ, NICHOLAS, LIFTON & TAYLOR, LTD.  
LAWYERS**

29 SOUTH LA SALLE STREET  
CHICAGO, ILLINOIS 60603  
(312) 332-7760  
FAX (312) 332-7768

105 EMERALD  
P. O. BOX 758  
CARBONDALE, ILLINOIS 62901  
(618) 549-5582  
FAX (618) 549-5584

420 MILLIKIN COURT  
DECATUR, ILLINOIS 62523  
(217) 428-2100  
FAX (217) 428-2186

116 NORTH CHICAGO STREET  
JOLIET, ILLINOIS 60431  
(815) 722-6560  
FAX (815) 726-2605

205 SOUTH RANDOLPH STREET  
MACOMB, ILLINOIS 61455  
(309) 837-5055

FILE NUMBER:

MERRY C. RHOADES  
Carbondale Office

January 21, 1997

**John Batteau**  
Supervisor of Assessments  
Williamson County Courthouse  
200 West Jefferson  
Marion, IL 62959

**Re: Application for Tax Exemption by Tri-State Christian TV**

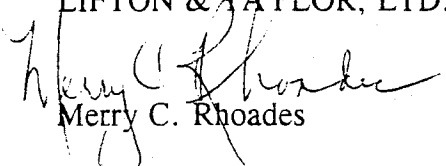
Dear Sir:

We represent Carterville Community Unit School District No. 5. In reference to a letter received December 27, 1997, from Tri-State Christian TV regarding application for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959, on behalf of Carterville Community Unit School District No. 5, we object to the tax exemption on these properties, and wish to intervene and be notified of any determination made in relation to this application.

Very truly yours,

ROBBINS, SCHWARTZ, NICHOLAS,  
LIFTON & TAYLOR, LTD.

By

  
Merry C. Rhoades

MCR:hkw

001673

15

8-17-015B  
SISULAK, Stephen & STOTLAR, Raymond Jr.,  
LOT BLK PLT  
015 000 192  
AIRPORT BUSINESS CENTER  
LOT 15

TOWN  
W Marston  
TAX CODE  
T42 605  
AREA  
06  
SEC.  
17  
BLOCK  
103  
PARCEL  
004  
UNIT

Property Class  
Land  
Use  
Zoning  
N.H. Code  
of  
Card No.  
Condo.  
Comm.

MEMORANDUM  
1989 Code Chg. T.F.F. \*439-772 Amended 005Y006  
CHANGE LAND 50' 9" DMT OF 206-4  
ON QUAD

RECORD OF OWNERSHIP

DATE	NUMBER	AMOUNT	YR. ASSMT.	N/C	P/U YEAR	PURPOSE

BUILDING PERMIT RECORD

DATE	NUMBER	AMOUNT	YR. ASSMT.	N/C	P/U YEAR	PURPOSE

LAND DATA AND CALCULATIONS

N	ACTUAL FRONTAGE	EFFECTIVE FRONTAGE	EFFECTIVE DEPTH	DEPTH FACTOR	BASE RATE	ADJUSTED RATE	EXTENDED VALUE	INFLUENCE FACTOR	FULL VALUE	
L										
L										
L										
L										
S	34412	Sq. Ft.			1.00		34412		34410	
S		Sq. Ft.								
S		Sq. Ft.								
A		.39 Acres			5000		3950		3950	
A		Acres								
A		Acres								
Total Acreage								.79	TOTAL FULL VALUE LAND	3950

REASON FOR CHANGE

ASSESSMENT YEAR	Factor	1984	Factor	1984
Land	34410	34410	34410	34410
Improvements	-	-	-	-
Total	34410	34410	34410	34410
Land	11470	11470	11470	11470
Improvements	-	-	-	-
Total	11470	11470	11470	11470

PUBLIC UTILITIES

Water	
Sewer	
Gas	
Electricity	
All	

NEIGHBORHOOD

Improving	
Static	
Declining	
Blighted	

FRONTAGE COMPUTATIONS

LAND TYPE/COMMERCIAL-INDUSTRIAL

0 NONE

LOTS

1 REGULAR LOT  
2 REAR LOT  
3 APARTMENT SITE

SO. FT.

1 PRIMARY SITE  
2 SECONDARY SITE  
3 UNDEVELOPED  
4 RESIDUAL

ACREAGE

1 PRIMARY SITE  
2 SECONDARY SITE  
3 UNDEVELOPED  
4 RESIDUAL

INFLUENCE FACTOR/COMMERCIAL-INDUSTRIAL

1 CORNER INFLUENCE  
2 ALLEY INFLUENCE  
3 TOPOGRAPHY  
4 UNDEVELOPED  
5 EXCESS FRONTAGE  
6 SHAPE OR SIZE  
7 MISHAPPOINTMENT  
8 RESTRICTIONS  
9 VIEW  
0

REASON FOR CHANGE

ASSESSMENT YEAR	Factor	1984	Factor	1984
Land	34410	34410	34410	34410
Improvements	-	-	-	-
Total	34410	34410	34410	34410
Land	11470	11470	11470	11470
Improvements	-	-	-	-
Total	11470	11470	11470	11470

REASON FOR CHANGE

ASSESSMENT YEAR	Factor	1984	Factor	1984
Land	34410	34410	34410	34410
Improvements	-	-	-	-
Total	34410	34410	34410	34410
Land	11470	11470	11470	11470
Improvements	-	-	-	-
Total	11470	11470	11470	11470



8-17-016B  
 SIGULAK, Stephen & STOTLAR, Raymond Jr.  
 LOT BLK PLT  
 016 000 192  
 AIRPORT BUSINESS CENTER  
 LOT 16

TOWN: W Morrow  
 VOLUME: 005  
 AREA: 06  
 SEC: 17  
 BLOCK: 103  
 PARCEL: 005  
 UNIT: [REDACTED]

Property Class: Land  
 Use: [REDACTED]  
 Zoning: [REDACTED]

RECORD OF OWNERSHIP  
 DATE: 11/1/86  
 DATE: 1-23-88  
 DATE: 7-21-88  
 DATE: 7-1-86

STAMPS: [REDACTED]  
 BOOK: 4072  
 PAGE: 285  
 BOOK: 413  
 PAGE: 330  
 BOOK: 414  
 PAGE: 669  
 BOOK: 437  
 PAGE: 777

BUILDING PERMIT RECORD

DATE	NUMBER	AMOUNT	YR. ASSMT.	N/C	P/U YEAR	PURPOSE

MEMORANDUM  
 1987 code change - T.I.F. #439-777 [unclear] 0054006  
 A/C [unclear] [unclear] 06-17-103-006  
 89' CHANGE LAND USE CODE PART OF OFFICE BLDG. EXTENDS ON PARCEL ADJACENT ON 006  
 ALL PAVING ASSESSED ON PARCEL TAKE OVER of 006-1-  
 94 QUAD

LAND DATA AND CALCULATIONS

N	ACTUAL FRONTAGE	EFFECTIVE FRONTAGE	EFFECTIVE DEPTH	DEPTH FACTOR	BASE RATE	ADJUSTED RATE	EXTENDED VALUE	INFLUENCE FACTOR	FULL VALUE
L									
L									
L									
L									
S	31000 Sq. Ft.				1100		31000		31000
S									
S									
A		.71 Acres			5000		3550		3550
A									
A									
Total Acreage		.71							

TOTAL FULL VALUE LAND: 3550 31000

VALUATION RECORD

REASON FOR CHANGE	ASSESSMENT YEAR	REVALUATION	Factor	Factor	Factor	Factor
	1987	1986	1987	1986	1987	1986
Land	31000	3550	31000	31000	31000	31000
Improvements	10500		10500	10500	10500	10500
Total	41500	3550	41500	41500	41500	41500
Land	10330	1180	10330	10330	10330	10330
Improvements	3500		3500	3500	3500	3500
Total	13830	1180	13830	13830	13830	13830

LAND TYPE/INDUSTRIAL  
 COMMERCIAL-INDUSTRIAL  
 0 NONE  
 1 REGULAR LOT  
 2 REAR LOT  
 3 APARTMENT SITE

SO. FT.  
 1 PRIMARY SITE  
 2 SECONDARY SITE  
 3 UNDEVELOPED  
 4 RESIDUAL

ACREAGE  
 1 PRIMARY SITE  
 2 SECONDARY SITE  
 3 UNDEVELOPED  
 4 RESIDUAL

INFLUENCE FACTOR/COMMERCIAL-INDUSTRIAL  
 1 CORNER INFLUENCE  
 2 ALLEY INFLUENCE  
 3 TOPOGRAPHY  
 4 UNDER IMPROVED  
 5 EXCESS FRONTAGE  
 6 SHAPE OR SIZE  
 7 MISIMPROVEMENT  
 8 RESTRICTIONS  
 9 VIEW  
 0

PUBLIC UTILITIES  
 Water  
 Sewer  
 Gas  
 Electricity  
 All

NEIGHBORHOOD  
 Improving  
 Static  
 Declining  
 Blighted

FRONTAGE COMPUTATIONS

REASON FOR CHANGE

ASSESSMENT YEAR	REVALUATION
1987	1986
Land	3550
Improvements	
Total	3550
Land	1180
Improvements	
Total	1180

FULL VALUE  
 ASSESSED VALUE

NAME AND DESCRIPTION 8-17-017B  
 SISULAK, Stephen & STOTLAR, Raymond Jr.  
 LOT BLK PLT  
 017 000 192  
 AIRPORT BUSINESS CENTER  
 LOT 17

TOWN N Marston  
 LUME  
 TAX CODE 712-005  
 AREA 06  
 SEC. 17  
 BLOCK 103  
 PARCEL 006  
 UNIT

Property Class C  
 Land Use  
 Zoning  
 N.H. Code  
 of Card No.  
 Condo. Comm.

RECORD OF OWNERSHIP  
 J. P. Hill  
 Stephen Hill  
 Mervyn Hill  
 L. Hill  
 DATE 11-1-85  
 1-23-88  
 9-21-88  
 11-9-90  
 BOOK 407  
 413  
 414  
 437  
 PAGE 285  
 330  
 609  
 777

BUILDING PERMIT RECORD

DATE	NUMBER	AMOUNT	YR. ASSMT.	N/C	P/U YEAR	PURPOSE

MEMORANDUM  
 1987 order by T.F.F. #437-778 includes 04/1/005  
 & also includes 06-17-103-005  
 89 CHANGE OFFICE Bldg. ASSESSED ON THIS PARCEL EXTEND ON 005 LAND 000 ALL  
 ON QUAD

LAND DATA AND CALCULATIONS

N	ACTUAL FRONTAGE	EFFECTIVE FRONTAGE	EFFECTIVE DEPTH	DEPTH FACTOR	BASE RATE	ADJUSTED RATE	EXTENDED VALUE	INFLUENCE FACTOR	FULL VALUE
L									
L									
L									
L									
S	30290	30290 sq. ft.			1.00		30290		30290
S		Sq. Ft.							
S		Sq. Ft.							
A		.70 Acres			5000		3500		3500
A		Acres							
A		Acres							
Total Acreage .70									TOTAL FULL VALUE LAND 3500 30290

VALUATION RECORD

REASON FOR CHANGE	1987	Factor	1988	Factor	1989	Factor	1990	Factor
REVALUATION	3500		30290	1941	1017980		1018270	
ASSESSMENT YEAR	3500		30290		1017980		1018270	
Land								
Improvements								
Total	3500		30290		1017980		1018270	
Land								
Improvements								
Total	3500		30290		1017980		1018270	

MISSION TO INSPECT SIGNATURE

LAND TYPE/  
 COMMERCIAL-INDUSTRIAL  
 - NONE

LOTS  
 1 REGULAR LOT  
 2 REAR LOT  
 3 APARTMENT SITE

SQ. FT.  
 1 PRIMARY SITE  
 2 SECONDARY SITE  
 3 UNDEVELOPED  
 4 RESIDUAL

ACREAGE  
 1 PRIMARY SITE  
 2 SECONDARY SITE  
 3 UNDEVELOPED  
 4 RESIDUAL

INFLUENCE FACTOR/  
 COMMERCIAL-INDUSTRIAL  
 6 SHAPE OR SIZE  
 7 MISIMPROVEMENT  
 8 RESTRICTIONS  
 9 VIEW  
 0 EXCESS FRONTAGE

PUBLIC UTILITIES  
 Water  
 Sewer  
 Gas  
 Electricity  
 All

NEIGHBORHOOD  
 Improving  
 Static  
 Declining  
 Blighted

FRONTAGE COMPUTATIONS

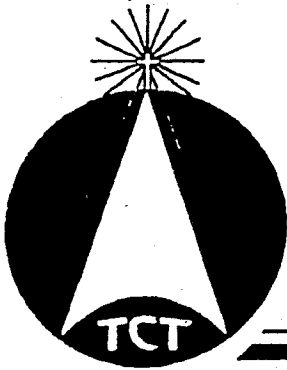
INFLUENCE FACTOR

INFLUENCE FACTOR	1987	1988	1989	1990
1 CORNER INFLUENCE				
2 ALLEY INFLUENCE				
3 TOPOGRAPHY				
4 UNIFORMITY				
5 EXCESS FRONTAGE				
6 SHAPE OR SIZE				
7 MISIMPROVEMENT				
8 RESTRICTIONS				
9 VIEW				
0 EXCESS FRONTAGE				

Property Description:

Lots 16 (Sixteen) and 17 (Seventeen) of the Airport Business Center being a subdivision of a part of the Northwest Quarter (NW ¼) of the Northwest Quarter (NW ¼) of Section 17, Township 9 South, Range 2 East of the Third Principal Meridian, Williamson County, Illinois, all as more fully shown by the plat thereof recorded in plat record 7, page 89 on December 3, 1984, in the office of the recorder of Williamson County, Illinois.

Lot 15 (Fifteen) of the Airport Business Center being a subdivision of a part of the Northwest Quarter (NW ¼) of the Northwest Quarter (NW ¼) of Section 17, Township 9 South, Range 2 East of the Third Principal Meridian, Williamson County, Illinois, all as more fully shown by the plat thereof recorded in plat record 7, page 89 on December 3, 1984, in the office of the recorder of Williamson County, Illinois.



**Tri-State Christian T.V.**

---

December 20, 1996

John A. Logan College District #530  
Attn: Ray Hancock  
Carterville, IL 62918

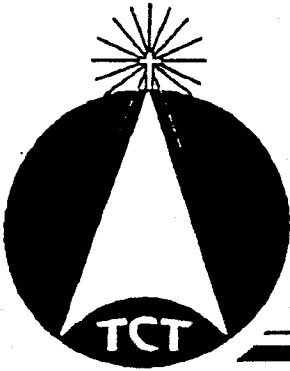
Dear Mr. Hancock:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001678



**Tri-State Christian T.V.**

---

December 20, 1996

Williamson County Program on Aging  
c/o Bob Childers  
212 E Walnut  
Herrin, IL 62948

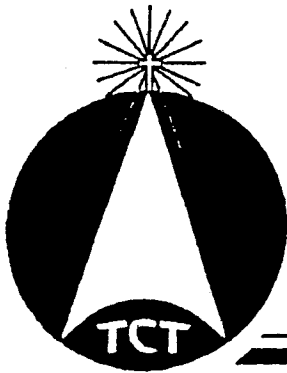
Dear Mr. Childers:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

1679



**Tri-State Christian T.V.**

---

December 20, 1996

General Assistance  
100 Tower Square Plaza  
Marion, IL 62959

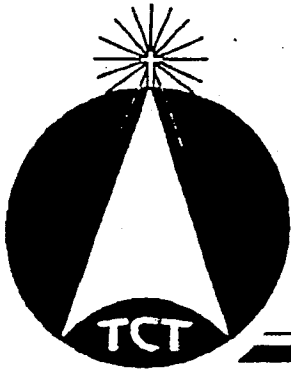
Dear Director:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001680



**Tri-State Christian T.V.**

---

December 20, 1996

W.C. Lib Inc.  
I.M.R.F./Elections  
c/o County Commissioners  
200 W Jefferson  
Marion, IL 62959

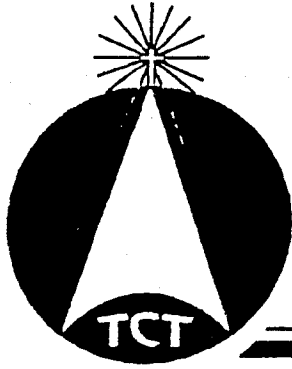
Dear Commissioners:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001681



**Tri-State Christian T.V.**

---

December 20, 1996

City of Marion  
Attn: Mayor Butler  
City Hall  
Marion, IL 62959

Dear Mayor Butler:

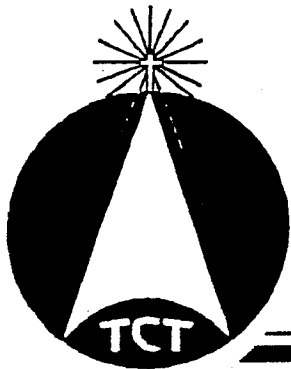
This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001682





## Tri-State Christian T.V.

---

December 20, 1996

Williamson County Highway Dept.  
c/o Duane Whittenborn  
200 W Jefferson  
Marion, IL 62959

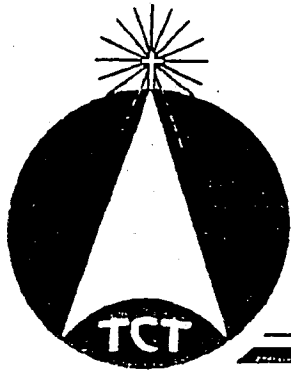
Dear Mr. Whittenborn:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001683



**Tri-State Christian T.V.**

---

December 20, 1996

Marion Park District  
P O Box 541  
Marion, IL 62959

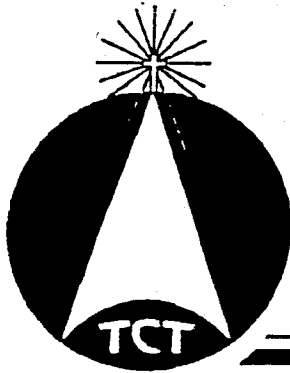
Dear Director:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

01684



**Tri-State Christian T.V.**

---

December 20, 1996

Carterville Unit School District #5  
306 Virginia Street  
Carterville, IL 62918

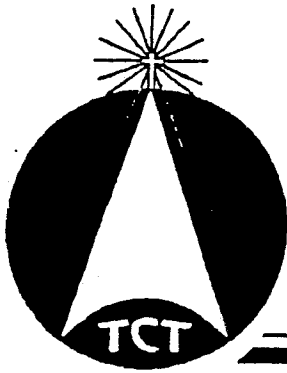
Dear Superintendent:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001685



**Tri-State Christian T.V.**

---

December 20, 1996

U of I Cooperate Extension  
c/o Thelma Malone  
1306 N Atchinson, Suite A  
Marion, IL 62959

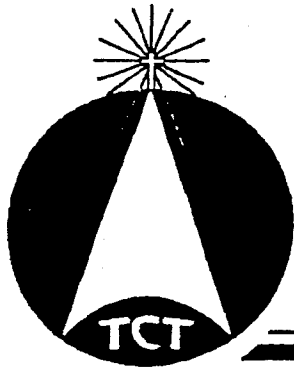
Dear Ms. Malone:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001686



**Tri-State Christian T.V.**

---

December 20, 1996

Williamson County Airport Authority  
Director of Aviation  
Rt. 3, Box 351  
Marion, IL 62959

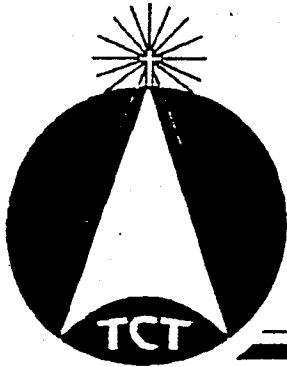
Dear Director:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001687



**Tri-State Christian T.V.**

---

December 20, 1996

Williamson County Airport Authority  
Ken Bleyer, Attorney  
P O Box 2082  
Herrin, IL 62948

Dear Mr. Bleyer:

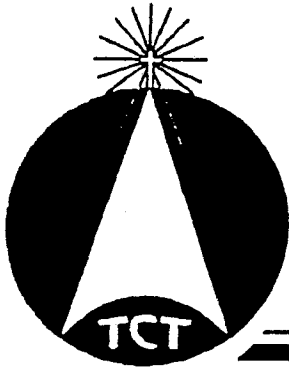
This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001688

30



**Tri-State Christian T.V.**

---

December 20, 1996

Williamson County Child Advocacy  
417 N 14th Street  
Herrin, IL 62948

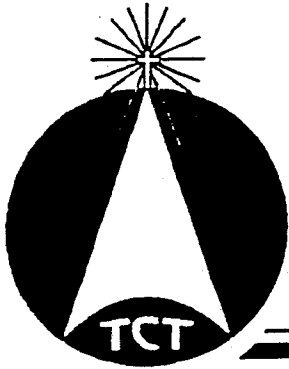
Dear Director:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001689



**Tri-State Christian T.V.**

---

December 20, 1996

Williamson County Building Commission  
c/o John Goss  
1500 Nagle  
Marion, IL 62959

Dear Mr. Goss:

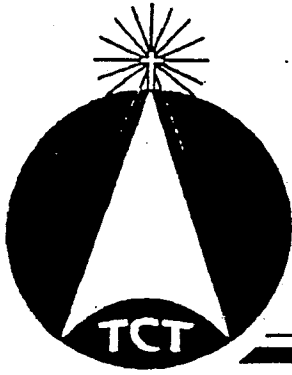
This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001690





**Tri-State Christian T.V.**

---

December 20, 1996

Bi-County Health  
Attn: Larry Castrale  
Rt 3  
Marion, IL 62959

Dear Mr. Castrale:

This letter is to inform you that Tri-State Christian TV, a 501(c)(3) corporation, has applied to the Illinois Department of Revenue for property tax exemption on Lots 15, 16 and 17 of the Airport Business Center, more commonly known as 111 Airway Drive, Marion, IL 62959. Since the application reduces the assessed valuation by more than \$100,000.00, TCT is required to give you notice of this situation. This letter is to serve as such notice.

Sincerely,

Shane Chaney  
Controller

001691

ROLL NUMBER	00108	DAY	2001 2002	INDEX NUMBER	06-01-400-004	CLASS CODE	0090	TAXES FOR	REAL ESTATE TAX	TAX CODE	08014
FEAV		TAXING BODY		CURRENT YEARS RATE	% OF TOTAL	CURRENT YEARS TAX	INCREASE/DECREASE		PENSION AMOUNT		
977 EQUALIZED	12,747	W.C., LIB. INS./CORP		0.273800							
SENIOR CAP BASE	51,150	COUNTY HEALTH/IMRF		0.215900							
COUNTY EQUALIZATION FACTOR		ROADS, BRIDGES, FAME		0.397500							
PREVIOUS YEAR TAX		GENERAL ASSISTANCE		0.001800							
FAIR CASH VALUE	159,681	BUILD. COMMISSION		0.118300							
ACRES OF LAND	5.46	CHILD/SENIOR SERV.		0.034500							
ACRES OF FARMLAND		AIRPORT		0.109900							
LAND VALUE	4,000	JR. COLLEGE NO.530		0.478000							
BUILD. AND IMPROV.	47,150	SCHOOL DIST.UNIT 2		3.756500							
HOME IMP./ENTERPRISE		W.C. FIRE PROTECT.		0.365600							
TOTAL VALUE	51,150										

**EXHIBIT**  
 APPLICANTS  
 # 28

MULTIPLIER	1.0406	<b>PAYMENT INSTRUCTIONS</b> TAX BILLS MAY BE PAID BY MAIL AT THE COUNTY TREASURERS OFFICE AT THE COUNTY COURTHOUSE OR AT MOST BANKS IN THE COUNTY. PLEASE BRING, OR SEND, THE ENTIRE STATEMENT WHEN PAYING TAX BILL.	
EQUAL ASS. VALUE	53,227		
SENIOR CAP EXEMPTION		1ST DUE DATE	2ND DUE DATE
OWNER OCC. EXEMPTION		JUL 19, 2002	SEPT 6, 2002
HOMESTEAD		1ST INSTALLMENT	2ND INSTALLMENT
FARMLAND		INTEREST	COSTS
FARM BUILDINGS		INTEREST	COSTS
BLE		FIRST INSTALLMENT PAID	SECOND INSTALLMENT PAID
RATE	5.751800		
CURRENT TAX			
MISC. TAX			
BACK TAX			
TOTAL TAX	NO TAX DUE	AMOUNT COLLECTED	AMOUNT COLLECTED

BILLING NAME AND ADDRESS  
 TRI-STATE CHRISTIAN TV  
 P.O. BOX 1010  
 MARION IL 62959

OWNER'S NAME  
 TRI-STATE CHRISTIAN TV  
 LEGAL DESCRIPTION: Q8 SE 01 09 02 LOT BLK PLT  
 PT NW S 400' OF N 752 OF E 595  
 402-591 2-15-84  
 Book Page Date / /

**TO AVOID PENALTIES, PLEASE PAY BY THE DATE INDICATED ON EACH INSTALLMENT.**

BILL NUMBER	00108	PAY TO:	BRUCE A. TROUTMAN WILLIAMSON CO. TREASURER 200 WEST JEFFERSON MARION, IL 62959	BILL NUMBER	00108	PAY TO:	BRUCE A. TROUTMAN WILLIAMSON CO. TREASURER 200 WEST JEFFERSON MARION, IL 62959
1ST INSTALLMENT				2ND INSTALLMENT			



INDEX #	06-01-400-004	FIRST INSTALLMENT PAYMENT		INDEX #	06-01-400-004	SECOND INSTALLMENT PAYMENT	
DUE DATE	JUL 19, 2002	BACK TAX		DUE DATE	SEPT 6, 2002	TOTAL TAX	
INTEREST		AMOUNT COLLECTED		INTEREST		AMOUNT COLLECTED	
			<input type="checkbox"/> CHECK <input type="checkbox"/> CASH YOUR CANCELLED CHECK IS YOUR RECEIPT				<input type="checkbox"/> CHECK <input type="checkbox"/> CASH YOUR CANCELLED CHECK IS YOUR RECEIPT

06-01-400-004  
 TRI-STATE CHRISTIAN TV  
 P.O. BOX 1010  
 MARION IL 62959

06-01-400-004  
 TRI-STATE CHRISTIAN TV  
 P.O. BOX 1010  
 MARION IL 62959

**001692**

# Williamson County TAX/PAYMENT SUMMARY

2001 2002

Index: 06-01-400-004

Legal Desc:

PT NW S 400' OF N 752 OF E 595 402-591 2-15-84

Owner Address (Property):

TRI-STATE CHRISTIAN TV

MARION IL 62959

Qs: Sc: Tn: Rng: Lot: Blk: Plt:  
SE 01 09 02

Billing Address:

TRI-STATE CHRISTIAN TV

P.O. BOX 1010  
MARION IL 62959

Exemptions:

**SCTFHE**

Qualify Base  
N 51150

Homestead: OO: N

Book:

lucd: 0090

Page:

77 Base: 12,747 Improvement: 0

Bill Number: 00108

Last Years Tax: 0.00

Backtax: 0.00

Current Years Tax: 0.00

## Payment History

<u>Installment</u>	<u>Paid Date</u>	<u>Paid By</u>	<u>Amount</u>
	//		0.00

001693

# Williamson County TAX/PAYMENT SUMMARY

1999 2000

**Index:** 06-01-400-004

**Legal Desc:**

PT NW S 400' OF N 752 OF E 595 402-591 2-15-84

**Owner Address (Property):**

TRI-STATE CHRISTIAN TV

MARION IL 62959

**Qs:** **Sc:** **Tn:** **Rng:** **Lot:** **Blk:** **Plt:**  
SE 01 09 02

**Billing Address:**

TRI-STATE CHRISTIAN TV

P.O. BOX 1010  
MARION IL 62959

**Exemptions:**

**SCTFHE**

**Qualify** **Base**  
N 43664

**Homestead:** **OO:** N

**Book:** 06  
**lucd:** 0090  
**Page:** 01

**77 Base:** 12,747 **Improvement:** 0

**Bill Number:** 00098

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

## Payment History

<u>Installment</u>	<u>Paid Date</u>	<u>Paid By</u>	<u>Amount</u>
	//		0.00

061694

# Williamson County TAX/PAYMENT SUMMARY

1998 1999

**Index:** 06-01-400-004

**Legal Desc:**

PT NW S 400' OF N 752 OF E 595 402-591 2-15-84

**Owner Address (Property):**

TRI-STATE CHRISTIAN TV

MARION IL 62959

**Qs:** **Sc:** **Tn:** **Rng:** **Lot:** **Blk:** **Plt:**  
SE 01 09 02

**Billing Address:**

TRI-STATE CHRISTIAN TV

P.O. BOX 1010  
MARION IL 62959

**Exemptions:**

**SCTFHE**

**Qualify** **Base**  
43664

**Homestead:** **OO:** N

**Book:** 06  
**lucd:** 0090  
**Page:** 01

**77 Base:** 12,747 **Improvement:** 0

**Bill Number:** 00097

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

## Payment History

<u>Installment</u>	<u>Paid Date</u>	<u>Paid By</u>	<u>Amount</u>
	11		0.00

001695

# Williamson County TAX/PAYMENT SUMMARY

1997 1998

**Index:** 06-01-400-004

**Legal Desc:**

PT NW S 400' OF N 752 OF E 595 402-591 2-15-84

**Owner Address (Property):**

TRI-STATE CHRISTIAN TV

MARION IL 62959

**Qs:** **Sc:** **Tn:** **Rng:** **Lot:** **Blk:** **Plt:**  
SE 01 09 02

**Billing Address:**

TRI-STATE CHRISTIAN TV

P.O. BOX 1010  
MARION IL 62959

**Exemptions:**

**SCTFHE**

**Qualify** **Base**  
N 43664

**Book:** 06  
**lucd:** 0090  
**Page:** 01

**Homestead:** **OO:** N

**77 Base:** 12,747 **Improvement:** 0

**Bill Number:** 00096

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

## Payment History

<u>Installment</u>	<u>Paid Date</u>	<u>Paid By</u>	<u>Amount</u>
	//		0.00

001696

BILL NUMBER	04348	PAY	2001 2002	INDEX NUMBER	06-17-103-005	CLASS CODE	0090	TAXES	REAL ESTATE TAX	TAX	06951
FEAV	1,148	TAXING BODY		CURRENT YEARS RATE	% OF TOTAL	CURRENT YEARS TAX	INCREASE/DECREASE	PENSION AMOUNT			
777 EQUALIZED		W. C., LIB. INS./CORP		0.273800							
CAP BASE	17,750	COUNTY HEALTH/IMRF		0.215900							
COUNTY EQUALIZATION FACTOR		ROADS, BRIDGES, FAF		0.397500							
RIOR YEAR TAX		GENERAL ASSISTANCE		0.001800							
AIR CASH VALUE	55,413	BUILD. COMMISSION		0.118300							
ACRES OF LAND		CHILD/SENIOR SERV.		0.034500							
ACRES OF FARMLAND		AIRPORT		0.109900							
LAND VALUE	13,260	JR. COLLEGE NO.530		0.478000							
BUILD. AND IMPROV.	4,490	SCHOOL DIST.UNIT 5		3.787400							
HOME IMP./ENTERPRISE		MARION		0.322000							
		MARION PARK DIST.		0.249200							
		MARION TIF DIST. 1									

**EXHIBIT**  
*APPLICANTS*  
 #29

TOTAL VALUE	17,750	<b>PAYMENT INSTRUCTIONS</b> TAX BILLS MAY BE PAID BY MAIL, AT THE COUNTY TREASURERS OFFICE AT THE COUNTY COURTHOUSE OR AT MOST BANKS IN THE COUNTY. PLEASE BRING, OR SEND, THE ENTIRE STATEMENT WHEN PAYING TAX BILL.	
MULTIPLIER	1.0406		
EQUAL ASS. VALUE	18,471		
SENIOR CAP EXEMPTION			
OWNER OCC. EXEMPTION		1ST DUE DATE	2ND DUE DATE
		JUL 19, 2002	SEPT 6, 2002
HOESTEAD		1ST INSTALLMENT	2ND INSTALLMENT
FARMLAND		INTEREST	COSTS
FARM BUILDINGS		INTEREST	COSTS
TABLE		FIRST INSTALLMENT PAID	SECOND INSTALLMENT PAID
RATE	5.988300		
CURRENT TAX			
MISC. TAX			
BACK TAX			
= TOTAL TAX		AMOUNT COLLECTED	AMOUNT COLLECTED
NO TAX DUE			

**BILLING NAME AND ADDRESS**  
 TRI STATE CHRISTIAN T V  
 PO BOX 1010  
 MARION IL 62959

**OWNER'S NAME**  
 TRI STATE CHRISTIAN T V  
**LEGAL DESCRIPTION:** QS SC TN RNG LOT 016 BLK 000 PLT 192  
 AIRPORT BUSINESS CENTER 439-777  
 11-4-96  
 Book Page Date / /

**TO AVOID PENALTIES, PLEASE PAY BY THE DATE INDICATED ON EACH INSTALLMENT.**

BILL NUMBER	04348	PAY TO:	BRUCE A. TROUTMAN WILLIAMSON CO. TREASURER 200 WEST JEFFERSON MARION, IL 62959	BILL NUMBER	04348	PAY TO:	BRUCE A. TROUTMAN WILLIAMSON CO. TREASURER 200 WEST JEFFERSON MARION, IL 62959
1ST INSTALLMENT				2ND INSTALLMENT			



INDEX #	06-17-103-005	<b>FIRST INSTALLMENT PAYMENT</b>		INDEX #	06-17-103-005	<b>SECOND INSTALLMENT PAYMENT</b>	
DUE DATE	JUL 19, 2002	<input type="checkbox"/> CHECK <input type="checkbox"/> CASH YOUR CANCELLED CHECK IS YOUR RECEIPT		DUE DATE	SEPT 6, 2002	<input type="checkbox"/> CHECK <input type="checkbox"/> CASH YOUR CANCELLED CHECK IS YOUR RECEIPT	
INTEREST		AMOUNT COLLECTED		INTEREST		AMOUNT COLLECTED	

06-17-103-005  
 TRI STATE CHRISTIAN T V  
 PO BOX 1010  
 MARION IL 62959

06-17-103-005  
 TRI STATE CHRISTIAN T V  
 PO BOX 1010  
 MARION IL 62959  
**001697**

# Williamson County TAX/PAYMENT SUMMARY

1997 1998

**Index:** 06-17-103-005

**Legal Desc:**

AIRPORT BUSINESS CENTER 439-777 11-4-96

**Owner Address (Property):**

TRI STATE CHRISTIAN T V

MARION IL 62959

**Qs: Sc: Tn: Rng: Lot: Blk: Plt:**  
016 000 192

**Billing Address:**

TRI STATE CHRISTIAN T V

PO BOX 1010  
MARION IL 62959

**Exemptions:**

**SCTFHE**

**Qualify Base**  
N 13830

**Homestead: OO: N**

**Book:** 06  
**lucd:** 0090  
**Page:** 17

**77 Base: 0 Improvement: 0**

**Bill Number:** 03976

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

## Payment History

<u>Installment</u>	<u>Paid Date</u>	<u>Paid By</u>	<u>Amount</u>
	//		0.00

001693



# Williamson County TAX/PAYMENT SUMMARY

1998 1999

**Index:** 06-17-103-005

**Legal Desc:**

AIRPORT BUSINESS CENTER 439-777 11-4-96

**Owner Address (Property):**

TRI STATE CHRISTIAN T V

MARION IL 62959

<u>Qs:</u>	<u>Sc:</u>	<u>Tn:</u>	<u>Rng:</u>	<u>Lot:</u>	<u>Blk:</u>	<u>Plt:</u>
				016	000	192

**Billing Address:**

TRI STATE CHRISTIAN T V

PO BOX 1010  
MARION IL 62959

**Exemptions:**

**SCTFHE**

<u>Qualify</u>	<u>Base</u>
	15154

**Book:** 06  
**lucd:** 0090  
**Page:** 17

**Homestead:** **OO:** N

**77 Base:** 0 **Improvement:** 0

**Bill Number:** 04060

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

## Payment History

Installment	Paid Date	Paid By	Amount
	//		0.00

**001699**

# Williamson County TAX/PAYMENT SUMMARY

1999 2000

**Index:** 06-17-103-005

**Legal Desc:**

AIRPORT BUSINESS CENTER 439-777 11-4-96

**Owner Address (Property):**

TRI STATE CHRISTIAN T V

MARION IL 62959

**Qs: Sc: Tn: Rng: Lot: Blk: Plt:**  
016 000 192

**Billing Address:**

TRI STATE CHRISTIAN T V

PO BOX 1010  
MARION IL 62959

**Exemptions:**

**SCTFHE**

**Qualify Base**  
N 15154

**Homestead: OO: N**

**Book:** 06  
**lucd:** 0090  
**Page:** 17

**77 Base: 0 Improvement: 0**

**Bill Number:** 04286

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

## Payment History

<u>Installment</u>	<u>Paid Date</u>	<u>Paid By</u>	<u>Amount</u>
	//		0.00

001700

# Williamson County TAX/PAYMENT SUMMARY

2001 2002

**Index:** 06-17-103-005

**Legal Desc:**

AIRPORT BUSINESS CENTER 439-777 11-4-96

**Owner Address (Property):**

TRI STATE CHRISTIAN T V

<u>Qs:</u>	<u>Sc:</u>	<u>Tn:</u>	<u>Rng:</u>	<u>Lot:</u>	<u>Blk:</u>	<u>Plt:</u>
				016	000	192

MARION IL 62959

**Billing Address:**

TRI STATE CHRISTIAN T V

**Exemptions:**

**SCTFHE**

PO BOX 1010  
MARION IL 62959

<u>Qualify</u>	<u>Base</u>
N	17750

**Book:**

**lucd:** 0090

**Page:**

**Homestead:** **OO:** N

<b>77 Base:</b>	0	<b>Improvement:</b>	0
-----------------	---	---------------------	---

**Bill Number:** 04348

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

## Payment History

Installment	Paid Date	Paid By	Amount
	//		0.00

**001701**

5

BILL NUMBER	04349	PAY 2002	INDEX NUMBER	06-17-103-006	CLASS CODE	0090	TAXES	REAL ESTATE TAX	TAX CODE	06951
TIF EAV	1,138	TAXING BODY		CURRENT YEARS RATE	% OF TOTAL	CURRENT YEARS TAX	INCREASE/DECREASE		PENSION AMOUNT	
1977 EQUALIZED		W.C., LIB. INS./CORP		0.273800						
CAP BASE	448,560	COUNTY HEALTH/IMRF		0.215900						
COUNTY EQUALIZATION FACTOR		ROADS, BRIDGES, FAMF		0.397500						
PRIOR YEAR TAX		GENERAL ASSISTANCE		0.001800						
FAIR CASH VALUE	1,400,316	BUILD. COMMISSION		0.118300						
ACRES OF LAND		CHILD/SENIOR SERV.		0.034500						
ACRES OF FARMLAND		AIRPORT		0.109900						
LAND VALUE	12,970	JR. COLLEGE NO.530		0.478000						
BUILD. AND IMPROV.	435,590	SCHOOL DIST. UNIT 5		3.787400						
HOME IMP./ENTERPRISE		MARION		0.322000						
		MARION PARK DIST.		0.249200						
		MARION TIF DIST. 1								

**EXHIBIT**  
*APPLICANT'S*  
*#30*

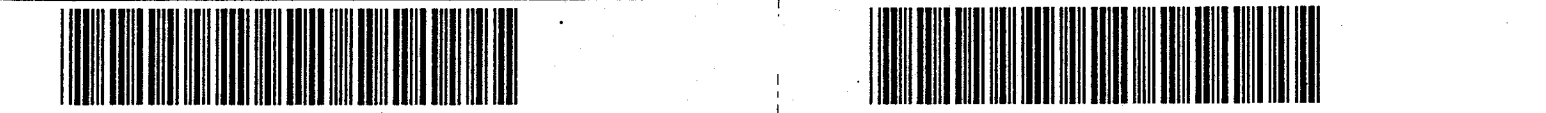
TOTAL VALUE	448,560	<b>PAYMENT INSTRUCTIONS</b> TAX BILLS MAY BE PAID BY MAIL AT THE COUNTY TREASURERS OFFICE AT THE COUNTY COURTHOUSE OR AT MOST BANKS IN THE COUNTY. PLEASE BRING, OR SEND, THE ENTIRE STATEMENT WHEN PAYING TAX BILL.	
MULTIPLIER	1.0406		
EQUAL ASS. VALUE	466,772		
SENIOR CAP EXEMPTION			
OWNER OCC. EXEMPTION		1ST DUE DATE	2ND DUE DATE
		JUL 19, 2002	SEPT 6, 2002
HOMESTEAD		1ST INSTALLMENT	2ND INSTALLMENT
FARMLAND		INTEREST	COSTS
FARM BUILDINGS		INTEREST	COSTS
TAX RATE	5.988300	FIRST INSTALLMENT PAID	SECOND INSTALLMENT PAID
CURRENT TAX			
MISC. TAX			
BACK TAX			
TOTAL TAX		AMOUNT COLLECTED	AMOUNT COLLECTED
	NO TAX DUE		

**BILLING NAME AND ADDRESS**  
 TRI STATE CHRISTIAN T V  
 PO BOX 1010  
 MARION IL 62959

**OWNER'S NAME**  
 TRI STATE CHRISTIAN T V  
**LEGAL DESCRIPTION:** QS SC TN RNG LQT 017<sup>BLK</sup>000<sup>PLT</sup>192  
 AIRPORT BUSINESS CENTER 439-777  
 11-4-96  
 Book Page Date / /

**TO AVOID PENALTIES, PLEASE PAY BY THE DATE INDICATED ON EACH INSTALLMENT.**

BILL NUMBER	04349	PAY TO:	BRUCE A. TROUTMAN WILLIAMSON CO. TREASURER 200 WEST JEFFERSON MARION, IL 62959	BILL NUMBER	04349	PAY TO:	BRUCE A. TROUTMAN WILLIAMSON CO. TREASURER 200 WEST JEFFERSON MARION, IL 62959
1ST INSTALLMENT				2ND INSTALLMENT			



INDEX #	06-17-103-006	FIRST INSTALLMENT PAYMENT	INDEX #	06-17-103-006	SECOND INSTALLMENT PAYMENT
DUE DATE	JUL 19, 2002	<input type="checkbox"/> CHECK <input type="checkbox"/> CASH	DUE DATE	SEPT 6, 2002	<input type="checkbox"/> CHECK <input type="checkbox"/> CASH
INTEREST	AMOUNT COLLECTED	YOUR CANCELLED CHECK IS YOUR RECEIPT	INTEREST	AMOUNT COLLECTED	YOUR CANCELLED CHECK IS YOUR RECEIPT

06-17-103-006  
 TRI STATE CHRISTIAN T V  
 PO BOX 1010  
 MARION IL 62959

06-17-103-006  
 TRI STATE CHRISTIAN T V  
 PO BOX 1010  
 MARION IL 62959

**001702**

# Williamson County TAX/PAYMENT SUMMARY

1997 1998

**Index:** 06-17-103-006

**Legal Desc:**

AIRPORT BUSINESS CENTER 439-777 11-4-96

**Owner Address (Property):**

TRI STATE CHRISTIAN T V

MARION IL 62959

**Qs: Sc: Tn: Rng: Lot: Blk: Plt:**  
017 000 192

**Billing Address:**

TRI STATE CHRISTIAN T V

PO BOX 1010  
MARION IL 62959

**Exemptions:**

**SCTFHE**

**Qualify Base**  
N 382870

**Homestead: OO: N**

**Book:** 06  
**lucd:** 0090  
**Page:** 17

**77 Base: 0 Improvement: 0**

**Bill Number:** 03977

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

## Payment History

<u>Installment</u>	<u>Paid Date</u>	<u>Paid By</u>	<u>Amount</u>
	//		0.00

001703

# Williamson County TAX/PAYMENT SUMMARY

1998 1999

**Index:** 06-17-103-006

**Legal Desc:**

AIRPORT BUSINESS CENTER 439-777 11-4-96

**Owner Address (Property):**

TRI STATE CHRISTIAN T V

MARION IL 62959

**Qs: Sc: Tn: Rng: Lot: Blk: Plt:**  
017 000 192

**Billing Address:**

TRI STATE CHRISTIAN T V

PO BOX 1010  
MARION IL 62959

**Exemptions:**

**SCTFHE**

**Qualify Base**  
382870

**Book:** 06  
**lucd:** 0090  
**Page:** 17

**Homestead: OO: N**

**77 Base: 0 Improvement: 0**

**Bill Number:** 04061

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

## Payment History

<u>Installment</u>	<u>Paid Date</u>	<u>Paid By</u>	<u>Amount</u>
	//		0.00

001704

# Williamson County TAX/PAYMENT SUMMARY

1999 2000

**Index:** 06-17-103-006

**Legal Desc:**

AIRPORT BUSINESS CENTER 439-777 11-4-96

**Owner Address (Property):**

TRI STATE CHRISTIAN T V

MARION IL 62959

<b>Qs:</b>	<b>Sc:</b>	<b>Tn:</b>	<b>Rng:</b>	<b>Lot:</b>	<b>Blk:</b>	<b>Plt:</b>
				017	000	192

**Billing Address:**

TRI STATE CHRISTIAN T V

PO BOX 1010  
MARION IL 62959

**Exemptions:**

**SCTFHE**

<b>Qualify</b>	<b>Base</b>
N	382870

**Book:** 06  
**lucd:** 0090  
**Page:** 17

**Homestead:** OO: N

**77 Base:** 0      **Improvement:** 0

**Bill Number:** 04287

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

## Payment History

Installment	Paid Date	Paid By	Amount
	/ /		0.00

**001705**

Williamson County  
TAX/PAYMENT SUMMARY

2001 2002

**Index:** 06-17-103-006

**Legal Desc:**

AIRPORT BUSINESS CENTER 439-777 11-4-96

**Owner Address (Property):**

TRI STATE CHRISTIAN T V

MARION IL 62959

**Qs:** **Sc:** **Tn:** **Rng:** **Lot:** **Blk:** **Plt:**  
017 000 192

**Billing Address:**

TRI STATE CHRISTIAN T V

PO BOX 1010  
MARION IL 62959

**Exemptions:**

**SCTFHE**

**Qualify** **Base**  
N 448560

**Homestead:** **OO:** N

**Book:**

**lucd:** 0090

**Page:**

**77 Base:** 0 **Improvement:** 0

**Bill Number:** 04349

**Last Years Tax:** 0.00

**Backtax:** 0.00

**Current Years Tax:** 0.00

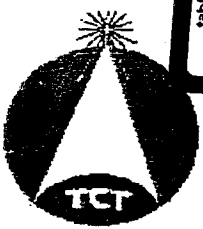
**Payment History**

<b>Installment</b>	<b>Paid Date</b>	<b>Paid By</b>	<b>Amount</b>
	//		0.00

061706

5





**EXHIBIT**  
*APPLICANTS*  
 # 31

# PROGRAM SCHEDULE

April, 2002

Programs subject to change without notice

WTCT-TV 2

11717 Route 37 North  
 Marion, Illinois 62959

Bus. Phone (618) 997-4700  
 Prayer Phone (618) 997-1833

W54AE TV-54 Paducah, KY

WK45CA TV-45 Cape Girardeau, MO

C.D.T	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
12:00AM	TCT TODAY	Contact 29:18	Perry Stone Seminar	TCT TODAY			
12:30AM	This Is Your Day/Hinn	Perry Stone Seminar	If You Can Look Up...	This Is Your Day with Benny Hinn			
1:00AM	Jesus Calls	Carman	Revival	TCT Alive!			
1:30AM	On Main Street	Real Videos					
2:00AM	WWJD	Xtreme Impact					
2:30AM	Al Denson	Leon & Friends					
3:00AM	Fast Forward	WWJD					
3:30AM	2 Worlds	Sierra					
4:00AM	New Beginning/Laurie	Pat Boone		TCT Presents	God Chasers/Tenney	Art Linkletter	Dottie Rambo Magazine
4:30 AM	Knock Knock Show	Joy of Music/Bish	Documentary	Kim Clement	Carol Lawrence	Christian World News	Behold His Glory
5:00 AM	TCT TODAY	Living Way w/ Jack Hayford	TCT TODAY				
5:30 AM	VitaLife		Marriage & Family Today with Jimmy Evans				
6:00 AM	School of The Bible	Breakthrough w/Rod Parsley	Today with John Hagee				
6:30 AM	Public Report		Life In The Word with Joyce Meyers				
7:00 AM	Kingsley's Meadow	Cornerstone w/ John Hagee	Life Today with James Robison				
7:30 AM	CMJ Club Zone		Victory In Jesus with Billy Jo Daugherty				
8:00 AM	Discovery Jones	David Craig	Creflo A. Dollar				
8:30 AM	Gospel Bill	Leading The Way	Walking By Faith / Duane Vanderkiok				
9:00 AM	Swamp Critters	In Touch w/ Charles Stanley	Digging In with Joanne Bunce				
9:30 AM	The Reppies		This Is Your Day with Benny Hinn				
10:00 AM	Worship For Kids	Gaithers' Gospel Hour	Believer's Voice of Victory with Kenneth Copeland				
10:30 AM	Kids Like You		A Different View	ASK THE PASTOR	VitaLife	ASK THE PASTOR	TRI-STATE ALIVE
11:00 AM	Gaithers' Gospel Hour	Love Worth Finding	Public Report		Wisdom Keys		
11:30 AM			Life In The Word with Joyce Meyers				
12:00 PM	Health & Nutrition Seminar	Ever Increasing Faith w/Price	TCT TODAY				
12:30 PM			Life Issues with Marvin Gorman				
1:00 PM	School of The Bible	Paula White	Life Today with James Robison				
1:30 PM	Living Epistles	Zola Levitt	This Is Your Day with Benny Hinn				
2:00 PM	Perry Stone Seminar	Miracle Living	Make Your Day Count with Lindsay Roberts				
2:30 PM		Cornerstone w/ John Hagee	School of The Bible	The Holley's	Down Home	Behold His Glory	A Different View
3:00 PM	Zola Levitt		Today with John Hagee				
3:30 PM	Behold His Glory	Bishop Wallace	Bishop Wallace				
4:00 PM	Down Home	Rabbi Eckstein	PRAISE THE LORD				
4:30 PM	Master's Music	Yes You Can/Munsey					
5:00 PM	The Holley's	Hal Lindsey					
5:30 PM	Gospel Country	If You Can Look Up...					
6:00 PM	Gaithers' Gospel Hour	Windows of Hope	Marriage & Family Today	Living Epistles	Marriage & Family Today	Rabbi Eckstein	Real Families
6:30 PM		Living Way w/ Jack Hayford	Walking By Faith with Duane Vanderklok				
7:00 PM	In Touch w/ Charles Stanley		TCT TODAY				
7:30 PM		Betty J. Robinson	The Holley's	Rhema Praise/Hagin	Life In The Word	Hal Lindsey	Yes You Can/Munsey
8:00 PM	TCT Alive!	Gaithers' Gospel Hour	Down Home	Manna Fest	Something Good Tonight w/ Richard Roberts		
8:30 PM			Behold His Glory	Rabbi Eckstein			
9:00 PM	Jack Van Impe Presents	"Live" Praise The Lord					
9:30 PM	Al Denson						
10:00 PM	TV Show						
10:30 PM	Cutting Edge Video's						
11:00 PM	The Zone						
11:30 PM	Action House TV						
		Miracles	TBN Special	Masters Touch/Chironna	God Chasers/Tenney	Reinhard Bonnke	
		E.V. Hill		Jesse Duplantis	Kim Clement	Hal Lindsey	

001707

ILLINOIS DEPARTMENT OF REVENUE  
BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS

THREE ANGELS BROADCASTING  
NETWORK, INC.,

Applicant,

and

THE DEPARTMENT OF REVENUE  
OF THE STATE OF ILLINOIS,

A.H. Docket No.: 01-PT-0027

Respondent.

and

THOMPSONVILLE COMMUNITY  
HIGH SCHOOL DISTRICT  
NO. 112, and  
THOMPSONVILLE SCHOOL  
DISTRICT NO. 62,

Intervenors.

**AFFIDAVIT OF DANNY L. SHELTON**

City of Springfield            )  
  ) SS  
State of Illinois                )

Danny L. Shelton, being first duly sworn, upon oath, states as follows:

1. I am the president of Three Angels Broadcasting Network, Inc. and have served in that position since that non-for-profit corporation was formed in 1985.
2. I have knowledge of Tri-State Christian TV located in Marion, Illinois, having visited the studios of WTCT-TV in 1983 and thereafter watching telecasts originating from station WTCT-TV studios in Marion, Illinois, from that time up to at least 2001.

061708  
**EXHIBIT**  
 APPLICANTS  
 # 33

3. My first visit to WTCT-TV in 1983 was at the invitation of management of WTCT-TV when they requested that I and my daughter, Melody, sing on one of their television programs. My daughter and I thereafter appeared on that television station three or four times during a span of approximately one year.

4. I have observed that the programming, as well as the method of producing and airing the telecasts on WTCT-TV, was on a network-wide basis through the use of satellite dishes and cable and down-links, which is almost exactly the same as that produced and ~~owned~~<sup>aired by</sup> by Three Angels Broadcasting Network, Inc.

5. The programming includes gospel music, health and nutrition tapes, marriage and family programs, sermons, live interviews and call-in programs.

6. The only apparent major distinction between WTCT-TV and Three Angels Broadcasting Network, Inc. is that WTCT-TV's programming aspires to sell books, CDs, tapes, and health-related formulas by infomercial-type programs with the interviews of individuals urging the purchase of the selected merchandise, the display of the station's 1-800 ordering telephone number, and display of credit cards accepted.

7. If called to testify, I am competent to testify about the foregoing statements and have personal knowledge as to the statements set forth above.

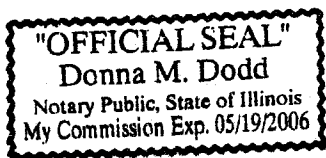
Dated: 9/25/02

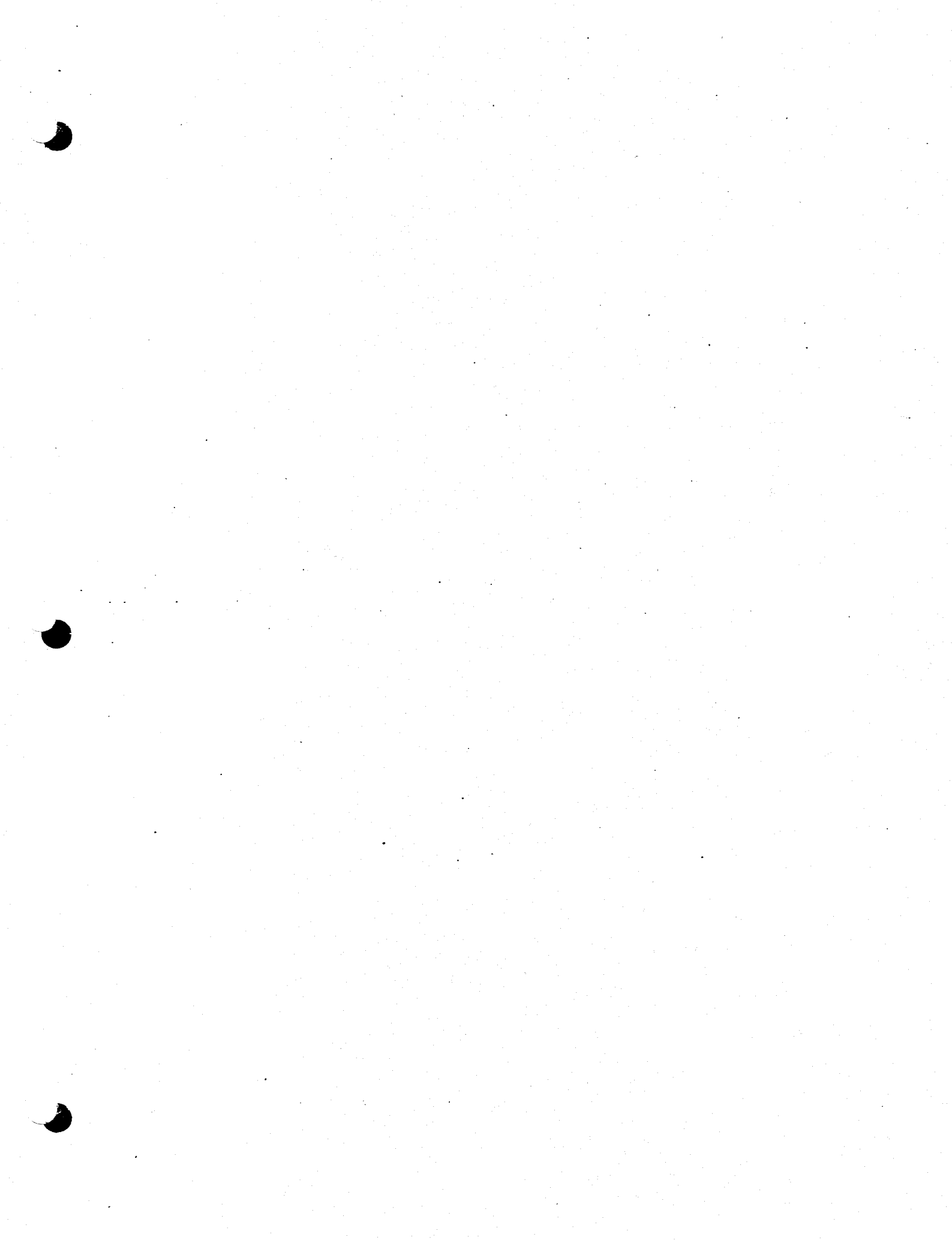
Danny Shelton  
DANNY J. SHELTON

Subscribed and sworn to before me this 25<sup>th</sup> day of September, 2002

Donna M. Dodd  
NOTARY PUBLIC

My commission expires: \_\_\_\_\_







**Illinois Department of Revenue**  
**OFFICE OF ADMINISTRATIVE HEARINGS**  
Willard Ice Building  
101 West Jefferson Street - Level 5SW  
Springfield, Illinois 62702  
(217) 782-6995

**3 ANGELS BROADCASTING NETWORK**

v.

**THE DEPARTMENT OF REVENUE  
OF THE STATE OF ILLINOIS**

**A.H. Docket #** 01-PT-0027

**P. I. #** 174-116-11

**Docket #** 00-28-01

**Docket #** 01-28-07

**NOTICE OF DECISION**

TO: Please see attachment.

**YOU ARE HEREBY NOTIFIED** that the attached recommended decision of the Administrative Hearings Division of the Illinois Department of Revenue in the above-entitled cause has been accepted by the Director as dispositive of the issues therein. This recommendation is now a final administrative decision and establishes your rights or responsibilities regarding the subject matter of the hearing. Should this decision be adverse to you, you may pursue your rights to administrative review by filing a complaint in the circuit court under the requirements of 735 ILCS 5/3-101 et seq., within 35 days of the date of the mailing of this notice.

1-28-2004  
Date of Decision

Brian A. Hamer, Dir.  
Brian A. Hamer, Director  
Illinois Department of Revenue

**001710**

ATTACHMENT

Mr. Kent Steinkamp  
Special Assistant Attorney General  
Illinois Department of Revenue  
101 West Jefferson  
Springfield, Illinois 62702

D. Michael Riva  
Attorney at Law  
226 East Main  
West Frankfort, Illinois 62896

Lee Boothby  
Boothby & Yingst  
4545 42<sup>nd</sup> Street, N.W., Suite 201  
Washington, D.C. 20016

Nicholas P. Miller  
Sidley, Austin, Brown, Wood, LLP  
555 West 5<sup>th</sup> Street  
Los Angeles, California 90013

Merry Rhodes  
Mark J. Dean  
Robbins, Schwartz, Nicholas, Lifton & Taylor, Ltd.  
230 Regency Centre  
Collinsville, Illinois 62234

Joanne H. Petty  
Robbins, Schwartz, Nicholas, Lifton & Taylor, Ltd.  
20 North Clark, Suite 900  
Chicago, Illinois 60602

William K. Richardson  
State's Attorney  
Franklin County Courthouse  
Post Office Box 607  
Benton, Illinois 62812

001711

**STATE OF ILLINOIS  
DEPARTMENT OF REVENUE  
OFFICE OF ADMINISTRATIVE HEARINGS  
SPRINGFIELD, ILLINOIS**

**3 ANGELS BROADCASTING NETWORK**

v.

**THE DEPARTMENT OF REVENUE  
OF THE STATE OF ILLINOIS**

**A.H. Docket #** 01-PT-0027  
**P. I. #** 174-116-11  
**Docket #** 00-28-01  
**Docket #** 01-28-07

**Barbara S. Rowe  
Administrative Law Judge**

**RECOMMENDATION FOR DISPOSITION**

**Appearances:** Mr. Kent R. Steinkamp, Special Assistant Attorney General for the Illinois Department of Revenue; Mr. Nicholas P. Miller, Sidley, Austin, Brown, Wood, L.L.C., Mr. Lee Boothby, Boothby and Yingst, and Mr. D. Michael Riva for 3 Angels Broadcasting Network; Ms. Merry Rhodes and Ms. Joanne H. Petty, Robbins, Schwartz, Nicholas, Lifton and Taylor, Ltd. for Thompsonville Community High School District 112.

**Synopsis:**

The hearing in this matter was held to determine whether Franklin County Parcel Index No. 174-116-11 qualified for exemption during the 2000 and/or 2001 assessment years.

Danny Shelton, president of Three Angels Broadcasting, (hereinafter referred to as the "Applicant" or "3ABN"); Larry Ewing, director of finance in 2002 of applicant; Alan Lovejoy, CPA and accountant; Walter Thompson, chairman of the board in 2002 of applicant; Bill Bishop, minister in the Seventh-day Adventist Church and member of the pastoral staff of applicant; Kenneth Denslow, president of the Illinois Conference of the Seventh-day Adventist Church; Mollie Steenson, department coordinator of applicant; and Linda Shelton, vice president of applicant, were present and testified on behalf of applicant. Cynthia Humm, Supervisor of

001712

Assessments of Franklin County was present and testified on behalf of Thompsonville Community High School District No. 112 (hereinafter referred to as the "Intervenor.")

The issues in this matter are: first, whether applicant was the owner of Parcel Index No. 174-116-11 during the 2000 and/or 2001 assessment years; secondly, whether applicant is a religious or charitable organization; and lastly, whether the parcel was used by applicant for religious or charitable purposes during the 2000 and/or 2001 assessment years. After a thorough review of the facts and law presented, it is my recommendation that the requested exemption be denied for the 2000 and 2001 assessment years, except for the two pastoral offices each measuring 14 feet by 18 feet on the second floor of the administrative production center building, and a corresponding amount of land. In support thereof, I make the following findings and conclusions in accordance with the requirements of §100/10-50 of the Administrative Procedure Act (5 ILCS 100/10-50).

**FINDINGS OF FACT:**

1. The jurisdiction and position of the Department that Franklin County Parcel Index No. 174-116-11 did not qualify for a property tax exemption for the 2000 and 2001 assessment years were established by the admission into evidence of Dept. Ex. Nos. 1 and 2. (Tr. p. 27)

2. The Department received the requests for exemption of Franklin County Parcel Index No. 174-116-11 for the 2000 and 2001 assessment years. In 2000, the assessed value of the property was \$505,500; in 2001, \$556,050. The Board of Review of Franklin County recommended denying the requests. For the 2000 assessment year, the Cave Township Supervisor and Cave Township Board objected to the exemption. In a letter attached to the 2000 year application, the Village of Thompsonville adamantly (emphasis in the original attachment) opposed the requested exemption. The Department denied the requested exemptions finding that



the property was not in exempt ownership and use. Applicant timely protested the denials and a hearing was held pursuant to those protests. (Dept. Ex. Nos. 1 and 2)

3. Applicant acquired the subject parcel by a warranty deed dated October 17, 1991. The 5 acre parcel at issue contains three buildings, the ownership and uses of which are at issue. The first building is a three-story administration production center building that contains approximately 30,000 square feet. The 10,800 square foot BOS Auditorium<sup>1</sup> is part of the administration building. The second building is applicant's carpenter shop, a one story building that contains 2,400 square feet. The third building is the "call center", which is about 7,000 square feet and is where applicant stores, ships, and receives its merchandise. As the name suggests, it is also where applicant receives calls from viewers around the world interested in applicant's programs and products. (Applicant's Ex. No. 1; Tr. pp. 81-91, 119-122, 233, 280-292)

4. Applicant's administrative production center contains the two studios where applicant creates its programs. A production area is between the two studios. In the center are applicant's administrative areas where financing, engineering, and pastoral care offices are located. A kitchen is available for workers' use. Offices for applicant's president and vice president are also in the center. The center contains the areas where graphics, maintenance, and computers are located. The two pastoral offices are on the second floor and measure 14 feet x 18 feet each. (Tr. pp. 81-84, 89, 235-246, 276-280, 284)

5. The "call center" is next to applicant's main facility. Here, applicant's employees and volunteers take and process orders for applicant's products. Applicant gives away free

---

<sup>1</sup> Applicant's exemption applications list three buildings and dimensions at issue: 1) an administration building which is two stories and contains 15,680 square feet; 2) the BOS Auditorium which is also two stories and contains 10,800 square feet; and 3) a carpenter shop which is one story and contains 2400 square feet. (Dept. Ex. Nos. 1, 2) According to the testimony of applicant's president, the BOS Auditorium is part of the administration building, the carpenter shop is a separate building, and the third building at issue is the "call center". The exact dimensions of the interior and exterior of each building are unclear. (Applicant's Ex. Nos. 12, 13; Tr. pp. 81-84, 121-126, 617)

material on a variety of topics from health to religion. (Applicant's Ex. Nos. 18-21; Tr. pp. 171-186, 288-290)

6. The carpenter shop is where applicant builds sets for its programs. (Tr. p. 117)

#### Corporate Structure

7. Applicant was incorporated under the General Not for Profit Corporation Act of the State of Illinois on March 1, 1985, for the following:

The purposes for which the corporation is organized are exclusively religious, charitable or educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and, in furtherance of these purposes, the corporation may:

- (a) develop, plan, promote, produce and direct in cooperation with various religious organizations, all types of religious programming for electronic transmission for television and radio broadcasting throughout the world.
- (b) to [sic] buy, sell, distribute and otherwise acquire or dispose of all kinds of television and radio apparatus properly incidental to or connected with the purpose of this corporation.
- (c) to [sic] develop, plan, promote, produce, direct and distribute recorded music and video recorded programs to further the purposes of the corporation.
- (d) own or operate facilities or own other assets for the public's welfare.
- (e) solicit support for the corporation's activities from the public generally and through a board of directors.
- (f) promote, by donation, loan or otherwise, the interests of any not-for-profit and federally tax-exempt organizations which are affiliated with the corporation, the purposes of which are not inconsistent with those of the corporation.

- (g) own, lease or otherwise deal with all property, real and personal, to be used in furtherance of these purposes.
- (h) contract with other organizations, for-profit and not-for-profit, with individuals, and with governmental agencies in furtherance of these purposes.
- (i) otherwise operate exclusively for religious, charitable or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, in the course of which operation:
  - (i) No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, directors, officers, or other persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein.
  - (ii) No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office except as authorized under the Internal Revenue Code.
  - (iii) Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the

Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law). (Applicant's Ex. No. 2)

8. The four directors of the corporation listed in the articles are Danny L. Shelton, Kenneth Joel Shelton, Linda Shelton, and Emma Lou Shelton<sup>2</sup>. (Applicant's Ex. No. 2)

9. The officers of the applicant are a chairman and chairman-elect of the board; a president, elected by the board; one or more vice presidents; a secretary; and treasurer. The board chairman is the chief policy officer of the corporation. The president is the chief executive officer of the corporation and the direct executive representative of the board in the management of applicant. (Applicant's Ex. No. 3)

10. The president's duties include carrying out all policies established by the board and advising on the formation of those policies; developing a plan for the conduct of activities of the corporation and recommending changes when necessary; preparing, reviewing, and evaluating written plans for specific objectives of applicant; preparing the annual budget; selecting, employing, supervising, and discharging personnel; maintaining physical properties; supervising the financial affairs of applicant; attending meetings and presenting periodic reports of the applicant; attending meetings of the board and serving as an *ex officio* member of committees; being a member of the executive committee; and acting as a liaison for the corporation. He is also the designee: "To affix the signature of the Corporation to all papers and instruments, including promissory notes of the Corporation in writing that may require the same." (Applicant's Ex. No. 3; Tr. pp. 95-96)

---

<sup>2</sup> No information was offered as to who Emma Lou and Kenneth Joel Shelton are. The oral testimony was that in 2000 and 2001, applicant's eleven to twelve member board was made up of Seventh-day Adventists laymen, business people, church employees, and former church employees. Some of applicant's board members are and were Seventh-day Adventists' pastors. The board meets 3-5 times a year. (Tr. pp. 92-95, Danny Shelton; Tr. pp. 499-501, Walter Thompson). The names of the board members, other than Mr. Thompson, in 2000 and 2001 were not in evidence and, in fact, applicant only submitted the names of Danny Shelton, Linda Shelton, Kenneth Joel Shelton, and Emma Lou Shelton as the four directors of 3 ABN.

11. The president designates the duties of the vice president. The secretary performs duties customarily performed by or required of corporate secretaries. (Applicant's Ex. No. 3)

12. Danny Shelton is the president of applicant. Linda Shelton is the vice president. Neither Linda nor Danny is an ordained minister. (Applicant's Ex. No. 12; Tr. pp. 36, 39, 590-591)

13. Applicant's corporate by-laws<sup>3</sup> adopted by the board on September 14, 1997, state that as of January 1, 1987<sup>4</sup>, the board of directors consists of seven to fifteen persons. Not more than one-third of the board is composed of employees of the Seventh-day Adventist Church. (Applicant's Ex. No. 3)

14. Board members do not receive reimbursement for travel expenses. Board members receive no compensation for being on the board. (Tr. pp. 499-501)

15. Applicant employs approximately 140 people in its locations in Southern Illinois, Russia, and the Philippines. Applicant does not own properties in Russia and the Philippines because of legal reasons. However, Danny Shelton is the director and president of the entities that do own properties there. Applicant funds those facilities. (Tr. pp. 188, 349-355)

#### **General Information about Applicant**

16. Danny Shelton founded applicant in 1984. Prior to working for applicant, Danny Shelton was a carpenter and managed a lumberyard. He has a high school education. (Tr. pp. 49-52, 170)

17. Linda Shelton attended one year of college after high school graduation. Prior to working for applicant she worked as a receptionist in a law office and held other odd jobs such as a secretary at City Hall. (Tr. pp. 590-592)

---

<sup>3</sup> Pages 8-10 of this exhibit are missing. The missing pages contain the sections between 1.2 and section 3.2 of the by-laws. Therefore, the corporate purpose section of the by-laws is incomplete. In addition, qualifications of certain members of the board are on the missing pages in section 2.3.

18. Linda Shelton is responsible for the content in the magazines, sales catalogs, and newsletters applicant distributes. Publication of the items does do not take place on the subject property. The periodicals are distributed to between 100,000 and 150,000 people. People get on applicant's mailing list by sending in a donation or by request. (Intervenor's Ex. Nos. 5-9; Tr. pp. 342, 592-594, 605-607)

19. Linda Shelton is in charge of applicant's production, programming, and scheduling. (Tr. p. 592)

20. Linda Shelton writes the contents of the newsletters and promotional magazines applicant produces. They are distributed free of charge. She has recorded four CDs that applicant produced and sells. (Applicant's Ex. No. 24; Tr. pp. 592-595)

21. Linda Shelton receives royalty payments for the CDs she produces. Broadcast Music Incorporated, a private company unaffiliated with applicant, licenses her songs. The songs on the CD, "I Think About Grace" belong to Linda, and were copyrighted by her in 2001. Applicant's (800) area code telephone number is listed on the inside label of "I Think About Grace" for ordering additional CDs. The outside label of the CD has the (618) area code telephone number listed with the address of applicant. Applicant's Fall/Winter 2001-2002 newsletter has an advertisement for the CD. The advertisement has the (800) toll free telephone number listed for orders. (Intervenor's Ex. No. 8; Applicant's Ex. No. 24; Tr. pp. 617-623, 644-645)

22. As president of applicant, Danny Shelton carries forth the policies that the board sets and oversees the operations of the broadcasting department, the programming department, the financial department, and the physical building and maintenance. Danny Shelton also represents applicant in raising funds, does the hiring and firing, and oversees the general

---

<sup>4</sup> The difference in the date of the adoption of the corporate by-laws and this date was not explained.

operations of applicant. On weekends, he and Linda Shelton travel extensively on applicant's airplane doing commercial and public relations work for applicant. (Tr. p. 37)

23. In 2000 the Sheltons traveled approximately 20 weekends for engagements in numerous cities. The engagements generated large donations to applicant. Danny Shelton correlates his speaking with the amounts of donations. (Tr. pp. 406-408)

24. Danny and Linda Shelton travel extensively to New Guinea, the Philippines and applicant's affiliated Russia center. Applicant's board sets the salaries for the Sheltons. The Shelton's benefits include medical and dental insurance and the use of a company vehicle. (Tr. pp. 131-136, 141-146)

#### **Applicant's Productions and Programming**

25. Applicant's airtime is made up of applicant's programs and other programs. Approximately 75-80% of the airtime is made up of applicant's programs. The other 20-25% of airtime is rented, sold, or used for programs applicant determines are worthwhile. Not all people on applicant's programs are Seventh-day Adventists. (Tr. pp. 146-160, 410)

26. Danny and Linda Shelton host a daily program in studio "A" on the lower level of the administrative production center. The area is set up like a house with a living room area that contains a couch and chairs. The Sheltons interview guests in that area. A small front porch area is used for the introduction for the program. The program contains Bible scripture, health information, music, and a cooking section. Vegetarian meals are prepared during the cooking section. No records were produced depicting the time allocated for each of the separate types of programs. Some of applicant's programs are transmitted live and some pre-recorded. (Tr. pp. 85-86, 247-273)

27. In studio "B", also on the first level, applicant has a remote truck that it uses for the production of children's and exercise programs. One set at that location looks like the front

of a church where pastors can preach. Applicant also produces an exercise program at the studio itself. The studio is not complete. (Tr. pp. 86, 273-274)

28. Another segment of the first floor contains the new master control where all of applicant's satellite tapes are edited for applicant's 24-hour-a-day programming. Bathrooms are also located on that floor. (Tr. pp. 86-88)

29. The second floor of the administrative production center contains applicant's maintenance department. A small room contains the computer that does graphics. More graphics are done in the publishing department that is also on the second floor, where applicant's calendars are created and design functions are located. The second floor also has two offices, each 14' x 18' where pastors pray with people and take telephone calls. (Tr. pp. 89-90)

30. The third floor of the administrative production center contains the air conditioning and storage areas. (Tr. pp. 90-91)

31. Applicant maintains a local telephone area code (618) and a toll free (800) telephone number for prayer requests and for orders of satellite dish systems, videos, musical cassettes, and CDs. Calls come into the reception area in the administration building where they are diverted to the proper area. (Applicant's Ex. No. 8; Intervenor's Ex. Nos. 5-9; Tr. pp. 235-236)

32. Applicant's (800) telephone number is continually rolling across the television screen during applicant's programs and is printed on the bottom of every page of applicant's 2001 order forms and catalogs. The (618) area code telephone number is printed on the outside of applicant's catalogs. (Intervenor's Ex. Nos. 6-9; Tr. pp. 612-613)

33. Danny and Linda Shelton have total decision-making authority for airtime contracts. (Intervenor's Ex. No. 8; Tr. pp. 610-611)

34. Applicant's board does not review the airtime contracts. (Tr. p. 611)



35. Members of applicant's board appear in videos or on applicant's programs. Board members have made donations to applicant. (Tr. pp. 499, 516-518, 524)

36. Applicant's programming is not available on regular or cable television channels. It has to be downlinked. There are 88 cities across America that have unmanned downlink stations for applicant's programs. (Applicant's Ex. No. 8; Intervenor's Ex. Nos. 6, 8; Tr. pp. 72-80, 162-164, 608)

37. The BOS Auditorium located in applicant's administrative production center building was used for recording in 2000 and 2001. Net 2000 is a program where an evangelist comes for approximately 30 consecutive nights, the public is invited, and the program is sent by satellite to applicant's viewers. Net 2000 was produced in the BOS auditorium. (Tr. pp. 88, 105-106)

38. For the Net programs for the year 2000, applicant brought about 12 translators to the station to translate the message of the evangelist to other languages including *inter alia* German, Russian, Yugoslavian, and Portuguese. (Tr. p. 102)

39. In 2000, applicant sent its trucks to the General Conference Session of the Seventh-day Adventists in Toronto, Canada to record and transmit the conference. The session is a meeting of church officials and leaders from the world church where decisions affecting all Seventh-day Adventist Churches are made. The session occurs once every five years. (Tr. pp. 107-108)

40. Applicant also produced about 20-30 programs per year for the global missions department of the Seventh-day Adventist Church in 2000 and 2001. The programs identify areas where new churches are needed and help raise funds for orphanages, churches, and schools. (Tr. pp. 108-113)

001722

41. Applicant's programming is carried 24-hours-a-day, seven-days-a-week. Applicant's station carries health, gardening, cooking, and music programs in addition to religious and family entertainment. (Intervenor's Ex. No. 8; Tr. pp. 70-72)

#### **Applicant's Satellite Systems**

42. Applicant has its own 3ABN digital dish system designated as "PAN" that brings the receiver 3ABN television and 3ABN radio 24-hours-a-day. The complete system includes a 36-inch satellite dish, digital receiver and cable. Applicant's signal is transmitted from the subject property to "GE-4" a high-powered digital satellite. The signal can be received in most homes in the United States. The signal can also be received in Hawaii, the Caribbean, and Central America. The digital signal includes applicant's television programming in English and occasional additional channels in Spanish, Portuguese and Romanian. The cost for applicant's system in 2000 and 2001 was \$350 in the United States and \$500 in Canada. The cost in Canada usually includes professional installation. (Intervenor's Exhibit Nos. 6, 8; Tr. pp. 72-80)

43. Applicant's "PAN" dish system was made specifically to accommodate applicant's needs. The company that makes applicant's "PAN" system made a distinctive receiver and a dish system that would work with applicant's satellite. (Intervenor's Ex. Nos. 1-4; Tr. pp. 163-164, 294, 307-310)

44. Applicant also offers a high-quality 18-inch digital dish system from DISH network starting at \$164. Subscriptions may be obtained from Dominion Sky Angel's programming and start at \$9 per month, \$99 per year, and \$225 for a 3-year subscription. (Intervenor's Ex. Nos. 6, 8; Applicant's Ex. No. 8; Tr. pp. 72-80)

45. A third option for viewing applicant's programming is to purchase the complete Sky Angel 18" digital system for \$479, which includes the receiver and a lifetime subscription

with the DISH Network. (Applicant's Ex. No. 8; Intervenor's Ex. Nos. 6, 8; Tr. pp. 72-80, 162-164, 608)

46. Sky Angel is located in Florida. It carries 33 channels of religious and family programs. Applicant's programs are on one of the channels. (Tr. pp. 164-165, 313-326)

47. Applicant's order forms use "PAN" to identify applicant's satellite system. Those order forms are different from those used for ordering a 3ABN Digital Satellite, the Sky Angel Order form, and the credit card order form for videos and related items. Applicant accepts Visa credit card, Master credit card, and Discover credit card. (Intervenor's Ex. Nos. 1-4; Tr. pp. 163-164, 294, 307-310)

48. Another satellite dish beams applicant's signal to a high-powered satellite launched by PanAm Sat called "PAS-9". In 2000 and 2001 applicant replaced its former satellite system with the high power version to gain greater coverage and more accessibility to customers. Applicant improved and expanded its system so that it could reach its customers in all of North, Central, and South America, as well as a portion of Europe. 90-centimeter dishes in homes can receive the satellite signal. The wider coverage enables applicant to have multiple language broadcasts and reach a broader group of customers. (Intervenor's ex. No. 8 pp. 400036-7; Tr. pp. 72-80)

#### Applicant's Sales

49. Beside the sales of the satellite systems and related items, applicant also sells videos; both its own and those produced by other entities. Applicant maintains a web site at [www.3abn.org](http://www.3abn.org) where catalogues and other information are available. (Intervenor's Ex. Nos. 5-9; Tr. pp. 336-342)

50. Applicant's programming and videos contain information related to health and life style topics. Applicant's videos are not copyrighted. (Tr. pp. 515-516, 574, 613)

001724

51. The magazines/catalogs and newsletters contain order forms for the various items that applicant sells. The videos range in price from \$14 for a single video to \$572 for a video series – 26 programs. The videos cover such diverse topics as The 3ABN Miracle Story, 3ABN Flagship Programs,<sup>5</sup> Bible and Prophecy Topics,<sup>6</sup> Worship Services,<sup>7</sup> Family Topics,<sup>8</sup> Health and Lifestyle Topics,<sup>9</sup> Help for Addictions,<sup>10</sup> Spanish Programming,<sup>11</sup> Musical Specials,<sup>12</sup> and Variety Programs.<sup>13</sup> (Intervenor's Ex. Nos. 5-9; Tr. pp. 167-170)

52. Applicant's board is not involved in setting prices for the videos or other items sold by applicant. Applicant's board does not determine the prices applicant charges. Danny Shelton determines the prices for the videos and other items without the board's final determination or approval. (Tr. pp. 526-528, 617)

53. Applicant has what it calls the "video special of the month" where Danny Shelton and Linda Shelton chose one program that they especially like. They record that and advertise it in the newsletters and on the air so that people can purchase it. (Tr. pp. 168-170)

#### **Financial Information**

54. Applicant's basic rate charge for airtime is \$1,200 per hour. (Tr. p. 160)

---

<sup>5</sup> Examples of the Flagship Programs include 3ABN Camp meetings, Making Marriage Work, a variety of cooking programs, Managing Stress, and various programs entitled "Behind the scenes at ABN."

<sup>6</sup> The Bible & Prophecy topics include such things as a Genesis to Revelation Seminar, videos about how to get a job, Omnipresence, Second Coming, ear piercing, forgiveness, and homosexuals.

<sup>7</sup> Worship Service videos are for the Fort Worth SDA, the Pioneer Memorial Church at Andrews University in Berrien Springs, Michigan, the Sacramento Central Sabbath School, and the Tabernacle Hour at the Battle Creek SDA Church.

<sup>8</sup> Family Topics includes *inter alia*: Adventures in Peace and Happiness; Family Matters; HomeGrown Kids (about home schooling); Its All About Love; Issues and Answers with various guest speakers; Janice's Attic (which includes lessons for children); Kids Time; Teen Pathways; Thinking About Home; and World Prophecy News.

<sup>9</sup> The subsections of Health and Lifestyle videos include: Abundant Living (which covers nutrition, herbs, diabetes and other diseases, stress management, PMS, soy products, vitamins, and various ethnic cooking shows); Body and Spirit which offers videos on exercise; Dick Nunez Work Out Special; Cooking By The Book (featuring vegetarian cooking); Food for Thought (specializing in thoughtful food preparation); Health for a Lifetime (containing information on how to obtain and maintain good health, with discussions about various diseases and lifestyle changes); Help Yourself to Health (includes many natural remedies for common ailments); Home School of Health; Miracle Garden (organic gardening); Westbrook Hospital; and Wonderfully Made (discusses health issues).

<sup>10</sup> Help for Addictions addresses drug alternative programs and smoking.

<sup>11</sup> Applicant carries a variety of videos in Spanish.

<sup>12</sup> Done by a variety of artists performing songs featured on applicant's television programs.

55. Various organizations purchased airtime from the applicant to televise their own programs in 2000. Those organizations include the Quite Hour of Redlands, CA which purchased 31.25 hours of airtime for a total amount paid of \$32,700; Voice of Prophecy of Newbury Park, CA that purchased 26.5 hours at a cost of \$35,600; United Prison Ministries of Verbena, AL that purchased 25.5 hours for a cost of \$14,500; Amazing Facts of Roseville, CA which used 105 hours for a cost of \$87,050; Light Bearers Ministry of Malo, WA for 29.5 hours at a cost of \$57,298; LMN Publishing, Intl. of St. Maries, ID for 25.5 hours for \$31,390; Transada Advertising of Simi Valley, CA for 200 hours at a cost of \$167,271; Global Missions of Silver Springs, MD for 26 hours for \$33,291; Carter Report of Thousand Oaks, CA for 156 hours at a cost of \$151,500; Adventist SE Asia Project of Berrien Springs, MI for 6 hours at a cost of \$5,450; Gospel Outreach of College Place, WA for 26 hours for \$33,557; Adventist Frontier Mission of Berrien Springs, MI for 25.5 hours at a cost of \$14,100; and ADRA of Silver Springs, MD for 26.5 hours for a purchase amount of \$27,850. In the 2000 calendar year, applicant sold 709.25 hours of airtime for \$691,557. (Applicant's Ex. No. 16)

56. In 2000, applicant also earned income from leases of properties not at issue to various individuals and businesses including *inter alia* a barber, Subway, and Tae Kwon Do shop. The total yearly from those leases is \$50,889. It is unclear where this amount appears on the financial statement. (Intervenor's Ex. No. 13; Tr. pp. 674-678)

57. For 2001, the following entities purchased airtime from applicant: Pacific Press Publishing of Nampa, ID - 8.75 hours for \$1,546; Message for Today of Carmel, IN - 26 hours at a cost of \$3,900; The Quiet Hour of Redlands, CA - 39.75 hours for \$27,800; Voice of Prophecy of Newbury Park, CA - 26 hours for an amount paid of \$28,300; United Prison Ministries of Verbena, AL - 26 hours, paid \$19,200; Outpost Center, Inc. of Apison, TN for 21 hours -

---

<sup>13</sup> The variety videos contain camp meetings, concerts, and applicant's programs.

\$23,400; Amazing Facts of Roseville, CA-127 hours for \$145,500; Living Faith of Albuquerque, NM, 6.5 hours at a cost of \$2,400; Light Bearers Ministry of Malo, WA - 28 hours at a cost of \$34,550; LMN Publishing Int'l of St. Maries, ID, 26.5 hours at a cost of \$28,000; Transada Advertising of Simi Valley, CA - 195.50 hours for \$220,400; Global Missions of Silver Springs, MD - 25.5 hours for payment of \$40,920; Carter Report of Thousand Oaks, CA - 154 hours with a payment of \$138,000; Adventist SE Asia Project of Berrien Springs, MI - 5.5 hours and a payment of \$7,000; Gospel Outreach of College Place, WA - 25.5 hours for \$23,000; Adventist Frontier Mission of Berrien Springs, MI - 6 hours and a payment of \$6,700; ADRA of Silver Springs, MD - 26 hours for \$30,950; Florida Conference of Winter Park, FL - 4 hours and a payment of \$6,000; Ruben Arn of Glendale, CA - 5 hours and an amount of \$3,000; General Conference of SDA of Silver Springs, MD - 6.5 hours, unknown amount of payment; Texas Media Center of Fort Worth - 2 hours for an undisclosed amount of payment; for a total of 791 hours in 2001 and a total payment amount of \$790,566. (Applicant's Ex. No. 17; Tr. pp. 151-155; 369-370)

58. The purchase of the airplane in 2001 for \$1.3 million enabled applicant's employees to travel more efficiently and reach a larger audience of customers. Applicant also supplies the Sheltons with a 2000 Ford Econoline van. (Tr. pp. 384-386,405-409)

59. According to applicant's audited financial statement, applicant had total revenues and other support in 2000 of \$14,452,519.91. Total expenses were \$13,239,904.62 for a net profit of \$1,212,615.29. Under the sub-category entitled "Schedule of Supporting Service Expenses," the amount of \$4,098,620.61 is listed; of that amount \$1,802,307.48 is shown as wages. (Applicant's Ex. No. 14)

60. For 2001, applicant's total revenue and other support were \$13,935,318.64. Applicant's total expenses were \$11,940,167.11 for a net profit of \$1,995,151.53. Under the

sub-category entitled "Schedule of Supporting Service Expenses," \$4,026,680.45 is listed; of that amount, \$1,219,639.23 is shown as wages. (Applicant's Ex. No. 15)

61. The Independent Auditor's Reports for 2000 and 2001 state:

Dowlink equipment acquired by gift is not recorded in the financial statements. In our opinion, generally accepted accounting principles require that such donated property be recorded at its fair value at the date of receipt. It was not practicable to determine the effects of the unrecorded equipment on the financial statements.

In connection with the recording of real estate revocable trusts, the fair values of the trusts were based on internal estimates performed by the organization. We were unable to obtain sufficient evidential matter in connection with the estimates of fair value.<sup>14</sup> (Applicant's Ex. Nos. 14, 15)<sup>15</sup>

62. Applicant's donations are broken into restricted and unrestricted funds.<sup>16</sup>

Restricted funds are for a particular product or project. Applicant had restricted net assets of \$757,891.39 in the year ending December 31, 2000, and \$1,454,857.61 in the year ending December 31, 2001. (Intervenor's Ex. No. 10; Tr. pp. 343-350)

#### Religious Considerations

63. Applicant is exempt from the payment of Illinois Retailers' Occupation Tax and related taxes pursuant to a finding by the Department of Revenue that applicant is a religious organization under those tax laws. (Applicant's Ex. Nos. 6, 7)

64. On November 4, 1997, applicant executed a Joint Declaration of Commitment (hereinafter referred to as the "Declaration") with the General Conference of Seventh-day

<sup>14</sup> The financial report for 2000 contains additional concerns found by the independent auditors.

<sup>15</sup> Applicant's financial reports raise additional questions and concerns. For example, the unrecorded contribution revenue related to charitable gift annuity agreements were not recorded in conformance with generally accepted accounting principles. The "related party transactions" were acknowledged without identifying the parties. The notes refer to "split interest agreements," where applicant received the assets funding the trusts and applicant is to pay certain amounts for specified periods of time to the donors. There is nothing in the record to identify the donors or the assets. None of the trust agreements were supplied. (Applicant's Ex. Nos. 14, 15)

Adventists. The declaration details commitments of the two entities and issues resolution. The declaration states that the common vision:

Includes strategic planning sessions, counseling on matters of common interest, praying, dreaming and planning together. We welcome the opportunity to join together in coordinating and executing the global mission of reaching every nation, kindred, tongue and people with the message of the saving grace of Christ and His soon coming in the context of the Great Controversy and the Three Angels' Messages of Revelation 14. (Applicant's Ex. No. 9; Tr. pp. 96-100)

65. The declaration states that:

The General Conference of Seventh-day Adventists and Three Angels Broadcasting Network are committed to faithfulness to God's Word and loyalty to Bible truth as formulated in the 27 Fundamental Beliefs of the Seventh-day Adventist Church. We believe that our shared commitment to world evangelism through media compels us to seek ways to cooperate in the task of reaching the world for Christ. We believe that much more can be accomplished to hasten the Lord's return through cooperation in an atmosphere of mutual trust and confidence. (Applicant's Ex. No. 9)

66. According to the declaration, applicant agrees that:

**As leaders of Three Angels Broadcasting Network (3ABN), we commit ourselves to:**

A. Offer our resources in accordance with 3ABN's operational policies to support the mission of, and work in cooperation with, the Seventh-day Adventist Church in the proclamation of the everlasting gospel to the entire world.

B. Proclaim the gospel in its purity and simplicity while being sensitive to the unique cultures of people in countries around the world.

C. Reiterate our endorsement of the concept of the Seventh-day Adventist Church organization as set forth in the book *Seventh-day Adventists Believe*, Chapters 11-13, and in the writings of Ellen G. White.

---

<sup>16</sup> Applicant's president testified "Unrestricted funds are donations that come into Three Angels Broadcasting Network that people don't specify what they want it used for." (Tr. p. 343)



D. Recognize the local and regional constituent responsibility and leadership in administering activities and operations of the Church and their territory.

E. Restate our support for integrating new members into the body of Christ and, more specifically, encouraging membership in the Seventh-day Adventist Church around the world. (Applicant's Ex. No. 9)

67. According to the declaration, the administrators of the General Conference of Seventh-day Adventists commit themselves to:

A. Reaffirm the profound spiritual truth that God calls and empowers both individuals and supporting ministries who are committed to the mission of the Seventh-day Adventist Church, to join with the Church, its institutions and organizations in the proclamation of the gospel.

B. Establish such official communication and planning forums, including supporting ministries such as 3ABN, with world and division leaders as may be appropriate.

C. Encourage General Conference departments, world divisions, and Church institutions to utilize the services of 3ABN for production and distribution of programming as may be appropriate, with the understanding that the agreements between the applicable Seventh-day Adventist organizations and 3ABN, include-at a minimum-that the financial arrangements and copyright ownership be documented in writing.

D. Encourage Seventh-day Adventist Church organizations to submit programming for distribution on 3ABN with the recognition and understanding that 3ABN will review all programming.

E. Encourage the fostering of a spirit of unity and cooperation between all organizations of the Seventh-day Adventist Church and 3ABN. (Applicant's Ex. No. 9)

68. The declaration also contains a three-step process for resolution of problems.  
(Applicant's Ex. No. 9)

69. The General Conference of the Seventh-day Adventist Church purchased airtime from applicant during the 2000 and 2001 calendar years. (Tr. pp. 368-369)

70. Applicant is not part of the Seventh-day Adventist Church. (Tr. p. 368)

71. Applicant is not a Seventh-day Adventist institution. (Tr. p. 97)

72. Applicant was established, organized and is operated by lay people. (Intervenor's Ex. No. 8 p. 400033)

73. Applicant is not owned by or controlled by the Seventh-day Adventist Church. (Tr. p. 99)

74. Applicant's staff includes four Seventh-day Adventist ministers that answer telephones and pray with people in the two 14' x 18' offices. The pastors lead daily worship services and view the videotapes for content that is consistent with applicant's purposes.<sup>17</sup> Sabbath services, foot washings, marriages, and baptisms are not held on the property in question. (Tr. pp. 531-541)

#### **Charitable Considerations**

75. Applicant is not required to pay federal income tax pursuant to a finding by the Internal Revenue Service that applicant is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. (Applicant's Ex. Nos. 4, 5)

76. Applicant's board has no written policy to give away or donate its satellite systems. If an individual were unable to pay the cost of the system, applicant's secretary would contact Danny Shelton who would determine, with the board's guidance, whether the product should be given away. "Applicant has no policy that says give away." (Tr. pp. 295-303)

77. Applicant has no records of materials given away in 2000 or 2001. Applicant has no specific written policy that outlines what factors are used or what direction is given by applicant's board that allows applicant to distribute items at a reduced rate or free of charge. (Tr. pp. 586-589, 614-616)

---

<sup>17</sup> See Finding of Fact No. 7.

## CONCLUSIONS OF LAW:

Article IX, §6 of the Illinois Constitution of 1970, provides in part as follows:

The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes.

This provision is not self-executing but merely authorizes the General Assembly to enact legislation that exempts property within the constitutional limitations imposed. City of Chicago v. Illinois Department of Revenue, 147 Ill.2d 484 (1992).

Pursuant to the authority granted by the Constitution, the legislature has enacted exemptions from property tax. Applicant asserts that it is entitled to a property tax exemption under either the religious or charitable exemptions found in the Illinois Property Tax Code.

The religious exemption is found at 35 ILCS 200/15-40. In 2000, a portion of the statute stated:

§ 15-40. Religious purposes, orphanages or school and religious purposes. All property used exclusively for religious purposes, or used exclusively for school and religious purposes, or for orphanages and not leased or otherwise used with a view to profit, is exempt, . . .<sup>18</sup>

In People ex rel. McCullough v. Deutsche Gemeinde, 249 Ill. 132 (1911), the Court stated:

“Unless facts are stated from which it can be seen that the use is religious or a school use in the sense in which the term is used in the constitution the application should be denied.” *Id.* at 136

Also at issue is the provision found at 35 ILCS 200/15-65, which exempts certain property from taxation as follows:

---

<sup>18</sup> Amended by P.A. 92-333, §5, eff. Aug. 10, 2001, the statute was changed to state:

§ 15-40. Religious purposes, orphanages, or school and religious purposes.

(a) Property used exclusively for:

(1) religious purposes, or  
(2) school and religious purposes, or  
(3) orphanages

All property of the following is exempt when actually and exclusively used for charitable or beneficent purposes, and not leased or otherwise used with a view to profit:

(a) Institutions of public charity. . . .

Illinois courts have recognized that religious organizations may use properties for charitable purposes, thereby fulfilling their charitable missions and ministries. First Presbyterian Church of Dixon v. Zehnder, 306 Ill.App.3d 1114 (2<sup>nd</sup> Dist. 1999). In that case the court found that the applicant is a religious organization using the subject property for religious purposes through the distribution of food, clothing, furniture, and Christmas gifts to those in need.

It is well settled in Illinois that when a statute purports to grant an exemption from taxation, the tax exemption provision is to be construed strictly against the one who asserts the claim of exemption. International College of Surgeons v. Brenza, 8 Ill.2d 141 (1956). Whenever doubt arises, it is to be resolved against exemption and in favor of taxation. People ex rel. Goodman v. University of Illinois Foundation, 388 Ill. 363 (1944). Further, in ascertaining whether or not a property is statutorily tax exempt, the burden of establishing the right to the exemption is on the one who claims the exemption. MacMurray College v. Wright, 38 Ill.2d 272 (1967); Immanuel Evangelical Lutheran Church of Springfield v. Department of Revenue, 267 Ill.App.3d 678 (4<sup>th</sup> Dist. 1994).

Applicant, in the very first paragraph of its post-trial brief, states that both the federal government and the State of Illinois have already recognized it to be organized and operated for tax exempt purposes. However, applicant fails to recognize that neither the federal government's exemption from income tax nor the granting of an Illinois sales tax exemption is based on the Illinois Constitution and statutory provisions for property tax exemptions. Illinois case law has numerous references to the fact that exemptions from other taxes is not determinative of whether

---

qualifies for exemption as long as it is not used with a view to profit.

the property at issue is entitled to a property tax exemption. Decatur Sports Foundation v. Department of Revenue, 177 Ill.App.3d 696 (4<sup>th</sup> Dist. 1988); People ex rel. County Collector v. Hopedale Medical Foundation, 46 Ill.2d 450 (1970); Clark v. Marian Park, Inc., 80 Ill.App.3d 1010 (2<sup>nd</sup> Dist. 1980).

### **Religious Tax Exemption Standards and 3ABN's Claim for Religious Exemption**

As a preliminary matter, applicant is not organized and operated as a religious corporation under the Illinois Religious Corporation Act, found at 805 ILCS 110/0.01 *et seq.* Rather, applicant is incorporated under the General Not for Profit Corporation Act. 805 ILCS 105/101.01 *et seq.* The Illinois General Assembly has recognized organizational and operational differences between the two types of organizations and has established different and separate statutory schemes to govern those differences. Implicit in such legislative action is the recognition that religious corporations and general not for profit corporations are separate, distinct, and different legal entities. Therefore, as a matter of law, applicant is not a religious corporation.

35 ILCS 200/15-40 establishes the standard for obtaining an exemption from property tax as a religious organization. First, the property must be used exclusively for religious purposes and second, it must not be used with a view to profit. This standard is satisfied if it is shown that the property is primarily used for religious purposes, even though it may also be used for a secondary or incidental purpose. McKenzie v. Johnson, 98 Ill.2d 87 (1983).

In the seminal case defining religious purpose, the Illinois Supreme Court in People ex rel. McCullough v. Deutsche Gemeinde, *supra* stated:

Unless facts are stated from which it can be seen that the use is religious or a school use in the sense in which the term is used in the constitution the application should be denied. The words used in the constitution are to be taken in their ordinary acceptance and under the rule of strict construction, which excludes all purposes not within the contemplation of the framers of that instrument.

While religion, in its broadest sense, includes all forms and phases of belief in existence of superior beings capable of exercising power over the human race, yet in the common understanding and in its application to the people of this State it means the formal recognition of God as members of societies and associations. As applied to the uses of property, a religious purpose means a use of such property by a religious society or body of persons as a stated place for public worship, Sunday schools and religious instruction. *Id.* at 136-137

With respect to its alleged entitlement to a religious exemption, applicant contends that it “runs a not-for-profit, religious media ministry that engages in exclusively religious purposes that further the message and mission of the Seventh-day Adventist church.” (Applicant’s Post-Trial Brief p. 2) Furthermore, applicant claims that its “ministry spreads its message through preaching, Biblical teaching and gospel music, and singing that it airs on various satellite broadcast and cable television stations, as well as satellite radio stations, throughout North America and the world.” *Id.* (citing testimony of Danny Shelton at Tr. pp. 70-76). In conclusion, applicant argues that “[A]ll factors considered, the evidence showed that Three Angels is the archetypal religious media ministry run exclusively for religious and charitable purposes.” (*Id.* at p. 7).

Assuming *arguendo*, that applicant is, in fact, properly characterized as the “archetypal religious media ministry,” any such entity seeking a religious property tax exemption in the State of Illinois must still satisfy the existing statutory and judicial standards relating to granting the requested exemption. Regardless of how applicant asserts it is operated, and even if applicant is the first of its “religious media ministry” kind, the threshold question is: Is the property being used primarily for a religious purpose as contemplated by 35 ILCS 200/15-40? Under recent case law, the dissemination and distribution of religious materials may be either (1) primarily religious with incidental commercial aspects, and thus within section 15-40 of the Code or (2) primarily commercial with religious overtones, and thus outside section 15-40.

The subject property is used to produce and broadcast applicant's television and radio programs. Operating such an enterprise is not "religious" in the conventional sense because it lacks the requisite association with places traditionally used for public worship, Sunday School or other devotional instruction. It does raise a more contemporary question as to whether property used for exclusively religious broadcasting purposes could, in fact, qualify for a property tax exemption in Illinois. Illinois courts have yet to address the issue. The Alaskan Supreme Court has held that a radio station operated by the Catholic Bishop qualified for a property tax exemption as it was used solely for a combination of "public worship," "religious education," and "charitable purposes."<sup>19</sup> City of Nome v. Catholic Bishop of Northern Alaska, 707 P.2d 870, 890 (1985).

That case is distinguishable from this instant matter in that the Seventh-day Adventist Church, a religious organization, is not the applicant in this case. Applicant herein is specifically not part of the Seventh-day Adventist Church (Finding of Fact No. 70); is not a Seventh-day Adventist institution (Finding of Fact No. 71); is not owned or controlled by the Seventh-day Adventist Church (Finding of Fact No. 73); and, was established, organized, and is operated by lay people (Finding of Fact No. 72). Also, Alaskan court decisions are not binding in Illinois and, at best, might provide guidance in making a legal determination in Illinois. I therefore find that reliance on City of Nome is inappropriate in this matter.

Historical case law compels a holding that applicant's property was not used exclusively, i.e., primarily for a religious purpose. The earliest pertinent opinion appears to be Congregational Sunday School & Publishing Society v. Board of Review, 290 Ill. 108 (1919) wherein the society operated a missionary department that organized Sunday schools and maintained missionaries to assist those schools, published and circulated religious periodicals,

---

<sup>19</sup> In Alaska, the statute allows that the "exempt use" requirement permits a combination of exempt uses.

books, and educational materials that it sold specifically to Sunday schools. Although the society's store sold religious books and supplies, it did not make a profit and the society relied on donations for its funds. Any profits made were devoted to maintaining the missionary department. Congregational Sunday School, 290 Ill. at 111-12. The society requested the property tax exemption for the store on both religious and charitable grounds. The supreme court considered the two grounds together because they were so closely associated under the facts of the case. *Id.* at 112. In granting the exemption the court found that the society's dominant purpose was to spread the gospel by distributing religious books and Sunday school supplies. The court noted as well that the society's work was to send its workers and missionaries into those parts of our country where religious teaching has been neglected and take the young people in those areas into Sunday schools for moral and religious instruction and provide them with wholesome literature. Congregational Sunday School, 290 Ill. at 117.

In Scripture Press Foundation v. Annunzio, 414 Ill. 339 (1953), the supreme court limited its holding in Congregational Sunday School by ruling that the mere publication and distribution of religious literature is not a religious purpose. A nonprofit corporation that published and distributed Christian literature requested an exemption from unemployment compensation contributions on the ground that it was organized and operated exclusively for religious purposes. Scripture Press Foundation, 414 Ill. at 341-42. Relying on the corresponding property tax exemption, the supreme court held that the organization was not exempt. The court found pertinent the facts that the foundation was incorporated and organized by Christian persons with a long record of religious service, but they were neither ordained ministers, pastors, nor representatives of any ecclesiastical or church organization. No church or ecclesiastical organization was an incorporator or member of the corporation. The court stated:

A study of the charter powers in the light of its actual operation indicates that Scripture Press Foundation was organized for the primary purpose of



producing, distributing and selling religious literature and supplies to religious organizations. It is true that the language of its charter powers indicates a purpose for 'The dissemination of the Gospel, the distribution of the Scriptures, of extracts therefrom, of devotional and other literature relating thereto, and of helps and supplies for use in Christian activities.' Such purpose is accomplished only by the distribution and sale of such literature and supplies to religious organizations, which in turn use, them in conducting their religious activity. We are of the opinion that \*\*\* such activities are secular in nature and not exclusively religious, \*\*\* the same as any other commercial service organization furnishing to a religious institution necessary services such as fuel, lights, building material or any other item necessary to its ordinary and customary functioning." (emphasis added.) Scripture Press Foundation at 355-56.

The court observed that there was no evidence that the foundation itself engaged directly in religious activities such as maintaining missionaries in the field, nor did it conduct Bible or Sunday Schools. It was "pertinent" that the profits of the foundation were reinvested on production and sales at a profit and that, upon a dissolution, the assets of the foundation could go to secular organizations or private individuals, including its officers. The court distinguished Congressional Sunday School on the ground that the earlier opinion interpreted only a statutory tax exemption for "charitable and beneficent organization" and not based on "religious purposes". Scripture Press Foundation at 343, 357-360

Cases following Scripture Press Foundation have adhered to its distinction between nonprofit organizations that engage directly in religious activities, such as worship, missionary work, and religious education, and secular organizations that merely supply religious entities with materials to conduct such activities.

In Inter-Varsity Christian Fellowship v. Hoffman, 62 Ill.App.3d 798 (2<sup>nd</sup> Dist. 1978) the Illinois appellate court addressed whether property of an evangelical organization used to prepare and distribute Christian literature could qualify for exemption under the religious property tax exemption. Although the court held that the applicant fellowship did qualify for the exemption, the facts presented in Inter-Varsity are readily distinguishable from those before me.

First, the record in Inter-Varsity shows that the fellowship based the price of each publication that it sold strictly on its cost to the fellowship. *Id.* at 800, 803. The record contains absolutely no evidence proving how 3ABN determines the prices of the satellite dishes, videos, airtime, CD's and other items that it sells other than Danny Shelton's testimony that the pricing guide applicant uses for sales of its videos, CD's etc. is "that they are affordable." (Tr. pp. 168-170). Absent this evidence, I must resolve all failures of proof against the applicant and in favor of taxation. People ex rel. Norland v. Home for the Aged, 40 Ill.2d 91 (1968); Gas Research Institute v. Department of Revenue, 154 Ill.App.3d 430 (1<sup>st</sup> Dist. 1987). Therefore, I conclude that applicant employs a non-exempt commercial or retail pricing system unlike the Inter-Varsity Fellowship pricing method.

Second, the Inter-Varsity record specifically disclosed that the fellowship provided "a substantial amount of materials free or below cost to groups that are targeted for its message." Inter-Varsity, *supra*, at 803. Specifically, the fellowship gave away no less than 10% of its total publications free of charge and sold an unspecified amount of its literature "at half price to individuals with the idea that they would give the books away." *Id.* at 800.

Such is not the case here. Applicant did not establish that they gave anything away free except for the catalogues that list the merchandise that is for sale. In addition, absent evidence to the contrary, I conclude that at least one private individual, Linda Shelton, profits from the sale of items listed in the catalogue. Applicant's board has no written policy to give away or donate its satellite systems, nor was a clear policy even articulated through oral testimony. Rather, if an individual were unable to pay the cost of the system, applicant's secretary would contact Danny Shelton who would determine, with the board's guidance, whether the product should be given away. "Applicant has no policy that says give away." (Tr. pp. 295-303).

In fact, applicant has no records of materials given away in 2000 or 2001. Applicant has no specific written policy that outlines what factors are used or what direction is given by applicant's board or president that allows applicant to distribute items at a reduced rate or free of charge. (Tr. pp. 586-589, 614-616). Applicant has, therefore, failed to establish that the facts relied upon by the Inter-Varsity court to grant the exemption therein are present in this case.

Finally, in Evangelical Teacher Training Ass'n v. Novak, 118 Ill. App.3d 21 (1983) a nonprofit association of religious educational institutions promoted Christian education by sending its officers to lecture at religious colleges, advising religious educators on training seminary students, preparing materials for Bible courses that were written by faculty at member schools, and distributing its publications, often free, to libraries and schools. In affirming the entitlement to a property tax exemption, the appellate court distinguished Scripture Press Foundation in several respects. First the training association constituents were religious organizations and its officers were ministers. Second, upon dissolution, the training association's assets would go to a charitable purpose. Third, the training association did far more than distribute religious materials to others; its officers were deeply involved in religious teaching, which served "to directly accomplish its corporate purpose, the promotion of Christian education, in a manner which could not be achieved through the mere sale or distribution of its books and religious materials." Evangelical Teacher Training 118 Ill. App. 3d at 26. Similar to the circumstances in Scripture Press Foundation and its distinction expressed in Evangelical Teacher Training, 3ABN's officers are not ministers and its constituents are not religious organizations. Upon dissolution, there is no language in the 3ABN by-laws and articles of incorporation regarding the distribution of assets. 3ABN has not established that it has officers deeply involved in religious teaching that serve to accomplish the promotion of Christian education.

001740

Although the foregoing opinions do not lay down a completely clear or rigid formula for deciding whether property is being used exclusively for religious purpose, the facts in this case compel me to find that applicant's property was not so used in 2000 and 2001. There is no evidence in that time period that applicant's officers were members of the clergy or that it was directly affiliated with a religious organization. More importantly, the evidence overwhelmingly shows that 3ABN directly engaged in little or no specifically religious activity and used the property in question for no such purpose. Instead, as was the case in Scripture Press Foundation, but unlike those in Inter-Varsity and Evangelical Teacher Training Ass'n, 3ABN achieves its corporate purpose of disseminating information by selling airtime, satellite dishes, and videos. The clear import from Scripture Press Foundation is that, when a secular nonprofit organization does not directly engage in religious activities but merely supplies materials to assist others in doing so, the organization is not using its real property "exclusively for religious purposes" as mandated by the statutes.

Because Deutsche Gemeinde, *supra*, explains that a religious purpose means a use of such property by a religious society or body of persons as a stated place for worship, Sunday schools and religious instruction, the question of whether applicant uses the property for religious purposes must be answered in the negative. Applicant unequivocally fails to satisfy this statutory mandate.

Applicant is not a religious society or body of persons. Instead, applicant admits it is an organization of lay persons that is not part of the Seventh-day Adventist Church. The majority of the property in question is not a stated place for worship, Sunday School, and religious instruction as mandated by Deutsche Gemeinde. Not only are Sabbath Services not held on the majority of the property, but according to the testimony of Pastor Bishop, the public is unaware

001741

of any mini worship services that are held there. (Tr. pp. 539-541). Deutsche Gemeinde requires that such facts must be stated. *Id.* at 136.

As a lay institution, applicant entered into a formal contract with the Seventh-day Adventist Church that acknowledges the church's support of applicant's efforts. However, the property isn't used solely for applicant's programming. Other entities purchase time for programming that is non-religious. There is no indication in the record that what applicant charges for the sale of its airtime is not competitive. Furthermore, it is very evident that applicant is marketing its own products and goods for purchase. Applicant is advocating a way of life but it is a lifestyle that applicant favors, not a religion. Leasing or otherwise using property to promote a lifestyle and to market merchandise does not qualify as a use of property for primarily religious purposes.

Illinois case law recognizes that certain entities qualify for exemption if their operations are directed and controlled by another exempt entity. People ex rel. Goodman v. University of Illinois Foundation, 388 Ill. 363 (1944), Southern Illinois University Foundation v. Booker, 98 Ill.App.3d 1062 (5<sup>th</sup> Dist. 1981). In these cases the two exempt public universities were subject to statutory debt limitations that made it legally impossible for them to obtain the financing for the purchase of the properties at issue. The university foundations purchased the properties for their respective university. The legal limitations did not apply to the respective foundations that purchased and held legal title to the properties at issue. The organizational documents of each of the foundations stated that the foundation entities were strictly for the benefit of the respective university. Based upon those provisions, the courts concluded that the universities exercised sufficient direction and control over the foundation to place equitable ownership of the properties in the university.

Applicant's contract with the Seventh-day Adventists does not state that applicant's use of the property is contingent upon any control whatsoever of the Seventh-day Adventist Church. The document merely states that the entities support the efforts of each other. Nothing in the record establishes the Seventh-day Adventist's authority to operate the subject property under its own jurisdiction, and, in fact, the testimony of Danny Shelton was that applicant is not owned by or controlled by the Seventh-day Adventist Church. Although Danny Shelton testified that he has written three books about the teachings and principles of the Seventh-day Adventist Church, (Tr. pp. 155-157) those books were not admitted into evidence, nor were the circumstances regarding the religious nature or financial information about the books admitted into evidence. Certainly nothing connects the writing, publication, or distribution of that material to the property at issue.

In addition, there is discrepancy in the testimony of Linda Shelton. She stated she did not receive royalty payments for the CDs (Tr. pp. 595, 617) and later admitted that she did (Tr. p. 619). The CD admitted into evidence, entitled "I think About Grace", has a copyright mark on it. (Applicant's Ex. No. 24). Broadcast Music Incorporated, a private company unaffiliated with applicant, licenses her songs. (Tr. pp. 617-620). The songs on the CD belong to Linda, and were copyrighted by her in 2001. (Tr. pp. 620-623). Linda insisted that the (800) area code, toll free telephone number is strictly for prayer requests (Tr. p. 608, 612); however, it is the number listed on the inside label of her CD that was admitted into evidence. The (800) telephone number is listed for ordering additional CDs. The outside label had the (618) area code telephone number listed with the address of applicant. Applicant's Fall/Winter 2001-2002 newsletter has an advertisement for Linda Shelton's new CD, "I Think About Grace." The advertisement has the toll free number listed for orders. (Intervenor's Ex. No. 8; Applicant's Ex. No. 24; Tr. pp. 644-645).

Based upon the record, I conclude that applicant, a non-religious entity and commercial enterprise, maintains control over the operations conducted on the property at issue.

Where property is used for two purposes, one of which is exempt from taxation and the other of which is not, tax should be imposed against the part of the property that does not qualify for exemption, and not imposed against the portion that qualifies. Fairview Haven v. Department of Revenue, 153 Ill.App.3d 763 (4<sup>th</sup> Dist. 1987). In the second floor of the administrative production center, applicant has two offices, each 14' x 18'. Applicant's staff includes four Seventh-day Adventist ministers that answer telephones in those offices and pray with people. The pastors lead daily worship services in these rooms. The use of the two offices for prayer is consistent with the religious activities required under Deutsche Gemeinde, supra.

#### **Leased or Otherwise Used With a View to Profit**

The religious property tax exemption also mandates that the property not be "leased or otherwise used with a view to profit." 35 ILCS 200/15-40<sup>20</sup> Applicant's property is most definitely used with a view to profit. Both applicant's own corporate growth and the profit inuring to individuals result from applicant's use of the subject property. According to applicant's 2001 financial statement, applicant's assets have accumulated to over forty-two million dollars (\$42,000,000), approximately three times the total revenue for 2001 of slightly under fourteen million dollars (\$14,000,000). The income raised and accumulated by applicant has allowed it to purchase an airplane, a state-of-the art recording studio, and other audio/video production facilities and tools. The airplane is a business airplane that is used to promote the Shelton's commercial enterprises and expand the target audience areas where 3ABN does its business. Danny Shelton uses the airplane to allow him to speak to groups around the world and to advertise that 3ABN is available. Unspecified donations for his speaking come as an added

---

<sup>20</sup> See Footnote No. 20 for the 2001 amendment to the statute.

bonus. Applicant provided no information in its financials as to where the amounts listed as contributions come from and/or who contributes. Nor is there any indication in the record that Danny Shelton is traveling to advocate the Seventh-day Adventist doctrine or faith.

Danny Shelton testified that he earned an annual salary of approximately \$50,000 and Linda Shelton earned a similar salary. He also stated that the Sheltons have asked not to receive retirement benefits and have requested to keep their compensations around those amounts. The Sheltons also get medical insurance and dental insurance. (Tr. pp. 140-141). The financial statements of the applicant for 2000, in its schedule of supporting service expenses, management and general expenses, list wages of \$1,802,307.48. Applicant did not provide a break down of those wages. For 2001, applicant's financial statement lists wages of \$1,219,639.23 in its schedule of supporting service expenses, management and general expenses, and wages in the schedule of program service expenses, television and radio broadcasting expenses category of \$825,160.07. Applicant did not explain those amounts and to whom the wages were given. Applicant did not verify or establish the assertions of Danny Shelton regarding the retirement benefits and wage amounts with copies of the Shelton's W-2's or any other evidence. No evidence was given to establish how the wage amounts in the financial statements should be broken down, or even for how many employees these wages apply. The estimated liability for future group medical insurance claims in 2000 was \$37,399.30 and in 2001, \$24,482.41. Those amounts were also not explained. I take administrative notice of the fact that applicant did not supply a federal form 990, "Return of Organization Exempt From Income Tax" that must be filed with the Internal Revenue Service to support Shelton's assertions about wages, lack of compensation for directors, pension plan contributions, or other financial considerations.

According to the incorporation documents submitted, the four directors of the company are Danny L. Shelton, Linda Shelton, Kenneth Joel Shelton, and Emma Lou Shelton. Applicant



failed to produce any evidence that this is not a closely held business with profits inuring to the family. Applicant failed to establish what the relationship is between Kenneth Joel Shelton, Emma Lou Shelton, Danny Shelton and Linda Shelton or that the relationship of Kenneth Joel Shelton and Emma Lou Shelton with Linda and Danny Shelton is not one of direct family. This is of import because these are the only names of the directors of the applicant, and two of them are controlling corporate officers. Applicant has produced no evidence to negate the supposition that Danny and Linda Shelton maintain control of this organization. Although the by-laws state that the number of directors of the corporation is seven (7) to fifteen (15), applicant failed to explain the discrepancy between these numbers and the four Shelton directors shown on the articles of incorporation.

Decisions concerning terms and conditions of employment are normally left to the business judgment of an applicant's governing board and courts generally presume that a governing board will act in good faith and in furtherance of a company's best interest when making such decisions. Spillyards, et al. v. Abboud, et al. 278 Ill.App.3d 663, 681 (4<sup>th</sup> Dist. 1996). As such, courts usually will not interfere with governing board's business judgment absent a showing that the governing board acted in bad faith, abused its discretion, or committed gross negligence. *Id.*

This protective presumption does not attach where the directors have an improper interest in the subject matter. *Id.* 3ABN's corporate documents create such an improper interest by providing that all four directors share the last name of Shelton and have Rural Route #2, West Frankfort, Illinois 62896 as their mailing address. As presumed family members, the corporate control rights normally exercised by the board become personal and one can fully expect the board's authority to be exercised in a manner that provides them with the greatest financial return. I must conclude from the evidence of record, that applicant is controlled by Danny and

Linda Shelton, and all final decisions are made by them and not by a disinterested impartial board of directors.

Linda Shelton is certainly operating a commercial enterprise with the production of her CDs. The programming done on the property generates large sums of money. Applicant has failed to establish that it is not charging everyone that purchases or uses its products, facilities, and programs at prices above the cost of operation. On the contrary, these appear to be arms-length transactions producing fees no different than a non-exempt business enterprise would generate. Programming and broadcasting are done for profit on this property, as clearly shown by applicant's financial statements.

Section 15-40 expressly forbids this type of management by barring exemption where the property is "used with a view to a profit." 35 ILCS 200/15-40. Although most of the case law concerning uses for profit has developed in the context of leased property, Illinois courts have uniformly denied exemption to properties primarily used for purposes of providing their owners with some form of return on their investment. People ex rel. Baldwin v. Jessamine Withers Home, 312 Ill. 136, 140-141 (1934); People ex rel. Lloyd v. University of Illinois, 357 Ill. 369 (1924); People ex rel. County Collector v. Hopedale Medical Foundation, 451 Ill.2d 450 (1970); Victory Christian Church v. Department of Revenue, 264 Ill.App.3d 919, 923-924 (1<sup>st</sup> Dist. 1988); Wheaton College v. Department of Revenue, 155 Ill.App.3d 945 (2<sup>nd</sup> Dist. 1987); American National Bank and Trust Company v. Department of Revenue, 242 Ill.App.3d 716 (2<sup>nd</sup> Dist. 1993); Immanuel Evangelical Lutheran Church of Springfield v. Illinois Department of Revenue, 267 Ill.App.3d 678 (1994).

The operation of 3ABN on the property in question generates a significant profit for applicant. Applicant broadcasts its programs to a customer base comprised of persons that purchase applicant's dish systems. The nature of applicant's programming and CDs is the

encouragement of a healthy lifestyle, for a price. Although there may be religious overtones in applicant's use of the property, that is not sufficient to qualify for a religious property tax exemption. Were I to recommend a grant of tax exemption for the majority of the property at issue, which is clearly a commercial enterprise, it would give applicant an unfair commercial advantage over other commercially owned and operated radio and television stations.

Although applicant executed the declaration with the General Conference of Seventh-day Adventists, the declaration simply expresses the support of each entity for the endeavors of the other. The declaration confirms that the Seventh-day Adventist church supports the principles of the applicant but establishes no formal interaction between the two entities. There is no obligation on the part of the applicant to use the property for Seventh-day Adventist activities, doctrines or programming, and in fact applicant charged the Seventh-day Adventist Church for its programs, just like it charged all its other customers.

Applicant's activities have brought it to a position where it can consider the spin-off of for-profit corporations dedicated to activities that cannot be done by a not-for-profit entity. (Tr. pp. 376-385). Additionally, accumulated capital equipment and resources obtained and maintained by applicant (for example, the 800 toll free telephone number) are used in conjunction with ordering applicant's equipment and products. Applicant has accumulated sufficient wealth that it is currently in the process of setting up its own music label and has purchased additional properties for various uses not contemplated under the not-for-profit statutes. (Tr. pp. 371-372, 376-385). At least one person, Linda Shelton, will benefit from that. (Tr. pp. 617-623, 643-645). Applicant has, therefore, not established that it does not profit from the enterprise conducted on the subject property, a fatal flaw to its exemption claim.

The audited financial statements prove that applicant netted a profit during the years at issue. Applicant has total revenues and other support in 2000 of \$14,452,519.91 and expenses of

\$13,239,904.62 for a net profit of \$1,212,615.29. For 2001, total revenues and other support were \$13,935,318.64 and expenses were \$11,940,167.11 for a net profit of \$1,995,151.53. It is difficult to totally understand applicant's financial position based solely on the financial statements submitted. The mere fact that applicant's financial records show a surplus may not be sufficient, in and of itself, to prevent 3ABN from obtaining exempt status. See, Children's Development Center v. Olson, 52 Ill.2d 332 (1972). Nevertheless, the fact that applicant maintained such a sizeable surplus *at the same time as* it was able to comfortably cover its operating expenses through its cash resources negates a finding that applicant does not use the property with a view to profit. Applicant has not established that it conducts charitable activities when it clearly has the resources to extend the use of the property and equipment on the property to charitable and/or religious entities at no cost. The record does not indicate that it did so.

#### **Charitable Tax Exemption Standards and Applicant's Claim for Charitable Exemption**

Section 15-65 of the Property Tax Code authorizes an exemption for property actually and exclusively used for charitable purposes and not leased or used with a view to profit. In Crerar v. Williams, 145 Ill. 625 (1893), the Illinois Supreme Court defined charity as follows:

A charity, in a legal sense, may be more fully defined as a gift, to be applied consistently with existing laws, for the benefit of an indefinite number of persons, either by bringing their hearts under the influence of education or religion, by relieving their bodies from disease, suffering or constraint, by assisting them to establish themselves for life, or by erecting or maintaining public government. *Id.* at 643

When determining whether an organization is charitable for purposes of tax exemptions, courts first look at an applicant's organizational documents. Morton Temple Association v. Department of Revenue, 158 Ill.App.3d 794 (3<sup>rd</sup> Dist. 1987). Applicant's by-laws fail to specify the nature of any charity that is to be dispensed and have no mention of charity as contemplated by Illinois statutes and case law. Illinois courts have long held that the lack of such wording in

the organizational document can be used as a basis for determining that an applicant is not a charitable organization as contemplated by the statute. People ex rel. Nordland v. Association of Winnebago Home for the Aged, 40 Ill.2d 91 (1968). In fact, even if such language appeared in these documents, the court in Albion Ruritan Club v. Department of Revenue, 209 Ill.App.3d 914 (5<sup>th</sup> Dist. 1991) said that the statements of the agents of an institution and the wording of its governing legal documents evidencing an intention to use its property exclusively for charitable purposes do not relieve such institution of the burden of proving that its property is actually and factually so used. *Id.* at 918.

Applicant's by-laws allow it, *inter alia*, (1) to develop religious programming for electronic transmission, (2) to buy and sell television and radio apparatus, (3) to develop, promote and produce recorded music and video programs, (4) to own or operate facilities for the public's welfare, (5) solicit support for its activities from the public, (6) promote interests of other affiliated organizations (7) own and lease property, (8) contract with other organizations in furtherance of applicant's purposes, and (9) operate within the meaning of section 501(c)(3) of the Internal Revenue Code. Although these by-laws express, generically, that the corporate purposes are exclusively religious, charitable, scientific or educational, the enumerated provisions illustrate that the organizational documents fail to satisfy the threshold tests set forth in Crerar v. Williams, *supra*.

In the case of Methodist Old Peoples Home v. Korzen, 39 Ill.2d 149 (1968), the Illinois Supreme Court articulated six guidelines to be used in determining whether or not an organization is charitable. Those six guidelines are as follows:

- (1) The benefits derived are for an indefinite number of persons;
- (2) The organization has no capital, capital stock or shareholders, and does not profit from the enterprise;

- (3) Funds are derived mainly from private and public charity, and are held in trust for the objectives and purposes expressed in its charter;
- (4) Charity is dispensed to all who need and apply for it;
- (5) No obstacles are placed in the way of those seeking the benefits; and
- (6) The primary use of the property is for charitable purposes.

Therefore, the focus of a charitable exemption is whether the applicant serves public interest and lessens the government's burden. Dupage County Board of Review v. Joint Commission on Accreditation of Health Care Organizations, 274 Ill.App.3d 461 at 466 (2<sup>nd</sup> Dist. 1995).

The purposes set forth in applicant's by-laws are that the applicant, in conjunction with various religious organizations, will develop and produce electronic transmission for television and radio broadcasting throughout the world. These purposes in and of themselves have no relationship to the guidelines listed in Methodist Old People's Home, *supra*. Further, the by-laws submitted by applicant are not complete, did not contain the entire corporate purpose section, and express, generically that the corporate purposes are religious, charitable, scientific or educational within the meaning of Section 501(c)(3) of the Internal Revenue Code. There is no language or prevailing authority that requires charity at all in the governing mandate for applicant and the by-laws state nothing about charity under the Illinois Constitution as it pertains to the grant of property tax exemptions.

Also contrary to the guidelines enumerated in Methodist Old People's Home, is the fact that applicant's property is used with a view to accumulating profits. According to applicant's 2001 financial statement, applicant's assets have accumulated to over forty two million dollars (\$42,000,000), approximately three times the total revenue for 2001 of slightly under fourteen million dollars (\$14,000,000). Although applicant does not issue capital stock nor has shareholders, the income raised and accumulated by applicant has allowed it to purchase an airplane, a state-of-the art recording studio, and other audio/video production facilities and tools.

Such an accumulation of income occurred during a time when there is no evidence that applicant dispensed or allowed its programs, goods, or property to be used by those not able to pay the costs applicant required. Clearly, this is in violation of a Methodist Old Peoples Home guideline.

The two leading cases on “profit or gain,” are People ex rel. County Collector v. Hopedale Medical Foundation, 46 Ill.2d 450 (1970) and Lutheran General Health Care System v. Department of Revenue, 231 Ill.App.3d 652 (1<sup>st</sup> Dist. 1992). In Hopedale it was held that the type of “profit or gain” prohibited under Methodist Old People’s Home is that which inures to the benefit of one or more private individuals engaged in managing the applicant’s enterprise. Hopedale, supra, at 454.

The compensation at issue in Hopedale consisted of Hopedale’s medical director and chief administrator, Dr. Rossi, exercising virtual control over the foundation’s operations, maintaining continuing security-related claims against the foundation’s assets, and receiving a salary of \$75,000 which the court found to be “substantial” even though it was paid in increments over five years. Rossi also purchased groceries for his family’s personal use using the non-profit foundation’s sales tax exemption on occasions when the foundation did not have sufficient funds to pay his salary. *Id.* at 450, 456-458, 463-464.

The compensation at issue in Lutheran General, supra, consisted solely of \$20 shares of stock that physicians, employed by the non-profit medical foundation, could purchase. *Id.* at 655, 662. If the physician’s employment ended, the foundation would re-purchase the doctor’s share of stock for \$20. The physicians had the right to vote on administrative matters while they owned the stock. *Id.* at 662. In comparing Lutheran General, where the court held that the compensation at issue did not constitute the type of pecuniary profit prohibited under Methodist Old People’s Home, with Hopedale, where the compensation at issue *did* violate that prohibition,

it is clear that the substance rather than the form of the compensation is decisive. Lutheran General, supra, at 662.

Applicant's remuneration to the Sheltons in the form of a van, an airplane at their disposal on weekends, the wages listed on the financial statements, and the total control over the operation by Danny Shelton, are similar to the circumstances listed by the court in Hopedale, that were found to violate the type of pecuniary profit prohibited under Methodist Old Peoples Home. The substance of applicant's activities on the subject property also shows that the applicant is profiting from the enterprise.

With respect to guidelines cited above as (1), (4) and (5) of Methodist Old Peoples Home, supra, applicant's by-laws are totally devoid of any references to a gift to be given to an indefinite number of persons, or a reduction of a governmental burden. Applicant was unable to establish that any satellite materials or dishes were given away or that there is a set policy that if one is in need of charity, they can obtain it.

Applicant receives donations, both restricted and unrestricted, from the public and generates additional revenue from the sale of airtime and products. The revenue generated from these ventures is approximately fourteen million dollars (\$14,000,000) a year. Applicant serves as a pass-through of dedicated funds donated by individuals, yet how the remaining unrestricted funds are used is unknown. The transmission of applicant's programming is effectuated through applicant's satellite systems and transmissions,<sup>21</sup> thereby establishing that viewers need to purchase those systems through either applicant or other entities.<sup>22</sup> Costs to viewers for such purchases are considerable and constitute a significant obstacle to those unable to afford the equipment. This obstacle prohibits disbursal to all who need and apply for it. Call center

---

<sup>21</sup> Additional radio, television, and cable transmissions may be available to recipients; however, the primary focus of applicant's operations is based on a sophisticated satellite system designed to receive applicant's programming.



workers are trained only to accommodate payment requests for applicant's products. As stated previously, applicant has not established that it provides a waiver of fees for those individuals that cannot afford its products, a most compelling factor according to Small v. Pangle, 60 Ill. 2d 510 (1975).

The network of programming created by applicant ensures that an audience is reached from whom donations are received, and said donations, together with revenues received from the sale of products, total approximately fourteen million dollars (\$14,000,000) a year and have led to the accumulation of over forty two million dollars (\$42,000,000) of net corporate assets. Even assuming, as applicant asserts, that satellites and/or programming systems are sold to purchasers at or slightly below cost, no documentary evidence was offered on this issue and I cannot reasonably conclude this as a fact based solely upon the oral testimony provided. Therefore, such an activity cannot be considered to be a "benefit to an indefinite number of persons." What is definitely established is that the activity is a benefit to the applicant as it expands its audience of potential donors and customers by providing them with the delivery system to ensure they will continue to observe applicant's programs, that, in turn, advertise a catalogue of merchandise sold by applicant at commercial rates.

Applicant asserts that it maintains an (800) area code telephone number strictly for prayer requests. However, none of applicant's order forms/catalogues state that pastors are available for prayer requests. Rather, the order forms are for the satellite dishes, videos, cassettes and other tangible personal property applicant sells to its viewers and subscribers. Both the (800) and the (618) area code telephone numbers are on those documents.

This case is not about applicant's beliefs, contrary to what was asserted consistently at the hearing. It is about whether the use of the subject property during 2000 and 2001 legally

---

<sup>22</sup> It is unclear exactly what the relationship is between applicant and Sky Angel and/or the financial arrangements

qualifies for a religious or charitable property tax exemption for those years. In Fairview Haven v. Department of Revenue, *supra*, the court granted a property tax exemption for the intermediate care facility owned by a religious organization and denied the requested exemption for the independent-living units. As part of its analysis, the court discusses the fact that:

governmental entities may not inhibit the free exercise of religion or act in such a way as to foster any particular belief. Therefore, governmental bodies are precluded from resolving disputes on the basis of religious doctrine (Grace Evangelical Lutheran Church v. Lutheran Church-Missouri Synod (1983), 118 Ill.App.3d 151, 73 Ill.Dec. 789, 454 N.E.2d 1038) and must respect the internal autonomy of religious organizations. (Lowe v. First Presbyterian Church (1974), 56 Ill.2d 404, 308 N.E.2d 801). In the tax context, the first amendment requires the court to accept the entity's characterization of its activities and beliefs as religious as long as the characterization is in good faith. Holy Spirit Association for the Unification of World Christianity v. Tax Commission, (1982), 55 N.Y.2d 512, 518, 450 N.Y.S.2d 292, 293, 435 N.E.2d 662, 663. Fairview Haven at 772-773.

In its analysis of the use of the subject properties, the court found that the applicant was a religious organization; however, the court went on to state that the second prong of the test for a property tax exemption is whether the use of the property complied with the necessary section of the statutes. This does not violate an individual's or organization's rights to practice religion as it neither assesses the inherent validity of the belief structure nor determines whether the particular conduct conforms to the standards or purposes of a religious group. *Id.* at 772-774.

Similarly, in this case, an analysis of applicant's use of the property is necessary. The case is also not about whether or not what the applicant is doing is good for people. No one disputes that family oriented programming is positive and that applicant's programming is family oriented and includes programming intended to further physically healthy lifestyles. However, contrary to applicant's assertions, these types of programming conducted on a property do not, *ipso facto*, result in a tax exemption for that property.

---

between the two.

Danny and Linda Shelton have control of applicant. They regulate the amount they are paid. They have control of programming. They regulate all contracts. Applicant uses this property to produce television programs, to sell equipment, radio and television time, and to sell merchandise, and, absent evidence to the contrary, sales are made at commercially competitive prices.

While a significant portion of the materials may incidentally relate to religious topics, applicant is a radio and television/satellite broadcasting, sales, and publishing corporation that sells, markets and/or otherwise distributes its products to outside entities or individuals. Outside entities are attracted to the content of applicant's programs that are consistent with the tenets of the Seventh-day Adventist Church, yet the existence of this religiously-oriented client base does not impute upon applicant the characterization that applicant is, itself, a religious institution using the subject property in furtherance of religious or charitable activities.

Applicant filed a "Motion For Leave To File Instanter" requesting that I consider two Department of Revenue administrative decisions, Basilean Films Foundation, Inc. v. The Department of Revenue of the State of Illinois, Docket No. 93-22-344 and Muhammad's Holy Temple of Islam v. The Department of Revenue of the State of Illinois, Docket No. 01-PT-0061. The motion was granted by the order dated July 28, 2003. In Basilean Films, a religious and charitable organization owned a house and used a portion of it for writing, producing, and editing religious video tapes, audio tapes, and books for Christian organizations world-wide. Those sections of the house qualified for a property tax exemption. The areas of the house used primarily for residential purposes did not qualify for exemption.

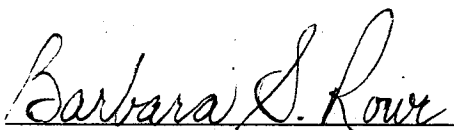
In Muhammad's Holy Temple of Islam, an Islamic organization owned a three-story building that was used for training in the Islamic religion. At hearing, Muhammad's Holy

Temple established that it was, in fact, a religious Islamic organization and that the training was an essential part of its religious purposes.

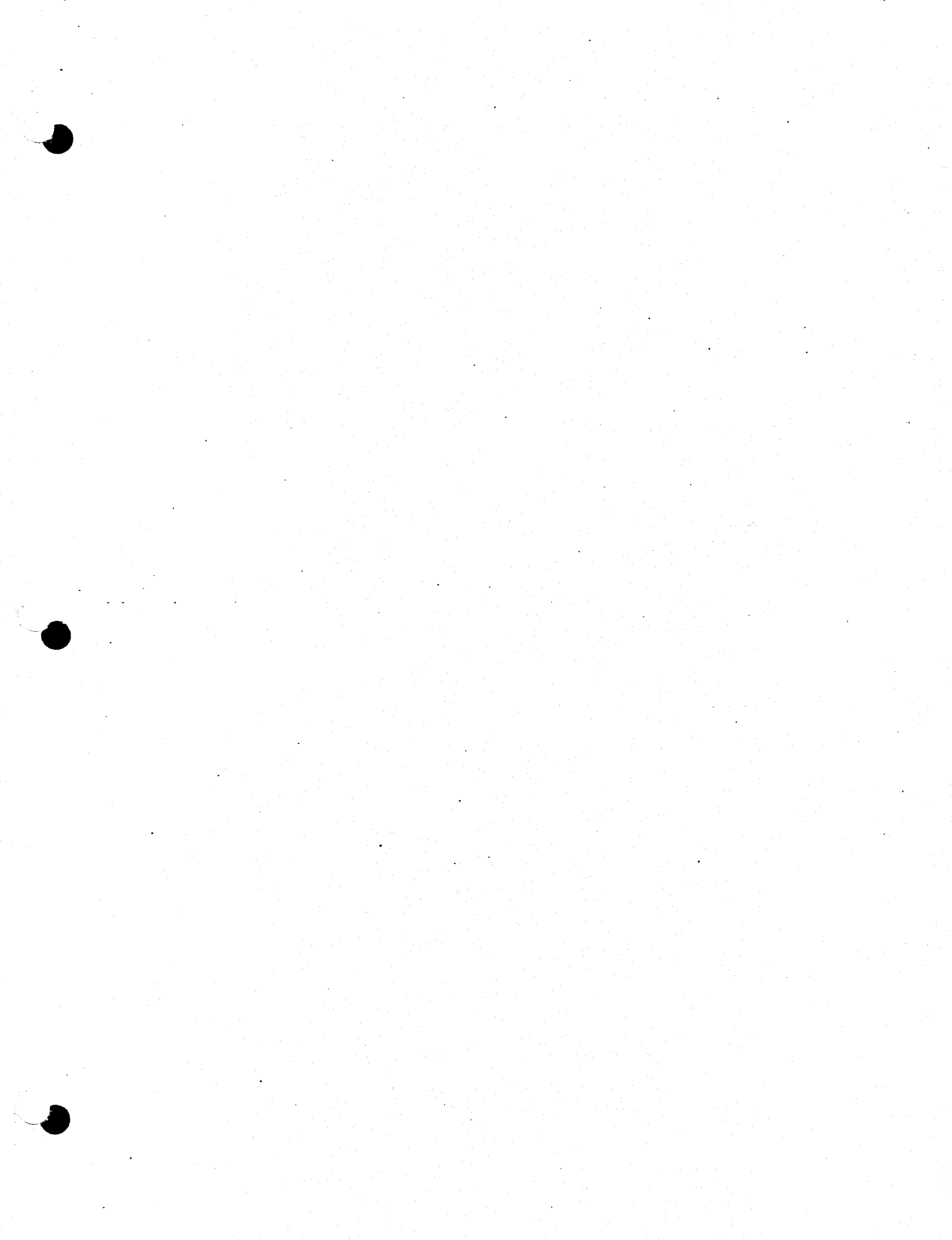
The Department, as shown by these cases, grants exemptions for religious organizations that use property for exempt religious purposes and not with a view to profit. As discussed above, applicant is not only not a religious organization, but, more importantly, does not primarily use the property for religious purposes without a view to profit.

For the aforementioned reasons it is recommended that Franklin County Parcel Index No. 174-116-11 remain on the tax rolls for the 2000 and 2001 assessment years and be assessed to the applicant, the owner thereof, except for the two pastor's offices, each measuring 14 feet by 18 feet, on the second floor of the administrative production center building, and a corresponding amount of land. That area, I recommend, be granted a property tax exemption as used for religious purposes without a view to profit.

Respectfully Submitted,



Barbara S. Rowe  
Administrative Law Judge  
January 28, 2004



STATE OF ILLINOIS  
DEPARTMENT OF REVENUE  
OFFICE OF ADMINISTRATIVE HEARINGS  
SPRINGFIELD, ILLINOIS

---

THREE ANGELS BROADCASTING NETWORK,

Applicant

v.

THE DEPARTMENT OF REVENUE  
OF THE STATE OF ILLINOIS

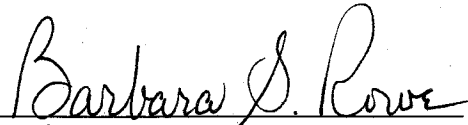
No. 01-PT-0027

---

**CERTIFICATION OF RECORD**

The undersigned, hereby certifies that the foregoing transcript and accompanying documents within this administrative record, comprise a true, correct and complete copy of the original record of the administrative proceedings taken before the Illinois Department of Revenue in the above entitled cause.

Dated this 1<sup>st</sup> day of July, 2004.

  
Barbara S. Rowe  
Administrative Law Judge

