

PLANS  
People for Legal and Nonsectarian Schools

<http://www.dandugan.com/waldorf> • [plans@dandugan.com](mailto:plans@dandugan.com)  
Debra Snell, President • 12562 Rough & Ready Highway, Grass  
Valley, CA 95945 • phone: (530) 273-1005 • fax: (530) 273-4758  
Dan Dugan, Secretary • 290 Napoleon St., San Francisco, CA  
94124 • phone: (415) 821-9776 • fax: (415) 826-7699

August 1, 1999

Internal Revenue Service  
P.O. Box 192  
Covington, KY 41012-0192

Memorandum of Transmittal

Dear IRS,

Herewith is our Application for Recognition of Exemption, including:

Form 1023 Parts I through IV  
Form 8718  
Check for \$150 attached  
Articles of Incorporation  
Bylaws  
Solicitation for funds from web site  
Form 872-C in duplicate  
Profit and Loss Statement, December 1998  
Profit and Loss Statement, June 1999  
Balance Sheet, December 1998  
Balance Sheet, June 30, 1999

Sincerely yours,



Dan Dugan  
Secretary, PLANS

200  
+ 2  
+ 12

**Application for Recognition of Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
*Filed Pursuant to Section 301.9100-2*

OMB No. 1545-0056  
**Note:** If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.

**A User Fee must be attached to this application.**

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

**Complete the Procedural Checklist on page 8 of the instructions.**

**Part I Identification of Applicant**

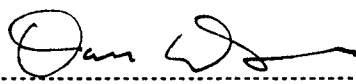
1a Full name of organization (as shown in organizing document) <i>(PLANS)</i> <i>People for Legal and Nonsectarian Schools</i>		2 Employer identification number (EIN) (If none, see page 3 of the <b>Specific Instructions</b> .) <i>94: 3334509</i>
1b c/o Name (if applicable) <i>Dan Dugan</i>		3 Name and telephone number of person to be contacted if additional information is needed <i>Dan Dugan</i> <i>(415) 821-9776</i>
1c Address (number and street) <i>12562 Rough and Ready Highway</i>	Room/Suite	
1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see <b>Specific Instructions</b> for Part I, page 3. <i>Grass Valley, CA 95945</i>		4 Month the annual accounting period ends <i>June December</i> <i>Q</i>
1e Web site address <i>http://www.dandugan.com/waldorf</i>		5 Date incorporated or formed <i>June 30, 1997 July 1</i> <i>Q</i>
6 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k) d <input type="checkbox"/> 501(n)		
7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach an explanation.		
8 Is the organization required to file Form 990 (or Form 990-EZ)? . . . . . <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach an explanation (see page 3 of the <b>Specific Instructions</b> ).		
9 Has the organization filed Federal income tax returns or exempt organization information returns? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.		

**10** Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See **Specific Instructions** for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)

- a  Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
- b  Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c  Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here  *Dan Dugan, Chief Financial Officer* 7/13/99  
 (Signature) (Type or print name and title or authority of signer) (Date)

**Part II Activities and Operational Information**

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

PLANS attempts to remove public funding from Waldorf programs in public schools by legal action. February 11, 1998, PLANS filed a federal lawsuit on behalf of PLANS members and the public against two school districts for violation of first amendment separation of church and state. Trial date October 12, 1999. 50%

PLANS maintains a publicly accessible Internet email list for discussion of Waldorf education as viewed from outside the cult of Rudolf Steiner. The list provides public information and a forum for discussion between supporters and opponents. Approximately 100 subscribers. Begun September 23, 1995. Administrated by PLANS Secretary. 20%

PLANS maintains a World Wide Web site with a collection of articles about Anthroposophy and Waldorf education, a description of the organization, appeal for contributions, mailing list archives, bookstore, and links to allied organizations. Established March 1996. Has 20 to 40 visitors per day. Administered by PLANS Secretary. 15%

PLANS has a packet of articles about Waldorf education that is mailed to school boards considering Waldorf and also sent to inquirers for a \$15 donation. 5%

PLANS offers a slide show talk to school boards, parent groups or any interested organization about Waldorf education. First presented February 26, 1996. 5%

PLANS board members counsel parents who contact us by telephone and email with questions about Waldorf education. 2%

PLANS provides a research library and research services to lawyers preparing cases involving Waldorf education. 2%

PLANS board members answer telephone and email questions from reporters writing about Waldorf education. 1%

In the future, PLANS intends to advertise in magazines targeting parents and teachers. PLANS intends to publish a pamphlet to every school board member in the U.S.A.

- 2 What are or will be the organization's sources of financial support? List in order of size.

a) A grant from Pacific Justice Institute in support of church/state litigation  
b) Donations from members

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

We have not to date engaged in any formal fundraising activity. We plan to apply for grants. Copy of appeal on web page attached.

**Part II** Activities and Operational Information (Continued)

**4** Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
Debra Small, President: 12562 Rough + Ready Highway, Grass Valley, CA 95945	none
Kathleen Sutphen, Vice-President: P.O. Box 690, Nevada City, CA 95959	none
Dan Dugan, Secretary: 290 Napoleon St., San Francisco, CA 94124	none
Judith Daan, Director: 1641 Franklin St., Berkeley, CA 94702	none
James M. Morton, Jr., Director: 634 Morgan Ranch Drive, Grass Valley, CA 95945	none
Daniel Sebsey: Director: 70 Yosemite Ave. #309, Grass Valley, CA 95945	none

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials?  Yes  No  
 If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See Specific Instructions for Part II, Line 4d, on page 3.)  Yes  No  
 If "Yes," explain.

5 Does the organization control or is it controlled by any other organization?  Yes  No  
 Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors?  Yes  No  
 If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees?  Yes  No  
 If "Yes," explain fully and identify the other organizations involved.

We have received an earmarked grant for legal expenses, to be paid directly to our lawyer, from Pacific Justice Institute, 165-A Commerce Circle, Sacramento CA 95815.

7 Is the organization financially accountable to any other organization?  Yes  No  
 If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

**Part II** Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A."

*A checking account.*

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? . . . .  Yes  No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? . . . .  Yes  No

b Is the organization a party to any leases? . . . .  Yes  No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization? . . . .  Yes  No  
If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues.

b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.

c What benefits do (or will) the members receive in exchange for their payment of dues?

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? . . . .  N/A  Yes  No  
If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

*A donation of \$15.00 is requested for a 65-page articles packet.*

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? . . . .  N/A  Yes  No

If "Yes," explain how the recipients or beneficiaries are or will be selected.

13 Does or will the organization attempt to influence legislation? . . . .  Yes  No

If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? . . . .  Yes  No

If "Yes," explain fully.

**Part III** Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? . . . . .  Yes  No  
If you answer "Yes," do not answer questions on lines 2 through 6 below.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

**Exceptions**—You are not required to file an exemption application within 15 months if the organization:

- a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See **Specific Instructions**, Line 2a, on page 4;
- b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed?. . . . .  Yes  No

If "Yes," your organization qualifies under Regulation section 301.9100-2, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 6.

If "No," answer question 4.

4 If you answer "No" to question 3, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? . . . . .  Yes  No

If "Yes," give the reasons for not filing this application within the 27-month period described in question 3. See **Specific Instructions**, Part III, Line 4, before completing this item. Do not answer questions 5 and 6.

If "No," answer questions 5 and 6.

5 If you answer "No" to question 4, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? . . .  Yes  No

6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here  and attach a completed page 1 of Form 1024 to this application.

**Part III** Technical Requirements (Continued)

- 7 Is the organization a private foundation?  
 Yes (Answer question 8.)  
 No (Answer question 9 and proceed as instructed.)

- 8 If you answer "Yes" to question 7, does the organization claim to be a private operating foundation?  
 Yes (Complete Schedule E.)  
 No

After answering question 8 on this line, go to line 14 on page 7.

- 9 If you answer "No" to question 7, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

**THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:**

- |   |  |  |
|---|--|--|
| a | <input type="checkbox"/> As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A.)   | Sections 509(a)(1) and 170(b)(1)(A)(i)                       |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.)   | Sections 509(a)(1) and 170(b)(1)(A)(ii)                      |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (These organizations, except for hospital service organizations, MUST COMPLETE SCHEDULE C.)                                      | Sections 509(a)(1) and 170(b)(1)(A)(iii)                     |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1).  | Sections 509(a)(1) and 170(b)(1)(A)(v)                       |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d, g, h, or i (MUST COMPLETE SCHEDULE D.)   | Section 509(a)(3)  |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public safety.  | Section 509(a)(4)  |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit.  | Sections 509(a)(1) and 170(b)(1)(A)(iv)                      |
| h | <input type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.  | Sections 509(a)(1) and 170(b)(1)(A)(vi)                      |
| i | <input type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2)  |
| j | <input checked="" type="checkbox"/> The organization is a publicly supported organization but is not sure whether it meets the public support test of h or i. The organization would like the IRS to decide the proper classification.   | Sections 509(a)(1) and 170(b)(1)(A)(vi) or Section 509(a)(2) |

If you checked one of the boxes a through f in question 9, go to question 14. If you checked box g in question 9, go to questions 11 and 12. If you checked box h, i, or j, in question 9, go to question 10.

**Part III Technical Requirements (Continued)**

- 10** If you checked box **h**, **i**, or **j** in question 9, has the organization completed a tax year of at least 8 months?  
 **Yes**—Indicate whether you are requesting:  
 A definitive ruling. (Answer questions 11 through 14.)  
 An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed and signed.)  
 **No**—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023.

**11** If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

**12** If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here  and:

- a** Enter 2% of line 8, column (e), Total, of Part IV-A . . . . .  
**b** Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 12a above.

**13** If you are requesting a definitive ruling under section 509(a)(2), check here  and:

- a** For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions**, Part II, Line 4d, on page 3.)  
**b** For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

14 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
Is the organization a church? . . . . .		✓	A
Is the organization, or any part of it, a school? . . . . .		✓	B
Is the organization, or any part of it, a hospital or medical research organization? . . . . .		✓	C
Is the organization a section 509(a)(3) supporting organization? . . . . .		✓	D
Is the organization a private operating foundation? . . . . .		✓	E
Is the organization, or any part of it, a home for the aged or handicapped? . . . . .		✓	F
Is the organization, or any part of it, a child care organization? . . . . .		✓	G
Does the organization provide or administer any scholarship benefits, student aid, etc.? . . . .		✓	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . . .		✓	I



**Part IV Financial Data**

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

**A. Statement of Revenue and Expenses**

	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
		(a) From 1/1 to 6/30/99	(b) 1998	(c) 1997	
Revenue	1 Gifts, grants, and contributions received (not including unusual grants—see page 6 of the instructions).	3309.31	2594.90	0	5,904.21
	2 Membership fees received	55.00	623.93	0	678.93
	3 Gross investment income (see instructions for definition)	0	0	0	0
	4 Net income from organization's unrelated business activities not included on line 3	0	0	0	0
	5 Tax revenues levied for and either paid to or spent on behalf of the organization	0	0	0	0
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)	0	0	0	0
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule)	0	0	0	0
	<b>8 Total</b> (add lines 1 through 7)	<b>3364.31</b>	<b>3218.83</b>	<b>0</b>	<b>6,583.14</b>
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22	12.32	36.46	0	48.78
	<b>10 Total</b> (add lines 8 and 9)	<b>3376.63</b>	<b>3255.29</b>	<b>0</b>	<b>6,631.92</b>
	11 Gain or loss from sale of capital assets (attach schedule)	0	0	0	0
	12 Unusual grants	0	0	0	0
	<b>13 Total revenue</b> (add lines 10 through 12)	<b>3376.63</b>	<b>3255.29</b>	<b>0</b>	<b>6,631.92</b>
Expenses	14 Fundraising expenses	0	0	0	0
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule)	0	0	0	0
	16 Disbursements to or for benefit of members (attach schedule)	0	0	0	0
	17 Compensation of officers, directors, and trustees (attach schedule)	0	0	0	0
	18 Other salaries and wages	0	0	0	0
	19 Interest	0	0	0	0
	20 Occupancy (rent, utilities, etc.)	0	0	0	0
	21 Depreciation and depletion	0	0	0	0
	22 Other (attach schedule) (P+L)	21705.75	9070.44	0	30,776.19
	<b>23 Total expenses</b> (add lines 14 through 22)	<b>21705.75</b>	<b>9070.44</b>	<b>0</b>	<b>30,776.19</b>
	24 Excess of revenue over expenses (line 13 minus line 23)	(18329.12)	(5815.15)	0	(24,144.27)

**Part IV Financial Data (Continued)**

B. Balance Sheet (at the end of the period shown) <span style="float: right;">6/30/99</span>		Current tax year Date <u>1999</u>
<b>Assets</b>		
1	Cash . . . . .	435.48
2	Accounts receivable, net . . . . .	0
3	Inventories . . . . .	0
4	Bonds and notes receivable (attach schedule) . . . . .	0
5	Corporate stocks (attach schedule) . . . . .	0
6	Mortgage loans (attach schedule) . . . . .	0
7	Other investments (attach schedule) . . . . .	0
8	Depreciable and depletable assets (attach schedule) . . . . .	0
9	Land . . . . .	0
10	Other assets (attach schedule) . . . . .	0
11	<b>Total assets</b> (add lines 1 through 10) . . . . .	435.48
<b>Liabilities</b>		
12	Accounts payable . . . . .	24,579.75
13	Contributions, gifts, grants, etc., payable . . . . .	0
14	Mortgages and notes payable (attach schedule) . . . . .	0
15	Other liabilities (attach schedule) . . . . .	0
16	<b>Total liabilities</b> (add lines 12 through 15) . . . . .	24,579.75
<b>Fund Balances or Net Assets</b>		
17	Total fund balances or net assets . . . . .	435.48
18	<b>Total liabilities and fund balances or net assets</b> (add line 16 and line 17) . . . . .	(24,144.27)

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation . . . . .

**User Fee for Exempt Organization  
 Determination Letter Request**

For IRS Use Only

▶ Attach this form to determination letter application.  
 (Form 8718 is NOT a determination letter application.)

Control number \_\_\_\_\_  
 Amount paid \_\_\_\_\_  
 User fee screener \_\_\_\_\_

1 Name of organization <i>People for Legal and Non-Sectarian Schools, Inc.</i>	2 Employer Identification Number <i>94: 3334509</i>
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**Caution:** Do not attach Form 8718 to an application for a pension plan determination letter. Use Form 8717 instead.

**3 Type of request** Fee

a  Initial request for a determination letter for:

- An exempt organization that has had annual gross receipts averaging not more than \$10,000 during the preceding 4 years, or
- A new organization that anticipates gross receipts averaging not more than \$10,000 during its first 4 years ▶ \$150

**Note:** If you checked box 3a, you must complete the Certification below.

**Certification**

I certify that the annual gross receipts of *People for Legal and Non-Sectarian Schools, Inc.*  
name of organization

have averaged (or are expected to average) not more than \$10,000 during the preceding 4 (or the first 4) years of operation.

Signature ▶ *[Signature]* Title ▶ *Chief Financial Officer*

b  Initial request for a determination letter for:

- An exempt organization that has had annual gross receipts averaging more than \$10,000 during the preceding 4 years, or
- A new organization that anticipates gross receipts averaging more than \$10,000 during its first 4 years . ▶ \$500

c  Group exemption letters . . . . . ▶ \$500

**Instructions**

The law requires payment of a user fee with each application for a determination letter. The user fees are listed on line 3 above. For more information, see Rev. Proc. 98-8, 1998-1, I.R.B. 225.

Check the box on line 3 for the type of application you are submitting. If you check box 3a, you must complete and sign the certification statement that appears under line 3a.

Attach to Form 8718 a check or money order payable to the Internal Revenue Service for the full amount of the user fee. If you do not include the full amount, your application will be returned. Attach Form 8718 to your determination letter application.

Send the determination letter application and Form 8718 to:  
 Internal Revenue Service  
 P.O. Box 192  
 Covington, KY 41012-0192

If you are using express mail or a delivery service, send the application and Form 8718 to:  
 Internal Revenue Service  
 201 West Rivercenter Blvd.  
 Attn: Extracting Stop 312  
 Covington, KY 41011

PEOPLE FOR LEGAL & NONSECTARIAN SCH  
 290 NAPOLEON ST  
 SAN FRANCISCO, CA 94124

11-35/1210

114

DATE August 1, 1999

PAY TO THE ORDER OF Internal Revenue Service \$ 150.00

One Hundred Fifty even DOLLARS

**Bank of America**

San Francisco Produce Branch 0688  
 2090 Jerrard Avenue  
 San Francisco, CA 94124 (415) 815-4700

FOR Form 8718 94 3334509

*[Signature]*

⑆ 2100035810114⑈068860⑈01155⑈

# State of California

2015109

SECRETARY OF STATE



I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

*IN WITNESS WHEREOF*, I execute this certificate and affix the Great Seal of the State of California this



*Bill Jones*

Secretary of State

2015109

ENDORSED  
FILED  
In the office of the Secretary of State  
of the State of California

ARTICLES OF INCORPORATION OF

JUL 1 - 1997

PEOPLE FOR LEGAL AND NONSECTARIAN SCHOOLS

A California Nonprofit Public Benefit Corporation

  
BILL JONES, Secretary of State

One: The name of this corporation is PEOPLE FOR LEGAL AND NONSECTARIAN SCHOOLS.

Two: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes.

The corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and 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 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 or the corresponding provision of any future United States internal revenue law.

Three: The name and California address of the initial agent for service of process of the corporation are: Debbie Snell, 12562 Rough And Ready Highway, Grass Valley, California 95945.

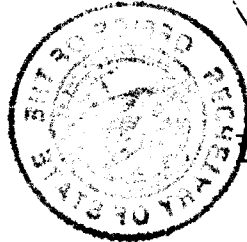
Four: (a) No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including publishing or distributing statements) on behalf of or in opposition to any candidate for public office.

(b) All corporate property is irrevocably dedicated to the purposes set forth in these articles of incorporation. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to individuals.

(c) Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to one or more organizations which are organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or the corresponding provision of any future United States

internal revenue law, which have established tax-exempt status under Section 501(c)(3) of the Internal Revenue Code or the corresponding provision of any future United States internal revenue law, and which have established tax-exempt status under Section 23701d of the California Revenue and Taxation Code or the corresponding section of any future California revenue and taxation law.

Dated: 6/22/97



Debra Snell  
Debbie Snell, Incorporator

The undersigned incorporator of this corporation hereby declares that she is the person who executed the foregoing articles of incorporation, which execution is her act and deed.

Debra Snell  
Debbie Snell, Incorporator

## BYLAWS OF

### PEOPLE FOR LEGAL AND NONSECTARIAN SCHOOLS

A California Nonprofit Public Benefit Corporation

#### 1. NAME

The name of this corporation is PEOPLE FOR LEGAL AND NONSECTARIAN SCHOOLS.

#### 2. OFFICES

The principal office for the transaction of the activities and affairs of the corporation is located at 12562 Rough and Ready Highway, Grass Valley, Nevada County, California. The board of directors (board) may change the principal office from one location to another. Any change of location of the principal office shall be noted by the secretary on these bylaws opposite this Section, or this Section may be amended to state the new location.

The board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

#### 3. PURPOSES

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes. The public purposes include the promotion of fairness in education.

The corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or the corresponding provision of any future United States internal revenue law. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and 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 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 or the corresponding provision of any future United States internal revenue law.

#### 4. MEMBERS

This corporation shall have no members.

The corporation may refer to persons or entities associated with it as "members" even though such persons or entities are not voting members under the California Corporations Code, but no such reference shall constitute anyone a member of the corporation nor confer upon anyone a right to vote on any corporate matter.

## 5. DIRECTORS

### 5.1 POWERS OF DIRECTORS

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations in the articles of incorporation or these bylaws, the corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the direction of the board.

Without prejudice to the general powers set forth in these bylaws, but subject to the same limitations, the directors shall have the power to:

(a) Appoint and remove at the pleasure of the board all the corporation's officers, agents, and employees; prescribe powers and duties for them that are consistent with the law, with the articles of incorporation, and with these bylaws; and fix their compensation and require from them security for faithful performance of their duties.

(b) Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities within or outside California, and designate any place within or outside California for holding any meeting.

(c) Adopt and use a corporate seal and alter the form of the seal.

(d) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

### 5.2 NUMBER AND QUALIFICATIONS OF DIRECTORS

The board of directors shall consist of at least one (1) but not more than five (5) directors until changed by amendment to these bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the board of directors.

### 5.3 RESTRICTION ON INTERESTED PERSONS AS DIRECTORS

No more than 49 percent of the persons serving on the board may be interested persons. An interested person is (a) any person



compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

#### 5.4 ELECTION OF DIRECTORS AND TERMS OF OFFICE

Directors shall be elected at the annual meetings of the board; however, if any directors are not elected at any annual meeting, they may be elected at any special meeting of the board held for that purpose or by written ballot. Each director, including a director elected to fill a vacancy or elected at a special meeting or by written ballot, shall hold office until the next annual meeting following the expiration of the term of office for which elected and until a successor has been elected and qualified. Directors may be elected for terms of office up to three (3) years. The term of office shall be designated by resolution of the board adopted at or before the election of the director. If no other term of office has been set by resolution of the board, the term shall be one (1) year.

#### 5.5 VACANCIES ON THE BOARD

A vacancy or vacancies on the board shall exist on the occurrence of the following: (a) the death or resignation of any director; (b) the declaration by resolution of the board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or has been found by an order or judgment of any court to have breached a statutory duty of care or a fiduciary duty arising under law, including a duty designated as lawful cause for removal of a director under the California Nonprofit Public Benefit Corporation Law; (c) an increase of the authorized number of directors; or (d) removal of a director by majority vote of the directors then in office. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Vacancies on the board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by the sole remaining director.

#### 5.6 RESIGNATION OF DIRECTORS

Except as provided by law, any director may resign by giving written notice to the chairman of the board, if any, or to the president or the secretary of the board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the board may elect a

successor to take office when the resignation becomes effective. No director may resign if the corporation would be left without a duly elected director without giving notice to the California Attorney General, as required by law.

## 5.7 MEETINGS OF DIRECTORS

### a. PLACE OF MEETINGS

Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

### b. MEETINGS BY TELEPHONE

Any meeting may be held by conference telephone or similar communication equipment, as long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at such a meeting.

### c. ANNUAL MEETING

The board shall hold a regular annual meeting for purposes of organization, election of officers, and the transaction of other business. Notice of this meeting is not required.

### d. OTHER REGULAR MEETINGS

Other regular meetings of the board may be held without notice at such time and place as the board may fix from time to time.

### e. SPECIAL MEETINGS

#### (1) AUTHORITY TO CALL

Special meetings of the board for any purpose may be called at any time by the chairman of the board, if any, the president, or vice president, or secretary, or any two directors.

#### (2) NOTICE

##### (a) MANNER OF GIVING NOTICE

Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the corporation.

organizations to obtain nonprofit mailing permits from the United States Postal Service and, in their discretion, to file all necessary applications for the permits.

15. Limits on Lobbying and Legislative Activities

The board reviewed the provision in its articles of incorporation which states that "No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including publishing or distributing statements) on behalf of or in opposition to any candidate for public office." On motion duly made, seconded and adopted, the board instructed and directed the officers each to comply with this provision, and the board authorized the president and officers of the corporation, in their discretion, to research the restrictions and requirements established by law for lobbying and legislative activities by the corporation, including, but not limited to, Section 501(h) of the Internal Revenue Code and state laws regarding registration of lobbyists, and in their discretion to file all necessary applications to engage lawfully in such activities, to pay appropriate filing fees, and, also in their discretion, to seek the assistance or advice of legal counsel and to pay reasonable fees therefor.

16. Incorporation Expenses

On motion duly made, seconded and adopted, the board resolved that the officers of the corporation are each authorized and directed to pay the expenses of the incorporation and organization of this corporation, and to reimburse any funds advanced, on behalf of the corporation.

17. Adjournment

The board concluded its business and, on motion duly made, seconded and adopted, the meeting was adjourned.

Dated: 5/14/97

  
Secretary

i. NOTICE OF ADJOURNED MEETING

Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

5.8 ACTION WITHOUT A MEETING

Any action that the board is required or permitted to take may be taken without a meeting if all members of the board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the board.

5.9 COMPENSATION AND REIMBURSEMENT

Directors may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by board resolution to be just and reasonable as to the corporation at the time the resolution is adopted.

5.10 COMMITTEES OF THE BOARD

a. POWERS OF BOARD COMMITTEES

The board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more directors and no persons who are not directors, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the directors then in office. The board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the board resolution, shall have all the authority of the board except that no committee, regardless of board resolution, may:

(a) Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of members or approval of a majority of all members;

(b) Fill vacancies on the board or on any committee that has the authority of the board;

(c) Fix compensation of the directors for serving on the board or on any committee;

(d) Amend or repeal bylaws or adopt new bylaws;

(e) Amend or repeal any board resolution that by its express terms is not so amendable or repealable;

(f) Create any other committees of the board or appoint the members of committees of the board;

(g) Expend corporate funds to support a nominee for director after more people have been nominated for director than can be elected; or

(h) Approve any contract or transaction between the corporation and one or more of its directors or between the corporation and an entity in which one or more of its directors have a material financial interest, subject to the special approval provisions of Section 5233(d)(3) of the California Corporations Code.

#### b. MEETINGS AND ACTIONS OF COMMITTEES

Meetings and actions of committees of the board shall be governed by, held, and taken in accordance with, the provisions of these bylaws concerning meetings and other board actions except that the time for regular meetings of such committees and calling of special meetings of such committees may be determined either by board resolution, or if there is none, by resolution of the committee. Minutes of each meeting of any committee of the board shall be kept and shall be filed with the corporate records. The board may adopt rules for the government of any committee that are consistent with these bylaws or, in the absence of rules adopted by the board, the committee may adopt such rules.

#### c. PARTICULAR BOARD AND ADVISORY COMMITTEES

The board may appoint advisory committees having non-director members and may delegate to such advisory committees any responsibilities permitted by law.

### 6. OFFICERS

#### 6.1 OFFICERS OF THE CORPORATION

The officers of the corporation shall be a president, a secretary, and a chief financial officer. The corporation may also have, at the board's discretion, a chairman of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with these bylaws. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as either the president or the chairman of the board.

#### 6.2 ELECTION OF OFFICERS

The officers of the corporation shall be chosen by the board, or by the delegated authority of the board under these bylaws, and shall serve at the pleasure of the board, subject to the rights, if any, of any officer under any contract of employment.

### 6.3 OTHER OFFICERS

The board may appoint and may authorize the chairman of the board, the president, or other officer to appoint any other officers that the corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the bylaws or determined by the board.

### 6.4 REMOVAL OF OFFICERS

Without prejudice to any rights of an officer under any contract of employment, an officer may be removed with or without cause by the board, and also, if the officer was not chosen by the board, by any officer on whom the board may confer that power of removal.

### 6.5 RESIGNATION OF OFFICERS

Any officer may resign at any time by given written notice to the corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

### 6.6 VACANCIES IN OFFICE

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

### 6.7 RESPONSIBILITIES OF OFFICERS

#### a. CHAIRMAN OF THE BOARD

If a chairman of the board is elected, he or she shall preside at board meetings and shall exercise and perform such other powers and duties as the board may assign from time to time. If there is no president, the chairman of the board shall also be the chief executive officer and shall have the powers and duties prescribed by these bylaws for the president of the corporation.

#### b. PRESIDENT

Subject to such supervisory powers as the board may give to the chairman of the board, if any, and subject to the control of the board, the president shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers. In the absence of the chairman of the board, or if there is none, the president shall

preside at all board meetings. The president shall have such other powers and duties as the board or the bylaws may prescribe.

c. VICE PRESIDENTS

If the president is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the board or, if not ranked, a vice president designated by the board, shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice president shall have such other powers and duties as the board or the bylaws may prescribe.

d. SECRETARY

(1) BOOK OF MINUTES

The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board and of committees of the board. The minutes of meetings shall include the time and place of holding, whether the meeting was annual, regular, or special and, if special, how authorized, the notice given and the names of those present at board and committee meetings. The secretary shall keep or cause to be kept, at the principal office in California, a copy of the articles of incorporation and bylaws, as amended to date.

(2) NOTICES, SEAL AND OTHER DUTIES

The secretary shall give, or cause to be given, notice of all meetings of the board and of committees of the board required by these bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

e. CHIEF FINANCIAL OFFICER

(1) BOOKS OF ACCOUNT

The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The chief financial officer shall send or cause to be given to the directors such financial statements and reports as are required by law, by these bylaws, or by the board to be given. The books of account shall be open to inspection by any director at all reasonable times.

(2) DEPOSITS AND DISBURSEMENTS

The chief financial officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the board may designate, shall disburse the corporation's funds as the board may

order, shall render to the president, chairman of the board, if any, and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

f. BOND

If required by the board, the chief financial officer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

7. INDEMNIFICATION

7.1 RIGHT OF INDEMNITY

To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in that Section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

7.2 APPROVAL OF INDEMNITY

On written request to the board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the board shall authorize indemnification. If the board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the remaining directors who are not parties to that proceeding are designated a committee of the board, pursuant to these bylaws, to authorize indemnification.

7.3 ADVANCEMENT OF EXPENSES

To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by these bylaws shall be advanced by the



corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

## 8. INSURANCE

The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's, or agent's status as such.

## 9. RECORDS AND REPORTS

### 9.1 MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Written minutes of the proceedings of its board and committees of the board.

### 9.2 MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS

The corporation shall keep at its principal office, or, if its principal office is not in California, at its principal business office in this state, the original or a copy of the articles of incorporation and bylaws, as amended to date, which shall be open to inspection by authorized persons at all reasonable times during office hours. If the principal office of the corporation is outside California and the corporation has no principal business office in this state, the secretary shall, on the written request of any authorized person, furnish to that person a copy of the articles of incorporation and bylaws as amended to date.

### 9.3 INSPECTION BY DIRECTORS

Every director shall have the absolute right at any reasonable time to inspect the books, records, documents of every kind and physical properties of the corporation and of each of its subsidiaries. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents. These rights are subordinate to any laws protecting confidential, private, privileged or other records or documents against inspection or copying.

### 9.4 ANNUAL REPORT

The board shall cause an annual report to be prepared and sent to the directors within 120 days after the end of the corporation's

fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

(a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.

(b) The principal changes in assets and liabilities, including trust funds.

(c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes.

(d) The expenses or disbursements of the corporation for both general and restricted purposes.

(e) Any information required by the section of these bylaws relating to Annual Statements of Certain Transactions and Indemnifications.

The annual report shall be accompanied by any report of the corporation's independent accountants, or, if there is no report, by the certificate of an authorized officer of the corporation that they were prepared without audit from the books and records of the corporation.

The requirement of an annual report shall not apply if the corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified for inclusion in an annual report must be furnished annually to all directors.

#### 9.5 ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS

As part of the annual report or as a separate document if no annual report is issued, the corporation shall annually prepare and furnish to each director, within 120 days after the end of the corporation's fiscal year, a statement of any transaction or indemnification of the following kinds :

(a) Any transaction to which the corporation, its parent, or its subsidiary was a party, in which an "interested person" had a direct or indirect material financial interest, and which involved more than \$50,000, or was one of a number of such transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either of the following:

(1) Any director or officer of the corporation, its parent, or its subsidiary (but a mere common directorship shall not be considered such an interest); or,

(2) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the

names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction, and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(b) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under the indemnification provisions of these bylaws.

#### 10. CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural and the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

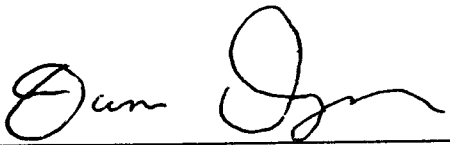
#### 11. AMENDMENTS

The board may adopt, amend or repeal bylaws.

#### CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of PEOPLE FOR LEGAL AND NONSECTARIAN SCHOOLS, a California Nonprofit Public Benefit Corporation, and that the above bylaws are the current bylaws of this corporation as adopted by the board of directors.

Executed this 14 day of May, 1997, at Grass Valley, California.

  
Secretary

software called "BestServ."

Solicitation for financial support from  
web page

[return to top](#)

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## Join PLANS

PLANS has plans to get the word out about Waldorf nationwide. We intend to advertise in magazines targeted to parents and teachers. We intend to produce a pamphlet and send it to every school board member in the U.S.A. We intend to file suits against school districts that sponsor Waldorf programs or charter schools. All these things cost money.

- **Help keep Anthroposophy (a new-age religion) out of public schools**
- **Provide balanced information to school boards, teachers, and parents**
- **Support our litigation to clarify the religious nature of Anthroposophy**

Waldorf is very attractive on the surface. School boards want to believe the false advertising of those who sell Waldorf aggressively. Now it's time for an objective decision on the legality of public Waldorf programs. We have sued two Northern California school districts in federal court, alleging violation of our constitutional separation of church and state. Our lawyers anticipate our first case could cost \$180,000. The school districts have insurance money to pay for their legal costs, but so far we have one grant, a pledge of \$16,000 from the Pacific Justice Institute, and our expenses are currently being paid out of the pockets of the PLANS board. We need donations to carry on our work. Please let us know that you support our cause. No amount is too small.

### PLANS Membership

- **Member: \$15 or more per year**
- **Patron: \$100 or more per year**
- **Angel: \$1000 or more for life**

PLANS is a California 501(c)(3) charitable non-profit corporation. Please make checks payable to PLANS, Inc., and mail to:

PLANS  
c/o Dan  
Dugan,  
Secretary

**Consent Fixing Period of Limitation Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code**

(Rev. September 1998)

To be used with Form 1023. Submit in duplicate.

Department of the Treasury  
Internal Revenue Service

(See instructions on reverse side.)

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period,

People for Legal and Nonsectarian Schools  
(Exact legal name of organization as shown in organizing document)

12562 Rough + Ready Highway  
(Number, street, city or town, state, and ZIP code)  
Grass Valley, CA 95945

and the  
District Director of Internal Revenue, or Assistant Commissioner (Employee Plans and Exempt Organizations)

consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year December 31, 1997  
(Month, day, and year)

Name of organization (as shown in organizing document) People for Legal and Nonsectarian Schools Date 7/13/99

Officer or trustee having authority to sign  
Signature ▶  Type or print name and title Dan Dugan, Chief Financial Officer

**For IRS use only**  
District Director or Assistant Commissioner (Employee Plans and Exempt Organizations) \_\_\_\_\_ Date \_\_\_\_\_

By ▶ \_\_\_\_\_

PLANS, Inc.  
 290 Napoleon St. #E  
 San Francisco, CA 94124

## Profit & Loss Statement

### December 1998

7/28/99  
 11:52:49 PM

	Selected Period	% of Sales	Year to Date	% of YTD Sales
Income				
Donations	\$0.00	NA	\$2,594.90	79.7%
Membership donations	\$0.00	NA	\$623.93	19.2%
Literature reimbursement	\$0.00	NA	\$15.00	0.5%
Amazon.com sales income	\$0.00	NA	\$21.46	0.7%
Fund Income				
Total Income	\$0.00	NA	\$3,255.29	100.0%
Cost of Sales				
Gross Profit	\$0.00	NA	\$3,255.29	100.0%
Expenses				
Supplies	\$0.00	NA	\$15.14	0.5%
Office Expenses	\$59.15	NA	\$88.66	2.7%
Legal & Accounting	\$0.00	NA	\$8,926.64	274.2%
Telephone & Telecommunications	\$0.00	NA	\$40.00	1.2%
Total Expenses	\$59.15	NA	\$9,070.44	278.6%
Operating Profit	(\$59.15)	NA	(\$5,815.15)	(178.6%)
Other Income				
Other Expenses				

PLANS, Inc.

# Profit & Loss Statement

## December 1998

	Selected Period	% of Sales	Year to Date	% of YTD Sales
7/28/99 11:52:51 PM	<u>(\$59.15)</u>	<u>NA</u>	<u>(\$5,815.15)</u>	<u>(178.6%)</u>
Net Profit / (Loss)				

PLANS, Inc.  
 290 Napoleon St. #E  
 San Francisco, CA 94124

## Profit & Loss Statement

June 1999

	Selected Period	% of Sales	Year to Date	% of YTD Sales
7/29/99 12:01:25 AM				
Income				
Donations	\$992.13	98.5%	\$3,309.31	98.0%
Membership donations	\$15.00	1.5%	\$55.00	1.6%
Amazon.com sales income	\$0.00	0.0%	\$12.32	0.4%
Fund Income				
Total Income	<u>\$1,007.13</u>	<u>100.0%</u>	<u>\$3,376.63</u>	<u>100.0%</u>
Cost of Sales				
Gross Profit	<u>\$1,007.13</u>	<u>100.0%</u>	<u>\$3,376.63</u>	<u>100.0%</u>
Expenses				
Office Expenses	\$50.00	5.0%	\$60.00	1.8%
Legal & Accounting	\$8,639.09	857.8%	\$21,505.75	636.9%
Telephone & Telecommunications	\$40.00	4.0%	\$140.00	4.1%
Total Expenses	<u>\$8,729.09</u>	<u>866.7%</u>	<u>\$21,705.75</u>	<u>642.8%</u>
Operating Profit	<u>(\$7,721.96)</u>	<u>(766.7%)</u>	<u>(\$18,329.12)</u>	<u>(542.8%)</u>
Other Income				
Other Expenses				
Net Profit / (Loss)	<u>(\$7,721.96)</u>	<u>(766.7%)</u>	<u>(\$18,329.12)</u>	<u>(542.8%)</u>



PLANS, Inc.  
290 Napoleon St. #E  
San Francisco, CA 94124

## Balance Sheet

December 1998

7/29/99  
12:13:00 AM

Page 1

December

Assets	
Current Assets	
Cash On Hand	\$611.49
Checking Account	\$611.49
Total Cash On Hand	
Investments	
Total Current Assets	\$611.49
Total Assets	<u>\$611.49</u>
Liabilities	
Current Liabilities	
Credit Cards	
Accounts Payable	\$6,426.64
Total Current Liabilities	\$6,426.64
Total Liabilities	\$6,426.64
Equity	
Current Year Earnings	(\$5,815.15)
Total Equity	(\$5,815.15)
Total Liability & Equity	<u>\$611.49</u>

PLANS, Inc.  
290 Napoleon St. #E  
San Francisco, CA 94124

## Balance Sheet

June 1999

7/29/99  
12:15:59 AM  
Page 1  
June

Assets	
Current Assets	
Cash On Hand	\$435.48
Checking Account	\$435.48
Total Cash On Hand	
Investments	\$435.48
Total Current Assets	\$435.48
Total Assets	<u>\$435.48</u>
Liabilities	
Current Liabilities	
Credit Cards	\$24,579.75
Accounts Payable	\$24,579.75
Total Current Liabilities	\$24,579.75
Total Liabilities	
Equity	
Retained Earnings	(\$5,815.15)
Current Year Earnings	(\$18,329.12)
Total Equity	(\$24,144.27)
Total Liability & Equity	<u>\$435.48</u>

# PLANS

People for Legal and Nonsectarian Schools

<http://www.dandugan.com/waldorf> • [plans@dandugan.com](mailto:plans@dandugan.com)

Debra Snell, President • 12562 Rough & Ready Highway, Grass Valley, CA 95945 • phone: (530) 273-1005 • fax: (530) 273-4758

Dan Dugan, Secretary • 290 Napoleon St., San Francisco, CA 94124 • phone: (415) 821-9776 • fax: (415) 826-7699

October 25, 1999

B. Thornton, c/o District Director Attn. EOG-4-bt  
McCaslin Industrial Park  
2 Cupania Circle  
Monterey Park, CA 91755-7431

Re: Form 1023 Application for Recognition of Exemption

Dear Exempt Organizations Specialist Thornton,

Thank you for your letter of October 5, 1999, asking for more information. We are new at this, and we appreciate your patience in guiding us through this process. Addressing your questions:

**1) Please supply a chronology and complete description of your organization's activities since the date of formation, incorporation - 7/1/97 - as well as those activities planned for the next twelve months.**

## **CHRONOLOGY**

PLANS doesn't keep a diary beyond minutes of board meetings. PLANS Secretary Dan Dugan does write a daily journal, and most of the chronology below is taken from that. Activities by other board members may not be included; for example, President Debra Snell receives as many counselling phone calls as Dan Dugan does, but no record of these is available.

At the time of incorporation we were operating our email mailing list "waldorf-critics" (begun 9/23/95) and maintaining our web site at [www.dandugan.com/waldorf](http://www.dandugan.com/waldorf) (begun 3/96). We were providing packets of photocopies of articles about Waldorf to school officials, reporters, and anyone who wanted background information on the controversy. We made a slide talk available to school boards or organizations interested in public funding of Waldorf education programs (first presented February 26, 1996). PLANS was providing phone counselling to parents with questions about Waldorf. PLANS was briefing reporters with questions about Waldorf. All these activities continue to the present day.

July 1, 1997: PLANS officers Debra Snell, Kathleen Sutphen, and Dan Dugan, and

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Supporting Advisor Joe Morrow spoke at a Sacramento school board meeting.

July 14, 1997: Dan Dugan counselled a couple from Monterey for an hour on the phone.

July 21, 1997: Dan Dugan spoke at Sacramento school board meeting.

July 24, 1997: Webmaster David Dugan updated PLANS web site, including new article "Nature Table or Altar."

July 30, 1997: Sent an articles packet to Tom Griffin of the Sacramento City Board of Education.

August 4, 1997: Debra Snell and Dan Dugan presented PLANS slide talk to Tom Griffin of the Sacramento City Board of Education. Debra Snell and Dan Dugan attended the board meeting.

August 31, 1997: Sent PLANS articles packets to Kristin Jeannette-Myers at CBS and a San Diego teacher.

September 4, 1997: Posted new articles to PLANS web site.

September 9, 1997: Phone interviews with Kristin Jeannette-Myers of CBS.

September 14, 1997: Talked with a San Francisco attorney about a child custody case. Sent articles packets to State Senator Dills, and a parent in Youngstown, OH involved in a child custody case.

September 17, 1997: Attorney Lewis Shepherd worked in the PLANS library for five-1/2 hours doing research for a child custody case. He made 298 pages of copies.

September 22, 1997: Talked with the lawyer for the Youngstown, OH child custody case.

October 10, 1997: PLANS issued a press release about an Anthroposophical Medicine course at San Francisco State University.

October 27, 1997: Hirsch book added to PLANS web site bookstore.

November 5, 1997: Dan Dugan drove to Sacramento to give PLANS slide talk to lawyer Scott Kendall.

November 26, 1997: PLANS issued a press release about the son of the founders of the Denver Waldorf School killing a policeman and himself.

December 7, 1997: Sent articles packets to Dr. David Stronck, CSU Hayward, and Dr.

Carl Raschke, University of Denver.

December 8, 1997: Dan Dugan gave a phone interview to Audrey Latman of CBS news.

December 28, 1997: Posted a copy of an article by David Alsop in Renewal magazine to the waldorf-critics mailing list.

January 13, 1998: Phoned all the members of the San Diego school board about renewing their Waldorf charter school.

January 19, 1998: Sent an articles packet to concerned parents in Pittsburgh.

January 21, 1998: PLANS opened its checking account.

January 30, 1998: Lawsuit planning meeting with lawyer Scott Kendall, PLANS board members Debra Snell, Kathleen Sutphen, James Morton, and Dan Dugan; Susan Mogull (Americans United for Separation of Church and State), John Morehead (TruthQuest Institute), and Sacramento parent Tina Means.

January 30, 1998: Faxed a list of expert witnesses on Waldorf to a lawyer in Mobile, AL.

February 11, 1998: PLANS filed a lawsuit against the Twin Ridges Elementary School District and the Sacramento City Unified School District in Sacramento, CA. Brad Dacus of Pacific Justice Institute announced their support with a grant. Scott Kendall, Dan Dugan, and Tina Means spoke at a press conference.

March 9, 1998: Set up a computer bookkeeping system for PLANS.

March 22, 1998: Sent seven articles packets to members of Eugene, OR school board. Wrote the executive director of the Arizona State Board for Charter Schools.

March 31, 1998: Toured the Novato Charter School, photographed classrooms.

May 1, 1998: Gave counseling for an hour to a woman in Washington, DC who had left Anthroposophy after 20 years.

May 5, 1998: Answered questions from a reporter in Montreal by email.

May 7, 1998: Received a \$500 gift from an individual. Gave permission to a man in Australia who wanted to copy our web site materials to a government agency.

May 31, 1998: Sent an articles packet to Alan Bersin, new San Diego Superintendent of Schools.

July 2, 1998: Conferred with a lawyer regarding a personal injury case against a Waldorf school.

July 5, 1998: Sent an articles packet to Anthony Alvarado, new San Diego Chancellor for Instruction.

July 27, 1998: Sent an articles packet to a parent in Cincinnati, OH.

September 22, 1998: Sent an articles packet to a reporter for Minnesota Parent.

October 13, 1998: Counseled a parent in Vermont who was concerned about racism in Waldorf. Counseled a Marin County grandparent concerned about Waldorf.

December 1, 1998: Allowed lawyers for the school districts to peruse PLANS library and files and make copies.

January 14, 1999: Dan Dugan presented the PLANS slide talk to Stephan Herrera of Forbes Magazine.

February 1, 1999: Sent articles packets to Eugenie Scott, National Center for Science Education, Jonathan Schorr of the Oakland Tribune, and Sylvester Hodges, former Oakland school board member.

March 19, 1999: Added Ron Miller's Renewal article to PLANS web site.

March 24, 1999: Supporting Advisor Eugenie Scott deposed in Sacramento, Dan Dugan deposed (1st session).

April 1, 1999: Dan Dugan deposed in Sacramento, 2nd session.

April 8, 1999: Dan Dugan deposed in Sacramento, 3rd session.

May 10, 1999: Sent an articles packet to parents in Basalt, CO.

May 28, 1999: Counseled a parent in Northern California.

May 30, 1999: Sent an articles packet to parent in Northern California.

June 18, 1999: Secretary Dan Dugan and board member John Morehead attended the hearing on a defense motion for summary judgement of PLANS lawsuit at the federal courthouse in Sacramento, with Judge Damrell. Scott Kendall represented PLANS.

June 27, 1999: Sent an articles packet and a special briefing paper to Sydney Gurewitz, childrens art specialist.

June 28, 1999: Discussed Anthroposophy and the Catholic Church with Fr. Mitch Pacwa, University of Dallas.

July 11, 1999: Sent an articles packet to Janet Reed of Viroquoia, WI school board.

July 14, 1999: Obtained a federal EIN for PLANS by phone.

August 5, 1999: Telephone conference PLANS board meeting.

August 19, 1999: Telephone conference PLANS board meeting.

September 10, 1999: Telephone interview with Dion Haynes of Chicago Tribune. Telephone interview with Anthony Liversidge, freelance writer in New York.

September 27, 1999: Issued press release about Judge Damrell's order dismissing motion for summary judgment.

September 28, 1999: Telephone conference PLANS board meeting.

September 29, 1999: Issued second press release on summary judgment motion.

October 3, 1999: Dan Dugan presented PLANS slide talk to the Secular Humanists of the East Bay.

October 4, 1999: PLANS lawyer Scott Kendall interviewed on KTSA radio San Antonio, TX.

October 7, 1999: Dan Dugan debated Waldorf leaders Betty Staley and David Alsop on WCBM radio, Baltimore MD.

## **PLANS FOR THE NEXT TWELVE MONTHS**

PLANS will continue to prosecute our federal lawsuit, now scheduled for trial February 28, 2000. We will continue to maintain the waldorf-critics mailing list and the PLANS web site. We will continue to update and distribute our articles packet and to solicit donations and memberships. PLANS will continue to counsel concerned parents, brief reporters, and advise school officials. We hope to publish informational pamphlets and advertise in magazines targeting parents and teachers.

**2) Describe in detail the requirements for membership in your organization and show the number of active members. Describe the benefits of membership.**

PLANS is not a membership organization. Non-voting memberships are offered as a framework for donating and demonstrating support for PLANS. The requirement for membership is a minimum donation of \$15 per year. There are 30 members,

including the board and Supporting Advisors. The benefit of membership is solidarity with the purposes of PLANS.

**3) State whether you will intervene in any political campaign on behalf of, or in opposition to, any candidate for public office. If so, will this be your primary activity? What percentage of your time and funds will you devote to intervening in political campaigns.**

No. 0%.

**4) Describe the nature and extent of your lobbying activities, specifically:**

- The Lobbying activities, indirect or direct, that you engaged in or will engage in; and
- The part of total staff time that is spent in carrying on those activities; and
- The amount of money appropriated and spent for these activities.

**Have you filed Form 5768, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization to Make Expenditures to Influence Legislation (Under Section 501(h) of the Internal Revenue Code)?**

We do not intend to carry on any lobbying activities. When issues relating to our mission are before the legislature we may write to legislators making available the results of our nonpartisan analysis, study, or research.

Part of total staff time spent carrying on lobbying activities: 0%.

Amount of money appropriated and spent for lobbying: \$0.00.

We have not filed Form 5768.

**5) Will any officers, directors, members, or their relatives, receive a salary, reimbursement of expenses, or any other form of payment from your organization? If so explain fully, and include the recipients' names, duties, and the number of hours each week that they will devote to such duties. State the amounts of compensation each will receive and the basis for arriving at the amounts of such payments.**

PLANS pays no salaries. Officers may be reimbursed for board-approved out-of-pocket expenses documented by receipts or contemporaneous journals.

**6) Please submit copies of any brochures, pamphlets, newsletters, advertisements, or any other literature regarding your organization. (That you have not already submitted.)**

We submit by reference the contents of PLANS' web site,



<http://www.dandugan.com/waldorf>

Which includes hundreds of pages of articles and links to articles on related web sites worldwide.

**7) Please provide copies of any written leases, contracts, or agreements entered into by your organization.**

- a) Letter of agreement with attorney Scott M. Kendall dated April 16, 1998 enclosed.
- b) Letter of agreement with Tina Means dated August 4, 1998 enclosed.

**8) Please submit a copy of the "65 Articles packet".**

A copy of PLANS' 65-page articles packet is enclosed.

**9) Please itemize "accounts payable" expense as to item, amount, and reason for the expense.**

An itemization is enclosed.

**10) Please itemize "legal and accounting" expense as to item, amount, and the reason for the expense.**

An itemization is enclosed.

**11) Please define "Waldorf program".**

A "Waldorf program" is an elementary or secondary education program adhering to the educational theory of Rudolf Steiner and/or the educational practices first established in Steiner's Waldorf School in Stuttgart Germany in 1919 and subsequently promulgated worldwide through the Waldorf educational movement, an activity of Anthroposophy, the cult of Rudolf Steiner.

**12) Please supply a complete copy of your grant from Pacific Justice Institute.**

PLANS has never been in direct contact with Pacific Justice Institute (PJI) regarding the grant. Grant money is paid directly from PJI to our attorney Scott Kendall. Grant proceeds are entered into PLANS' books when we receive invoices from Kendall showing credit for amounts paid by PJI. The only documentation we have is the invoices and the Alliance Defense Fund Grant Request Application, enclosed.

\*\*\*

The State of California Franchise Tax Board has informed us that we must obtain a determination letter first from the Internal Revenue Service before they will complete processing of our California exemption application. We have a deadline

of April 13, 2000, and hope we can receive an IRS letter before that time.

Thank you again for your patient assistance with this process. We remain ready to answer any further questions you may have.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Dan Dugan', with a long horizontal flourish extending to the right.

Dan Dugan  
Secretary, PLANS

Enclosures, flagged with question numbers:

- 7) Letter of agreement with attorney Scott M. Kendall  
Letter of agreement with Tina Means
- 8) Waldorf articles packet
- 9) Account Inquiry 1/1/98 to 1/6/99 Accounts Payable
- 10) Account Inquiry 1/1/98 to 1/6/99 Legal and Accounting
- 12) Alliance Defense Fund Grant Request Application

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**MCKINLEY & SMITH** A PROFESSIONAL CORPORATION

3435 AMERICAN RIVER DRIVE, SUITE B • SACRAMENTO, CA 95864-5743 • (916) 972-1333 • FAX: (916) 972-1335

April 16, 1998

VIA E-Mail and Mail

**COPY**

Dan Dugan  
290 Napoleon Street  
San Francisco, CA 94124

RE: PLANS v. Sacramento City U.S.D., et al.

Dear Dan:

In response to your telephone call, I am providing this report. First of all, I did receive the videotapes via overnight mail. Thank you. In addition, I have not yet had an opportunity to review the appellate decision referenced in your recent e-mail.

Rather remarkably, neither school district has served a responsive pleading to our complaint. I have checked with our process servers, and there appears to have been no irregularities with the service. I have sent each superintendent "meet and confer" letters, setting a deadline of April 20, 1998 to respond. If they fail to respond by that time, I will request the court clerk to enter their defaults.

Finally, and to confirm our agreement in writing, we have agreed that my firm will represent PLANS, Inc., in this matter, at a rate of \$125.00 per hour. PLANS minimum obligation is \$5,000. To date, PLANS has paid \$2,000 of this amount. In addition, PLANS has a good faith obligation to attempt to raise additional monies to pay fees and costs.

We have also agreed that an integral component of this litigation is to recover fees and costs from the government entities. An express condition of any settlement would be the recovery of fees and costs. Alternatively, we would seek attorney fees and costs by motion subsequent to a successful judgment.

Noting that other organizations are also assisting in funding fees and costs, recovery of fees and costs will be distributed as follows: Any such recovery would first satisfy any obligation for costs and fees to McKinley & Smith; the remainder would reimburse PLANS and other funding organizations pro rata for their prior payments of fees and costs.

As the litigation will soon be in full swing, it would be appropriate for PLANS to submit the remainder of \$3,000 due on its retainer. Additional fees and costs of litigation will be submitted to PJI for reimbursement. (PJI has not provided its contribution to this litigation in the form of a retainer, but rather pays through a reimbursement process.)

April 16, 1998

Page 2

This confirms the basic terms of our agreement. Please contact me if these terms are not consistent with your understanding.

Finally, please encourage PLANS members to continue to organize their evidence. Although there are often long pauses in the legal process, it is important that I be able to analyze the materials you have gathered with maximum efficiency. Materials should be forwarded to me as soon as they are organized. In particular, someone needs to work with Tina Means to pull her information together.

I will report further as soon as we have received some response from the school districts, or if I file default judgments. Please call me if you have any questions.

Very truly yours,

McKINLEY & SMITH  
A Professional Corporation

By:

  
SCOTT M. KENDALL

PLANS

<http://www.dandugan.com/waldorf> • [plans@dandugan.com](mailto:plans@dandugan.com)  
Debra Snell, President • 12562 Rough & Ready Highway, Grass Valley, CA 95945 • phone: (530) 273-1005 • fax: (530) 273-4758  
Dan Dugan, Secretary • 290 Napoleon St., San Francisco, CA 94124 • phone: (415) 821-9776 • fax: (415) 826-7699

7

People for Legal and Non-Sectarian Schools

August 4, 1998

Tina Means  
Concerned Parents of Oak Ridge School  
4069 Inyo Avenue  
Sacramento, CA 95820

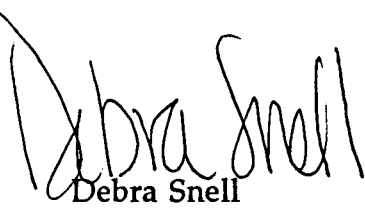
Dear Tina,

I know you understand that PLANS and the Concerned Parents of Oak Ridge School have a common cause in getting the Waldorf movement out of publicly funded education. PLANS' lawsuit against the Twin Ridges and Sacramento school districts is our best effort to accomplish this objective. We are deeply grateful to you for all the work you have done to carry out your campaign which succeeded in getting Waldorf out of Oak Ridge.

We are additionally grateful to you for providing the evidence that you have collected about the Waldorf program at Oak Ridge. This lawsuit has the potential to stop the entire public Waldorf movement in its tracks. Our success with regard to Oak Ridge School will depend largely on your work.

In the event that we win the suit, and any subsequent appeal, and if the judge should grant any multiplier on the amount of the cost of the suit, PLANS agrees to share 20% of any money PLANS may receive with Concerned Parents of Oak Ridge School. That's three "ifs" in a row, but we want you to know that if there's any chance of reimbursement for our efforts, you will share in it.

Sincerely yours, the Board of Directors

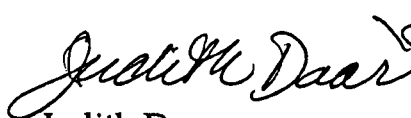


Debra Snell  
President

Kathleen Sutphen  
Vice President



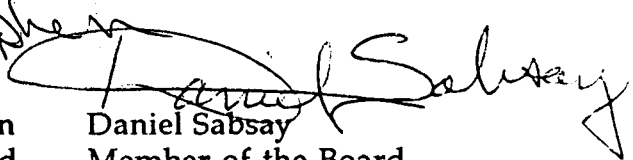
Dan Dugan  
Secretary



Judith Daar  
Member of the Board



Dr. James M. Morton  
Member of the Board



Daniel Sabsay  
Member of the Board

Copy: PLANS Board  
Scott Kendall

# PLANS

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<http://www.dandugan.com/waldorf> • [plans@dandugan.com](mailto:plans@dandugan.com)  
Debra Snell, President • 12562 Rough & Ready Highway, Grass  
Valley, CA 95945 • phone: (530) 273-1005 • fax: (530) 273-4758  
Dan Dugan, Secretary • 290 Napoleon St., San Francisco, CA  
94124 • phone: (415) 821-9776 • fax: (415) 826-7699

People for Legal and Non-Sectarian Schools

## CONTENTS of articles packet (in order of publication date):

- Steiner, Rudolf. Excerpt from *Health and Illness: Volume I: Nine Lectures to the Workmen at the Goetheanum, Dornach, Switzerland, 1922.* (1922) Trans. Maria St. Goar. Spring Valley: Anthroposophic Press, 1981, p. 86.
- Anonymous editorial. "Weird Science At Steiner School." *Skeptical Inquirer*, Fall, 1991, p. 23.
- Wilkinson, Roy. "Helpful Elementals" and "A Christian Mystery." *The Interpretation of Fairy Tales.* Fair Oaks, CA: Rudolf Steiner College Press, 1993.
- "Foundation Year Book List 1993-1994." Rudolf Steiner College.
- "For students who have not completed the Foundation Year program at Rudolf Steiner College or another comparable study center..." Rudolf Steiner College, 1993-1994.
- "Teacher Education Program Book List 1993-1994." Rudolf Steiner College.
- Shinohara, Rosemary. "Arts School debate takes religious turn." *Anchorage Daily News*, January 13, 1994, p. B-1.
- Dugan, Dan, and Judy Daar. "Are Rudolf Steiner's Waldorf Schools 'Non-Sectarian'?" *Free Inquiry*, 14:2, Spring 1994, p. 44.
- Scott, Eugenie C. "Waldorf Schools Teach Odd Science, Odd Evolution." *NCSE Reports*. 14:4, Winter 1994, p. 20.
- Tonsall, Sonseeahray. "Waldorf program rejected by board." *St. Cloud Times*, Nov. 11, 1994.
- Gonzales, Jose A. (for Christina L. Dyer). "Tubman Village School." Letter to Members of the Board of Education and Superintendent, San Diego Unified School District, July 6, 1995.
- Jones, Sharon L. "Probe ordered of charter school." *San Diego Union-Tribune*, July 12, 1995, p. B-1.
- Lauer, Susan. "Parents challenge NC charter school." *The Union*. Grass Valley-Nevada City, CA: Feb. 27, 1996, p. A-1.
- Boston, Rob. "Charter for Indoctrination?" *Church and State*, 49:4, April 1996, p. 4
- Boston, Rob. "Anthroposophy: Rudolph Steiner's 'Spiritual Science'" *Church and State*, 49:4, April 1996, p. 7
- Barker, John C. "Approval of Waldorf Magnet School in Sacramento." Letter to Sacramento Board of Education, September 4, 1996.
- Morton, Dr. James M. "Twin Ridges school a deceptive alternative." Grass Valley-Nevada City CA: *The Union*, March 4, 1997, p. A5.
- Americans United for Separation of Church and State. Statement of Concern about Public Funding of Waldorf Education. Washington, D.C., June, 1997
- Mealy, Nora. "Going Public: Schools weigh the Waldorf alternative." *California Schools*, Vol. 56, No. 2 (Winter 1997), p. 34.
- Tuzon, Brandy and Patty Reyes. "Suit focuses attention on Fair Oaks College." *Neighbors* (Supplement to Sacramento Bee) NE Thursday, April 20, p. 1.
- Gershenson, Adam. "Experimental School Is in Jeopardy." *The New York Times* March 20, 1999, page B4.
- Salazar, Deborah. "What Every Jewish Parent Should Know About The Waldorf Philosophy." *Natural Jewish Parenting*, B"H No. 7 Spring 1999/5759, p. 34.
- Dugan, Dan. "Rudolf Steiner and the Jews." *Natural Jewish Parenting*, B"H No. 7, Spring 1999/5759, p. 40.
- Arian, Ellen, Yael Malfatto, Yosef Resnick. "Three People Reflect on Waldorf Education: Recollections." *Natural Jewish Parenting*, B"H No. 7 Spring 1999/5759, p. 44.

PLANS, Inc.  
 290 Napoleon St. #E  
 San Francisco, CA 94124

## Account Inquiry

1/1/98 To 1/6/99

Page 1

10/25/99  
 12:44:21 PM

Account	ID#	Src	Date	Memo	Debit	Credit	Job
2-1200	Accounts Payable						
	00000007	PJ	1/12/98	legal services McKinley &		\$2,847.36	
	3	CD	1/12/98	McKinley & Smith	\$2,000.00		
	00000008	PJ	2/28/98	Legal Services, McKinley		\$2,275.77	
	101	CD	5/17/98	McKinley & Smith	\$500.00		
	00000009	PJ	8/5/98	Legal Services, McKinley		\$2,187.48	
	00000001	PJ	11/9/98	Legal Services, McKinley		\$1,616.03	
					\$2,500.00	\$8,926.64	

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PLANS, Inc.  
 290 Napoleon St. #E  
 San Francisco, CA 94124

## Account Inquiry

1/1/98 To 1/6/99

Page 1

10/25/99  
 12:47:19 PM

Account	ID#	Src	Date	Memo	Debit	Credit	Job
6-1800	Legal & Accounting						
	00000007	PJ	1/12/98	legal services McKinley &	\$2,847.36		
	00000008	PJ	2/28/98	Legal Services, McKinley	\$2,275.77		
	00000009	PJ	8/5/98	Legal Services, McKinley	\$2,187.48		
	00000001	PJ	11/9/98	Legal Services, McKinley	\$1,616.03		
	106	CD	1/3/99	Zandonella Reporting	\$236.56		
					<hr/>	<hr/>	
					\$9,163.20	\$0.00	

(10)



M.C.  
12

Application No. \_\_\_\_\_

**ALLIANCE DEFENSE FUND GRANT REQUEST APPLICATION**  
**ADF May Accept Applications For Litigation Or Legal Projects Only**

Please Type Or Print Answers Neatly  
Failure To Answer All Questions May Result In The Return Of The Application

NAME OF APPLICANT: Capitol Resource Institute dba Pacific Justice Institute

APPLICANT IS: Individual \_\_\_ Corporation X Organization \_\_\_ Other \_\_\_

NAME OF PERSON FILING THIS APPLICATION: Brad Dacus, Esq.

RELATION TO APPLICANT: President

TITLE (if applicable): \_\_\_\_\_

ADDRESS: 165A Commerce Circle

CITY: Sacramento STATE: CA ZIP: 95815

TELEPHONE NUMBER: 916/646-6232 FAX: 916/646-3041

Please see section "h" for an explanation as to why we are resubmitting this application

**SECTION I**

(a) Identify the attorney'(s) name(s), address(es) and phone number(s) currently handling the case or project. Please also describe their experience and qualifications in litigation and in the subject matter of the controversy or area of concern, if no attorney is involved answer "N/A":

**Tim Smith, Esq.**  
**Scott Kendall, Esq.**  
**McKinley & Smith**  
**3435 American River Drive, Suite B**  
**Sacramento, CA 95864**  
**916/972-1333**

**Attorney Tim Smith has litigated religious freedom issues in the past, including a challenge to the "Impressions" series curriculum (involves yoga) in public schools.**

*Please attach a copy of each attorney's curriculum vitae or resume as Exhibit "B"*

**[If application is from an attorney or public interest law firm disregard the remainder of this section and move to SECTION II]**

(b) Is your counsel aware of your filing this request with ADF?  Yes  No.  
If "NO," please explain

(c) Has your counsel made a request for assistance from ADF? Yes No.

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## **SECTION II**

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*[If application is from an individual disregard this section and move to Section III]*

(a) Is your client aware of you filing this request with ADF? Yes No.  
If "NO," please explain

(b) What is your client's name(s):  
Ms. Debbie Snell

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## **SECTION III**

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*[ADF may only give grants to tax-exempt non-profit entities as recognized by the Internal Revenue Service under § 501(c)(3) or an individual sponsored by a permitted entity]*

(a) Does the applicant have tax-exempt status pursuant to IRC 501(c)(3)? Yes No.  
If "Yes," please attach a copy of your current IRS Exemption Letter as Exhibit "C"

(b) If applicant is not a tax-exempt entity then applicant must have a sponsor, acceptable under the IRC and regulations, who is a tax-exempt entity, please provide the sponsor's name who meets the IRS requirements, the address, phone number and contact person:

name -  
address -  
phone number -  
contact person -

*Please attach a copy of the sponsor's current IRS Exemption Letter as Exhibit "C" & a copy of the sponsor's letter of intent denoting IRS eligibility to sponsor applicant as Exhibit "D"*

**SECTION IV:**

(a) This application is for litigation  / project \_\_\_\_\_

(b) How was applicant referred to the Alliance Defense Fund? **Scott Phillips/Alan Sears**

*[If for a project answer questions (c) through (h) below then move to SECTION V]*

(c) Identify the issue the litigation/project addresses:

*Please note that ADF's mission is to provide funding, strategic planning and training for the legal defense and advocacy of religious freedom, the sanctity of life and family values; for ADF to approve your application your case or project must concern an issue in Column A, your case or project may also include an issue in Column B.*

Column A.

- Religious Freedom
- Sanctity of Life
- Family Values

Column B.

- Pornography Prevention
- Education
- Legal Training
- Family Preservation
- Legal Aid to the Needy
- Other: Please Describe

(d) For "litigation" describe how controversy arose / "project" describe goals:

*Refer to crucial events, cases, dates, places and other pertinent information*

**As a public magnet school, Oakridge Elementary School in the Sacramento City Unified School District established a Waldorf educational program. This program included requiring children to fold their arms and chant, say a pledge to the sun flag, and other Wicca based religious practices. Roughly a third of the parents requested that their children be opted out of these religious based activities. The school district refused and told them that they would simply need to take their children to another school. Many of these parents are low income and cannot afford to drive their children to another school. Additionally, in Sutter County, students are sent on a compulsory basis to a Waldorf school (Yuba City Elementary School) when they have discipline problems at their former school.**

(e) For "litigation" describe procedural history, current posture, and anticipated procedural developments of the case or controversy / "project" describe current status:

*For "litigation" refer to court rulings, trials, appeals / "project" refer to accomplishments to date*  
A number of parents have filed administrative complaints with the Sacramento City Unified School District. A number of other parents have staged demonstrations in front of the school and roughly a third of the parents kept their children at home for a time as a sign of protest. Attorney Tim Smith plans to file a civil complaint in state court this summer, seeking injunctive relief for the parents.

(f) Please explain why ADF should approve this application?

*Refer to impact on community, jurisdiction and why this case or project is important or unique*  
The facts of this case provide the strongest opportunity for courts to recognize and treat New Age and other religious faiths equally. More importantly, this case provides an excellent backdrop to whittle away at the *Mozert v. Hawkins County Board of Education* case regarding parents' rights to opt out their children on partial religious freedom grounds.

(g) Please describe the expected outcome of your litigation / project:

A granting of a preliminary injunction followed by a settlement, including agreed upon stipulation to a declaratory judgement as to the pertinent issues of law. If it was necessary for our clients to have to seek a permanent injunction, following a preliminary injunction, the case would have to go to trial and could possibly require additional financial resources. In the event that this case makes it up on appeal, a narrowing or eventual overturning of the *Mozert* decision could result. It will also hopefully force future courts to more closely scrutinize similar but less obvious religious indoctrination without parental knowledge or consent.

(h) Identify the legal theories claimed or likely to be raised:

The school's refusal to opt out the children violates the parents' fundamental rights over their upbringing. It also amounts to open religious proselytizing and coercion of children in violation of the Establishment Clause and the Free Exercise Clause. This case is unique in that other recent cases (e.g., *Tennison v. Paulees*) challenging school curriculum have relied upon arguments based upon the psychological nature or viewpoint-based discrimination of the curriculum (e.g., Outcome Based Education). This unique case has such strong evidence of actual religious ritual and coercion that we will likely be successful in arguing the Establishment Clause and Free Exercise Clause. We are sending a video of a news story describing this religious curriculum which your office should receive by Tuesday, July 22, 1997.

(i) Identify the actual or anticipated defenses or counterclaims which may be raised by other parties:

The school district will attempt to allege that the curriculum and rituals are not religious and that parents are not required to send their children to that particular elementary school.

(j) Please provide a quotation or copy of the law(s), statute(s), ordinance(s), regulation,(s) ruling(s) or other authority which is the basis of the controversy:

*Please attach said copy as Exhibit "E"*

(k) Please identify any related or similar cases or controversies pending or which you are aware:

*Please attach a copy of said case or citation as Exhibit "F"*

Not aware of any similar cases or controversies.

(l) Summarize the current status of the law pertaining to the controversy:

Under the current law, there is conflicting case law as to what school mandated activities warrant excusal. Under mere exposure, Moody, and Mozert present analyses which are incompatible and leave the important question of excusal unsettled and ambiguous. The courts have also shown great hesitance in the recognition, for purposes of the establishment clause, of Wicca, and New Age religions and practices. While these views have been challenged before, Frazier v. Dixon Unified School District, 22 Cal.Rptr.2d 641, 18 Cal.App.4th 781 (Cal.App. 1 Dist. 1993), this case provides a strong opportunity to make a successful challenge.

(m) What are the chances for success on the merits of the case?

Because of the extreme nature of the facts, we are convinced that there is a high likelihood of success on the merits for injunctive relief.

(n) What are the most serious factual or legal problems or weaknesses in the case?

While the Sutter County school has mandatory attendance, the magnet Oakridge school is a school of choice by parents.

(o) Are there any facts in the case, or in the personal background of the parties,

including the applicant, which would make it more difficult to prevail if such facts were known or publicized by the opponent?  Yes  No (None known at this time)

*If "Yes," please explain*

(p) Describe the potential for resolution of the controversy:

Because of the particular school districts involved, it appears unlikely that resolution absent a court order will occur.

(q) Summarize any dispositive rulings or decisions of the Court:

The case is yet to be filed in court, so we are not sure at this time.

*Please attach copies of the ruling(s) as Exhibit "G"*

(r) Identify the names of the actual or likely parties to the litigation:

Plaintiff(s)/Petitioner(s)  
Ms. Debbie Snell

Defendant(s)/Respondent(s)  
Sacramento City Unified School District  
Sutter County School Board

(s) Identify the attorney(s) representing the other parties in the controversy, please provide as much information as possible including name(s) and address(es):

Martin Fife, Esq.  
520 Capitol Mall  
Sacramento, CA 95814  
916/264-4193

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**SECTION V:**

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(a) Describe the financial resources available for handling this case or project:  
Many parents in the community have pledged to raise financial support. Such support, is however, undetermined at this time. (Most of the parents in the community are very low income immigrants from Southeast Asia and Mexico.)

(b) Identify any other organizations or entities you have contacted concerning obtaining support for this matter and the responses you have received: None.

(c) If you do not receive funding from ADF will you be able to proceed with this matter? Probably not, absent benevolent out of pocket contributions for costs and expenses by the attorneys, or unexpected support from the low income clients.

(d) What is the total amount of applicant's grant request? \$15,000

(e) What is the total dollar amount needed within the next sixty days? \$5,000

(f) Please complete the litigation/project budget plan attached as Exhibit "A".

*Note that Exhibit "A" must be filled out or your application will be returned*

*In considering the above information ADF recognizes the confidentiality and sensitivity of same which will be reviewed by its Grants and Review Committee. All parties make this application with the expectation and legal opinion that this information is protected by common law and statutory provisions protecting the confidentiality of such communications. ADF will not disclose this information to any third party except the applicant's attorney without express written consent of the applicant waiving all privileges or except as compelled to do so by final court order.*



Signature of applicant or authorized representative

July 18, 1997

Date

ADF GRANT APPLICATION BUDGET PLAN AND EVALUATION - EXHIBIT

"Litigation"

<u>Stage/Tasks</u>	<u>Partner/ Assoc./ Paraleg.</u>	<u>Est. Hours</u>	<u>Budget For Each Task</u>	<u>Evaluation Actual Hours</u>	<u>Explanation</u>
Case Investigation:					
Client Interview(s)	Assoc.	5	\$ 500		
Review of Documents	Assoc.	15	\$1,500		
Research of Applic. Law	Assoc.	40	\$4,000		
Develop Case Strategy	Assoc.	5	\$ 500		
Interview Key Witnesses	Assoc.	5	\$ 500		
Informal Discovery					
Alternative Dispute Resolution:					
Settlement or Pub. Hearings					
Negotiations	Partner	5	\$ 500		
Exchange Of Authorities					
Final Demand Letter	Assoc.	10	\$1,000		
Litigation-Preparation:					
Additional Research	Assoc.	5	\$ 500		
Drafting Pleadings	Assoc.	35	\$3,500		
Pretrial Mot., Affidavits	Assoc.	10	\$1,000		
Media Strategy	Assoc.	5	\$ 500		
Litigation-Discovery:					
Document Requests	Assoc.	5	\$ 500		
Depositions					
Requests for Admis. & Interr.					
Trial :					
Expert Witness Fees					
Attorneys Fees					
Post Trial Motious :					
Presentation of Orders:					
Travel Expenses:					
Other: (Identify)	Partner	5	\$ 500		
Preliminary Injuntion Hearing					

"Project"

<u>By Whom</u>	<u>Time Involved</u>	<u>Cost</u>	<u>Explanation</u>
Research			
Writing			
Development			
Conferences			
Hearings			
Expenses			
Other: (Identify)			

## EXHIBIT "E"

There are two key areas in the excusal of students from religiously offensive material presented in the public school: coercion and mere exposure.

### Coercion

Coercion is generally regarded as an infringement upon a student's freedom of religion, and grounds for excusal. In West Virginia State Board of Education v. Barnette, 319 U.S. 624 (1943), the court ruled that objecting members of the Jehovah's Witnesses could not be compelled to salute the flag, in violation of their religious beliefs. Further, in Spence v. Bailey, 465 F.2d 797 (6th Cir. 1972), a conscientious objector could not be compelled to participate in an R.O.T.C. program as his physical education course. However, coercion per se is not always in violation of freedom of religion. There are cases where state interests outweighed the interests in religious freedom, for example, in Board of Education of Mountain Lakes v. Maas, 152 A.2d 394 (N.J. Super. 1959), aff'd, 158 A.2d 330 (N.J.), cert denied, 363 U.S. 843 (1960), a mandatory vaccination was enforced despite religious convictions to the contrary.

### Mere Exposure

Courts have given conflicting rulings regarding mere exposure to religiously offensive material. In Moody v. Cronin, 484 F.Supp.270 (1979), the court permitted students of the Pentecostal faith to be excused from a coeducational physical education class because of their religious objection to being exposed to "immodest apparel." The court found that "in order for Illinois to compel attendance in coeducational physical education, it must appear either that the state does not deny the free exercise of religious belief by its requirement, or that there is a state interest of sufficient magnitude to override the interest claiming protection under the Free Exercise Clause." Id. at 276. In a balancing test, the court found the state interest in physical education inferior to the religious rights of the students. The court also concluded that the school failed to attempt to achieve its interest in the least restrictive manner. Therefore, under Moody it can be concluded that mere exposure to religiously offensive material warrants excusal from the subject or activity. However, in Mozert v. Hawkins City Board of Education, 827 F.2d 1058 (6th Cir. 1982), cert denied; 56 U.S.L.W. 3569 (U.S. 2/22/88), the court concluded that mere exposure to textbooks that were religiously offensive to the students did not warrant excusal from the book assignment, because the books only presented another viewpoint, and did not require the affirmation or disaffirmance of a religious practice or belief. The court held that only when the school mandated activity requires a student to affirm or disaffirm a part of a religious practice or belief is there grounds for excusal.