

**Return of Organization Exempt From Income Tax**

**2002**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements

**A For the 2002 calendar year, or tax year period beginning and ending**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	<b>C Name of organization</b> PACIFIC LEGAL FOUNDATION		<b>D Employer identification number</b> 94-2197343
		Number and street (or P O box if mail is not delivered to street address) 10360 OLD PLACERVILLE ROAD		<b>E Telephone number</b> 916-362-2833
		City or town, state or country, and ZIP + 4 SACRAMENTO, CA 95827		<b>F Accounting method</b> <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual

**G Web site** PACIFICLEGAL.ORG  
**J Organization type** (check only one)  501(c) ( 3 ) (insert no)  4947(a)(1) or  527  
**K Check here**  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.  
**L Gross receipts** Add lines 6b, 8b, 9b, and 10b to line 12 **7,399,902.**  
**M Check**  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

**H and I are not applicable to section 527 organizations**  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes" enter number of affiliates: \_\_\_\_\_  
**H(c)** Are all affiliates included? (If "No," attach a list) N/A  Yes  No  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Enter 4-digit GEN: \_\_\_\_\_

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received			
	a	Direct public support	1a	6,771,722.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash \$ 5,264,226 - reported on line 9a) (1,507,496.)	1d	6,771,722.	
	2	Program service revenue including government fees and contracts (from Part VII, line 9a)	2		
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	34,005.	
	5	Dividends and interest from securities	5	115,199.	
	6a	Gross rents	6a		
	b	Less rental expenses	6b	9,841.	
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	<9,841.>	
7	Other investment income (describe: REALIZED GAINS ON INVESTMENTS)	7	1,989.		
Revenue	8a	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other	
	b	Less cost or other basis and sales expenses	8a	8b	
	c	Gain or (loss) (attach schedule)	8c		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		
Revenue	9	Special events and activities (attach schedule)			
	a	Gross revenue (not including \$ 242,325. of contributions reported on line 1a)	9a	21,900.	
	b	Less direct expenses other than fundraising expenses	9b	44,643.	
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c	<22,743.>		
Revenue	10a	Gross sales of inventory less returns and allowances	10a		
	b	Less cost of goods sold	10b		
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
Expenses	11	Other revenue (from Part VII, line 103)	11	455,087.	
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	7,345,418.	
	13	Program services (from line 44 column (B))	13	4,819,950.	
	14	Management and general (from line 44 column (C))	14	414,203.	
	15	Fundraising (from line 44, column (D))	15	1,232,242.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17	6,466,395.	
	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	879,023.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	13,709,708.	
	20	Other changes in net assets or fund balances (attach explanation)	20	<5,506,226.>	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	9,082,505.	

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**Part II Statement of Functional Expenses**

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) cash \$ 18,500. noncash \$	22 18,500.	18,500.	STATEMENT 6	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc	25 631,447.	523,217.	26,626.	81,604.
26 Other salaries and wages	26 3,140,458.	2,438,840.	96,117.	605,501.
27 Pension plan contributions	27 147,046.	105,412.	27,223.	14,411.
28 Other employee benefits	28 217,473.	152,240.	33,955.	31,278.
29 Payroll taxes	29 251,106.	171,672.	41,202.	38,232.
30 Professional fundraising fees	30 98,228.			98,228.
31 Accounting fees	31 32,843.		32,843.	
32 Legal fees (& Other Pro Svcs)	32 310,158.	263,902.	4,939.	41,317.
33 Supplies	33 83,891.	65,881.	2,722.	15,288.
34 Telephone	34 63,017.	49,487.	2,051.	11,479.
35 Postage and shipping	35 105,161.	61,449.	585.	43,127.
36 Occupancy	36 318,357.	250,003.	10,360.	57,994.
37 Equipment rental and maintenance	37 66,161.	51,956.	2,153.	12,052.
38 Printing and publications	38 156,503.	152,613.	3,812.	78.
39 Travel	39 61,663.	31,189.	3,396.	27,078.
40 Conferences conventions, and meetings	40 17,527.	15,774.	557.	1,196.
41 Interest	41 7,636.	5,997.	248.	1,391.
42 Depreciation, depletion, etc (attach schedule)	42 94,890.	74,517.	3,088.	17,285.
43 Other expenses not covered above (itemize)				
a	43a			
b	43b			
c	43c			
d	43d			
e SEE STATEMENT 4	43e 644,330.	387,301.	122,326.	134,703.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B), (D) carry these totals to lines 13-15	44 6,466,395.	4,819,950.	414,203.	1,232,242.

Joint Costs Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,

(iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose? **SEE STATEMENT 5**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**Program Service Expenses**  
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts but optional for others.)

a <b>LEGAL PROGRAM:</b> CURRENT CASES-ATTACHMENT A LEGAL PROGRAMS-ATTACHMENT B (Grants and allocations \$ )	4,319,432.
b <b>COMMUNICATIONS-ATTACHMENT C</b> (Grants and allocations \$ )	500,518.
c (Grants and allocations \$ )	
d (Grants and allocations \$ )	
e Other program services (attach schedule) (Grants and allocations \$ )	
f <b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	4,819,950.

**Part IV Balance Sheets**

Note Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A)		(B)
		Beginning of year		End of year
Assets	45 Cash - non-interest-bearing	136,764.	45	8,655.
	46 Savings and temporary cash investments	1,279,210.	46	715,208.
	47 a Accounts receivable	47a 167,494.		
	b Less allowance for doubtful accounts	47b	47c	167,494.
	48 a Pledges receivable	48a 1,457,831.		
	b Less allowance for doubtful accounts	48b	48c	1,457,831.
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	57,614.	53	75,705.
	54 Investments - securities STMT 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	3,920,982.	54	4,137,429.
	55 a Investments - land, buildings and equipment basis	55a		
	b Less accumulated depreciation	55b	55c	
56 Investments - other SEE STATEMENT 8	5,136,048.	56	5,506,498.	
57 a Land, buildings and equipment basis	57a 997,881.			
b Less accumulated depreciation STMT 9	57b 838,469.	57c	159,412.	
58 Other assets (describe SEE STATEMENT 10 )	84,977.	58	67,441.	
59 Total assets (add lines 45 through 58) (must equal line 74)	15,385,976.	59	12,295,673.	
Liabilities	60 Accounts payable and accrued expenses	185,677.	60	204,078.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe SEE STATEMENT 11 )	1,490,591.	65	3,009,090.
66 Total liabilities (add lines 60 through 65)	1,676,268.	66	3,213,168.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	5,206,824.	67	4,927,830.
	68 Temporarily restricted	7,661,013.	68	3,445,139.
	69 Permanently restricted	841,871.	69	709,536.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72 column (A) must equal line 19, column (B) must equal line 21)	13,709,708.	73	9,082,505.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	15,385,976.	74	12,295,673.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes in Part III, the organization's programs and accomplishments.

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return**

a	Total revenue, gains and other support per audited financial statements	a	6,576,864.
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$ <614,559.>		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) STMT 12 \$ <153,995.>		
	Add amounts on lines (1) through (4)	b	<768,554.>
c	Line a minus line b	c	7,345,418.
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0.
e	Total revenue per line 12, Form 990 (line c plus line d)	e	7,345,418.

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

a	Total expenses and losses per audited financial statements	a	6,476,236.
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20 Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify) STMT 13 \$ 9,841.		
	Add amounts on lines (1) through (4)	b	9,841.
c	Line a minus line b	c	6,466,395.
d	Amounts included on line 17 Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	6,466,395.

**Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)**

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
ROBERT K. BEST 10360 OLD PLACERVILLE RD, SUITE 100 SACRAMENTO, CA 95827	PRESIDENT & CEO 40+	242,000.	11,049.	0.
ANTHONY T. CASO 10360 OLD PLACERVILLE RD, SUITE 100 SACRAMENTO, CA 95827	ASST SEC/TREAS./SR.VP 40+	181,000.	25,572.	0.
BARBARA HARTSFIELD 10360 OLD PLACERVILLE RD, SUITE 100 SACRAMENTO, CA 95827	VICE PRESIDENT-ADMIN. 40+	74,697.	23,653.	0.
M. DAVID STIRLING 10360 OLD PLACERVILLE RD, SUITE 100 SACRAMENTO, CA 95827	VICE PRESIDENT 40+	133,750.	7,786.	0.
TRUSTEES-SEE ATTACHMENT D				
		0.	0.	0.
OTHER OFFICERS-SEE ATTACHMENT E				
		0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations of which more than \$10,000 was provided by the related organizations? If "Yes" attach schedule  Yes  No Form 990 (2002)

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? <span style="float:right">N/A</span>	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization <span style="float:right">and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt</span>		
81 a	Enter direct or indirect political expenditures. See line 81 instructions <span style="float:right">81a <input type="text" value="0"/></span>		
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) <span style="float:right">82b <input type="text" value="N/A"/></span>		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? <span style="float:right">N/A</span>	84b	
85	<b>501(c)(4), (5), or (6) organizations</b> a Were substantially all dues nondeductible by members? <span style="float:right">N/A</span>	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? <span style="float:right">N/A</span> If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	
c	Dues, assessments, and similar amounts from members <span style="float:right">85c <input type="text" value="N/A"/></span>		
d	Section 162(e) lobbying and political expenditures <span style="float:right">85d <input type="text" value="N/A"/></span>		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <span style="float:right">85e <input type="text" value="N/A"/></span>		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) <span style="float:right">85f <input type="text" value="N/A"/></span>		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? <span style="float:right">N/A</span>	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? <span style="float:right">N/A</span>	85h	
86	<b>501(c)(7) organizations</b> Enter a Initiation fees and capital contributions included on line 12 <span style="float:right">86a <input type="text" value="N/A"/></span>		
b	Gross receipts, included on line 12, for public use of club facilities <span style="float:right">86b <input type="text" value="N/A"/></span>		
87	<b>501(c)(12) organizations</b> Enter a Gross income from members or shareholders <span style="float:right">87a <input type="text" value="N/A"/></span>		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) <span style="float:right">87b <input type="text" value="N/A"/></span>		
88	At any time during the year did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	<b>501(c)(3) organizations</b> Enter Amount of tax imposed on the organization during the year under section 4911 <input type="text" value="0"/> , section 4912 <input type="text" value="0"/> , section 4955 <input type="text" value="0"/> .		
b	<b>501(c)(3) and 501(c)(4) organizations</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <span style="float:right">0.</span>		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <span style="float:right">0.</span>		
90 a	List the states with which a copy of this return is filed <span style="float:right">SEE STATEMENT 14</span>		
b	Number of employees employed in the pay period that includes March 12, 2002 <span style="float:right">90b <input type="text" value="56"/></span>		
91	The books are in care of <span style="float:right">PACIFIC LEGAL FOUNDATION</span> Telephone no <span style="float:right">916-362-2833</span>		
Located at <span style="float:right">10360 OLD PLACERVILLE ROAD, #100, SACRAMENTO, CA</span> ZIP + 4 <span style="float:right">95827</span>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <span style="float:right">92 <input type="text" value="N/A"/></span>		

**Part VII Analysis of Income-Producing Activities** (See page 31 of the instructions)

	Unrelated business income		Excluded by section 512 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
<b>93</b> Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments					
<b>95</b> Interest on savings and temporary cash investments			14	34,005.	
<b>96</b> Dividends and interest from securities			14	115,199.	
<b>97</b> Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property			16	<9,841.>	
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income					1,989.
<b>100</b> Gain or (loss) from sales of assets other than inventory					
<b>101</b> Net income or (loss) from special events					<22,743.>
<b>102</b> Gross profit or (loss) from sales of inventory					
<b>103</b> Other revenue					
a <b>OTHER INCOME</b>					6,394.
b <b>COURT AWARDED ATTY FEES</b>					448,693.
c _____					
d _____					
e _____					
<b>104</b> Subtotal (add columns (B) (D) and (E))		0.		139,363.	434,333.
<b>105</b> Total (add line 104, columns (B), (D), and (E))					573,696.

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 32 of the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
101	SPECIAL EVENTS PROVIDE OPPORTUNITY TO ENHANCE PUBLIC AWARENESS OF ORGANIZATION'S GOALS
103	OTHER INCOME-MISCELLANEOUS NOMINAL RECEIPTS

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 32 of the instructions)

(A) Name, address and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with**

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to
  - (b) Did the organization, during the year, pay premiums, directly or indirectly on a
- Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information furnished to him.

Signature of officer: *[Signature]* Date: 8/

Paid Preparer's Use Only

Preparer's signature: *[Signature]*

Firm's name (or yours if self-employed) address, and ZIP + 4: CAMPBELL, BENN & TAYLOR 2151 RIVER PLAZA DR., #3 SACRAMENTO, CA 95833-38

223151 01-22-03

**SGCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**2002**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information-(See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **PACIFIC LEGAL FOUNDATION** Employer identification number **94 2197343**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>ROBIN L. RIVETT</u> ----- 10360 OLD PLACERVILLE ROAD #100	ATTORNEY 40+	136,833.	36,964.	
<u>JOHN F. FINDLEY</u> ----- 10360 OLD PLACERVILLE ROAD #100	ATTORNEY 40+	130,500.	11,722.	
<u>FRANK A. SHEPHERD</u> ----- 10360 OLD PLACERVILLE ROAD #100	ATTORNEY 40+	123,250.	7,156.	
<u>JAMES S. BURLING</u> ----- 10360 OLD PLACERVILLE ROAD #100	ATTORNEY 40+	132,917.	24,559.	
<u>SHARON L. BROWNE</u> ----- 10360 OLD PLACERVILLE ROAD #100	ATTORNEY 40+	105,708.	10,204.	
Total number of other employees paid over \$50,000 ▶	23			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>STOEL RIVES LLP</u> ----- 900 SW 5TH AVE, SUITE 2600, PORTLAND, OR 97204	CONTRACT ATTORNEY	154,256.
<u>BLV AGRIBUSINESS</u> ----- 2945 CANONITA DRIVE, FALLBROOK, CA 92028-8771	PUBLIC RELATIONS	52,360.
<u>AMERITECHNOLOGY GROUP INC.</u> ----- 6785 TRUDY WAY, SACRAMENTO, CA 95831	INFORMATION TECHNOLOGY SUPPOR	200,216.
<u>IM HANIFIN PARSONS</u> ----- 1001 BISHOP ST, PACIFIC TWR, STE 2475, HONOLULU, HI	CONTRACT ATTORNEY	52,036.
----- -----		
Total number of others receiving over \$50,000 for professional services ▶	0	

**Part III Statements About Activities** (See page 2 of the instructions )

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B ) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions )		
<b>a</b> Sale, exchange, or leasing of property?		X
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?		X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <b>SEE PART V, FORM 990</b>	X	
<b>e</b> Transfer of any part of its income or assets?		X
<b>3</b> Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below )		X
<b>4</b> Do you have a section 403(b) annuity plan for your employees?	X	
<b>Note</b> Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments		

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 5 of the instructions )

The organization is not a private foundation because it is (Please check only ONE applicable box )

- 5**  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6**  A school Section 170(b)(1)(A)(ii) (Also complete Part V )
- 7**  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8**  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9**  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► \_\_\_\_\_
- 10**  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A )
- 11a**  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
- 11b**  A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
- 12**  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A )
- 13**  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3) )

Provide the following information about the supported organizations (See page 5 of the instructions )

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14**  An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions )



**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) **Use cash method of accounting**  
**Note** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	7,518,691.	5,507,840.	5,135,492.	6,155,792.	24,317,815.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,429,970.	75,918.	126,320.	38,837.	1,671,045.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30 1975	116,563.	118,496.	317,707.	308,478.	861,244.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets	<64,071.>	<41,127.>	<101,721.>	<87,300.>	<294,219.>
23 Total of lines 15 through 22	9,001,153.	5,661,127.	5,477,798.	6,415,807.	26,555,885.
24 Line 23 minus line 17	7,571,183.	5,585,209.	5,351,478.	6,376,970.	24,884,840.
25 Enter 1% of line 23	90,012.	56,611.	54,778.	64,158.	

26 Organizations described on lines 10 or 11 a Enter 2% of amount in column (e), line 24	26a	497,697.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a Do not file this list with your return Enter the sum of all these excess amounts	26b	1,594,412.
c Total support for section 509(a)(1) test Enter line 24, column (e)	26c	24,884,840.
d Add Amounts from column (e) for lines 18 <u>861,244.</u> 19 <u>1,594,412.</u> 22 <u>&lt;294,219.&gt;</u> 26b <u>1,594,412.</u>	26d	2,161,437.
e Public support (line 26c minus line 26d total)	26e	22,723,403.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	91.3142%

27 Organizations described on line 12 a For amounts included in lines 15, 16 and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return Enter the sum of such amounts for each year	N/A		
(2001)	(2000)	(1999)	(1998)
b For any amount included in line 17 that was received from each person (other than "disqualified persons") prepare a list for your records to show the name of and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11 as well as individuals) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2) enter the sum of these differences (the excess amounts) for each year	N/A		
(2001)	(2000)	(1999)	(1998)
c Add Amounts from column (e) for lines 15 <u>16</u> 17 <u>20</u> 21 <u>21</u>	27c	N/A	
d Add Line 27a total <u>and line 27b total</u>	27d	N/A	
e Public support (line 27c total minus line 27d total)	27e	N/A	
f Total support for section 509(a)(2) test Enter amount on line 23, column (e) <u>27f</u> N/A	27f	N/A	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	N/A %	
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	N/A %	

28 Unusual Grants For an organization described in line 10, 11 or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show for each year, the name of the contributor the date and amount of the grant and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15

**Part V Private School Questionnaire** (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes" please describe, if "No" please explain (If you need more space, attach a separate statement )		
<hr/>			
<hr/>			
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )	32d	
<hr/>			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )	33h	
<hr/>			
<hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check  a  if the organization belongs to an affiliated group Check  b  if you checked "a" and "limited control" provisions apply

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
(The term "expenditures" means amounts paid or incurred )		N/A													
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36													
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37													
38	Total lobbying expenditures (add lines 36 and 37)	38													
39	Other exempt purpose expenditures	39													
40	Total exempt purpose expenditures (add lines 38 and 39)	40													
41	Lobbying nontaxable amount Enter the amount from the following table -														
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">If the amount on line 40 is -</td> <td style="width: 50%; border: none;">The lobbying nontaxable amount is -</td> </tr> <tr> <td style="border: none;">Not over \$500 000</td> <td style="border: none;">20% of the amount on line 40</td> </tr> <tr> <td style="border: none;">Over \$500 000 but not over \$1 000 000</td> <td style="border: none;">\$100 000 plus 15% of the excess over \$500 000</td> </tr> <tr> <td style="border: none;">Over \$1 000,000 but not over \$1 500 000</td> <td style="border: none;">\$175 000 plus 10% of the excess over \$1 000,000</td> </tr> <tr> <td style="border: none;">Over \$1 500 000 but not over \$17 000 000</td> <td style="border: none;">\$225 000 plus 5% of the excess over \$1 500 000</td> </tr> <tr> <td style="border: none;">Over \$17 000 000</td> <td style="border: none;">\$1 000 000</td> </tr> </table>	If the amount on line 40 is -	The lobbying nontaxable amount is -	Not over \$500 000	20% of the amount on line 40	Over \$500 000 but not over \$1 000 000	\$100 000 plus 15% of the excess over \$500 000	Over \$1 000,000 but not over \$1 500 000	\$175 000 plus 10% of the excess over \$1 000,000	Over \$1 500 000 but not over \$17 000 000	\$225 000 plus 5% of the excess over \$1 500 000	Over \$17 000 000	\$1 000 000	41	
If the amount on line 40 is -	The lobbying nontaxable amount is -														
Not over \$500 000	20% of the amount on line 40														
Over \$500 000 but not over \$1 000 000	\$100 000 plus 15% of the excess over \$500 000														
Over \$1 000,000 but not over \$1 500 000	\$175 000 plus 10% of the excess over \$1 000,000														
Over \$1 500 000 but not over \$17 000 000	\$225 000 plus 5% of the excess over \$1 500 000														
Over \$17 000 000	\$1 000 000														
42	Grassroots nontaxable amount (enter 25% of line 41)	42													
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43													
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44													

**Caution** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions )

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions )

N/A

During the year, did the organization attempt to influence national state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines e through h )			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators their staffs government officials or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines e through h )			0.

If "Yes" to any of the above also attach a statement giving a detailed description of the lobbying activities

**Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations.** (See page 12 of the instructions.)

**51** Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

**a** Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash
- (ii) Other assets

**b** Other transactions

- (i) Sales or exchanges of assets with a noncharitable exempt organization
- (ii) Purchases of assets from a noncharitable exempt organization
- (iii) Rental of facilities, equipment, or other assets
- (iv) Reimbursement arrangements
- (v) Loans or loan guarantees
- (vi) Performance of services or membership or fundraising solicitations

**c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees

**d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
<b>51a(i)</b>		X
<b>a(ii)</b>		X
<b>b(i)</b>		X
<b>b(ii)</b>		X
<b>b(iii)</b>		X
<b>b(iv)</b>		X
<b>b(v)</b>		X
<b>b(vi)</b>		X
<b>c</b>		X

N/A

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

**52 a** Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?  Yes  No

**b** If "Yes," complete the following schedule N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
	1 SEE ATTACHMENT H	VARIABLES		.000	16	997,881.			997,881.	743,579.		94,890.
	* TOTAL 990 PAGE 2					997,881.		0.	997,881.	743,579.	0.	94,890.
	DEPR											

FORM 990 RENTAL EXPENSES STATEMENT 1

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
INSURANCE		2,865.	
UTILITIES-PG&E		434.	
MODESTO DISPOSAL SERVICES		211.	
MODESTO IRRIGATION DISTRICT		1,734.	
YARD MAINTENANCE		780.	
PARCELLING FEES		1,131.	
PROPERTY TAX		925.	
ELECTRICAL, PLUMBING, ETC		1,761.	
- SUBTOTAL -	1		9,841.
TOTAL TO FORM 990, PART I, LINE 6B			9,841.

FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 2

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
EUREKA-DINNER	52,150.	46,500.	5,650.	8,753.	<3,103.>
DEL MAR-LUNCHEON	70,550.	61,950.	8,600.	7,631.	969.
MOZART-HORSDOEUVRES	40,175.	37,825.	2,350.	5,047.	<2,697.>
PANKOW-DINNER	98,050.	92,750.	5,300.	23,208.	<17,908.>
MISCELLANEOUS	3,300.	3,300.		4.	<4.>
TO FM 990, PART I, LINE 9	264,225.	242,325.	21,900.	44,643.	<22,743.>

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 3

DESCRIPTION	AMOUNT
UNREALIZED LOSS ON UNRESTRICTED INVESTMENTS	<482,224.>
UNREALIZED LOSS ON PERMANENTLY RESTRICTED INVESTMENTS	<132,335.>
SFAS NO.247 ADJUSTMENT FOR SPLIT INTEREST AGREEMENTS	<163,836.>
PRIOR PERIOD ADJUSTMENT FOR NET PRESENT VALUE OF SPLIT INTEREST AGREEMENTS	<4,820,909.>
PRIOR PERIOD ADJUSTMENT FOR NET PRESENT VALUE OF SPLIT INTEREST AGREEMENTS	93,078.
TOTAL TO FORM 990, PART I, LINE 20	<5,506,226.>

FORM 990	OTHER EXPENSES			STATEMENT 4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
REVENUE DEVELOPMENT	121,671.			121,671.
LITIGATION EXPENSE	240,425.	240,425.		
FEES	29,751.	11,265.	18,486.	
INSURANCE	61,216.	48,072.	1,992.	11,152.
LIBRARY/RESEARCH	69,791.	69,791.		
OTHER EXPENSES	121,476.	17,748.	101,848.	1,880.
<b>TOTAL TO FM 990, LN 43</b>	<b>644,330.</b>	<b>387,301.</b>	<b>122,326.</b>	<b>134,703.</b>

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 5  
PART III

EXPLANATION

PUBLIC INTEREST LAW-PROVIDE LEGAL REPRESENTATION FOR CITIZENS ON MATTERS OF PUBLIC INTEREST AT ALL LEVELS OF THE ADMINISTRATIVE AND JUDICIAL PROCESS.

FORM 990	CASH GRANTS AND ALLOCATIONS			STATEMENT 6
CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
EQUAL OPPORTUNITY, AFFIRMATIVE	PROFESSOR JOHN HASNAS		NONE	4,000.
STUDENT WRITING COMPETITION	PROGRAM FOR JUDICIAL AWARENESS		NONE	9,500.
HAWAIIAN PROPERTY LAW PROJECT	UNIVERSITY OF HAWAII FOUNDATION		NONE	5,000.
<b>TOTAL INCLUDED ON FORM 990, PART II, LINE 22</b>				<b>18,500.</b>

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**FORM 990** **NON-GOVERNMENT SECURITIES** **STATEMENT** **7**


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SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
SEE ATTACHMENT F				4137429.	4,137,429.
TO 990, LN 54 COL B				4137429.	4,137,429.

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**FORM 990** **OTHER INVESTMENTS** **STATEMENT** **8**


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DESCRIPTION	VALUATION METHOD	AMOUNT
SEE ATTACHMENT G	MARKET VALUE	4,732,498.
SEE ATTACHMENT I	MARKET VALUE	774,000.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		5,506,498.

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**FORM 990** **DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT** **STATEMENT** **9**


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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
SEE ATTACHMENT H	997,881.	838,469.	159,412.
TOTAL TO FORM 990, PART IV, LN 57	997,881.	838,469.	159,412.

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**FORM 990** **OTHER ASSETS** **STATEMENT** **10**


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DESCRIPTION	AMOUNT
CSV LIFE INSURANCE	42,568.
DEPOSITS, STOCK RECEIVABLE & MISC.	24,873.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	67,441.



FORM 990	OTHER LIABILITIES	STATEMENT 11
DESCRIPTION		AMOUNT
ACCRUED VACATION PAYABLE		161,482.
PENSION PLAN ACCRUAL		388,984.
ACCRUED EXPENSES		144,608.
CAPITAL LEASE PAYABLE		47,450.
LIABILITY UNDER UNITRUST		2,266,566.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		3,009,090.

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT 12
DESCRIPTION		AMOUNT
CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS		<163,836.>
RENTAL EXPENSES		9,841.
TOTAL TO FORM 990, PART IV-A		<153,995.>

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT 13
DESCRIPTION		AMOUNT
RENTAL EXPENSES (NET RENTAL INCOME/LOSS INCLUDED IN REVENUE		9,841.
TOTAL TO FORM 990, PART IV-B		9,841.

FORM 990	LIST OF STATES RECEIVING COPY OF RETURN PART VI, LINE 90	STATEMENT 14
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STATES  
CA, OR, NY, NJ, AK, FL, WA, HI, MA, SC, AZ, IL, KS, MO, MI, MN, OH, PA, UT, VA

SCHEDULE A	OTHER INCOME			STATEMENT 15
DESCRIPTION	2001 AMOUNT	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT
SPECIAL EVENTS	<64,071.>	<41,127.>	<101,721.>	<87,300.>
TOTAL TO SCHEDULE A, LINE 22	<64,071.>	<41,127.>	<101,721.>	<87,300.>

## 2002 Case Listing

**Adams v Florida Power Corp** (challenging expansion of the disparate impact doctrine in the Age Discrimination in Employment Act)

**Adarand Constructors v Pena** (challenging discriminatory federal contracting program)

**Agencia La Esperanza Corp v Orange County** (challenging illegal fees)

**AirStar Helicopters, Inc v FAA** (challenging discriminatory environmental regulation)

**Alabama Tombigbee Rivers Coalition v Norton** (challenging improper listing of the Alabama sturgeon under ESA)

**Alaska Dept of Environmental Conservation v EPA** (challenging federal agency's regulatory actions that exceed its limited authority)

**Alsea Valley Alliance v Daley** (challenging endangered species listing that conflicts with statutory authority)

**Ambrose v Monroe County** (challenging unreasonable land use regulation in the Florida Keys)

**American Farm Bureau Federation v EPA** (challenging government failure to carry out its responsibilities)

**Anderson v General Motors** (opposing unwarranted award of punitive damages in civil actions)

**Arakaki v Hawaii** (challenging qualifications for elective office based on race)

**Arizona Cattle Growers' Association v USFWS** (challenging government use of junk science to limit grazing on public lands)

**Asarco v Dept of Ecology** (challenging retroactive liability for environmental clean up as a violation of the Takings and Due Process Clauses)

**Bank of America v San Francisco** (challenging government's unjustified intrusion in the free market)

**Barnum v North Coast Regional Water Quality Control Board** (challenging environmental restrictions having no scientific basis)

**Basel v McFarland & Sons** (defending constitutionality of Florida's Tort Reform Act)

**Bea v Columbia River Gorge Commission** (defending property owners right to rely on agency permit approvals)

**Beharry v Reno** (opposing the application of international treaties to override federal statutes)

**Benchmark Land Co v Battle Ground** (opposing unfair government conditions on proposed land development)

**BIA of Superior California v Babbitt** (opposing the listing of certain species which is scientifically unjustified)

**Big Creek Lumber Company v County of Santa Cruz** (opposing county interference with private timber activities regulated exclusively by the state)

**Boise Cascade v Oregon** (supporting payment of just compensation for government "taking" of private timberland)

**Bonnichsen v US** (challenging unauthorized government agency actions)

**Borden Ranch Partnership v US Army Corps of Engineers** (opposing federal administrative actions that subvert congressional policy)

**Boy Scouts v Till** (challenging government discrimination against an organization based on its viewpoints)

**Boy Scouts v Wyman** (challenging unconstitutional viewpoint discrimination)

**Bradfordville Phipps Ltd Partnership v Leon County** (defending the right to compensation for temporary "takings")

**Broadway to Silver Beach Neighborhood Association Inc v City Commission of Daytona Beach** (challenging government abuse of condemnation power)

**Budget Rent a Car Systems, Inc v Bennett** (defending Florida's Tort Reform Act)

**Bugenic v Hoopa Valley Indian Tribe** (challenging assertion of tribal jurisdiction over nonmember's property)

**Bugenic v Hoopa Valley Tribe** (challenging government taking of property without compensation)

**Burien v Kiga** (defending tax limitation initiative)

**California Association of Retail Tobacconists v California** (challenging constitutionality of California's Proposition 10)

**California Network of Educational Charters v State Dept of Education** (opposing unnecessary government restrictions to innovative alternatives in public education)

**Callan v Laguna Beach** (challenging agency action that violates the due process rights of landowners)

**Cashman v Cotati** (challenging Cotati's mobile home rent control ordinance)

**Center for Biological Diversity v NMFS** (supporting government's decision not to list orcas)

**Center for Biological Diversity v Smith** (opposing unjustified challenge to groundwater use policy)

**Center for Biological Diversity v Whitman** (oppose application of the ESA to nonharmful administrative actions)

**Chelan County v Nykreim** (opposing administrative actions that exceed statutory limits)

**Cheresnik v San Francisco** (challenging discrimination in public employment)

**Chesterfield Village v Chesterfield** (defending right to just compensation for temporary takings)

**Chevron v Cayetano** (urging heightened standard of review of rent control regulations)

**Chevron v Echazabal** (opposing unwarranted claims under the ADA)

**Clay v Monroe** (supporting compensation for temporary taking of property by local government)

**Columbia Basin Apartment Association v Pasco** (challenging unconstitutional government inspections of private property)

**Comments on Federal Listing of Threatened and Endangered Species** (ensuring government does not exceed constitutional powers)

**Comments to the US Fish and Wildlife Service** (opposing the designation of critical habitat under the ESA)

**Committee for Reasonable Regulation of Lake Tahoe v TRPA** (challenging unlawful aesthetic regulations in Lake Tahoe area)

**Common Sense Salmon Recovery v National Marine Fisheries Service** (challenging unwarranted listing of species under the ESA)

**Communities for a Better Environment v California Resources Agency** (supporting reasonable environmental standards)

**Concrete Works of Colorado v Denver** (opposing race/gender preferences in public contracting)

**Connerly v State Personnel Board** (challenging five California state statutes that grant preferences based on race and gender)

**Conservation Council for Hawaii v Babbitt** (opposing environmental groups attempt to have private property designated critical habitat)

**Cooley v US** (opposing government procedures that seek to undermine "takings" claims)

**Coos County Commissioners v US Fish and Wildlife Service** (improper critical habitat designation)

**Coral Construction v San Francisco** (challenging race/gender preferences in public contracting)

**Cottonwood Christian Center v Redevelopment Agency of Cypress** (challenging abuse of the eminent domain authority)

**County of Clark v Hsu** (supporting just compensation for regulatory taking of property)

**Crawford v Huntington Beach Union High School District** (challenging school policy that discriminates based on race)

**Cuyahoga Falls v Buckeye Community Hope Foundation** (oppose voter referendum that violates landowner's due process rights)

**Decoplage Condominium Association v Miami Beach and Ritz Plaza Hotel Association** (defending legislation aimed at protecting landowners rights)

**Delta Construction Co v EBMUD** (challenging discrimination in public contracting)

**Drouet v Superior Court** (upholding rental property owner's right to make reasonable use of his property)

**Dynalantic Corp v US Dept of Defense** (opposing quotas in federal contracting)

**East Maui Irrigation Case** (opposing abuse of public trust doctrine to benefit species over human needs)

**1984**—PLF successfully represents the State Grange against the California Rural Legal Assistance's attack on agricultural mechanization research at the University of California

**1986**—PLF successfully argues in court that public schools and school districts have a constitutional duty to enforce inalienable rights of students and staff to safety and security



**1985**—PLF launches major challenge to San Francisco ordinance requiring race and gender quotas in public contracting

**1987**—PLF participates in four major property and, representing property owners, achieves requiring compensation to landowners when

*Eggleston v Pierce* (supporting compensation for takings of property by law enforcement)

*E.M.M.I. Inc v Zurich American Insurance Company* (defending private right to contract)

*Equilon Enterprises v Consumer Cause* (opposing unjustified interpretation of anti SLAPP statute)

*Erickson v Clark* (seeking just compensation for regulatory taking)

*Esplanade Properties v Seattle* (opposing regulatory taking of property without just compensation)

*Evans v Berkeley* (opposing government denial of equal protection to Sea Scouts)

*Fairy Shrimp Study Group v Babbitt* (opposing federal government's failure to respond and act on petitions to delist certain listed species)

*Farmer-Paellmann v FleetBoston Financial Corp* (opposing tort actions outside the statute of limitations)

*FEC v Beaumont* (opposing unconstitutional restrictions on political speech)

*Florida Consumer Action Network v Bush* (defending state tort reform efforts)

*Florida Dept of Environmental Protection v Burgess* (opposing uncompensated "takings" of private land without compensation)

*Florida Rock Industries v US* (supporting just compensation for taking of private property)

*Franchise Tax Board v Hyatt* (defending citizens' legal challenge against state taxing authority)

*Friery v Los Angeles Unified School District* (challenging race preferences in public employment)

*Fullerton v Gilroy Unified School District* (challenging public school racial balancing policy)

*Gallwey v Grimm* (supporting educational grants to students who choose religiously affiliated colleges)

*Garcia v Corps of Engineers* (challenging federal agency action that exceeds limits of authority)

*Gardner v Sonoma* (defending validity of private subdivisions recorded in California before 1893)

*Gardner v Wasatch* (supporting just compensation for "temporary" takings of private property)

*GDF Investments Realty v Babbitt* (opposing unlawful regulation under the Commerce Clause)

*Gerber v Babbitt* (opposing unlawful expansion of a regulatory agency's powers)

*Gibbs v Babbitt* (challenging federal government actions that exceed constitutional authority)

*Grange v National Marine Fisheries Service* (challenging arbitrary listing of coho salmon under the ESA)

*Glenn Heights v Sheffield Development Co* (challenging building moratorium as temporary "taking")

*Gratz v University of Michigan* (opposing race preferences in school admissions)

*Griffith v Santa Cruz* (defending tax limitation initiative)

*Grueter v Bollinger* (challenging race based university admissions policy)

*Hage v US* (seeking compensation for government denial of water rights)

*Hells Canyon Preservation Council v US Forest Service* (defending valid uses of public lands)

*Henry v Jefferson County Planning Commission* (opposing land use conditions that fail the Nollan/Dolan nexus requirement)

*Hi Voltage Wire Works, dba Power Providers v San Jose* (challenging discriminatory "outreach" program which defeats the purpose of California's Proposition 209)

*Holland v Volusia* (challenging laws that deprive landowners the right to exclude trespassers)

*Holmes v Bush* (defending state's school voucher program)

*Home Builders Association of Northern California v USFWS* (challenging improper critical habitat designation)

*Home Builders Association of Northern California v Napa* (challenging unconstitutional impact fees on private development)

*Hunter v Regents of the University of California* (opposing the state's denial of educational opportunities based solely on race and ethnicity)

*In re Water Use Permit Applications for the Waiahole* (challenging government actions that unreasonably hamper private property use)

*In the Matter of David Rayhan* (challenging discriminatory university admissions policy)

*Interstate General Co v US* (opposing court rulings that expand government power beyond constitutional limits)

*Isla Verde v Camas* (opposing unreasonable permit conditions for private property development)

*Johnson v University of Georgia* (opposing race/gender preferences in public education)

*Jonathan Neil & Associates v Jones* (opposing the unwarranted expansion of legal theories and remedies in tort litigation)

*Kasky v Nike* (opposing unreasonable expansion of civil liability statutes)

*Kern County Farm Bureau v Norton* (challenging unwarranted listing of the Buena Vista Lake Shrew under the ESA)

*Klamath Irrigation District v US* (ensuring compensation for government takings of water rights)

*Klamath Water Users Association* (opposing government actions that deprive landowners of their water rights)

*Kritich v US* (challenging regulatory authority over nonadjacent wetlands)

*Las Vegas Downtown Redevelopment Agency v Pappas* (challenging abuse of the eminent domain power)

*Machipongo Land and Coal Co v Commonwealth of Pennsylvania Dept of Environmental Protection* (defending right to compensation for regulatory takings)

*Marine Forests Society v California Coastal Commission* (challenging the legal composition of the California Coastal Commission)

*May v McNally* (opposing involuntary payments of funds for political purposes)

*McCall v Kitzhaber* (defending state constitutional amendment requiring compensation for regulatory takings)

*McQueen v South Carolina Coastal Council* (defending right to compensation for government "taking" of property)

*McQueen v South Carolina Dept of Health and Environmental Control* (defending right to compensation for government "taking" of property)

*Methow Valley Irrigation Dist v Dept of Ecology* (challenging unauthorized state regulation of water rights)

*Modesto Irrigation District v National Marine Fisheries Service* (opposing unlawful application of ESA)

*Montclair Parkowners Association v Montclair and Hacienda Mobile Home Estates v Montclair* (defending landowners' access to the federal courts to litigate their takings claims)

*Montgomery Land Co v Stafford* (challenging onerous "tree protection" ordinance that infringes on private property rights)

*NAHB v Evans* (challenging unjustified critical habitat designation)

*NAHB v US Army Corps of Engineers* (challenging federal authority to regulate isolated wetlands)

*National Mining Association v US Army Corps of Engineers* (opposing agency wetlands rules that exceed the jurisdiction granted by Congress)

*National Resources Defense Council v Evans* (opposing unfounded environmental lawsuits that hinder national security)

*Nevada Department of Human Resources v Hibbs* (defending state sovereign immunity from private lawsuits in federal court)

*New Mexico Cattle Growers Association v USFWS* (challenging court decisions that impeded balanced environmental protection)

*New York v Sour Mountain Realty* (opposing government actions that preclude reasonable use of private property)

*Newdow v Congress of the US* (opposing judicial rulings that exceed the bounds of law)

*North Lauderdale v SMM Properties* (challenging invalid taxation schemes)

*Nourmand v Los Angeles* (defending right to compensation for temporary regulatory takings)

*Oblates of St Joseph v Nichols* (California Coastal Commission) (opposing unwarranted land use regulation of church property)

*Okanogan v NMFS* (challenging unjustified impairment of water rights)

*Olympia v Drebeck* (opposing abuse of the power to tax and levy fees)

*ONRDC v Norton* (defending contractual water rights of landowners)

*Orange County v Costco Wholesale Corp* (challenging local zoning ordinance that is facially unconstitutional)

*Oregon Natural Resources Council v Forsgren, US Forest Service* (challenging critical habitat designation without economic impact analysis)

**1988**—U.S. Supreme Court agrees with PLF that nonunion employees covered by collective bargaining should not be compelled to pay the portion of dues used for political lobbying

cases before the U.S. Supreme Court precedent setting victory in the *Nollan* case government regulation takes private property

**1989**—U.S. Supreme Court agrees with PLF that local government race classifications that subject individual citizens to unequal treatment are presumptively illegal

**1990**—PLF successfully leads the defense of California's term limit initiative, Proposition 130

**1991**—PLF wins U.S. Supreme Court precedent that mandatory association membership fees cannot be used for political lobbying in which the payer does not believe

- Pacific Coast Federation of Fishermen's Association v U S Bureau of Reclamation** (opposing unjustified efforts to halt contractual water deliveries to landowners)
- Pacific Rivers Council v Brown** (challenging legal theory creating state duty to administer federal laws)
- Palazzolo v Rhode Island** (challenging "regulatory taking" without payment of compensation)
- Palm Beach Isles v U S** (defending landowner's right to reasonably beneficial use of his land)
- Parents Involved in Community Schools v Seattle School District** (challenging race-based admissions in public schools)
- Pharmaceutical Research and Manufacturers Association v Concannon** (challenging state law mandating price controls as violating the Commerce Clause)
- Pheasant Bridge Corp v Township of Warren** (challenging zoning ordinance that doesn't advance a legitimate state interest)
- Phelps Dodge Corp v U S** (defending constitutionally protected property rights in water use)
- Philip Morris v Engle** (opposing unwarranted expansion of civil liability)
- Pincecrest Lakes v Brooks** (opposing judicial remedies in zoning disputes that unjustifiably punish landowners)
- Pomerance v Homosassa Special Water District** (opposing parcel "assessments" that are disguised taxes)
- Pool & Geller v Boy Scouts of America** (challenging government action that violates right of free association)
- Power Engineering Co v U S** (challenging EPA's "over filing" of a state hazardous waste enforcement action)
- Progressive Campaigns v Walmart** (defending property owners' right to exclude trespassers)
- Pronsolino v Marcus** (challenging EPA regulations that exceed statutory limits)
- Public Disclosure Commission v Washington Education Association** (opposing involuntary payments of funds for political purposes)
- Quiroz v State Board of Education** (supporting education reform for English learners)
- Rancho Viejo v Norton** (challenging unconstitutional application of Endangered Species Act)
- Redwood Christian Schools v County of Alameda** (opposing denial of equal treatment in land use permit process)
- Renner Petroleum** (opposing the imposition of regulatory penalties against innocent businesses)
- Rio Grande Silvery Minnow v Keys** (opposing unauthorized federal action that undermines existing water rights)
- Rios v Regents of the Univ of California** (opposing government use of race preferences for college admission)
- Rogers Machinery v Washington County and Tigard** (challenging unlawful building permit impact fee)
- Rosen v State Farm Insurance** (defending private right to contract)
- San Remo Hotel v San Francisco** (opposing confiscatory regulations on a landowner's use of hotel property)
- Santa Clara Organization for Planning the Environment v County of LA** (opposing "forum shopping" in environmental cases)
- Sav On Drug Stores, Inc v Superior Court** (opposing unwarranted class action lawsuit)
- Save the Manatee Club v Ballard** (opposing expansion of agency power beyond statutory limits)
- Schuehle v Babbitt** (challenging unconstitutional exercise of government authority)
- Schroeder v Irvine** (opposing government spending tax money for lobbying)
- Scott v Pasadena Unified School District** (challenging race/gender preferences in public education)
- SDS Lumber v Washington** (opposing state denial of timber harvest permit to protect habitat of protected species as a regulatory taking)
- Seiber v Oregon** (supporting payment of just compensation for regulatory "takings" under the ESA)
- Sierra Club v Florida Dept of Environmental Protection** (defending legislation that imposes standing requirements for citizen lawsuits)
- Sierra Club v Hawaii Tourism Authority** (opposing unnecessary application of environmental regulatory requirements)
- Simmons Harris v Zelman** (supporting Cleveland's educational voucher program)
- Sivtelli v Town of Ocean Ridge** (challenging government actions that preclude reasonable use of property)
- Small Landowners of Oahu v Honolulu** (opposing the recurring abuse of condemnation power in Hawaii)
- Smith v Novato Unified School District** (challenging school district's violation of free speech)
- Smith v University of Washington Law School** (opposing race preferences in school admissions)
- South Florida Water Management District v Miccosukkee Tribe of Indians of Florida** (opposing unjustified federal demand for Clean Water Act permit)
- State ex rel RTG, Inc v State of Ohio** (opposing uncompensated regulatory takings of mineral rights)
- Taxpayer v Los Angeles** (challenging government discrimination in public employment and contracting)
- Texas v Mikeska** (challenging government's uncompensated physical invasion of private property)
- Thompson v Adams** (challenging unauthorized taxation of landowners by Indian tribes)
- Town of Flower Mound v Stafford Estates** (challenging unjustified permit condition on land use)
- Travis v County of Santa Cruz** (challenging rent control ordinance)
- Tulare Lake Basin Water Storage District v U S** (seeking compensation for taking of water rights)
- U S v Adair** (opposing federal court ruling that threatens water rights in Klamath Basin)
- U S v McFarland** (challenging federal jurisdiction over purely intrastate activities)
- U S v Newdunn Association** (opposing unjustified regulation of isolated wetlands)
- U S v Rapanos** (challenging government's unlawful expansion of wetlands jurisdiction)
- U S v RGM Corp** (challenging unjustified regulations of private property as "wetland")
- United Utilities v SMUD** (challenging race/gender preferences in public contracting and employment)
- Utah Education Association v Leavitt** (defending Utah's "paycheck protection law")
- Valeria G v Wilson, Angel V v Davis, JPW v Davis** (defending voter initiative that replaces California's failed education system with sheltered English immersion programs)
- Valley Resources, Ltd v King County** (challenging unconstitutional denial of long held mining rights)
- Venetian Casino Resort v Culinary Workers Union** (defending private property owner's right to exclude trespassers)
- Villafana v Camco Pacific Construction** (opposing unreasonable expansion of civil liability)
- Volusia County and Volusia County School Board v Aberdeen at Ormond Beach, L P** (challenging unconstitutional impact fee on land development)
- Walcek v U S** (defending right to just compensation for regulatory takings)
- Washington Legal Fnd v Legal Fnd of Washington** (supporting compensation for government takings of interest earned on IOLTA accounts)
- Washington Trout v Washington Dept of Fish & Wildlife** (opposing unwarranted legal attack of state hatchery program)
- Wellington River Hollow, LLC v King County & Northshore School District** (opposing unjustified school impact fees on development)
- West Hawaii Surfing Assoc v Sobay Ka Pa'akai O Ka 'Aina v Kaupulehu Developments** (opposing unjustified burdens on private land development)
- West Side Partners v Miami Beach** (opposing unfair procedural impediments to seeking just compensation)
- Western Growers Association v CALRB** (challenging statutes that undermine collective bargaining rights)
- WJF Realty Corp v New York** (challenging government actions that foreclose takings claims in federal court)
- Wyoming Assoc. of Conservation Districts v EPA** (challenging agency actions that exceed constitutional limits)
- Yardarm Restaurant v Pompano Beach** (challenging government violations of landowner's due process rights)
- Young v Raley's** (defending businesses against trespassing solicitors)

**1992**—PLF opens Pacific Northwest Center office in Washington state. Also U S Supreme Court sides with PLF in requiring payment of compensation for loss of use of land in *Lucas* decision

**1994**—U S Supreme Court sides with PLF in landmark *Dolan* decision that set tougher standards for regulators who want to "take" private property as a condition for granting a land use permit

**1993**—PLF wins landmark California Supreme Court ruling protecting the First Amendment rights of students not to be forced to pay for political lobbying with which they disagree

## Pacific Legal Foundation 2002 Legal Program

The legal program experienced significant growth in 2002. By the end of the year, our caseload was 30% higher than the end of 2001, and our direct representation caseload was 25% higher. We have 188 active cases, 59 of which are direct representation matters, in 29 states. Our cases defending the right to own and use property illustrate these statistics. We are currently litigating cases in Arizona, California, Delaware, Florida, Hawaii, Nevada, New York, Ohio, Oregon, South Carolina, Texas, West Virginia, and Washington in support of property rights.

The most exciting case to come out of our property rights program in 2002 was the decision at the end of the year finding the California Coastal Commission unconstitutional. The court of appeal ruled that because the state legislature retained the authority to appoint and fire a majority of the members of the commission, the commission could not lawfully issue permits or hear appeals. For at least a brief period of time, property owners along the coast may escape the tyranny of the commission.

We were also able to win review in the California Supreme Court for a case that will establish the time within which property owners must challenge local ordinances that impose illegal conditions on building permits. With these cases in California and other direct representation cases pending before the federal courts, our property rights program continues to headline our efforts in support of individual liberty.

We were also successful this past year in our litigation opposing government programs that classify citizens on the basis of race. We achieved a court of appeal victory holding that California's Proposition 209 outlawed the use of race to assign students to public schools. That decision helped us to settle a similar case with a different school district—a settlement that included the first known payment of damages under Proposition 209 to an injured plaintiff. Our work in enforcing Proposition 209 was also recognized by the Superior Court in an award of attorneys fees in the *Connerly* litigation that included a multiplier (an increase in the award in recognition of the significance of the decision and the difficulty of the litigation).

We have clearly established PLF as the lead public interest firm in Endangered Species Act litigation. Over the past year, we have added to our caseload a number of cases challenging the listing of various fish species to build on our victory in the *Alesea* case where the court held that the federal government could not treat hatchery and so-called "wild" fish differently under the Act. We are also challenging several critical habitat designations in the Western United States that were imposed on property owners without the economic analysis required by the law.

We are poised to continue these accomplishments in 2003. We now have three direct representation cases pending before the United States Supreme Court on petitions for writ of certiorari. We also have taken over direct representation in the Berkeley Sea Scouts case to file a petition for review before the California Supreme Court. Our amicus program also includes several significant cases before the United States Supreme Court, including the *Nike* commercial speech case and the two University of Michigan affirmative action cases.

Finally, in addition to the increased litigation, the legal staff has submitted a number of articles for publication. Two PLF attorney-authored law review articles were published in 2002 and another four have already been accepted for publication in 2003 on topics ranging from regulatory takings law to tort reform.

## Pacific Legal Foundation 2002 Communications Program

### Publications Program

PLF's communications program accomplishments for 2002 demonstrated a consistently aggressive effort to raise the level of public awareness of PLF's work. During the year we sent out 31 informational mailings including 4 *GUIDEPOST* newsletters, 2 *Northwest Center Dispatch* newsletters, 1 *Atlantic Center Dispatch* newsletter, 2 *Atlantic Center Briefly* bulletins, 4 *Liberty Watch* reports, 1 *Monograph*, 9 *At Issues*, and 8 *Action Reports*.

Other published material included a new staff orientation book entitled *Our Government, Our Laws, and Our Courts: How Pacific Legal Foundation Promotes a More Perfect Union*, a brochure promoting PLF's deferred giving program—*Perpetuating Your Commitment*, and a booklet promoting PLF's special legal programs—*Focus on Liberty: A Sponsor's Guide to Distinct Legal Programs of the Pacific Legal Foundation*.

Public exposure to PLF publications has been greatly enhanced through our newly revamped web site ([www.pacificlegal.org](http://www.pacificlegal.org)) and PLF's popular E-mail newsletter, *The PLF Sentry*, now enjoyed by over 1,800 subscribers (about 700 more than last year).

### Media Relations Program

PLF's media program gained major ground this year. PLF was mentioned or quoted in 291 news stories appearing in major daily newspapers. The number does not include wire service story reprints appearing in smaller newspapers or weekly publications. In 2002, PLF issued nearly 50 news releases and advisories. Three interviews featuring PLF staff were done for national prime time news shows—two for *ABC's World News Tonight* and one for Fox News Channel's *Hannity and Colmes Show*. PLF cases and quotes from staff were featured in the *New York Times*, the *Washington Times*, the *Washington Post*, the *Boston Globe*, the *Los Angeles Times*, the *San Francisco Chronicle*, and the *Seattle Times*, among many, many others. The voices of PLF attorneys and staff were regularly heard on numerous radio talk shows around the country.

### Op-Ed Program

PLF placed more than 80 op-eds in 2002—an average of about 7 per month. Newspapers in every major California city ran a piece by PLF, from the *San Diego Union* to the *L A Daily News*, to the *San Francisco Examiner* and *San Francisco Chronicle*. Nearly every weekly business journal in the state, from Oakland to Sacramento to Fresno to San Diego, ran at least one op-ed by a PLF author. Meanwhile, scores of smaller weeklies and dailies around the country, from the *Colorado Springs Gazette* to the *Reno Gazette* to the *Pittsburgh Tribune* to the paper in Farmington, New Mexico, picked up one or more PLF op-eds. In Florida, every major newspaper ran at least one PLF op-ed during the year.

Op-eds by our new College of Public Interest Law fellows ran in the *L A Daily News*, the *L A and San Francisco Daily Journal*, the *Washington Times* and the *Merced Star*. Also, PLF op-eds were a regular feature of the *California Political Review's* print and online editions. David Horowitz's website, [Frontpagemag.org](http://Frontpagemag.org), also solicited PLF op-eds.

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**December, 2002**

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**PACIFIC LEGAL FOUNDATION  
OFFICERS  
2002**

Chair of the Board . . . . .	Charles W. Trainor
Vice Chair . . . . .	Richard R. Albrecht
Secretary-Treasurer . . . . .	James L. Cloud
President and CEO . . . . .	Robert K. Best
Senior Vice President . . . . . General Counsel and Assistant Secretary-Treasurer	Anthony T. Caso
Vice President . . . . .	M. David Stirling
Vice President, Administration . . . . .	Barbara J. Hartsfield

Tax Id #94-2197343

Pacific Legal Foundation  
Year 2002  
Investments - Securities

Attachment F

Money Market	\$268,019
Stock and Options	2,459,653
Government Bonds	586,825
Corporate Bonds	822,932
Total Investments-securities	<u>\$4,137,429</u>

Pacific Legal Foundation  
Year 2002  
Schedule of Investments

<u>Investments</u>	<u>Beginning of Year</u>	<u>End of Year</u>
AIG Sun America	0	22,678
American Funds Mutual Funds	394,383	343,307
Artisan FDS Inc International Fund Inv	0	27,445
Dodge & Cox Stock Fund	860,225	685,087
Dreyfus Appreciation Fund	0	412
Evergreen CRT Money Market Funds	0	7
Evergreen Fixed Inc TR New Diversified BD FD CL A	0	9,104
Evergreen FDS Capital Growth	0	0
Evergreen FDS Growth	0	0
Evergreen FDS Quality Income	8,991	0
Evergreen Money Market Fund CL A	15,151	515,042
Evergreen TR Aggressive Growth	8,143	0
FPA New Income	17,151	17,925
Franklin ValueMark Annuity	0	0
Goldman Sachs TR ILA Money Market Port	0	0
ING Annuity	0	76,489
ING Funds International Value FD CL A		34,470
Janus Invt FD Worldwide	0	0
John Hancock Ser Tr Small Cap Growth FD CL A	53,102	34,379
Loomis Sayles FDS BD FD	0	0
Lord Abbett Affiliated Fund CL A	0	958
Manulife Financial	90,414	76,039
Max Cap Fund Institutional Shares	0	0
Morgan Stanley Funds	90,279	65,680
Mutual Beacon Mutual Funds	435,572	351,987
Mutual Discovery Mutual Funds	536,771	480,896
Phoenix-Seneca FDS	105,977	67,773
Phoenix Seneca Funds Mid-Cap	0	0
Pilgrim Mayflower TR	44,080	0
PIMCO FDS Pac Invt	832,174	797,860
Real Property	0	465,000
Royce Premier Fund	56,070	48,930
Scudder International Fund	42,205	0
Strong Advantage Fund	16,736	0
Strong Corp Bd Fund	18,450	18,411
Strong Opportunity FD Inc	0	438
Strong Ultra Short Term In-In		16,882
Vanguard Equity Income Fund	490,359	413,612
Vanguard Index Trust 500 Portfolio	214,816	158,579
Vanguard Index Trust Growth	0	0
Vankampen Growth and Income Fund	0	3,108
Total	<u>4,331,048</u>	<u>4,732,498</u>

Pacific Legal Foundation  
Year 2002  
Schedule of Depreciation

Description	Date Acquired	Cost or Other Basis	Depr Allowed or Allowable in Prior Years	Depr Method	Life Rate	Deduct this Year	Accum Depr on Retired Assets	Accum Depr 12/31/02
Furniture & Equipment	various	821,064	608,617	SL	various	80,514	(4,656)	684,475
Library	various	127,733	115,128	SL	various	4,788	0	119,916
Tenant Improvements	various	0	0	SL	various	0	0	0
Leasehold Improvements	various	49,086	24,490	SL	various	9,588	0	34,078
		<u>997,881</u>	<u>748,235</u>			<u>94,890</u>	<u>(4,656)</u>	<u>838,469</u>

Pacific Legal Foundation  
Year 2002  
Schedule of Real Property

<u>Description</u>	<u>12/31/02 Value</u>
Ranch located in Modesto, CA	774,000
Real Property Total	<u><u>774,000</u></u>

Form 8868

(December 2000)

Department of the Treasury  
Internal Revenue Service

# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

File a separate application for each return

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
  - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)
- Note. Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

## Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

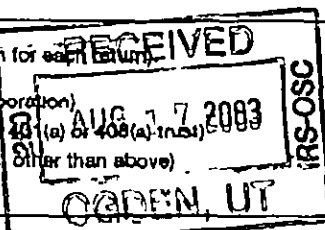
Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print	Name of Exempt Organization	Employer identification number
	PACIFIC LEGAL FOUNDATION	94-2197343
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 10360 OLD PLACERVILLE ROAD, NO. 100	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SACRAMENTO, CA 95827	

Check type of return to be filed (file a separate application for each return)

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 511(a) or 512(a)-trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6089 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |



- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box  If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until AUGUST 15, 2003 to file the exempt organization return for the organization named above. The extension is for the organization's return for:

calendar year 2002 or

tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

2 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6089, enter the tentative tax, less any nonrefundable credits. See instructions. \$ \_\_\_\_\_

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ \_\_\_\_\_

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. ... \$ N/A

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature Anda House Title CPA Date 5/6/03

LHA For Paperwork Reduction Act Notice, see Instruction Form 8868 (12-2000)