

Nos. 16-72572, 16-73236 (consolidated)

**United States Court of Appeals
for the Ninth Circuit**

Parks Foundation, *Petitioner-Appellant*

v.

Commissioner of Internal Revenue, *Respondent-Appellee*

and

Loren E. Parks, *Petitioner-Appellant*

v.

Commissioner of Internal Revenue, *Respondent-Appellee*

Appeals from the United States Tax Court
Nos. 7093-07, 7043-07

Excerpts of Record
Volume II of II—Pages 116 to 325

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LOREN E. PARKS

Petitioner(s)

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v.

Docket No. 7043-07

COMMISSIONER OF INTERNAL REVENUE,
Respondent

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LOREN E. PARKS,

Petitioners,

vs.

COMMISSIONER OF INTERNAL
REVENUE,

Respondent.

)
) Case No.: 7043-07
)
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) NOTICE OF APPEAL
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Notice is hereby given that PARKS FOUNDATION hereby appears to the United States Court of Appeals for the Ninth Circuit from the Decision of this Court entered in the above captioned proceeding on the 10th day of May, 2016 relating to penalties under Internal Revenue Code §4945(a)(1) and (b)(1) for claimed taxable expenditures.

Dated this 27 day of July, 2016

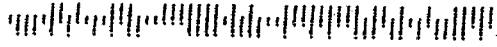
HAGEN O'CONNELL & HVAL,LLP

By:



Kevin O'Connell, TCB No. OK 0026
Attorney for Petitioners

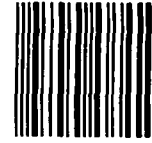
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Case: 16-72572, 01/25/2017, ID: 10279790, DktEntry: 17-2, Page 6 of 213

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PARKS FOUNDATION

Petitioner(s)

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v.

Docket No. 7093-07

COMMISSIONER OF INTERNAL REVENUE,
Respondent

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PARKS FOUNDATION,

Petitioners,

vs.

COMMISSIONER OF INTERNAL
REVENUE,

Respondent.

Case No.: 7093-07

NOTICE OF APPEAL

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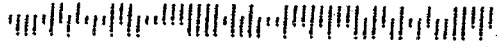
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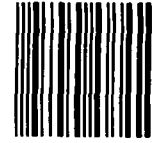
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LOREN E. PARKS, and
PARKS FOUNDATION,

Petitioners,

v.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

Docket Nos. 7043-07
7093-07

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REPLY BRIEF FOR PETITIONERS

85. Petitioners object to this Requested Finding of Fact as conclusory, misleading, and a mischaracterization of the evidence. The purpose of the communication cannot be determined from its text alone, or from a newspaper article criticizing the communication.

90. Petitioners object to this Requested Finding of Fact as misleading and a mischaracterization of the evidence. There is no evidence that Davis Wright Tremaine did not provide a written response.

92. Petitioners object to this Requested Finding of Fact as misleading and a mischaracterization of the evidence. There is no evidence that Foundation did not possess, reference, or use any reports, studies, analysis, academic presentations or other like information in composing the political advertisements at issue.

PETITIONERS' RESPONSES AND OBJECTIONS TO RESPONDENT'S ULTIMATE FINDINGS OF FACT

Petitioners object to all of Respondent's Ultimate Findings of Fact, i.e., 1 through 4, as conclusory, erroneous, misleading and not supported by the record.

ARGUMENT

- I. Petitioners are not liable for the first tier tax deficiency on expenditures because the Supreme Court standard in *Federal Election Commission v. Wisconsin Right to Life* should be applied and Respondent has not met its burden.

Respondent did a masterful job in its Opening Brief of saying what the law used to be but, in doing so, it ignored the standards set forth by the Supreme Court in Federal Election Commission v. Wisconsin Right to Life (WRTL). 127 S.Ct. 2652 (2007). To focus on the statutory scheme and its attendant regulations, or to rely on the decision in Regan v. Taxation

with Representation of Washington, 461 U.S. 540 (1983), is to ignore the WRTL decision as it relates to the First Amendment and protected political speech. WRTL is not a case of statutory interpretation and it does not only apply to the Bipartisan Campaign Reform Act (BCRA); it is a case in which the Supreme Court applied strict scrutiny and protected the constitutional privilege of political speech.¹ Freedom of Speech is a Constitutional right that applies across the board, even in tax cases, and the government carries the burden of proof that the restriction on speech is narrowly tailored to reach a compelling government interest. The government has not met that burden.

Before the Supreme Court's decision in WRTL, government lawyers representing the Federal Election Commission (FEC) thought they could impose the facts-and-circumstances test in the BCRA without considering constitutional issues. The Supreme Court's decision in WRTL made it obvious that this was no longer the case and the FEC has now instituted a regulation consistent with that decision. 11 C.F.R. § 114.15.

This new FEC regulation follows the WRTL standard in saying that a corporation may make an electioneering communication "unless the communication is susceptible of no reasonable interpretation other than as an appeal to vote for or against a clearly identified Federal candidate." 11 C.F.R. § 114.15(a). The regulation continues to detail a safe harbor in which an electioneering communication is permissible if:

- (1) it does not mention any election, candidacy, political party, opposing candidate, or voting by the general public;
- (2) it does not take a position on any candidates or officeholder's character, qualifications, or fitness for office; and
- (3) either:
 - (i) focuses on a legislative executive or judicial matter or issue; and

¹ The Supreme Court of the United States recently heard oral argument in Citizens United v. FEC, Docket No. 08-205. The transcript of the argument and the questions asked by the Justices indicate the Supreme Court's continued application of the standard it established in WRTL. Transcript of Oral Argument, Citizens United v. FEC, No. 08-205 (U.S. argued March 24, 2009).

- (A) urges a candidate to take a particular position or action with respect to the matter or issue, or
- (B) urges the public to adopt a particular position and to contact the candidate with respect to the matter or issue; or
- (ii) proposes a commercial transaction, such as purchase of a book, video, or other product or service, or such as attendance (for a fee) at a film exhibition or other event.

11 C.F.R. § 114.15(b). If Respondent were to apply a test similar to the FEC's safe harbor, Petitioners would satisfy such a test.

As the FEC did before the WRTL decision, the Internal Revenue Service applies a facts-and-circumstances test to determine whether an organization is participating or intervening in a political campaign. Rev. Rul. 2007-41. This "we'll know it when we see it approach simply does not provide sufficient direction to either regulators or potentially regulated entities." See North Carolina Right to Life, Inc. v. Leake, 525 F.3d 274, 290 (4th Cir. 2008); see also Big Mama Rag v. United States, 631 F.2d 1030, 1040 (D.C. Cir. 1980) ("In this area the First Amendment cannot countenance a subjective 'I know it when I see it' standard"). A bright-line test is required to protect First Amendment Speech. McConnell v. Fed. Election Comm'n, 540 U.S. 93, 126 (2003). As a result, Respondent must recognize the constitutional implications of using such a vague test in the aftermath of WRTL. Instead of applying the facts-and-circumstances test used in the past, Respondent should either comply with the standard adopted by the Supreme Court or should create and apply regulations consistent therewith.

Respondent's apparent insistence on taking the position that the Supreme Court's view in WRTL is not relevant to tax cases will only generate additional litigation, such as the complaint for tax refund recently filed by Catholic Answers, Inc., and its founder and president Karl Keating, in the United States District Court for the Southern District of California. Complaint for Tax Refund, Catholic Answers v. United States of America, No. 09 CV 0670 IEG AJB (S.D.

Cal. filed April 3, 2009). In their complaint, the plaintiffs raise a similar challenge to the one raised by petitioners in the case at bar: the imposition of excise taxes following political communications is an impermissible burden on the constitutional rights of I.R.C. § 501(c)(3) organizations.

Respondent also declares that, as Petitioner Parks chose not to testify and also chose not to have Mr. Clapper testify, “the adverse inference that their testimony would have been unfavorable to Foundation’s cause is appropriate.” Respondent’s Opening Brief, pages 77, 104 (citation omitted). Following WRTL, the government has the initial burden to prove that the restriction on speech is narrowly tailored to reach a compelling government interest. As a result, any adverse inference that could occur would not take place until after the government carries their burden. They have not done so.

II. The statute and regulations defining “refers to” relied upon by Respondent are unconstitutionally vague as applied.

Respondent’s argument applying the statutory scheme under I.R.C. § 4945 and its attendant regulations goes to prove the necessity of the WRTL standard and its application to Petitioners. The lack of explicit standards and definitions creates an “impermissible risk of suppression of ideas” by granting overly broad discretion to the decision maker. See Forsyth County v. Nationalist Movement, 505 U.S. 124, 129 (1992). As a result, government officials could engage in arbitrary and subjective enforcement of the rules. Instead, the law must be objective and “eschew the open-ended rough-and-tumble of factors, which invites complex argument in a trial court and a virtually inevitable appeal.” WRTL, 127 S.Ct. at 2666. Especially in an area as sensitive as the First Amendment, a law must not be so uncertain that it leads “citizens to steer far wider of the unlawful zone than if the boundaries of the forbidden

areas were clearly marked.” Buckley v. Valeo, 424 U.S. 1, 41 (1976). The application of the I.R.C. § 4945 excise tax to the communications at issue would chill this speech and would serve to chill future speech through self-censorship. I.R.C. § 4945 is a looming specter that casts its shadow over First Amendment freedoms.

In its Opening Brief, Respondent states that it “regulates the definition of ‘refers to’ [specific legislation] through examples” and cites Treasury Decision 8308 for the purpose. Respondent’s Opening Brief, page 59 (citing Treasury Decision 8308, 1990-39 I.R.B., 5 T.D. 8308, 55 FR 35579, 1990-2 C.B. 112, Lobbying by Public Charities; Lobbying by Private Foundations, August 31, 1990). Further, it states that “[r]eferences to the general content and effect of legislation may also appropriately be considered as a reference to specific legislation, without identifying the pending legislation by formal name.” Id. The Respondent uses Treasury Regulation 56.4911-2(d)(1)(iii), example 1, to illustrate the definition of “specific legislation”:

A nonmembership organization includes in its newsletter an article about problems with the use of pesticide X that states in part: “Legislation that is pending in Congress would prohibit the use of this very dangerous pesticide. Fortunately, the legislation will probably be passed. Write your congressional representatives about this important issue.” This is a grass roots lobbying communication that refers and reflects a view on specific legislation and that encourages recipients to take action with respect to that legislation.

Such use of examples does not give notice of proscribed conduct and is exactly the “open-ended rough-and-tumble of factors” that the Supreme Court shuns in WRTL. 137 S.Ct. at 2666.

Even without the WRTL standard, the communications at issue in the case at bar are unlike this example.

- While two of the ten communications do reference specific legislation, the other eight do not.

- The eight communications that do not reference specific legislation (labeled Communications 1, 4, 5, 6, 7, 8, 9, and 10 in the opening Brief for Petitioners) do not even go so far as to state that there is “legislation that is pending.”
- The eight communications that do not reference specific legislation also do not mention that there is an upcoming vote.

Stip. ¶¶ 21, 22, 35, 36, 37, 38, 47, 49, 54, 60, 61, 62, 63. The communications discuss issues and should receive constitutional protections.

Respondent also draws the court’s attention to two examples found in Treasury Regulation § 56.4911-2(b)(4)(ii). Subpart (B), example (1) “explains that a pamphlet’s reference to the ‘President’s plan for a drug free America’ is sufficient reference even though no legislative proposal formally bears that name.” Respondent’s Opening Brief, page 59. Meanwhile, subpart (A), example (4) “explains that a pamphlet’s reference to ‘drug free America’ is not sufficiently widely identified with any particular legislative proposal and is not a reference to specific legislation.” *Id.* The communications at issue in this case are more akin to the second example than to the first: there is no use of language widely identified with a particular ballot measure. Again, even ignoring the law as it exists after WRTL, these communications discuss issues, do not reference specific legislation and should receive constitutional protections.


Where the government has instituted a restriction upon free speech rights, a facts and circumstances test is constitutionally deficient. It is not a question of whether the government has to subsidize a charitable organization or tax exempt entity’s speech. Instead, the issue is whether the government can chill that speech by placing restrictions on it. Any restriction must be narrowly tailored to further a compelling government interest, and the government bears the burden of proof. Here, the government has not met that burden and, “[w]here the First

Amendment is implicated, the tie goes to the speaker, not the censor.” WRTL, 137 S.Ct. at 2669.

Therefore, Petitioners are entitled to relief from the deficiency proposed by Respondent.

Dated this 18th day of May, 2009.

Respectfully submitted,

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LOREN E. PARKS
PARKS FOUNDATION,

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v..

Docket Nos. 7043-07
7093-07

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

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REPLY BRIEF FOR RESPONDENT

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intended to induce understanding of the issue through marginally relevant strong emotional feelings and not objective evaluation.

II. AS APPLIED TO FOUNDATION OR OTHERWISE, I.R.C. § 4945 IS NOT UNCONSTITUTIONALLY VAGUE, NOR DOES IT VIOLATE PETITIONERS FIRST AMENDMENT RIGHTS.

Petitioners contend on page 18 of their opening brief that section 4945 is "unconstitutionally vague," but then make no void-for-vagueness argument. Respondent contends petitioners have abandoned this argument. In any event, section 4945 is not vague. The constitutional foundation of the void-for-vagueness doctrine is due process, which requires, first, fair notice of proscribed conduct and, second, explicit standards for Government officials who might otherwise engage in arbitrary and discriminatory enforcement. Nationalist Movement v. Commissioner, 102 T.C. 558, 584 (1994). Foundation makes no argument in this regard and has abandoned the argument.

Foundation also focuses on a First Amendment case involving Federal election law. Federal Election Commission v. Wisconsin Right to Life, 127 S.Ct. 2652 (2007) ("WRTL"). Foundation contends that the application of section 4945 "is equivalent" to the burden imposed on speech by the Bipartisan Campaign Reform Act of 2002 ("BCRA") at issue in WRTL. Foundation argues "there

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is no substantive distinction between the agencies and statutes at issue." Petitioners' Brief at page 21. Foundation, therefore, contends that this court should apply strict scrutiny and require the government to prove that application of section 4945 to these particular communications furthers a compelling interest and is narrowly tailored to achieve that interest. Respondent disagrees.

As respondent noted in his opening brief, the Supreme Court did not apply strict scrutiny in reviewing the lobbying activities of Taxation with Representation of Washington, concluding that the restriction on lobbying activities on section 501(c)(3) organizations generally "has not infringed on any First Amendment rights or regulated any First Amendment activity. Congress has simply chosen not to pay for TWR's lobbying." Regan v. Taxation with Representation of Washington, 461 U.S. 540, 546 (1983). This court should conclude similarly here in the application of section 4945 to these communications and not apply strict scrutiny. Congress has not regulated First Amendment rights or activity in imposing these excise taxes on a subset of section 501(c)(3) organizations typically controlled by a small group of donors who receive a substantial tax deduction for their contribution to the private foundation. It

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LOREN E. PARKS, and
PARKS FOUNDATION,

Petitioners,

v.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

Docket Nos. 7043-07
7093-07

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BRIEF FOR PETITIONERS

STATEMENT OF THE CASE

The issues before this Court are:

1. Whether the questioned expenditures made by the Parks Foundation during the years at issue were taxable expenditures.
2. Whether Internal Revenue Code Section 4945, as applied, is unconstitutionally vague and violates Petitioners' First Amendment rights.
3. Whether Petitioner Parks approved the expenditures knowing that they would be taxable.
4. Whether Petitioners have an opportunity to correct if it is found that any of the expenditures were taxable.

PROPOSED FINDINGS OF FACT

1. In 1979, Respondent recognized Petitioner Parks Foundation ("Foundation") as an organization described by I.R.C. § 501(c)(3). Stip. ¶ 9. Foundation is further classified as a private foundation as defined by I.R.C. § 509(a). Stip. ¶ 9.
2. Foundation is governed by a board of directors, consisting of Petitioner Loren Parks ("Mr. Parks"), Gary Parks and Ray Parks. Stip. ¶ 10.
3. The Service issued notices of deficiency to Petitioner Foundation and Petitioner Parks on December 22, 2006, due to expenditures in 1997, 1998, 1999, and 2000. Stip. ¶¶ 2, 3; Exhibits 1-J and 2-J.
4. During fiscal years ended November 30, 1997, November 30, 1998, November 30, 1999 and November 30, 2000, Foundation made qualifying distributions within the meaning of I.R.C. § 4942(g)(1) in the amounts of \$464,000, \$121,000,

encourage the recipient to take action in any of the ways described in Treasury Regulation § 56.4911-2(d)(1)(ii). Labeling these communications as “lobbying” expenditures and, as a result, as taxable expenditures under I.R.C. § 4945(a) is in direct conflict with the Treasury Regulations requiring that a communication contain reference to specific legislation for it to be defined as lobbying.

Communications 6, 7 and 8 reference ballot measures specifically; however, the ballot measures referenced, Measures 40 and 11, had been passed in 1996 and 1994, respectively. Stip. ¶¶ 44, 47, 49, 53, 54. While the definition of “specific legislation” does not specifically exclude ballot measures that have already become law, Foundation was clearly not attempting to influence the public regarding ballot measures that had already passed.

In making the determination that these communications constitute lobbying, the Service is looking beyond the clear text of the communications to Foundation’s intent. The Supreme Court has indicated that a speaker’s intent in creating communications is irrelevant, and that strict scrutiny applies to political speech, such as that at issue. Fed. Election Comm’n v. Wisconsin Right to Life, 127 S.Ct. 2652 (2007)(WRTL).

B. As applied to Petitioners, I.R.C. § 4945 is unconstitutionally vague and violates Petitioners’ First Amendment rights.

“Congress shall make no law...abridging the freedom of speech.” U.S. Const. amend. I. When an act of government burdens political speech, it is subject to strict scrutiny. See id. at 2664 (citing McConnell v. Fed. Election Comm’n, 540 U.S. 93, 205 (2003); Austin v. Michigan Chamber of Commerce, 494 U.S. 652, 658 (1990); Fed. Election Comm’n v. Massachusetts Citizens for Life, Inc., 479 U.S. 238, 252 (1986); First Nat. Bank of Boston v. Bellotti, 435 U.S. 765, 786 (1978); Buckley v. Valeo, 424 U.S. 1, 44-45 (1976)). Strict scrutiny in an “as applied”

challenge requires the government to prove that applying I.R.C. § 4945 to these particular communications “furthers a compelling interest and is narrowly tailored to achieve that interest.” WRTL, 127 S.Ct. at 2664 (citing Bellotti, 435 U.S. at 786).

In WRTL, a nonprofit organization sought declaratory and injunctive relief allowing it to broadcast advertisements during a blackout period established in the Bipartisan Campaign Reform Act (BCRA) for “electioneering communications” based upon the First Amendment right to freedom of speech. WRTL, 137 S.Ct. at 2661. When the District Court denied a preliminary injunction on the premise that the Supreme Court of the United State’s decision in McConnell v. Federal Election Commission, 540 U.S. 93 (2003), had foreclosed the possibility of such a challenge to the BCRA, WRTL appealed and the Supreme Court vacated the judgment. WRTL, 137 S.Ct. at 2661. On remand, the District Court held that the advertisements were genuine issue advertisements and the government had no compelling interest in regulating the advertisements. Id. at 2662. The government appealed this decision.

There were three radio advertisements at issue in WRTL. One of the advertisements was entitled “Wedding” and its transcript read as follows:

PASTOR: And who gives this woman to be married to this man?

BRIDE’S FATHER: Well, as father of the bride, I certainly could. But instead, I’d like to share a few tips on how to properly install drywall. Now you put the drywall up...

VOICE-OVER: Sometimes it’s just not fair to delay an important decision. But in Washington, it’s happening. A group of Senators is using the filibuster delay tactic to block federal judicial nominees from a simple “yes” or “no” vote. So qualified candidates don’t get a chance to serve. It’s politics at work, causing gridlock and backing up some of our courts to a state of emergency. Contact Senators Feingold and Kohl and tell them to oppose the filibuster.

Visit: BeFair.org

Paid for by Wisconsin Right to Life (befair.org), which is responsible for the content of this advertisement and not authorized by any candidate or candidate’s committee.

Id. at 2660. Another advertisement at issue in WRTL was entitled “Waiting.” In this television advertisement, the images “depict a ‘middle-aged man being as productive as possible while his professional life is in limbo.’” Id. at 2661 n.3. The script for this advertisement read:

VOICE-OVER: There are a lot of judicial nominees out there who can’t go to work. Their careers are put on hold because a group of Senators is filibustering-blocking qualified nominees from a simple “yes” or “no” vote. It’s politics at work and it’s causing gridlock...

Id. The remainder of the script is virtually identical to that of “Wedding.” Id. The third radio advertisement at issue in WRTL is substantially similar in tone and content to these advertisements.

In its review of these advertisements, the Supreme Court refused to adopt a test “for as-applied challenges turning on the speaker’s intent to affect an election.” Id. at 2665. Instead, the court recognized that the correct standard “must be objective, focusing on the substance of the communication rather than amorphous considerations of intent and effect.” Id. at 2666 (citing Buckley v. Valeo, 424 U.S. 1, 43-44(1976)). While “[c]ourts need not ignore basic background information that may be necessary to put an ad in context,” any such background information that addresses the speaker’s intent is irrelevant. WRTL, 137 S.Ct. at 2668-2669.

In applying strict scrutiny, the Supreme Court first held that the advertisements were issue ads, rather than express advocacy or its equivalent, because the ads could “reasonably be interpreted as something other than as an appeal to vote for or against a specific candidate.” Id. at 2670. The content of the ads was “consistent with that of a genuine issue ad: the ads focus on a legislative issue, take a position on the issue, exhort the public to adopt that position, and urge the public to contact public officials with respect to the matter.” Id. at 2667. They also lacked content consistent with express advocacy: they did not mention “an election, candidacy, political

party, or challenger.” Id. The Supreme Court further found no compelling government interest to burden WRTL’s speech. Id. at 2673.

In Regan v. Taxation with Representation, 461 U.S. 540, 546 (1997), the Supreme Court held that, in disallowing deductions for lobbying, I.R.C. § 501(c)(3) does not violate the First Amendment rights of nonprofit organizations. However, a decade later, the Supreme Court has now held that restrictions on the political speech of nonprofit organizations is subject to strict scrutiny and that, “[w]here the First Amendment is implicated, the tie goes to the speaker, not the censor.” WRTL, 137 S.Ct. at 2669.

Petitioners have not been found in violation of the same statute at-issue in WRTL. However, the burden that the Service is attempting to impose on their speech is equivalent and there is no substantive distinction between the agencies and statutes at issue. Petitioner Foundation paid for the creation of communications to educate the public on issues. The substance of the communications shows them to be issue advocacy: they focus on an issue and take a position. The tone of the communications is similar. The Service is a government agency, just as the Federal Election Commission is a government agency. Here, as in WRTL, the government has the burden of proof to show that it has a compelling interest in regulating this speech and that their regulation is narrowly tailored.

Furthermore, the Service uses a contextual analysis, “precisely the kind of analysis that Chief Justice Roberts decried throughout his WRTL opinion as an impermissible burden on the First Amendment right of corporate entities to engage in political speech.” Frances R. Hill, Exempt Organizations in the 2008 Election: Will Wisconsin Right to Life Bring Changes?, 19 U. Fla. J.L. & Pub. Pol’y 271, 285 (2008). According to the Supreme Court, a court need not ignore context, but if the context of the communications is used to show Foundation’s intent, i.e.

whether or not they intended to affect an election, then that context is irrelevant and should not be considered. The discussion of these issues “cannot be banned merely because the issues might be relevant to an election.” WRTL, 137 S.Ct. at 2669 n.7.

C. The communications are not attempts to influence legislation because the Petitioners were making available the results of research under I.R.C. § 4945(e).

Under Treasury Regulation § 53.4945-2(c)(1)(ii), activities which are “nonpartisan analysis, study or research” are not propaganda or attempts to influence legislation. Nonpartisan analysis, study or research is “an independent and objective exposition of a particular subject matter, including any activity that is ‘educational’ within the meaning of § 1.501(c)(3)-1(d)(3).” Treas. Reg. § 53.4945-2(c)(1)(ii). Nonpartisan analysis, study or research may advocate a particular position or viewpoint so long as there is a sufficiently full and fair exposition of the pertinent facts to enable the public or an individual to form an independent opinion or conclusion. *Id.*

In 1980, the United States Court of Appeals, District of Columbia Circuit determined that the “full and fair” test described in Treasury Regulation § 1.501(c)(3)-1(d)(3) was unconstitutionally vague. Big Mama Rag v. United States, 631 F.2d 1030, 1039 (D.C. Cir. 1980). As a result of this ruling, the Service issued Revenue Procedure 86-43, which uses the presence of any one of four items to indicate that a communication is not educational (hereinafter referred to as the “methodology test”). These four items are:

- (1) The presentation of viewpoints unsupported by a relevant factual basis constitutes a significant portion of the organization’s communications;
- (2) To the extent viewpoints are purported to be supported by a factual basis, whether the facts are distorted;
- (3) The organization makes a substantial use of inflammatory and disparaging terms, expressing conclusions based more on strong emotional feelings than objective factual evaluations; and

- (4) The approach to a subject matter is not aimed at developing an understanding on the part of the audience, and the communication does not reflect consideration of the extent to which the audience has prior background or training.

Rev. Proc. 86-43.

Additionally, this test must now be read with an overlay of the Supreme Court's holding in WRTL: restrictions on political speech are subject to strict scrutiny and any tie goes to the speaker.

The communications at issue do not contain any of the four items that would indicate they are not educational in nature. Each communication seeks to develop an understanding on the part of the audience by providing factual background and history relevant to the communication and appropriate to the understanding of the general public.

Neither do the communications make substantial use of inflammatory or disparaging terms. While Communication 1 uses the phrase "Make a bunch of whiney excuses," and Communication 10 states "[t]he state government didn't like what we said. They filed a lawsuit against us.... The state government is using taxpayers money to intimidate us from revealing this kind of information. Isn't that what Richard Nixon did when he used the IRS to go after his political enemies?," these are small parts of longer communications. In the case of Communication 1, the possibly offensive phrase is just one clause of one sentence of a thirteen sentence radio commentary. Neither communication rises to the level of "substantial use" required by the methodology test.

Finally, the facts that precede the positions are sufficient to allow an individual to come to his or her own conclusion, the facts are not distorted, and the subject matter is aimed at developing an understanding of the history involved. Even Foundation's position in Communication 10 is supported by facts: the Oregon Department of Justice had filed a lawsuit

against it after the broadcast of the previous communication. Stip. ¶ 66. All of the communications also contain other factual information with which Foundation is attempting to educate the public.

II. Petitioner Parks is not liable for the first tier tax under I.R.C. § 4945(a)(2) for expenditures related to Communications 2, 3, 4 and 5.

To impose liability for taxable expenditures against Petitioner Parks as a manager of the Parks Foundation, section 4945(a)(2) of the Internal Revenue Code requires three things: (1) a tax is imposed against Foundation itself under I.R.C. § 4945(a)(1); (2) Petitioner Parks agrees to the making of the expenditures knowing that they are taxable expenditures; and (3) such agreement is willful and is not due to reasonable cause. See I.R.C. 4945(a)(2); Treas. Reg. § 53.4945-1(a)(2).

When a foundation manager relies on advice of counsel that an expenditure is not a taxable expenditure under I.R.C. § 4945 and such advice is presented in a “reasoned written legal opinion,” the manager’s agreement to the expenditure “will ordinarily not be considered ‘knowing’ or ‘willful’ and will ordinarily be considered ‘due to reasonable cause’ within the meaning of section 4945(a)(2). Treas. Reg. § 53.4945-1(a)(2)(vi).

If Petitioner Foundation is not held liable because the communications do not meet the definition of lobbying under Treasury Regulation § 56.4911-2(b), due to infringement of Foundation’s First Amendment rights, or because the communications are educational in nature, then Petitioner Parks is clearly not liable for this first tier tax as he fails to meet the first requirement of I.R.C. § 4945(a)(2).

In addition, Petitioners began seeking approval of the communications from their tax counsel in 1998. See Exhibit 8-J. Following such requests, Petitioners’ attorneys approved

Communications 2, 3, 4 and 5. See Exhibit 8-J, 9, 23. Petitioners relied on the approval of their tax attorneys when deciding to air these communications. They believed that their attorneys had reviewed the communications, applied the law, and reached reasoned legal opinions with regard to these communications. Petitioner Parks did not know or have reason to know that these were taxable expenditures. In fact, based on the advice of his counsel, Petitioner Parks believed and had reasonable cause to think that the communications were not taxable expenditures.

III. Petitioners are not liable for the second tier tax deficiency on expenditures under I.R.C. § 4945(b) because they have an opportunity to correct.

If Petitioners are held liable for the first tier tax, they still should not be held liable for the second tier tax because there is still an opportunity to correct. I.R.C. § 4945(b) imposes a second tier tax equal to 100% of the amount of the taxable expenditure on a foundation if the first tier tax is imposed and the expenditure is not corrected within the “taxable period.” I.R.C. § 4945(b)(1). In addition, the Service has proposed a second tier tax equal to 50% of the amount of the taxable expenditure against Petitioner Parks as Foundation’s manager under I.R.C. § 4945(b)(2).

Section 4961(a) of the Internal Revenue Code also provides for the automatic abatement of any second tier tax, including interest, if the taxable expenditure is corrected during the “correction period.” In general, the correction period starts with the day the taxable event occurs and ends “90 days after the date of mailing of a notice of deficiency” that addresses the first tier tax imposed. Treas. Reg. § 53.4963-1. The correction period must be extended during any period when a deficiency cannot be assessed under I.R.C. § 6213(a). Such an extension occurs when a petition is timely filed with the Tax Court and continues until the decision of the Tax

ORIGINAL

UNITED STATES TAX COURT

U.S. TAX COURT
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LOREN E. PARKS
PARKS FOUNDATION,

Petitioners,

v.

Docket Nos. 7043-07
7093-07

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

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OPENING BRIEF FOR RESPONDENT

CLARISSA C. POTTER
Acting Chief Counsel
Internal Revenue Service

OF COUNSEL:

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Pacific Coast Area

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Docket No. 7043-07 et al. - 116 -

Amendment activity. Congress has simply chosen not to pay for TWR's lobbying." 461 U.S. at 546.

In this case, Foundation alleges in its Amended Petition that in applying section 4945 to petitioner the statute is unconstitutionally vague and its First Amendment rights have been violated. (Am. Pet. ¶ 6) Petitioner contends that the applicable standard should be derived from Federal Election Commission v. Wisconsin Right to Life, 127 S.Ct. 2652 (2007). In that case, the Supreme Court held that certain content restrictions on a corporation's "electioneering communications" violated the corporation's free speech rights.

Petitioner's allegations are similar if not identical to the allegations made by the petitioner in Nationalist Movement v. Commissioner, 102 T.C. 558, 588 (1994). In that case, the organization challenged respondent's use of the methodology test for evaluating whether educational purposes were being served. The organization relied heavily on a Supreme Court case, Federal Election Commission V. Massachusetts Citizens for Life, Inc., 479 U.S. 238 (1986), wherein the Supreme Court held that a content restriction on a corporation's use of funds in connection with Federal elections violated the corporation's political speech rights as applied. In evaluating the

Docket No. 7043-07 et al. - 117 -

significance of the opinion, the Tax Court began with the obvious observation, "That case involved neither section 501(c)(3) specifically nor tax exemption generally." 102 T.C. at 588. Likewise, while the organization in Wisconsin happened to be an organization exempt from federal tax under section 501(c)(4), the statute in that case had nothing to do with section 501(c)(3) or tax exemption generally. The Nationalist Movement Court further followed the reasoning of the Massachusetts Citizens for Life; in that case, the Court explicitly noted that there is no right to have speech subsidized by the Government and that election law involved the actual content of speech, which is what triggers the need for a compelling justification. Respondent contends that the rationale and holding of Nationalist Movement is equally compelling in this case. Section 4945 does not regulate the content of speech. It is the means by which Congress chose to not subsidize, through the charitable contribution deduction and tax exemption, the lobbying and non-exempt purpose expenditures of certain types of section 501(c)(3) organizations - private foundations - which the Congress found were abusing their privileges. Mannheimer Trust v. Commissioner, 93 T.C. 35, 39 (1989).

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Congress imposed these excise taxes on private foundations because of a belief that these organizations, often controlled by one family or a small group of donors as opposed to deriving broad public support, were particularly subject to being used for private purposes. Congress believed that it could have more faith in the decision-making of those organizations that received broad public support than of private foundations. As Congress explained as the reason for the changes in the law:

The committee has concluded that more effective limitations must be placed on the extent to which tax-deductible and tax-exempt funds can be dispensed by private persons and that these limitations must involve more effective sanctions. Accordingly, the committee has determined that a tax should be imposed upon expenditures by private foundations for activities that should not be carried on by exempt organizations (such as lobbying, electioneering, and "grass roots" campaigning). The committee also believes that granting foundations should take substantial responsibility for the proper use of the funds they give away.

In general, the committee's decisions reflect the concept that private foundations are stewards of public trusts and their assets are no longer in the same status as the assets of individuals who may dispose of their own money in any lawful way they see fit.

S. Rpt. 91-552, 1969-3 C.B. 423, 455 (1969).

Foundation filed its Amended Petition alleging these constitutional violations at the same time the evidence in this case was submitted. Respondent contends that its objective

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application of the legal principles embodied in the now 40 year old section 4945 on taxable expenditures belies Foundation's allegation of a vague standard or infringement on Mr. Park's political speech rights. After all, the parties stipulated that Mr. Parks spent "substantial" and "very substantial" sums of his own funds to promote the ballot measures at issue in 1999 and 2000. (Stip. ¶¶ 57 and 68)

Section 4945 is not unconstitutional, as applied or otherwise. It is part of the tax exempt system created by Congress and Foundation has not demonstrated otherwise.

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Petitioner, STATES
TAX COURT

v.

Docket No. 7093-07

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

ANSWER TO AMENDED PETITION

RESPONDENT, in answer to the amended petition filed in the above-entitled case on November 14, 2008, admits, denies and alleges as follows:

1. Alleges that all allegations and assertions contained in Petitioner's Amended Petition filed on November 14, 2008 are identical to the allegations and assertions contained in the original Petition filed on March 26, 2007, except for the additions of paragraphs six (6) and seven (7) to Petitioner's Amended Petition; further alleges that this case and its companion case at Docket No. 7043-07, Loren E. Parks v. Commissioner, have been submitted for disposition by the Court pursuant to Rule 122, Tax Court Rules of Practice and Procedure; further alleges that respondent's admissions, denials, and allegations contained in respondent's Answer filed on May 24, 2007 corresponding to petitioner's allegations and assertions in its original Petition are reiterated and restated exactly as appearing in respondent's Answer; further alleges that this

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Docket No. 7093-07

- 2 -

Answer to Amended Petition responds only to the new allegations contained in Petitioner's Amended Petition.

2. In response to paragraphs six (6) and seven (7) of Petitioner's Amended Petition, respondent admits, denies and alleges as follows:

6. First Sentence. Denies that the application of I.R.C. § 4945(e) to the broadcast advertisements at issue in this case renders sub-section 4945(e) unconstitutional as alleged.

6. Second Sentence. Denies the existence of I.R.C. § 4945(2)(a)(1); to the extent petitioner is alleging I.R.C. § 4945(a)(1) or I.R.C. § 4945(d)(1) as applied to the broadcast advertisements at issue in this case renders such provisions of the Internal Revenue Code as unconstitutionally vague and in violation of the First Amendment, respondent denies such allegation.

7. Denies on the ground that there are no material allegations of fact that require an answer pursuant to Tax Court Rule 36(b).

3. Denies generally each and every allegation of the amended petition not herein specifically admitted, qualified or denied.

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IN THE UNITED STATES TAX COURT

PARKS FOUNDATION,

Petitioner,

vs.

COMMISSIONER OF INTERNAL
REVENUE,

Respondent.

Case No.: 7093-07

PETITIONER'S AMENDED PETITION

Petitioner hereby petitions for a redetermination of the deficiency set forth by the Commissioner of the Internal Revenue (the "Commissioner") in the Notice of Deficiency dated December 22, 2006, and as a basis for Petitioner's case alleges as follows:

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1. During the years at issue herein, Petitioner was an active non-profit corporation that was incorporated in the State of Oregon. Petitioner's current mailing address during the years at issue was Post Office Box 5669, Aloha, and Oregon 97006-0669. Petitioner's taxpayer identification number is 93-0729614. The returns for the periods here involved were timely filed with the Internal Revenue Service Center at Ogden, Utah.

2. The Notice of Deficiency (a copy of which, including so much of the statements and schedules accompanying the Notice as is material and which is attached hereto as Exhibit "A") was mailed to the Petitioner on or about December 22, 2006, and was issued by the Department of Treasury Internal Revenue Service Appeals Office, 4050 Alpha Road, Suite 517, MC: 8000NWSAT, Dallas, Texas 75244.

3. The deficiencies, as determined by the Commissioner, are as follows: (i) an excise tax on income for the tax year ended November 30, 1998, (ii) a First Tier (Initial) Excise Tax

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Deficiency under IRC § 4945(a)(1)(hereinafter, the “First Tier Tax”) for the tax years ended November 30, 1997, November 30, 1998, November 30, 1999 and November 30, 2000, and (iii) a Second Tier (Additional) Excise Tax Deficiency under IRC § 4945(b)(1)(hereinafter, the “Second Tier Tax”) for the tax years ended November 30, 1997, November 30, 1998, November 30, 1999 and November 30, 2000. The excise tax deficiency, as well as the First Tier Tax and Second Tier Tax, as determined by the Commissioner, are as follows:

Tax Year Ended	11/30/1997	11/30/1998	11/30/1999	11/30/2000
Deficiency: Increase in tax	\$ 0.00	\$ 1,979.00	\$ 0.00	\$ 0.00
First Tier Tax	\$ 6,500.00	\$ 20,000.00	\$ 3,301.20	\$ 34,106.20
Second Tier Tax	\$65,000.00	\$200,000.00	\$33,012.00	\$341,062.00

4. The entire amount of the excise tax deficiency, First Tier Tax deficiency and Second Tier Tax deficiency are in dispute.

5. The determinations of the tax set forth in the Notice of Deficiency are based upon the following errors:

a. The Commissioner erred in determining that expenditures from Petitioner’s funds during the tax years ended November 30, 1997, November 30, 1998, November 30, 1999 and November 30, 2000, were taxable expenditures made for radio advertising which attempted to influence legislation and/or the opinion of the general public.

b. The Commissioner erred in imposing a First Tier Tax deficiency on the expenditures referenced in paragraph 5.a., above.

c. The Commissioner erred in imposing a Second Tier Tax deficiency on the expenditures referenced in paragraph 5.a., above.

d. The Commissioner erred in determining that Petitioner understated its net investment income for the tax year ended November 30, 1998, by the amount of \$1,979.00, and

erred further by increasing the excise tax imposed under IRC § 4940(a) by the amount of \$1,979.00.

6. Petitioner asserts the application of IRC § 4945(e) as applied to the broadcast ads at issue is unconstitutional. Furthermore, the application of IRC § 4945(2)(a)(1) in determining whether communications are taxable expenditures as attempts to influence legislation, as applied to Petitioner is unconstitutionally vague and violates the First Amendment.

7. The standard of review applied in the Supreme Court case of Federal Election Commission v. Wisconsin Right to Life, Inc., No. 6-969 (S. Ct. April 2, 2007) should be applied in this matter as both cases involve the government's regulation of political speech (broadcast ads) and the extent to which the First Amendment applies to the communication.

8. The facts upon which Petitioner relies as a basis for Petitioner's case are as follows:

a. Petitioner is a charitable organization exempt from federal income tax under IRC § 501(c)(3). Petitioner obtained its tax-exempt status in 1979.

b. Petitioner is a Nevada corporation originally organized in the State of Oregon on December 29, 1977. Petitioner has been incorporated in the State of Nevada since October 2003.

c. During the tax years at issue, Loren E. Parks served as Petitioner's President and was a member of Petitioner's Board of Directors. The other members of Petitioner's Board of Director's during the years at issue were Raymond C. Parks and Gary L. Parks.

d. During the tax years at issue, Petitioner's charitable purposes included: (i) Enhancement and promotion of sport fishing and sport hunting and preservation, restoration and development of associated environments, habitats, and resources through all appropriate means

such as predator control, purchase of recreational easements and the like; (ii) promotion of education (1) by researching for and presenting to the public issues of general interest or concern and (2) by supporting alternative educational programs and institutions; and (iii) support of charitable organizations and activities, the goals and objectives of which Petitioner wished to encourage and promote.

e. During the tax years at issue, Petitioner timely filed all Forms 990-PF Return of Private Foundation.

f. For the tax year ended November 30, 1997, Petitioner distributed \$464,000 in grants and contributions for multiple charitable causes related to Petitioner's charitable purposes.

g. During the tax year ended November 30, 1997, Petitioner paid \$65,000 to produce and air educational radio commentaries addressing whether it was appropriate to require state prison inmates to work while they were incarcerated. This educational commentary was aired several times between March 12, 1997 and March 14, 1997. On May 20, 1997, Oregonians voted on a ballot measure that would amend the State of Oregon Constitution to require state prisoners to work while incarcerated. Petitioner deducted the \$65,000 expenditure on its 1996 Form 990-PF as a radio advertising expense. The Commissioner erroneously concluded the \$65,000 expense was a taxable expenditure under IRC § 4945, made in an attempt to influence legislation and/or the opinion of the general public.

h. The \$65,000 expenditure made by Petitioner during the tax year ended November 30, 1997, was an appropriately deducted direct expense of Petitioner made in furtherance of its educational charitable purposes and is expressly excepted from the application of IRC § 4945 as nonpartisan analysis, study, or research. Although Petitioner may have advocated a particular position or viewpoint in its radio commentaries, they were educational in

nature because they presented a sufficiently full and fair exposition of pertinent facts to permit an individual or the public to form an independent opinion or conclusion.

i. For the tax year ended November 30, 1998, Petitioner distributed \$321,000 in grants and contributions for multiple charitable causes related to Petitioner's charitable purposes.

j. Petitioner properly reported its net investment income for the tax year ended November 30, 1998.

k. During the tax year ended November 30, 1998, Petitioner paid \$200,000 to the Clapper Agency, which prepared and produced public service radio announcements. The Clapper Agency produced a series of sixty second educational radio commentaries which aired in October 1998. The educational radio commentaries addressed two State of Oregon Ballot Measures that were voted upon by Oregonians in the November 1998 general election. Ballot Measure 61 pertained to mandatory minimum sentencing and Ballot Measure 65 addressed State of Oregon administrative rules. Petitioner reported the \$200,000 paid to the Clapper Agency on its 1997 Form 990-PF as an educational contribution. The Commissioner erroneously concluded the \$200,000 paid to the Clapper Agency was a taxable expenditure under IRC § 4945, made in an attempt to influence legislation and/or the opinion of the general public.

l. The \$200,000 paid to the Clapper Agency during the tax year ended November 30, 1998, was an appropriately deducted educational contribution that was made in furtherance of Petitioner's educational charitable purposes and is expressly excepted from the application of IRC § 4945 as nonpartisan analysis, study, or research. Although Petitioner may have advocated a particular position or viewpoint in these radio commentaries, they were educational in nature because they presented a sufficiently full and fair exposition of pertinent facts to permit an individual or the public to form an independent opinion or conclusion.

m. For the tax year ended November 30, 1999, Petitioner distributed \$182,171 in grants and contributions for multiple charitable causes related to Petitioner's charitable purposes.

n. The Commissioner erroneously concluded that during the tax year ended November 30, 1999, Petitioner made \$33,012 in taxable expenditures under IRC § 4945, in an attempt to influence legislation and/or the opinion of the general public. During the tax year ended November 30, 1999, Petitioner paid sums to the Clapper Agency to produce educational public service radio announcements pertaining to State of Oregon Ballot Measures which involved victims' rights (Measure 40) and mandatory minimum sentencing (Measure 11).

o. All sums paid to the Clapper Agency during the tax year ending November 30, 1999, were appropriately deducted as an educational contribution made in furtherance of Petitioner's educational charitable purposes and are expressly excepted from the application of IRC § 4945 as nonpartisan analysis, study, or research. Although Petitioner may have advocated a particular position or viewpoint in these radio commentaries, they were educational in nature because they presented a sufficiently full and fair exposition of pertinent facts to permit an individual or the public to form an independent opinion or conclusion.

p. For the tax year ended November 30, 2000, Petitioner distributed \$330,100 in grants and contributions for multiple charitable causes related to Petitioner's charitable purposes.

q. During the tax year ended November 30, 2000, Petitioner paid \$341,062 to produce and air educational radio commentaries on Ballot Measure 8, which related to the income taxation of Oregonians and government spending. These educational broadcasts were aired between August and October 2000. Petitioner deducted the \$341,062 expenditure on its 1999 Form 990-PF as an advertising expense. The Commissioner erroneously concluded the

\$341,062 expense was a taxable expenditure under IRC § 4945, made in an attempt to influence legislation and/or the opinion of the general public.

r. The \$341,062 expenditure made by Petitioner during the tax year ended November 30, 2000, was an appropriately deducted direct expense of Petitioner made in furtherance of its educational charitable purposes and is expressly excepted from the application of IRC § 4945 as nonpartisan analysis, study, or research. Although Petitioner may have advocated a particular position or viewpoint in its radio broadcasts, they were educational in nature because they presented a sufficiently full and fair exposition of pertinent facts to permit an individual or the public to form an independent opinion or conclusion.

9. In addition, Petitioner asserts as follows:

a. The expenditures asserted to be taxable by the Commissioner in its Notice of Deficiency dated December 22, 2006, were due to reasonable cause and not willful neglect.

b. In the event the Commissioner prevails on any of the adjustments set forth in its Notice of Deficiency dated December 22, 2006, Loren E. Parks is prepared to correct the taxable expenditure(s) within the correction period provided in IRC § 4963. As a result of a timely correction by Mr. Parks, any applicable First Tier Taxes should be abated under IRC § 4962 and all Second Tier Taxes should be abated in full pursuant to IRC § 4961.

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WHEREFORE, Petitioner prays that this court determine that there is no deficiency in Petitioner's excise tax for the tax year ended November 30, 1998, and that Petitioner is not liable for the First Tier Tax deficiency and/or Second Tier Tax deficiency for the tax years ended November 30, 1997, November 30, 1998, November 30, 1999 and November 30, 2000, respectively, and grant such other and further relief as the court deems fit and proper.

Dated this 12th day of November, 2008.

HAGEN O'CONNELL LLP

By:


Kevin O'Connell, TCB No. OK 0026
Attorney for Petitioner
121 SW Morrison Street, Suite 1500
Portland OR 97204
(503) 227-2900

UNITED STATES TAX COURT

LOREN E. PARKS, and)	
PARKS FOUNDATION,)	
)	
Petitioners,)	
)	
v.)	Docket Nos. 7043-07
)	7093-07
COMMISSIONER OF INTERNAL REVENUE,)	
)	
Respondent.)	

STIPULATION OF FACTS

It is hereby stipulated that, for the purpose of this case, the following statements may be accepted as facts and all exhibits referred to herein and attached hereto may be accepted as authentic and are incorporated in this stipulation and made a part hereof; provided, however, that either party has the right to object to the admission of any such facts and exhibits in evidence on the grounds of relevancy and materiality, but not on other grounds unless expressly reserved herein.

1. At the time of the filing of the petitions in these consolidated cases, petitioner Loren E. Parks ("Mr. Parks") resided in Nevada and petitioner Parks Foundation ("Foundation") had its principal place of business in Nevada.

Notices of Deficiency

2. Attached hereto as Exhibit 1-J is a copy of the notice of deficiency issued to Foundation on December 22, 2006.

3. Attached hereto as Exhibit 2-J is a copy of the notice of deficiency issued to Mr. Parks on December 22, 2006.

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Federal Tax Returns

4. Attached hereto as Exhibit 3-J is a copy of the Form 990-PF filed by Foundation with respect to its fiscal year ended November 30, 1997.

5. Attached hereto as Exhibit 4-J is a copy of the Form 990-PF filed by Foundation with respect to its fiscal year ended November 30, 1998.

6. Attached hereto as Exhibit 5-J is a copy of the Form 990-PF filed by Foundation with respect to its fiscal year ended November 30, 1999.

7. Attached hereto as Exhibit 6-J is a copy of the Form 990-PF filed by Foundation with respect to its fiscal year ended November 30, 2000.

8. During none of the years at issue in these cases did Foundation or Mr. Parks file Form 4720, Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code.

The Foundation

9. In 1979, respondent recognized Foundation as an organization described in I.R.C. § 501(c)(3). The Foundation is further classified as a private foundation as defined by I.R.C. § 509(a).

10. The Foundation is governed by a board of directors. The board of directors consists of Mr. Parks, Gary Parks and Ray

Docket Nos. 7043-07 & 7093-07 - 3 -

Parks. Gary Parks and Ray Parks are adult sons of Mr. Parks. The board of directors meets annually and maintains minutes of its meetings consistent with that of a family foundation.

11. Mr. Parks is the sole contributor to Foundation since its inception. In fiscal year ended November 30, 1999, Mr. Parks contributed \$1,000,000 to Foundation. In fiscal year ended November 30, 2000, Mr. Parks contributed \$200,000.

12. For fiscal year ended November 30, 1997, Foundation had total assets of \$4,435,207. For fiscal year ended November 30, 2000, Foundation had total assets of \$4,900,044.

13. During fiscal years ended November 30, 1997, November 30, 1998, November 30, 1999, and November 30, 2000, Foundation made "qualifying distributions" within the meaning of I.R.C. § 4942(g)(1) in the amounts of \$464,000, \$121,000, \$175,500, and \$307,100. These referenced qualifying distributions are exclusive of the amounts in controversy in this case.

14. In 1904, Oregon was the first state to use a statewide voter initiative process. Through 2006, the Initiative and Referendum Institute reports that Oregon had more statewide initiatives than any other state. The top five states using the initiative process are Oregon (341); California (315); Colorado (176); North Dakota (175); and Arizona (165).

15. In addition to the qualifying distributions noted in paragraph 12, during the years at issue Foundation distributed

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funds for the principal purpose of producing and broadcasting recorded 30 to 60 second voice messages or orations on commercial radio stations in Oregon. The parties dispute the most appropriate term to describe recorded voice messages. Petitioner posits them as "educational radio commentaries," whereas respondent describes them as "political advertisements." For purposes of this Stipulation of Facts, the parties use "radio messages."

16. In total, Foundation expended \$639,074 during the years at issue for the production and broadcasting of the radio messages at issue, consisting of expenditures in the following years and amounts:

<u>Fiscal Year Ended</u>	<u>Amount of Expenditure</u>
November 30, 1997	\$ 65,000
November 30, 1998	\$200,000
November 30, 1999	\$ 33,011
November 30, 2000	\$341,062

17. Respondent conducted an examination of Foundation for its four fiscal years at issue in this case. Respondent continues to recognize Foundation as an organization described in I.R.C. § 501(c)(3), and as further classified as a private foundation.

Fiscal Year Ended November 30, 1997

18. On March 10, 1997, Foundation issued a check in the

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amount of \$65,000 to the "Are you having Trouble Hearing What We're Saying Committee." This expenditure of the Foundation was authorized by Mr. Parks. The referenced committee was not registered with the State of Oregon as a political action committee, was not a corporation recognized by the State of Oregon, and was not an organization exempt from Federal income tax.

19. Gregg K. Clapper or the Clapper Agency used the \$65,000 to produce radio messages and purchased broadcasting air time from radio stations to air the radio messages during the period March 12, 1997 through March 14, 1997.

20. Gregg K. Clapper has a long history of involvement with Oregon politics and is generally aligned with conservative causes. The Clapper Agency produces and arranges for the broadcast of political advertisements.

21. There was only one radio message funded by Foundation in fiscal year ended November 30, 1997. The script of the radio message produced for the Foundation presented the following in a narrative format:

"I'll bet you thought Oregon prisoners would be working 40 hours a week by now. Back in 1994, that's what voters overwhelmingly told the politicians to do.

But the governor and attorney general have said, NO, we're not gonna do it.

Attorney General Hardy Myers says the federal government doesn't like the way Oregon pays it's prisoners. And so, he and the Governor have decided to

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shut down the program entirely.

Some people just don't think criminals should spend much time in jail. They think they can be rehabilitated.

If they really wanted prisoners to work, they'd just change the way we to pay them.

When Hardy Myers was Speaker of the House, he took credit for changing Oregon's criminal statutes. Those changes resulted in the average convicted murderer spending less than 7 years in jail.

That's why Oregon Voters had to step in and take control.

We said it loudly and clearly, "Put criminals in jail. Make 'em do their time, and work 'em while they're there."

What Oregon voters didn't say was, "Make a bunch of whiney excuses why you can't do what we want done."

22. This radio message does not expressly identify Measure 49, which is discussed below.

23. On May 20, 1997, the State of Oregon conducted a Special Statewide Election. The Oregon Secretary of State Online Voter's Guide advised Oregonians, "On May 20, 1997, Oregonians will vote by mail on two statewide measures referred to the voters by the 1997 Legislative Assembly." One of these two statewide measures was Measure 49.

24. The Oregon Secretary of State Online Voter's Guide presented the following official summary of Measure 49:

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AMENDS CONSTITUTION: RESTRICTS INMATE LAWSUITS; ALLOWS INTERSTATE SHIPMENT OF PRISON MADE PRODUCTS

RESULT OF "YES" VOTE: A "yes" vote restricts inmate lawsuits about work assignments, allows interstate shipment of prison made products.

RESULT OF "NO" VOTE: A "no" vote means inmate lawsuits are possible and prison made products will not be shipped in interstate commerce.

SUMMARY: This measure modifies current provisions in the Oregon Constitution establishing requirements for work programs for state prison inmates. The changes contained in the measure: (1) make it clear that inmates have no right to a job or to participate in work, on-the-job training or educational programs; (2) provide that the restrictions on uses of compensation earned by state prison inmates for work they perform are subject to requirements of federal law in order to allow corrections officials to continue operating federally certified prison industries; and (3) modify the definition of "full-time" to include time spent on security measures and transportation of inmates while inmates are participating in work or on-the-job training.

ESTIMATE OF FINANCIAL IMPACT: The measure will allow the Department of Corrections to continue interstate sales of garments and furniture, which generated an estimated \$549,000 in gross revenue in fiscal year 1995-1996.

Revenues as a result of this measure may be a funding source for the development and maintenance of the Prison Reform and Inmate Work Act of 1994, and may reduce the costs of incarcerating inmates.

25. The Oregon Secretary of State Online Voters Guide presented the following Explanatory Statement regarding Measure 49:

EXPLANATORY STATEMENT

In 1994, voters approved an amendment to the Oregon Constitution establishing requirements for work programs for state prison inmates. These provisions in

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the Oregon Constitution require state corrections officials to establish and operate work and on-the-job training programs so that all eligible inmates are engaged in these programs 40 hours per week. Due to a conflict between Oregon constitutional provisions and federal law, the Department of Corrections has shut down some of its most successful and productive prison industries programs.

This measure modifies existing state prison work program requirements in the Oregon Constitution. The measure does the following:

- * Permits the state to continue to operate and expand Oregon's most successful prison industries in compliance with federal law. Allows development of additional prison industries programs.

- * Makes clear that no inmate may claim a right to a job or to participate in work, on-the-job training or educational programs. Inmates are currently suing the state claiming that existing state constitutional provisions grant them enforceable rights.

- * Modifies definition of "full-time" to include time spent on security measures and transportation of inmates while inmates are participating in work or on-the-job training.

26. The Foundation reported the \$65,000 expenditure as part of "Other Expenses" in Part I, Line 23 on its Form 990-PF for its fiscal year ended November 30, 1997.

Fiscal Year Ended November 30, 1998

27. During fiscal year ended November 30, 1998, Foundation paid \$200,000 to the Clapper Agency. Foundation issued a \$200,000 check to the Clapper Agency on September 25, 1998. Mr. Parks authorized the Foundation's issuance of the \$200,000.

28. Mr. Clapper produced four radio messages, in two sets of two, described below and arranged with Oregon radio stations to broadcast the radio messages. These radio messages were

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broadcast during the month of October 1998.

First Set during FYE 11/30/98

29. The script of the first radio message of the first set produced for the Foundation presented the following in a narrative format:

Back when John Kitzhaber was Senate President
Legislation was passed that resulted in a convicted
murderer, given a life sentence, actually serving less
than 7 years in jail....

They said they didn't have enough jail space.

But then came Measure 11.

It required mandatory sentences for violent criminals
with no possibility of early release...and...it required
the state to build enough jail space.

They said it would cost billions of dollars. But it
didn't.

And since Measure 11, violent crime in Oregon has gone
down.

And now Measure 61's on the ballot.

It requires mandatory sentences for criminals convicted
of property crimes.

You live in Portland. You get your car stolen or your
house burglarized there won't be jail...just probation.

If Measure 61 passes, that criminal goes to jail. And
they'll have to build enough jail space to keep 'em..
There'll be no early release.

It's Measure 61.

Paid for in the public interest by the Parks Foundation.

30. Measure 11 had been passed by Oregon voters in 1994.

Measure 11 did not appear on the ballot of the November 3, 1998

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Statewide General Election.

31. The script of the second radio message produced for the Foundation presented the following in a narrative format:

"The citizens, not the politicians, passed Measure 11 putting violent criminals in jail.

Up 'till then, a convicted murderer with a life sentence served less than 7 years.

They said it would cost billions. But, it didn't. And the crime rate went down.

And now ... Measure 61.

You live in Portland, you get your car stolen ... your house burglarized ... there won't be jail ... just probation.

With Measure 61, that criminal absolutely goes to jail ... and no early release.

(Measure 61.)

Pd for by the Parks Foundation.

32. On November 3, 1998, Oregon held its Statewide General Election. Included on this ballot was Measure 61.

33. The Oregon Secretary of State Online Voters Guide presented the summary of Measure 61, as follows:

CHANGES MINIMUM SENTENCES FOR LISTED CRIMES, INCLUDING CERTAIN REPEAT OFFENSES

RESULT OF "YES" VOTE: "Yes" vote changes minimum sentences for listed crimes, including certain repeat offenses.

RESULT OF "NO" VOTE: "No" vote retains present sentencing statutes and guidelines for listed crimes, including repeat offenses.

SUMMARY: Establishes minimum sentences for crimes

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listed as "major crimes." Provides one to three year proportionally increased sentences for major crimes, aggravated murder or murder if person has one to three prior convictions for major crime within past 10 years. Prior juvenile court adjudications involving major crimes apply to increase sentence. Treats prior conviction for driving under influence of intoxicants as major crime if current conviction is for criminally negligent homicide using vehicle. Prohibits temporary leave or other reduction in additional prison time imposed under measure.

ESTIMATE OF FINANCIAL IMPACT: The mandatory and presumptive sentences imposed under this measure are estimated to require 4,300 new prison beds by 2006, with direct state expenditures for prison construction and start-up of \$470 million by 2006.

Direct state expenditures for prison operating costs and debt service are estimated at \$21 million in 1999-2000 and \$40 million in 2000-2001, growing to \$125 million in 2005-2006. Community corrections payments from the state to counties for probation and post-prison supervision are estimated to be reduced by \$800,000 in 1999-2000, \$1.9 million in 2000-2001, and \$1.4 million in 2005-2006.

Under this measure, direct state expenditures for court operations are estimated at \$100,000 in 1998-1999 and \$175,000 in each of the next two years. State expenditures for indigent defense are estimated at \$350,000 in 1998-1999 and \$900,000 in each of the next two years.

Major factors affecting this estimate include:

- Plea bargaining practices of prosecuting attorneys;
- Prior criminal history of offenders;
- Sentencing practices of judges;
- Numbers of arrests; and
- Type of prison bed, minimum or medium security.

34. The Oregon Secretary of State Online Voters Guide presented the following Explanatory Statement regarding Measure

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61:

EXPLANATORY STATEMENT

This measure creates a statute that sets minimum sentences for "major crimes," as defined in this measure. In addition, the measure requires the imposition of an additional sentence of one to three years of imprisonment for any offender who is convicted of a "major crime" and who was convicted of one or more "major crimes" within the previous 10 years.

The measure requires that a presumed sentence of at least 14 months imprisonment be imposed for "major crimes" committed on or after January 1, 1999. A court may impose more or less than the presumed sentence only upon a finding of substantial and compelling reasons.

The measure also provides that when an offender is convicted of one of the "major crimes," and before sentencing the court determines that the offender was previously convicted of a "major crime," murder or aggravated murder, the court must impose a sentence to serve a period of imprisonment that is in addition to the sentence imposed under sentencing guidelines or other law. The mandatory additional sentence is imposed only if the other crime was committed within 10 years before the commission of the "major crime," or within 10 years before the date of sentencing. The mandatory additional sentence is one year if the offender has one previous conviction for one of the specified crimes within that period, two years if the offender has two previous convictions for the specified crimes within that period and three years if the offender has three or more previous convictions for the specified crimes within that period.

The mandatory additional sentence for previous convictions may not be reduced for any reason. The mandatory additional sentence must be served in secure prison custody and the offender serving the sentence may not be released for furlough, post-prison supervision or any form of temporary leave.

For the purposes of the mandatory additional sentence for previous convictions, juvenile court adjudications are treated as previous convictions. Previous convictions for driving under the influence of intoxicants are treated as "major crimes" for purposes of the mandatory additional sentence if the offender is

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thereafter convicted of criminally negligent homicide and the crime involved the use of a vehicle. The validity of any previous conviction may be challenged by an offender only to the extent that there is a constitutional requirement that the offender be allowed to make that challenge.

The mandatory additional sentence for previous convictions applies to the sentencing for all "major crimes" committed on or after January 1, 1999. In imposing a mandatory additional sentence for a "major crime" committed after that date, the court is required to consider previous convictions for "major crimes," murder or aggravated murder committed before January 1, 1999.

Second Set during FYE 11/30/98

35. The script of the first radio message of the second set produced for the Foundation presented the following in a narrative format:

"Right now, without even knowing it, you're being forced to live under laws created not by elected officials but by non-elected government bureaucrats.

They're called administrative rules.

Here's what happens:

The legislature passes a law to keep a watchful eye on growth and tells its hired workforce to carry out that law.

So Jack and Bev Stewart turn 90 acres of Polk County brush piles into a horse farm. Because horses are expensive and easily stolen, they want to build a farmhouse so they can be there. But the government bureaucrats say no, we're not gonna let you until you earn \$80,00 off the property. The Stewarts say. We can't do that until we get more horses... the bureaucrats say tough, that's your problem, not ours.

When a legislator's asked how government can get away with this he says we never intended for this to happen.

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So the Stewarts are stuck ... all they did was turn 90 acres of noxious weeds into income producing, taxpaying farm acreage.

It's called administrative rules...and you're gonna hear a lot more about 'em in the weeks to come."

36. The script of the radio message in the above paragraph 35 did not expressly identify Measure 65, which is described below.

37. The script of the second radio message of the second set produced for the Foundation presented the following in a narrative format:

"Right now, without even knowing it, you're being forced to live under laws created not by elected officials but by non-elected government bureaucrats.

They're called administrative rules.

Here's what happens:

The Good Sheppard Church of Clackamas County purchased the only available piece of land in the area to build a new church. It's zoned for farm use. But even though the elected legislature passed a state law allowing churches to build on farmland, the nonelected bureaucrats made up an administrative rule saying, we're not going to let you do it. And it doesn't matter whether the land is any good or not.

So in the mean time, the Good Shepherd Church has been denied a building permit on their own land even though state law says it's OK.

It's called administrative rules... and you're gonna hear a lot more about 'em in the weeks to come.

38. The script of the radio message in the above paragraph 37 did not expressly identify Measure 65, which is described

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below.

39. The Oregon Secretary of State Online Voters Guide presented the summary of Measure 65, as follows:

AMENDS CONSTITUTION: CREATES PROCESS FOR REQUIRING
LEGISLATURE TO REVIEW ADMINISTRATIVE RULES

RESULT OF "YES" VOTE: "Yes" vote creates process for
petitioning legislature to require its review of
administrative rules.

RESULT OF "NO" VOTE: "No" vote keeps system not
requiring legislative approval for administrative rules
to remain in effect.

SUMMARY: Amends constitution. Current law does not
require legislative review of administrative rules.
Measure allows voters to require legislative review of
administrative rules at next regular session when
petition, signed by specified number of voters, is
filed listing affected rules. Rule remains effective
until reviewed by legislature, but rule ceases to be in
effect unless approved. If governor vetoes bill, rule
is disapproved unless legislature overrides veto. If
rule is not approved, state agency may adopt new rule
on same issue, but legislative review is required.

40. The Oregon Secretary of State Online Voters Guide
presented the following Explanatory Statement regarding Measure
65:

EXPLANATORY STATEMENT

This measure would amend the Oregon Constitution to
create a review and approval process of state agency
administrative rules by the Legislative Assembly.
Currently, no such process exists. This process is
triggered when a petition signed by a specified number
of qualified voters is filed with the Secretary of
State.

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Administrative rules are rules and regulations adopted by state agencies, boards and commissions that generally have the full force and effect of law.

The number of qualified voters who must sign the petition is equal to two percent of the total number of votes cast for all candidates for Governor at the last gubernatorial election. The petition must specify the administrative rule or rules that the Legislative Assembly is required to review.

Upon being notified by the Secretary of State that a petition meeting the requirements of the measure has been filed, the President of the Senate must prepare a bill that would approve the administrative rule or rules specified in the petition. The President of the Senate must then introduce that bill at the next following regular session of the Legislative Assembly. If the petition is filed with the Secretary of State during a regular session, the bill must be introduced at the next following regular session.

After the introduction of the bill, the Legislative Assembly may amend the bill to approve only part of a specified rule. If the petition specifies more than one rule, the bill may be amended to approve fewer than all of the specified rules. Any rule or part of a rule that is not approved by the passage of a bill has no further force or effect after the session is adjourned.

Disapproval of a rule under the measure does not prevent an agency from adopting another rule pertaining to the same issue. However, if the agency does adopt another rule addressing the same issue, the President of the Senate must introduce a bill for approval of the new rule. Once again, the new rule will have no further force or effect after the end of the legislative session in which the bill is introduced if the bill is not passed. If the new rule or any part of the new rule once again fails to gain approval, the measure requires that any rule adopted thereafter by a state agency to address the same issue that was the subject of the disapproved rule must be approved by the Legislative Assembly before the rule can take effect. The measure authorizes judicial review of the question whether a new rule addresses the same issue that was the subject of a previously disapproved rule. The measure directs courts to interpret a new rule in favor of a finding that it addresses the same issue as a disapproved rule.

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The measure provides that bills introduced under the measure's provisions are subject to veto by the Governor, and that any such veto may be over-ridden in the same manner provided for other bills.

41. The Foundation reported the \$200,000 expenditure as a grant or contribution in Part XV on its Form 990-PF for its fiscal year ended November 30, 1998, further identifying the expenditure as provided to a private recipient for the purpose of "Educational - Prepares Public Service Radio Announcements."

Fiscal Year Ended November 30, 1999

42. During fiscal year ended November 30, 1999, the Foundation issued two checks to the Clapper Agency, each involving a different set of circumstances.

First Set during FYE 11/30/99

43. On June 2, 1999, Foundation issued a check to the Clapper Agency in the amount of \$10,963. The memo section of the Foundation's check composed by Mr. Parks is inscribed "Shetterly-Hill."

44. "Shetterly-Hill" refers to radio messages airing 222 times on Oregon radio stations and a print advertisement printed in two newspapers. "Shetterly-Hill" refers to the action of the Oregon Supreme Court nullifying Measure 40, which had been passed by Oregon voters in the November 5, 1996 General Election.

Armata v. Kitzhaber, 327 Or. 250, 959 P.2d 49 (1998) is the relevant opinion of the Oregon Supreme Court.

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45. The Oregon legislature separated out seven of the constituent parts of Measure 40 and set a Statewide Special Election for the voters to consider seven new statewide Measures for November 2, 1999.

46. The seven Measures were: Measure 69 sought to amend the Oregon Constitution to grant victims constitutional rights in criminal prosecutions and juvenile court delinquency proceedings; Measure 70 sought to amend the Oregon Constitution to give to the public, through the prosecutor the right to demand a jury trial in criminal cases; Measure 71 sought to amend the Oregon Constitution to limit pretrial release of accused persons to protect victims and the public; Measure 72 sought to amend the Oregon Constitution to allow murder convictions by 11 to 1 jury votes; Measure 73 sought to amend the Oregon Constitution to limit immunity from criminal prosecutions of persons ordered to testify about his or her conduct; Measure 74 sought to amend the Oregon Constitution to require terms of imprisonment announced in court to be fully served with certain exceptions; Measure 75 sought to amend the Oregon Constitution to ban persons convicted of certain crimes from serving on grand juries and criminal trial juries. In addition to these seven Measures, the November 2, 1999 Special Election had two other Measures for the voters' consideration. The Special Election did not involve any candidates running for political office.

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47. The Clapper Agency produced two radio messages and a print advertisement for the \$10,963 from the Foundation pertaining to the aftermath of Measure 40. The script of the first radio message produced for the Foundation presented the following in a narrative format:

District 5 State Representative Jim Hill is one of the very few Republicans in the state house fighting against the victims of crime.

2 years ago, a wide majority of Oregonians voted to get tough on criminals by passing Measure 40.

But the liberal state Supreme Court threw it out saying it contained too many subjects. The state house has just voted to split Measure 40 into 8 separate amendments to be reapproved by the voters.

Who would be against this?

The liberals and criminal defense lawyers.

Some Democrats joined with most of the Republicans to support victims' rights... very few Republicans didn't.

Your district 5 State Representative Jim Hill is one of them.

Many victims of crime urged the passage of Measure 40 because they wanted the victims to be treated at least as well as the criminals.

But Jim Hill fought us all the way.

The Parks Foundation paid for this message because we want you to know what your elected officials really do once they get to Salem.

48. Measure 40 itself did not appear on the Statewide Special Election of November 2, 1999.

49. The script of the second radio message produced for the

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Foundation presented the following in a narrative format:

District 34 State Representative Lane Shetterly is one of the very few Republicans in the state house fighting against the victims of crime.

2 years ago, a wide majority of Oregonians voted to get tough on criminals by passing Measure 40.

But the liberal state Supreme Court threw it out saying it contained too many subjects. The state house has just voted to split Measure 40 into 8 separate amendments to be reapproved by the voters.

Who would be against this?

The liberals and criminal defense lawyers.

Some Democrats joined with most of the Republicans to support victims' rights... very few Republicans didn't.

Your district 34 State Representative Lane Shetterly is one of them.

Many victims of crime urged the passage of Measure 40 because they wanted the victims to be treated at least as well as the criminals.

But Lane Shetterly fought us all the way.

The Parks Foundation paid for this message because we want you to know what your elected officials really do once they get to Salem.

50. Measure 40 itself did not appear on the Statewide Special Election of November 2, 1999.

51. The print advertisements contained similar material.

Second set during FYE 11/30/99

52. On July 23, 1999, Foundation issued a check to the

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Clapper Agency in the amount of \$22,048. The memo section of the Foundation's check composed by Mr. Parks is inscribed "Measure 11."

53. Measure 11 had been passed by Oregon voters in 1994. It set mandatory minimum sentences for various crimes. During the state legislative session in the spring/summer of 1999, several bills were introduced which would have amended provisions of Oregon statute.

54. The script of the radio message produced for the Foundation presented the following in a narrative format:

Portland Police have just arrested 32-year-old Todd Reed for the gruesome serial murders of 3 women.

But what about Todd Reed's criminal history? In '81 he was convicted of burglary. In '82, burglary. In '87 convicted of 3 more burglaries. In '92 he was arrested for 3 counts of rape, 2 counts of sodomy, 5 counts of kidnapping, I count each sex abused and menacing.

After plea-bargaining he got a 17-year sentence. But this was Oregon before Measure 11. He spent 2 years in jail. But if he was under Measure 11, there'd be no early release; he'd still be in jail.

The State Senate just voted to allow some violent Measure 11 convicts a 15% reduction in prison time.

Now, who would do that?

From the Portland area, Senators Kate Brown, Ginny Burdick and Frank Shields.

And the one most responsible, Neil Bryant of Bend.

The Parks Foundation paid for this because we want

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you to know what the politicians really do once they get to Salem.

55. Neither Measure 40 nor Measure 11 appeared on the Statewide Special Election of November 2, 1999.

56. The Foundation reported \$6,671 as an expenditure as a grant or contribution in Part XV on its Form 990-PF for its fiscal year ended November 30, 1999 for payment to the Clapper Agency, further identifying the expenditure as provided to a private recipient for the purpose of "Educational - Prepares Public Service Radio Announcements."

57. Mr. Parks, individually and not using Foundation funds, made substantial personal contributions of money to entities supporting Measures 69-75.

Fiscal Year Ended November 30, 2000

58. During fiscal year ended November 30, 2000, Foundation paid \$341,062 to produce and broadcast two radio messages. The Clapper Agency produced and arranged for the broadcast of the radio messages. Mr. Parks authorized the payments, some of which went to the Clapper Agency and some of which went directly to radio stations as instructed by Mr. Clapper.

59. On November 7, 2000, Oregon held its Statewide General Election. Included on this ballot was Measure 8.

60. The script of the first radio message produced for the Foundation presented the following in a narrative format:

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Is Oregon State government really growing nearly 3 times faster than the personal income of those who pay its bills?

Oregonians will soon be asked if they want to slow down the growth of their State government.

Here are the facts. From 1989 to 91 State government grew by 21%, citizen income grew less than 9%. In 93 State income up 20%, citizens' income just 11%. In 95 State incomes up another 23%, private pay up less than 11%. And in 97 the State income was up 14% and private pay just 8%.

So what all this means is that over the last 10 years the State increased its income by more than 130%, while private pay increased less than 50 %.

Our Tax dollars to State government have increased nearly 3 times faster than the personal income of its own citizens. And those are the State's own figures.

Paid for by the Parks Foundation.

61. The radio message described in paragraph 60 above does not expressly identify Measure 8.

62. The script of the second radio message produced for the Foundation presented the following in a narrative format:

A few weeks ago, the Parks Foundation revealed that, over the last 10 years, Oregon government income has grown by 130%, nearly 3 times faster than the personal income of citizen's who pay for it.

The state government didn't like what we said. They filed a lawsuit against us.

But, like it or not, the general fund budget has gone from \$4 to \$10 billion.

And where's that money gone?

A big part of it goes to the Oregon Health plan that just paid a quarter million dollars for a

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convicted child molester from Mexico to receive a bone marrow transplant...

And 2 brain surgeries for an out of state man...

Gall bladder surgery for an out of state woman...

And 2 knee replacements for a skier who lives off a trust fund but said he had no income.

The state government is using taxpayers' money to intimidate us from revealing this kind of information.

Isn't that what Richard Nixon did when he used the IRS to go after his political enemies?

Paid for by the Parks Foundation.

63. The radio message described in paragraph 62 above does not expressly identify Measure 8.

64. The Oregon Secretary of State Online Voters Guide presented the summary of Measure 8, as follows:

AMENDS CONSTITUTION: LIMITS STATE APPROPRIATIONS TO PERCENTAGE OF STATE'S PRIOR PERSONAL INCOME

RESULT OF "YES" VOTE: "Yes" vote limits state appropriations to 15 percent of state's personal income in prior biennium.

RESULT OF "NO" VOTE: "No" vote leaves constitution without limit on appropriations for state government expenditures.

SUMMARY: Amends constitution. Constitution requires legislative appropriation before spending state, federal funds in treasury; does not limit appropriations. Statute limits growth rate of appropriations for general governmental purposes. Measure limits biennial state appropriations to 15 percent of state's personal income in prior biennium. Exempts most appropriations funded by state-issued bonds. Would have required over \$3.7 billion cut in current biennium's appropriations. Increasing limit requires Governor's emergency declaration, 3/4 approval of each legislative house. Distributes revenues over

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limit (except from dedicated investment funds) to taxpayers.

ESTIMATE OF FINANCIAL IMPACT: The measure will reduce state government appropriations by an estimated \$5.7 billion for the 2001-2003 biennium.

The measure may result in a reduction of state-shared state and federal revenues to local governments.

65. The Oregon Secretary of State Online Voters Guide presented the following Explanatory Statement regarding Measure 8:

EXPLANATORY STATEMENT

Ballot Measure 8 would amend the Oregon Constitution by linking the rate of growth of state government spending to the rate of growth of personal income in the state. The measure would limit all state spending, regardless of the source of the funds, to no more than 15 percent of total personal income of Oregonians earned in the two calendar years immediately preceding the budget period (biennium).

If the state collects revenues in excess of the limit, the measure would require that those excess revenues be distributed to Oregon taxpayers in proportion to the income taxes they paid in the biennium. Excluded from this distribution are earnings from dedicated investment funds, such as retirement funds or the Common School Fund.

The Legislature could vote to increase spending beyond the limit, but only if the Governor specifically declares an emergency, and three-fourths of the elected members of both the House and the Senate vote for the increased level of spending.

The limit covers state spending from all sources of funds, such as taxes, fees, federal funds, and investment earnings. The measure would exclude from the limit proceeds from state-issued bonds, although it does include the funds appropriated to repay those bonds.

For comparison, the state has recently experienced a spending level of about 18 percent of personal

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income. The estimated impact of the measure on the 2001-2003 state budget would be to limit expenditures to an amount \$5.7 billion less than the projected spending of \$32.4 billion.

The measure limits state spending. The measure does not cut state taxes, nor does it direct the Legislature or Governor how state funds are spent within the new limit.

66. On August 24, 2000, the Oregon Department of Justice, Charitable Activities Section filed a law suit against Foundation in state court. The law suit was initiated by the Attorney General of the State of Oregon in his official capacity in the Circuit Court of the State of Oregon for the County of Marion (Case no. 00C17224) by the filing of a COMPLAINT FOR VIOLATIONS OF OREGON NONPROFIT CORPORATION ACT (ORS 65.036(5), ORS 65.327, and ORS 65.357) ULTRA VIRES ACTS (ORS 65.084), COMMON LAW BREACH OF FIDUCIARY DUTIES, AND ACTION FOR JUDICIAL DISSOLUTION UNDER ORS 65.661. The complaint principally alleges the Parks Foundation made expenditures from 1993 through 2000 which constituted I.R.C. § 4945 taxable expenditures and thereby violated ORS 65.036(5). The parties settled this lawsuit by filing a Stipulated Judgment and Injunction on March 1, 2001.

67. The Foundation reported the \$341,062 expenditure as part of "Other Expenses" in Part I, Line 23 on its Form 990-PF for its fiscal year ended November 30, 2000, further describing the expenditure as for the purpose of "advertising."

68. Mr. Parks, individually, personally and not using

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Foundation funds paid a very substantial sum of dollars to an entity which supported Measure 8 and Measure 91 on the November 7, 2000 General Election ballot. Measure 91 sought to amend the Oregon Constitution to allow Oregon income tax taxpayers to deduct the amount of Federal income tax paid in computing their Oregon income taxable income.

69. Attached hereto as Joint Exhibit 7-J is a copy of a letter from the revenue agent examining Foundation and Mr. Parks dated October 16, 2002.

70. By letter dated November 11, 2002, counsel for Mr. Parks responded to the agent's letter of October 16, 2002, wherein Mr. Parks expressly refused to make the requested correction "at this time" and further stated that it was "our understanding that Mr. Parks will have the opportunity to later make the correction should his contest of the Service's position in this matter prove unsuccessful."

71. To the extent the Foundation is found liable for excise taxes for taxable expenditures pursuant to I.R.C. § 4945(a)(1), Mr. Parks shall be deemed liable pursuant to I.R.C. § 4945(a)(2), subject to the \$5,000 limitation contained in I.R.C. § 4945(c)(2), unless Mr. Parks establishes that he agreed to the expenditures based on advice of counsel as described in Treas. Reg. § 53.4945-1(a)(2)(vi).

72. The determination of I.R.C. § 4940 excise tax

Docket Nos. 7043-07 & 7093-07 - 28 -

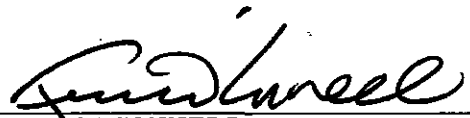
deficiency of \$1,979 for the Foundation's taxable year ended November 30, 1998 is computational in nature emanating from the "taxable expenditure" determinations for the taxable years ended November 30, 1997 and November 30, 1998 and a certain agreed and assessed adjustment to other expenditures by the Foundation having the effect of adjusting the tax rate from 1% as reported to 2% as determined.

73. Neither Mr. Clapper nor Mr. Parks sought legal advice from Davis Wright Tremaine LLP, the Foundation's tax counsel, for the radio messages at issue in the fiscal year ended November 30, 1997.

74. For the radio messages at issue for years after November 30, 1997, Mr. Clapper and/or Mr. Parks provided draft communications for review and approval by the Foundation's tax counsel, which remained David Wright Tremaine LLP. Attached as Joint Exhibit 8-J are documents reflecting the review and approval.

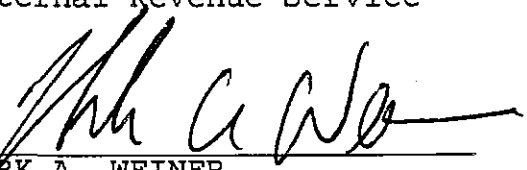
75. Attached as Joint Exhibit 9-J is an August 25, 2000 newspaper article in The Oregonian, a newspaper of general circulation in Portland, Oregon, entitled, "Ad's Views of State Budget Disputed as Incomplete." Petitioners specifically object to the evidentiary relevance of this exhibit.

Docket Nos. 7043-07 & 7093-07 - 29 -


KEVIN O'CONNELL
Counsel for Petitioner
Tax Court Bar No. OK0026
121 SW Morrison Street, Suite
1500
Portland, OR 97204
Telephone: (503) 227-2900

DONALD L. KORB
Chief Counsel
Internal Revenue Service

By:


MARK A. WEINER
Senior Counsel, Tax Exempt &
Government Entities
Pacific Coast Area
Tax Court Bar No. WM0464
950 Hampshire Road
East Pavilion
Thousand Oaks, CA 91361-2819
Telephone: (805) 371-6702
x714

Date: 12 November 2008

Date: NOV 13 2008

Department of the Treasury
Internal Revenue Service

Appeals Office
 4050 Alpha Road
 Suite 517, MC:8000NWSAT
 Dallas, Texas 75244

Date: **DEC 22 2006**

Parks Foundation
 Post Office Box 5669
 Aloha, Oregon 97006-0669

Person to Contact: Adell McCarter, Jr.
Employee Identification Number: 75-00466
Contact Telephone No.: (972) 308-7494
Fax Telephone No.: (972) 308-7284
Reference Symbols: AP:FE:DAL:AM:CRH
TIN: 93-0729614
Type Tax: Excise
Form Number: 990-PF & 4720

Last Day to File a Petition
with the United States Tax Court: **MAR 22 2007**

Certified Mail

Notice of Deficiency

<u>Tax Year Ended</u>	<u>Internal Revenue Code Section</u>	<u>Tax Deficiency</u>	<u>First Tier (Initial) Tax Deficiency</u>	<u>Second Tier (Additional) Tax Deficiency</u>
November 30, 1998	4940(a)	\$ 1,979.00		
November 30, 1997	4945(a)(1)		\$ 6,500.00	
November 30, 1997	4945(b)(1)			\$ 65,000.00
November 30, 1998	4945(a)(1)		\$ 20,000.00	
November 30, 1998	4945(b)(1)			\$ 200,000.00
November 30, 1999	4945(a)(1)		\$ 3,301.20	
November 30, 1999	4945(b)(1)			\$ 33,012.00
November 30, 2000	4945(a)(1)		\$ 34,106.20	
November 30, 2000	4945(b)(1)			\$ 341,062.00

Gentlemen:

We have determined there is a deficiency in your excise tax, as shown above. This letter is your NOTICE OF DEFICIENCY as required by law. The enclosed statement shows how we figured the deficiency.

The second tier tax deficiency shown above will be eliminated if correction is made by the end of the correction period, which ends 90 days after the mailing of this letter plus the total period of any extensions that may apply. You may request this office to grant an extension of the correction period for the time reasonable and necessary for you to bring about correction of the act giving rise to the first tier tax. However, an extension can be granted only if warranted by the facts and requested before the correction period would otherwise end. A statement as to the actions required for correction is enclosed.

If you want to contest this deficiency in court before making any payment, you must file a petition with the United States Tax Court for a redetermination of the deficiency. Your petition must be filed with the Court within 90 days from the mailing date of this letter (150 days if addressed to you outside of the United States), plus the time (if any) during which this office has extended the correction period as a result of your request. The petition should be filed with the United States Tax Court, 400 Second Street N.W., Washington, D.C. 20217, and the copy of this letter should be attached to your petition. The time in which you must file a petition with the Court (90 or 150 days, as the case may be, plus any correction period that may be granted) is fixed by law and the Court cannot consider your case if your petition is filed late. Filing a petition will extend the correction period until after the Tax Court has decided whether the second tier tax was properly imposed.

(continued)

ER-188
 Exhibit 1-5

DEC. 21. 2006, 1:44PM 215-IRS WILMINGTON, DE.

RECORD

NO. 2631 P. 4 05/29

If you dispute not more than \$50,000.00 for any one tax year, a simplified procedure is provided by the Tax Court for small tax cases. You can get information about this procedure, as well as a petition form, by writing to the Clerk of the United States Tax Court at 400 Second Street N.W., Washington, D.C. 20217. You should do this promptly if you intend to file a petition with the Tax Court.

If you decide not to file a petition with the Tax Court, please sign and return the enclosed waiver form. This will permit us to assess the deficiency quickly and will limit the accumulation of interest. The enclosed envelope is for your convenience. If you decide not to sign and return the waiver, and you do not file a petition with the Tax Court within the time limit, the law requires us to assess and bill you for the deficiency after 90 days from the above mailing date of this letter (150 day if this letter is addressed to you outside the United States). The time for making the assessment is extended by any extension of the correction period that may be granted.

If you have any questions about this letter, you may call or write to the person whose name is shown above. If the telephone number is outside your local calling area, you will be charged for a long distance call. If you write, please attach a copy of this letter to help us identify your account. Also, include your daytime telephone number so we can call you if necessary. You may call the IRS telephone number listed in your local directory. An IRS employee there will be able to help you, but the contact person at the address shown on this letter is most familiar with your case.

You also have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above, since that person has direct access to your tax information resulting in this notice and can answer questions or concerns you might have. You can call 1-877-777-4778 and ask for a Taxpayer Advocate's assistance. Or you can contact the Taxpayer Advocate for the IRS office that issued this Notice of Deficiency. The Taxpayer Advocate's address is 1100 Commerce Street, Room 10A7, Dallas, Texas 75242-1198 and telephone number is (214) 767-1289. Taxpayer Advocate assistance can not be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor extend the time fixed by law that you have to file a petition in the U.S. Tax Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels, gets prompt and proper handling.

Thank you for your cooperation.

Sincerely yours,

MARK W. EVERSON
Commissioner

By


Charles Fisher
Appeals Team Manager

Enclosures:
Copy of this letter
Waiver
Statement
Report
Explanation of Tax Changes
Envelope

CC: Mr. D. Charles Mauritz
1300 SW Fifth Avenue, Suite 2300
Portland, Oregon 97201

Mr. Carman Santa Maria
1300 SW Fifth Avenue, Suite 2300
Portland, Oregon 97201

ER-189

Form 870-E	Department of The Treasury - Internal Revenue Service Waiver of Restrictions on Assessment and Collection of Deficiency and Acceptance of Overassessment	Date received by Internal Revenue Code
Name of Taxpayer, Address (Number, Street, City or Town) State, ZIP Code Parks Foundation Post Office Box 5669 Aloha, Oregon 97006-0669		Social Security or Employer Identification Number 93-0729614

In regards to:	Name of Private Foundation or Other Exempt Organization Parks Foundation
-------------------	---

Increase (Decrease) in Tax and Penalties			
Taxable Year Ended	Internal Revenue Code Section	Amount of Tax	Penalty
11/30/1998	4940(a)	\$ 1,979.00	
11/30/1997	4945(a)(1)	\$ 6,500.00	
11/30/1997	4945(b)(1)	\$ 65,000.00	
11/30/1998	4945(a)(1)	\$ 20,000.00	
11/30/1998	4945(b)(1)	\$ 200,000.00	
11/30/1999	4945(a)(1)	\$ 3,301.20	
11/30/1999	4945(b)(1)	\$ 33,012.00	
11/30/2000	4945(a)(1)	\$ 34,106.20	
11/30/2000	4945(b)(1)	\$ 341,062.00	

Consent to Assessment and Collection

I consent to the immediate assessment and collection of any deficiencies (increase in tax and penalties) against (1) the exempt organization named above, or (2) me, as a manager of a private foundation or other exempt organization named above, or (3) me, as a disqualified person with respect to the exempt organization named above, and accept any overassessment (decrease in tax and penalties) shown above, plus any interest provided by law. I understand that by signing this waiver, I will not be able to contest these years in the United States Tax Court, unless additional deficiencies are determined for these years.

Disqualified Person's, Foundation or Organization Manager's Signature	Date
Taxpayer's Representative's Signature	Date

Corporate/Trust/Partnership Organization Name

Authorized Official	Signature	Title	Date
Authorized Official	Signature	Title	Date

Form **870-E** (AP:OKC:CRH)

Parks Foundation

Explanation of Adjustments

Tax on Net Investment Income

Due to the adjustments made below, your tax on net investment income, for the taxable year ended November 30, 1998 is understated by \$1,979.00. Accordingly, the excise tax imposed by Section 4940(a) of the Internal Revenue Code is increased \$1,979.00, as shown on Forms 4621 and 4883.

Taxable Expenditures

It is determined the expenditures made during the taxable years ended November 30, 1997, November 30, 1998, November 30, 1999, and November 30, 2000 by Mr. Loren E. Parks with funds from Parks Foundation for radio advertising to attempt to influence legislation and/or the opinion of the general public are taxable expenditures. Therefore, you are subject to an excise tax under Section 4945(a)(1) of the Internal Revenue Code of 10 percent of the taxable expenditures. Accordingly, the excise tax imposed by Section 4945(a)(1) of the Internal Revenue Code is as shown on Forms 4621 and 4883.

Additional Tax

Since the taxable expenditures were not corrected within the correction period, you are subject to an excise tax imposed by Section 4945(b)(1) of the Internal Revenue Code of 100 percent of the the taxable expenditures not corrected. Accordingly, the excise tax imposed by Section 4945(b)(1) of the Internal Revenue Code is as shown on Forms 4621 and 4883.

Parks Foundation

STATEMENT

STATEMENT OF ACTIONS REQUIRED FOR CORRECTION - Sec. 4945

Correction of the taxable expenditures should be accomplished by undoing the transactions which resulted in the taxable expenditures to the extent possible.

Undoing the transactions could include, to the extent possible, having the foundation receive full payment for the taxable expenditures, plus fair market value for the use of the funds involved.

Also, correction could include replacing the amounts involved with equivalent payments directly to a 501(c)(3) organization, or organizations, that are not private foundations.

Exempt Organizations - Report of Examination

1. Form No. 990-PF / 4720	2. Key District Office Pacific Coast Area	3. Date of Report 4/3/2006																																																																															
4. Name and Address of Taxpayer Parks Foundation Post Office Box 5669 Aloha, Oregon 97006-0669		5. Name and Address of Private Foundation (if different from item 4)																																																																															
6. Social Security or Employer Identification No. 93-0729614	7. Tax Period 12/31/1997 to 12/31/2000	8. Private Foundation's Employer Identification No. (if different from item 6)	9. Tax Period																																																																														
10. Report Preparer's Name		11. Agreement Secured (Check one) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partial																																																																															
12. Findings Discussed With (Name)		13. Agreement Date																																																																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="4" style="text-align: left;">14a. Summary of Proposed Adjustments</th> <th colspan="2" style="text-align: left;">14b. Penalty</th> </tr> <tr> <th style="width: 20%;">Internal Revenue Code Section</th> <th style="width: 15%;">Period Covered by Examination</th> <th style="width: 15%;">Amount of Tax</th> <th style="width: 15%;">Additional Tax (Private Foundations)</th> <th style="width: 20%;">Internal Revenue Code Section</th> <th style="width: 15%;">Amount</th> </tr> <tr> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> <th style="text-align: center;">(4)</th> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> </tr> <tr> <td>4940(e)</td> <td>11/30/1997</td> <td>NONE</td> <td style="text-align: center;">-</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td>4945(a)(1) & 4945(b)(1)</td> <td>11/30/1997</td> <td style="text-align: right;">6,500.00</td> <td style="text-align: right;">65,000.00</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td>4940(a)</td> <td>11/30/1998</td> <td style="text-align: right;">1,979.00</td> <td style="text-align: center;">-</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td>4945(a)(1) & 4945(b)(1)</td> <td>11/30/1998</td> <td style="text-align: right;">20,000.00</td> <td style="text-align: right;">200,000.00</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td>4940(a)</td> <td>11/30/1999</td> <td>NONE</td> <td style="text-align: center;">-</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td>4945(a)(1) & 4945(b)(1)</td> <td>11/30/1999</td> <td style="text-align: right;">3,301.20</td> <td style="text-align: right;">33,012.00</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td>4940(e)</td> <td>11/30/2000</td> <td>NONE</td> <td style="text-align: center;">-</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td>4945(a)(1) & 4945(b)(1)</td> <td>11/30/2000</td> <td style="text-align: right;">34,106.20</td> <td style="text-align: right;">341,062.00</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>				14a. Summary of Proposed Adjustments				14b. Penalty		Internal Revenue Code Section	Period Covered by Examination	Amount of Tax	Additional Tax (Private Foundations)	Internal Revenue Code Section	Amount	(1)	(2)	(3)	(4)	(1)	(2)	4940(e)	11/30/1997	NONE	-	N/A	-	4945(a)(1) & 4945(b)(1)	11/30/1997	6,500.00	65,000.00	N/A	-	4940(a)	11/30/1998	1,979.00	-	N/A	-	4945(a)(1) & 4945(b)(1)	11/30/1998	20,000.00	200,000.00	N/A	-	4940(a)	11/30/1999	NONE	-	N/A	-	4945(a)(1) & 4945(b)(1)	11/30/1999	3,301.20	33,012.00	N/A	-	4940(e)	11/30/2000	NONE	-	N/A	-	4945(a)(1) & 4945(b)(1)	11/30/2000	34,106.20	341,062.00	N/A	-												
14a. Summary of Proposed Adjustments				14b. Penalty																																																																													
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15. Remarks:																																																																																	
16. Schedules and Exhibits Attached																																																																																	

Exempt Organizations Excise Tax Audit Changes

(Chapter 41, Chapter 42, and Section 170(f)(10)(F) Excise Taxes)

Name of Taxpayer:	Employer ID No.	Schedule or Exhibit:
Parks Foundation	93-0729614	1

Name of Exempt Organization (if different from taxpayer)

		Taxable Years Ended		
		11/30/1997	11/30/1998	11/30/1999
Internal Revenue Code Section for Proposed Adjustment		4945	4945	4945
1. Adjustments	Taxable Expenditures	\$ 65,000.00	\$ 200,000.00	\$ 33,012.00
2. Total Adjustments		65,000.00	200,000.00	33,012.00
3. Amount Reported On Return or As Previously Adjusted		-	-	-
4. Total Amount As Corrected		65,000.00	200,000.00	33,012.00
5. Applicable Tax Rate %		10%	10%	10%
6. Initial Tax Liability As Corrected (line 4 x line 5)		6,500.00	20,000.00	3,301.20
7. Initial Tax Liability Reported		-	-	-
8. Increase or (Decrease) In Tax 4945(a)(1)		\$ 6,500.00	\$ 20,000.00	\$ 3,301.20
9. Additional Tax (Minimum) 4945(b)(1)		\$ 65,000.00	\$ 200,000.00	\$ 33,012.00
10. Penalties (Code Section)				

Explanation of Adjustments

Exempt Organizations Excise Tax Audit Changes

(Chapter 41, Chapter 42, and Section 170(f)(10)(F) Excise Taxes)

Name of Taxpayer:	Employer ID No.	Schedule or Exhibit:
Parks Foundation	93-0729614	2

Name of Exempt Organization (if different from taxpayer)

		Taxable Years Ended		
		11/30/2000		
Internal Revenue Code Section for Proposed Adjustment		4945		
1. Adjustments	Taxable Expenditures	\$ 341,062.00		
2. Total Adjustments		341,062.00		
3. Amount Reported On Return or As Previously Adjusted		-		
4. Total Amount As Corrected		341,062.00		
5. Applicable Tax Rate %		10%		
6. Initial Tax Liability As Corrected (line 4 x line 5)		34,106.20		
7. Initial Tax Liability Reported		-		
8. Increase or (Decrease) In Tax 4945(a)(1)		\$ 34,106.20		
9. Additional Tax (Minimum) 4945(b)(1)		\$ 341,062.00		
10. Penalties (Code Section)				

Explanation of Adjustments

Exempt Organizations Excise Tax Audit Changes

(Chapter 41, Chapter 42, and Section 170(f)(10)(F) Excise Taxes)

Name of Taxpayer:	Employer ID No.	Schedule or Exhibit:
Parks Foundation	93-0729614	3

Name of Exempt Organization (if different from taxpayer)

		Taxable Years Ended	
		11/30/1997	11/30/1998
Internal Revenue Code Section for Proposed Adjustment		4940(e)	4940(a)
1. Adjustments	Net Investment Income	\$ 216,211.00	\$ 197,911.00
2. Total Adjustments		216,211.00	197,911.00
3. Amount Reported On Return or As Previously Adjusted		-	-
4. Total Amount As Corrected		216,211.00	197,911.00
5. Applicable Tax Rate %		1%	2%
6. Initial Tax Liability As Corrected (line 4 x line 5)		2,162.00	3,958.00
7. Initial Tax Liability Reported		2,162.00	1,979.00
8. Increase or (Decrease) In Tax		\$ -	\$ 1,979.00
9. Additional Tax (Minimum)			
10. Penalties (Code Section)			

Explanation of Adjustments

Excise Tax Rate is reduced to 1% for the taxable year ended 12/31/1997 as provided by
 Section 4940(3) of the Internal Revenue Code.

Exempt Organizations Excise Tax Audit Changes

(Chapter 41, Chapter 42, and Section 170(f)(10)(F) Excise Taxes)

Name of Taxpayer:	Employer ID No.	Schedule or Exhibit:
Parks Foundation	93-0729614	4

Name of Exempt Organization (if different from taxpayer)

		Taxable Years Ended	
		11/30/1999	11/30/2000
Internal Revenue Code Section for Proposed Adjustment		4940(a)	4940(e)
1. Adjustments	Net Investment Income	\$ 176,841.00	\$ 195,963.00
2. Total Adjustments		176,841.00	195,963.00
3. Amount Reported On Return or As Previously Adjusted		-	-
4. Total Amount As Corrected		176,841.00	195,963.00
5. Applicable Tax Rate %		2%	1%
6. Initial Tax Liability As Corrected (line 4 x line 5)		3,536.82	1,960.00
7. Initial Tax Liability Reported		3,536.82	1,960.00
8. Increase or (Decrease) In Tax		\$ -	\$ -
9. Additional Tax (Minimum)			
10. Penalties (Code Section)			

Explanation of Adjustments

Excise Tax Rate is reduced to 1% for the taxable year ended 12/31/2000 as provided by Section 4940(3) of the Internal Revenue Code.

Department of the Treasury
Internal Revenue Service
Appeals Office
4050 Alpha Road
Suite 517, MC:8000NWSAT
Dallas, Texas 75244

Date: DEC 22 2006

Mr. Loren E. Parks
1131 Geneva Avenue
Henderson, Nevada 89015-4750

Person to Contact: Adell McCarter, Jr.
Employee Identification Number: 75-00466
Contact Telephone No.: (972) 308-7494
Fax Telephone No.: (972) 308-7284
Reference Symbols: AP:FE:DAL:AM:CRH
TIN: 515-16-8404
Type Tax: Excise
Form Number: 4720

Last Day to File a Petition
with the United States Tax Court: MAR 22 2007

Certified Mail

Notice of Deficiency

<u>Tax Year Ended</u>	<u>Internal Revenue Code Section</u>	<u>Tax Deficiency</u>	<u>First Tier (Initial) Tax Deficiency</u>	<u>Second Tier (Additional) Tax Deficiency</u>
December 31, 1997	4945(a)(2)		\$ 1,625.00	
December 31, 1997	4945(b)(2)			\$ 10,000.00
December 31, 1998	4945(a)(2)		\$ 5,000.00	
December 31, 1998	4945(b)(2)			\$ 10,000.00
December 31, 1999	4945(a)(2)		\$ 825.30	
December 31, 1999	4945(b)(2)			\$ 10,000.00
December 31, 2000	4945(a)(2)		\$ 5,000.00	
December 31, 2000	4945(b)(2)			\$ 10,000.00

Dear Mr. Parks:

We have determined there is a deficiency in your excise tax, as shown above. This letter is your NOTICE OF DEFICIENCY as required by law. The enclosed statement shows how we figured the deficiency.

The second tier tax deficiency shown above will be eliminated if correction is made by the end of the correction period, which ends 90 days after the mailing of this letter plus the total period of any extensions that may apply. You may request this office to grant an extension of the correction period for the time reasonable and necessary for you to bring about correction of the act giving rise to the first tier tax. However, an extension can be granted only if warranted by the facts and requested before the correction period would otherwise end. A statement as to the actions required for correction is enclosed.

If you want to contest this deficiency in court before making any payment, you must file a petition with the United States Tax Court for a redetermination of the deficiency. Your petition must be filed with the Court within 90 days from the mailing date of this letter (150 days if addressed to you outside of the United States), plus the time (if any) during which this office has extended the correction period as a result of your request. The petition should be filed with the United States Tax Court, 400 Second Street N.W., Washington, D.C. 20217, and the copy of this letter should be attached to your petition. The time in which you must file a petition with the Court (90 or 150 days, as the case may be, plus any correction period that may be granted) is fixed by law and the Court cannot consider your case if your petition is filed late. Filing a petition will extend the correction period until after the Tax Court has decided whether the second tier tax was properly imposed.

ER-198

Evoked 2-1

DEC. 21. 2006 1:44PM IRS WILMINGTON, DE.

RECORD

NO. 2631 P. 2 13/29

If you dispute not more than \$50,000.00 for any one tax year, a simplified procedure is provided by the Tax Court for small tax cases. You can get information about this procedure, as well as a petition form, by writing to the Clerk of the United States Tax Court at 400 Second Street N.W., Washington, D.C. 20217. You should do this promptly if you intend to file a petition with the Tax Court.

If you decide not to file a petition with the Tax Court, please sign and return the enclosed waiver form. This will permit us to assess the deficiency quickly and will limit the accumulation of interest. The enclosed envelope is for your convenience. If you decide not to sign and return the waiver, and you do not file a petition with the Tax Court within the time limit, the law requires us to assess and bill you for the deficiency after 90 days from the above mailing date of this letter (150 day if this letter is addressed to you outside the United States). The time for making the assessment is extended by any extension of the correction period that may be granted.

If you have any questions about this letter, you may call or write to the person whose name is shown above. If the telephone number is outside your local calling area, you will be charged for a long distance call. If you write, please attach a copy of this letter to help us identify your account. Also, include your daytime telephone number so we can call you if necessary. You may call the IRS telephone number listed in your local directory. An IRS employee there will be able to help you, but the contact person at the address shown on this letter is most familiar with your case.

You also have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above, since that person has direct access to your tax information resulting in this notice and can answer questions or concerns you might have. You can call 1-877-777-4778 and ask for a Taxpayer Advocate's assistance. Or you can contact the Taxpayer Advocate for the IRS office that issued this Notice of Deficiency. The Taxpayer Advocate's address is 1100 Commerce Street, Room 10A7, Dallas, Texas 75242-1198 and telephone number is (214) 767-1289. Taxpayer Advocate assistance can not be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor extend the time fixed by law that you have to file a petition in the U.S. Tax Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels, gets prompt and proper handling.

Thank you for your cooperation.

Sincerely yours,

MARK W. EVERSON

Commissioner

By



Charles Fisher

Appeals Team Manager

Enclosures:

Copy of this letter

Waiver

Statement

Report

Explanation of Tax Changes

Envelope

CC: Mr. D. Charles Mauritz
1300 SW Fifth Avenue, Suite 2300
Portland, Oregon 97201

Mr. Carman SantaMaria
1300 SW Fifth Avenue, Suite 2300

ER-199

Form 870-E	Department of The Treasury - Internal Revenue Service Waiver of Restrictions on Assessment and Collection of Deficiency and Acceptance of Overassessment	Date received by Internal Revenue Code
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Name of Taxpayer, Address (Number, Street, City or Town) State, ZIP Code

Mr. Loren E. Parks
1131 Geneva Avenue
Henderson, Nevada 89015-4750

Social Security or Employer
Identification Number

In regards to:	Name of Private Foundation or Other Exempt Organization Parks Foundation
-------------------	---

Increase (Decrease) in Tax and Penalties

Taxable Year Ended	Internal Revenue Code Section	Amount of Tax	Penalty
12/31/1997	4945(a)(2)	\$ 1,625.00	
12/31/1997	4945(b)(2)	\$ 10,000.00	
12/31/1998	4945(a)(2)	\$ 5,000.00	
12/31/1998	4945(b)(2)	\$ 10,000.00	
12/31/1999	4945(a)(2)	\$ 825.30	
12/31/1999	4945(b)(2)	\$ 10,000.00	
12/31/2000	4945(a)(2)	\$ 5,000.00	
12/31/2000	4945(b)(2)	\$ 10,000.00	

Consent to Assessment and Collection

I consent to the immediate assessment and collection of any deficiencies (increase in tax and penalties) against (1) the exempt organization named above, or (2) me, as a manager of a private foundation or other exempt organization named above, or (3) me, as a disqualified person with respect to the exempt organization named above, and accept any overassessment (decrease in tax and penalties) shown above, plus any interest provided by law. I understand that by signing this waiver, I will not be able to contest these years in the United States Tax Court, unless additional deficiencies are determined for these years.

Disqualified Person's, Foundation or Organization Manager's Signature	Date
--	------

Taxpayer's Representative's Signature	Date
--	------

Corporate/Trust/Partnership Organization Name

Authorized Official	Signature	Title	Date
Authorized Official	Signature	Title	Date

Form **870-E** (AP:OKC:CRH)

Mr. Loren E. Parks

Explanation of Adjustments

Taxable Expenditures

It is determined the expenditures made during the taxable years ended December 31, 1997, December 31, 1998, December 31, 1999, and December 31, 2000 by Mr. Loren E. Parks with funds from Parks Foundation for radio advertising to attempt to influence legislation and/or the opinion of the general public are taxable expenditures. Therefore, you are subject to an excise tax under Section 4945(a)(2) of the Internal Revenue Code of 2.5 percent of the taxable expenditures. Accordingly, the excise tax imposed by Section 4945(a)(2) of the Internal Revenue Code is as shown on Forms 4621 and 4883.

Additional Tax

Since the taxable expenditures were not corrected within the correction period, you are subject to an excise tax imposed by Section 4945(b)(2) of the Internal Revenue Code of 50 percent of the the taxable expenditures not corrected. Accordingly, the excise tax imposed by Section 4945(b)(2) of the Internal Revenue Code is as shown on Forms 4621 and 4883.

Mr. Loren E. Parks

STATEMENT

STATEMENT OF ACTIONS REQUIRED FOR CORRECTION - Sec. 4945

Correction of the taxable expenditures should be accomplished by undoing the transactions which resulted in the taxable expenditures to the extent possible.

Undoing the transactions could include, to the extent possible, having the foundation receive full payment for the taxable expenditures, plus fair market value for the use of the funds involved.

Also, correction could include replacing the amounts involved with equivalent payments directly to a 501(c)(3) organization, or organizations, that are not private foundations.

Exempt Organizations - Report of Examination

1. Form No. 4720	2. Key District Office Pacific Coast Area	3. Date of Report 12/19/2006																																																																																					
4. Name and Address of Taxpayer Mr. Loren E. Parks 1131 Geneva Avenue Henderson, Nevada 89015-4750		5. Name and Address of Private Foundation (if different from item 4) Parks Foundation Post Office Box 5669 Aloha, Oregon 97006-0669																																																																																					
6. Social Security or Employer Identification No. [REDACTED]	7. Tax Period 12/31/1997 to 12/31/2000	8. Private Foundation's Employer Identification No. (if different from item 6) 93-0729614	9. Tax Period 11/30/1997 to 11/30/2000																																																																																				
10. Report Preparer's Name		11. Agreement Secured (Check one) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partial																																																																																					
12. Findings Discussed With (Name)		13. Agreement Date																																																																																					
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="4" style="text-align: left;">14a. Summary of Proposed Adjustments</th> <th colspan="2" style="text-align: left;">14b. Penalty</th> </tr> <tr> <th style="width:20%;">Internal Revenue Code Section</th> <th style="width:15%;">Period Covered by Examination</th> <th style="width:15%;">Amount of Tax</th> <th style="width:15%;">Additional Tax (Private Foundations)</th> <th style="width:20%;">Internal Revenue Code Section</th> <th style="width:15%;">Amount</th> </tr> <tr> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> <th style="text-align: center;">(4)</th> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> </tr> <tr> <td>4945(a)(2) & 4945(b)(2)</td> <td>12/31/1997</td> <td style="text-align: right;">1,625.00</td> <td style="text-align: right;">10,000.00</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td>4945(a)(2) & 4945(b)(2)</td> <td>12/31/1998</td> <td style="text-align: right;">5,000.00</td> <td style="text-align: right;">10,000.00</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td>4945(a)(2) & 4945(b)(2)</td> <td>12/31/1999</td> <td style="text-align: right;">825.30</td> <td style="text-align: right;">10,000.00</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr> <td>4945(a)(2) & 4945(b)(2)</td> <td>12/31/2000</td> <td style="text-align: right;">5,000.00</td> <td style="text-align: right;">10,000.00</td> <td>N/A</td> <td style="text-align: center;">-</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>				14a. Summary of Proposed Adjustments				14b. Penalty		Internal Revenue Code Section	Period Covered by Examination	Amount of Tax	Additional Tax (Private Foundations)	Internal Revenue Code Section	Amount	(1)	(2)	(3)	(4)	(1)	(2)	4945(a)(2) & 4945(b)(2)	12/31/1997	1,625.00	10,000.00	N/A	-	4945(a)(2) & 4945(b)(2)	12/31/1998	5,000.00	10,000.00	N/A	-	4945(a)(2) & 4945(b)(2)	12/31/1999	825.30	10,000.00	N/A	-	4945(a)(2) & 4945(b)(2)	12/31/2000	5,000.00	10,000.00	N/A	-																																										
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15. Remarks:																																																																																							

Exempt Organizations Excise Tax Audit Changes

(Chapter 41, Chapter 42, and Section 170(f)(10)(F) Excise Taxes)

Name of Taxpayer:	Employer ID No.	Schedule or Exhibit:
Mr. Loren E. Parks		1

Name of Exempt Organization (if different from taxpayer)

Parks Foundation

		Taxable Years Ended		
		12/31/1997	12/31/1998	12/31/1999
Internal Revenue Code Section for Proposed Adjustment		4945	4945	4945
1. Adjustments	Taxable Expenditures	\$ 65,000.00	\$ 200,000.00	\$ 33,012.00
2. Total Adjustments		65,000.00	200,000.00	33,012.00
3. Amount Reported On Return or As Previously Adjusted		-	-	-
4. Total Amount As Corrected		65,000.00	200,000.00	33,012.00
5. Applicable Tax Rate %		2.5%	2.5%	2.5%
6. Initial Tax Liability As Corrected (line 4 x line 5)		1,625.00	5,000.00	825.30
7. Initial Tax Liability Reported		-	-	-
8. Increase or (Decrease) In Tax 4945(a)(2)		\$ 1,625.00	\$ 5,000.00	\$ 825.30
9. Additional Tax (Minimum) 4945(b)(2)		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
10. Penalties (Code Section)				

Explanation of Adjustments

The Additional Tax under Internal Revenue Code Section 4945(b)(2) is limited to \$10,000.00, as provided by Section 4945(c)(2) of the Internal Revenue Code.

Exempt Organizations Excise Tax Audit Changes

(Chapter 41, Chapter 42, and Section 170(f)(10)(F) Excise Taxes)

Name of Taxpayer:	Employer ID No.	Schedule or Exhibit:
Mr. Loren E. Parks	515-16-8404	2

Name of Exempt Organization (if different from taxpayer)

Parks Foundation

		Taxable Years Ended		
		12/31/2000		
Internal Revenue Code Section for Proposed Adjustment		4945		
1. Adjustments	Taxable Expenditures	\$ 341,062.00		
2. Total Adjustments		341,062.00		
3. Amount Reported On Return or As Previously Adjusted		-		
4. Total Amount As Corrected		341,062.00		
5. Applicable Tax Rate %		2.5%		
6. Initial Tax Liability As Corrected (line 4 x line 5)		5,000.00		
7. Initial Tax Liability Reported		-		
8. Increase or (Decrease) In Tax 4945(a)(2)		\$ 5,000.00		
9. Additional Tax (Minimum) 4945(b)(2)		\$ 10,000.00		
10. Penalties (Code Section)				

Explanation of Adjustments

The Initial Tax Liability under Internal Revenue Code Section 4945(a)(2) is limited to \$5,000.00, as provided by Section 4945(c)(2) of the Internal Revenue Code.

The Additional Tax under Internal Revenue Code Section 4945(b)(2) is limited to \$10,000.00, as provided by Section 4945(c)(2) of the Internal Revenue Code.

ER-205

2949119216722

OMB No. 1545-0052

X1996

Form 990-PF

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private FoundationDepartment of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 1996, or tax year beginning December 1, 1996, and ending November 30, 1997

Use the IRS label. Otherwise, please print or type. See Specific Instructions.	Name of organization Parks Foundation		A Employer identification number 93-0729614
	Number and street (or P.O. box number if mail is not delivered to street address) PO Box 5669	Room/suite	B State registration number (see instruction F) 125706-10
	City or town, state, and ZIP code Aloha OR 97006		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 4435207		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)		G If address changed, check here <input type="checkbox"/>	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 8 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Contributions from split-interest trusts				
	3 Interest on savings and temporary cash investments	218515	218515	218515	
	4 Dividends and interest from securities				
	5a Gross rents				
	b (Net rental income or (loss))				
	6 Net gain or (loss) from sale of assets not on line 10	0	0	0	
	7 Capital gain net income (from Part IV, line 2)		0	0	
	8 Net short-term capital gain			0	
	9 Income modifications				
	10 Gross sales less returns and allowances				
	b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) Misc. refund	634	634	634		
12 Total (add lines 1 through 11)	219149	219149	219149		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0	0	0	0
	14 Other employee salaries and wages	0	0	0	0
	15 Pension plans, employee benefits	0	0	0	0
	16a Legal fees (attach schedule)	12458	738	738	11720
	b Accounting fees (attach schedule)	2200	2200	2200	0
	c Other professional fees (attach schedule)	22500	0	0	22500
	17 Interest	354	0	0	0
	18 Taxes (attach schedule) (see page 11 of the instructions)	6095	0	0	0
	19 Depreciation (attach schedule) and depletion	0	0	0	
	20 Occupancy	0	0	0	0
	21 Travel, conferences, and meetings	0	0	0	0
	22 Printing and publications	0	0	0	0
	23 Other expenses (attach schedule)	69104	0	0	69104
	24 Total operating and administrative expenses (add lines 13 through 23)	112711	2938	2938	103324
	25 Contributions, gifts, grants paid	464000			464000
26 Total expenses and disbursements (add lines 24 and 25)	576711	2938	2938	567324	
27a Excess of revenue over expenses and disbursements (line 12 minus line 26)	(357562)				
b Net investment income (if negative, enter -0-)		216211			
c Adjusted net income (if negative, enter -0-)			216211		

Form 990-PF (1998)

Page 2

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash—non-interest-bearing	10111	2323	2323
	2 Savings and temporary cash investments	4782658	4432884	4432884
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 12 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment: basis ▶ 26292			
Less: accumulated depreciation (attach schedule) ▶ 26292	0	0	0	
12 Investments—mortgage loans				
13 Investments—other (attach schedule)				
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers—see page 13 of the instructions)	4792769	4435207	4435207	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)				
Net Assets	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see page 14 of the instructions)	4792769	4435207	
	31 Total liabilities and net assets/fund balances (see page 14 of the instructions)	4792769	4435207	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30. (must agree with end-of-year figure reported on prior year's return)	1	4792769
2 Enter amount from Part I, line 27a	2	<357562>
3 Other increases not included in line 2 (itemize) ▶	3	ER-208
4 Add lines 1, 2, and 3	4	4435207

Form 990-PF (1998)

Page 3

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b			
c			
d			
e			

(e) Gross sales price minus expense of sale	(f) Depreciation allowed (or allowable)	(g) Cost or other basis	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/89

(i) F.M.V. as of 12/31/89	(j) Adjusted basis as of 12/31/89	(k) Excess of col. (i) over col. (j), if any	(l) Gain (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

- 2 Capital gain net income or (net capital loss). If gain, also enter in Part I, line 7
If (loss), enter -0- in Part I, line 7
- 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c) (see pages 10 and 14 of the instructions).
If (loss), enter -0- in Part I, line 8

2

3

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 15 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
1995	106260	4663343	2.28
1994	166995	4628517	3.61
1993	200584	4575999	4.38
1992	184364	3869355	4.76
1991	55030	3387772	1.02

2 Total of line 1, column (d)

2

16.05

3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

3

3.21

4 Enter the net value of noncharitable-use assets for 1998 from Part X, line 5

4

4592033

5 Multiply line 4 by line 3

5

147404

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

2162

7 Add lines 5 and 6

7

149566

8 Enter qualifying distributions from Part XII, line 4

8

ER-209
567324

Form 990-PF (1996)

Page 4

Part VI Excise Tax on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 15 of the instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1.
Date of ruling letter: (attach copy of ruling letter if necessary—see instructions)

b Domestic organizations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b

c All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of line 27b

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax on investment income (line 3 minus line 4 (but not less than -0-))

6 Credits/Payments:

a 1996 estimated tax payments and 1995 overpayment credited to 1996

b Exempt foreign organizations—tax withheld at source

c Tax paid with application for extension of time to file (Form 2758)

d Backup withholding erroneously withheld

7 Total credits and payments (add lines 6a through d).

8 Enter any **PENALTY** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached

9 **TAX DUE.** If the total of lines 5 and 8 is more than line 7, enter **AMOUNT OWED**

10 **OVERPAYMENT.** If line 7 is more than the total of lines 5 and 8, enter the **AMOUNT OVERPAID**

11 Enter the amount of line 10 to be: Credited to 1997 estimated tax **1638** | Refunded

Part VII-A Statements Regarding Activities

1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 16 of the instructions for definition)?

If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.

c Did the organization file Form 1120-POL for this year?

d Enter the amount (if any) of taxes on political expenditures (section 4955) paid by the organization during the 1996 tax year. (See instructions.)

2 Has the organization engaged in any activities that have not previously been reported to the IRS?

If "Yes," attach a detailed description of the activities.

3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes

4a Did the organization have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If "Yes," attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

• By language in the governing instrument; or

• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7 Did the organization have at least \$5,000 in assets at any time during the year?

If "Yes," complete Part II, column (c), and Part XV.

8a Enter the states to which the foundation reports or with which it is registered (see page 16 of the instructions)

b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 1996 or the taxable year beginning in 1996 (see instructions for Part XIV on page 22)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year?

If "Yes" attach a schedule listing their names and addresses.

11a Did anyone request to see either the organization's annual return or its exemption application (or both)?

b If "Yes," did the organization comply pursuant to the instructions? (See General Instruction Q.)

12 The books are in care of **Loren E. Parks**

Located at **19460 SW Shaw, Atlanta, GA**

Telephone no. **ER-2107227**

ZIP code **77007**

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

- 1 Self-dealing (section 4941):**
- a** During the year did the organization (either directly or indirectly):
- (1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No
- (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No
- (6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No
- b** If any answer is "Yes" to 1a(1)-(6), did ANY of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current Notice regarding disaster assistance (see page 17 of the instructions)? ☐ Yes ☒ No
- Organizations relying on a current Notice regarding disaster assistance check here ☐
- c** Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 1996? ☐ Yes ☒ No
- 2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):**
- a** At the end of tax year 1996, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 1996? ☐ Yes ☒ No
- If "Yes," list the years ☐ 19 ☐ 19 ☐ 19 ☐ 19
- b** Are there any years listed in 2a for which the organization is NOT applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to ALL years listed, answer "No" and attach statement—see page 17 of the instructions.) ☐ Yes ☒ No
- c** If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in 2a, list the years here. ☐ 19 ☐ 19 ☐ 19 ☐ 19
- 3 Taxes on excess business holdings (section 4943):**
- a** Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No
- b** If "Yes," did it have excess business holdings in 1996 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 1996.) ☐ Yes ☒ No
- 4 Taxes on investments that jeopardize charitable purposes (section 4944):**
- a** Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes? ☐ Yes ☒ No
- b** Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 1996? ☐ Yes ☒ No
- 5 Taxes on taxable expenditures (section 4945) and political expenditures (section 4955):**
- a** During the year did the organization pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No
- b** If any answer is "Yes" to 5a(1)-(5), did ANY of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current Notice regarding disaster assistance (see page 17 of the instructions)? ☐ Yes ☒ No
- Organizations relying on a current Notice regarding disaster assistance check here ☐
- c** If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No

	Yes	No
1b	N/A	
1c		X
2b	N/A	
3b	N/A	
4a		X
4b		X
5b	N/A	

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Page 6

Part VIII**Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see page 17 of the instructions):**

(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 and deferred compensation	(e) Expense account, other allowances
Loren E Parks, 1946 SW Shaw, Alaska	DR Pres 1 hr/wk	0	0	0
Clardene Gilmore	Sec 1.5 hr/wk	0	0	0
Ray C Parks	Director 0 hr/wk	0	0	0
Gary L Parks	Director 0 hr/wk	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 17 of the instructions). If 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 and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over \$50,000

3 Five highest-paid independent contractors for professional services—(see page 18 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services

Part IX-A**Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1	None	
2		
3		
4		

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Page 7

Part IX-B Summary of Program-Related Investments (see page 18 of the instructions)

Describe any program-related investments made by the foundation during the tax year.	Amount
1	
2	
3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 18 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
a Average monthly fair market value of securities	1a
b Average of monthly cash balances	1b 4661962
c Fair market value of all other assets (see page 19 of the instructions)	1c
d Total (add lines 1a, b, and c)	1d 4661962
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e
2 Acquisition indebtedness applicable to line 1 assets	2
3 Line 1d minus line 2	3 4661962
4 Cash deemed held for charitable activities—Enter 1½% of line 3 (for greater amount, see page 20 of the instructions)	4 69929
5 Net value of noncharitable-use assets—Line 3 minus line 4. (Enter in Part V, line 4.)	5 4592033
6 Minimum investment return. (Enter 5% of line 5.)	6 229602

Part XI Distributable Amount (see page 20 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1 Minimum investment return from Part X, line 6	1 229602
2a Tax on investment income for 1998 from Part VI, line 5	2a 2162
b Income tax for 1998. (This does not include the tax from Part VI.)	2b 0
c Line 2a plus line 2b	2c 2162
3 Distributable amount before adjustments (line 1 minus line 2c)	3 227440
4a Recoveries of amounts treated as qualifying distributions	4a
b Income distributions from section 4947(a)(2) trusts	4b
c Line 4a plus line 4b	4c 0
5 Line 3 plus line 4c	5 227440
6 Deduction from distributable amount (see page 20 of the instructions)	6
7 Distributable amount as adjusted (line 5 minus line 6). (Also enter in Part XIII, line 1.)	7 227440

Part XII Qualifying Distributions (see page 20 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a Expenses, contributions, gifts, etc.—total from Part I, column (d), line 28	1a 567324
b Program-related investments—total of lines 1-3 of Part IX-B	1b
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3 Amounts set aside for specific charitable projects that satisfy the:	
a Suitability test (prior IRS approval required)	3a
b Cash distribution test (attach the required schedule)	3b
4 Qualifying distributions (add lines 1a through 3b). (Enter in Part V, line 8, and Part XIII, line 4.)	4 567324
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income—enter 1% of Part I, line 27b (see page 21 of the instructions)	5
6 Adjusted qualifying distributions (line 4 minus line 5)	6 565162

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Form 990-PF (1998)

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Part XIII Undistributed Income (see page 21 of the instructions)

	(a) Corpus	(b) Years prior to 1996	(c) 1995	(d) 1996
1 Distributable amount for 1996 from Part XI, line 7				227440
2 Undistributed income, if any, as of the end of 1995:				
a Enter amount for 1995 only			229436	
b Total for prior years: 1994, 1993, 1992		102492		
3 Excess distributions carryover, if any, to 1996:				
a From 1991	0			
b From 1992	0			
c From 1993	0			
d From 1994	0			
e From 1995	0			
f Total of lines 3a through e	0			
4 Qualifying distributions for 1996 from Part XII, line 4: ▶ \$ 567324				
a Applied to 1995, but not more than line 2a			229436	
b Applied to undistributed income of prior years (Election required—see page 21 of the instructions)		102492		
c Treated as distributions out of corpus (Election required—see page 21 of the instructions)	0			
d Applied to 1996 distributable amount				227440
e Remaining amount distributed out of corpus	7956			0
5 Excess distributions carryover applied to 1996 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	7956			
b Prior years' undistributed income (line 2b minus line 4b)		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount—see page 21 of the instructions		0		
e Undistributed income for 1995 (line 2a minus line 4a). Taxable amount—see page 21 of the instructions			0	
f Undistributed income for 1996 (line 1 minus lines 4d and 5). This amount must be distributed in 1997				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 21 of the instructions)	0			
8 Excess distributions carryover from 1991 not applied on line 5 or line 7 (see page 22 of the instructions)	0			
9 Excess distributions carryover to 1997 (line 6a minus lines 7 and 8)	7956			
10 Analysis of line 9:				
a Excess from 1992				
b Excess from 1993				
c Excess from 1994				

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Part XIV Private Operating Foundations (see page 22 of the instructions and Part VII-A, question 9)

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 1996, enter the date of the ruling ▶
- b** Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(n)(3) or ☐ 4942(n)(5).

- 2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.

[illegible]

- b 85% of line 2a.

- c**
- Qualifying distributions from Part XII, line 4 for each year listed

- d**
- Amounts included in line 2c not used directly for active conduct of exempt activities.

- Qualifying distributions made directly for active conduct of exempt activities (line 2c minus line 2d)

- 3** Complete 3a, b, or c for the alternative test relied upon:

- a "Assets" alternative test—enter.

- (1) Value of all assets**

- (2) Value of assets qualifying under section 4942(j)(3)(B)(i) .**

- b** "Endowment" alternative test— Enter $\frac{1}{4}$ of minimum investment return shown in Part X, line 6 for each year listed.

- c "Support" alternative test—enter:**

- (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . .

- (2) Support from general public and 5 or more exempt organizations as provided in section 4942(i)(3)(B)(iii).

- (3) Largest amount of support from an exempt organization.

- (4) Gross investment income. . .

Part XV **Supplementary Information** (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 22 of the instructions.)

- ## 1 Information Regarding Foundation Managers:

- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

None

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None

- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ☒ if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc., (see page 22 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- The name, address, and telephone number of the person to whom applications should be addressed:

N/A

- b The form in which applications should be submitted and information and materials they should include:**

N/A

- c Any submission deadlines:**

N/A

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- Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other

orm 990-PF (1998)

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Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year <i>Schedule attached</i>				<i>464000</i>
Total				3a <i>464000</i>
b Approved for future payment <i>None</i>				

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[illegible]

12 Subtotal (add columns (b), (d), and (e))

13 **TOTAL** (add line 12, columns (b), (d), and (e)). 13

(See worksheet in line 13 instructions on page 23 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No.

Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). (See page 23 of the instructions.)

N/A

- [illegible]

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

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 taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee: Loren E. Parks Date: 5-18-98 Title: President

Preparer's name (last, first, and middle initial)	Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>	Form
				ER-218
Robert N. Church	5-15-98			

Daily Journal of Commerce

P.O. Box 10127 / Portland, Oregon 97296-0127 / (503) 226-1311 FAX (503) 222-5358

STATE OF OREGON, COUNTY OF MULTNOMAH,—ss.

I, I.J. CAPLAN, being first duly sworn, depose and say that I am the Manager of the DAILY JOURNAL OF COMMERCE, a newspaper of general circulation in the counties of CLACKAMAS, MULTNOMAH and WASHINGTON as defined by ORS 193.010 and 193.020; published at Portland in the aforesaid County and State; that I know from my personal knowledge that the

NOTICE OF ANNUAL RETURN PARKS FOUNDATION

a printed copy of which is hereto annexed,
was published in the entire issue of said newspaper for
ONE time(s)
in the following issues:

MAY 22, 1998

NOTICE

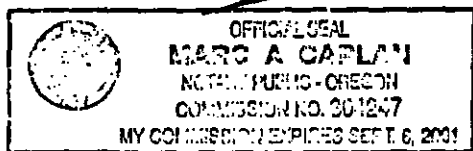
Notice is hereby given that the annual return for the Parks Foundation for fiscal year ending November 30, 1997, is available for inspection during regular business hours at 19460 SW Shaw, Aloha, Oregon 97007, by any citizen who requests such inspection within 180 days from this date.

LOREN E. PARKS, Principal Officer
Published May 22, 1998. PF9866-1t

Case No. _____

Subscribed and sworn to before me this

22ND DAY OF MAY, 1998



This portion may be detached.

DAILY JOURNAL OF COMMERCE

P.O. Box 10127, Portland, Ore. 97296-0127

ATTN: CLAUDENE GILMORE
PARKS FOUNDATION
19460 S.W. SHAW
ALOHA, OR 97007

ER-219666

PARKS FDN
PART XV (3a) CONTRIBUTIONS PAID

11-30-97

93-0729614

NAME & ADDRESS	RECIPIENT RELATIONSHIP	RECIPIENT STATUS	PURPOSE OF GRANT	AMOUNT
PACIFIC LEGAL FOUNDATION 555 CAPITOL MALL SACRAMENTO, CA 95814	N/A	PUBLIC	EDUCATIONAL	\$13,000
ORDER OF THE ANTELOPE FDN PO BOX 1071 LAKEVIEW, OR 97630	N/A	PUBLIC	CONSERVATION EDUCATION AND CONSERVATION PROJECTS	\$40,000
PARKS MODEL SCHOOLS PO BOX 5669 ALOHA, OR 97006	N/A	PUBLIC	EDUCATIONAL	\$60,000
OREGON HUNTER'S ASSOCIATION PO BOX 6618 2150 NE DIVISION, SUITE 1 BEND, OR 97708	N/A	PUBLIC	PRESERVATION OF WILDLIFE POPULATIONS	\$37,000
WIS-ADC DEPT OF AGRICULTURE PORTLAND, OR	N/A	PUBLIC	ANIMAL DAMAGE CONTROL	\$51,000
FIFTH CHAIR FDN 4655 90TH AVE, SE MERCER ISLAND, WA 98040	N/A	PUBLIC	EDUCATIONAL	\$1,500
ACBL EDUCATIONAL FUND 2990 AIRWAYS BLVD MEMPHIS, TN 38116	N/A	PUBLIC	EDUCATIONAL	\$1,000
ACBL CHARITY FDN 2990 AIRWAYS BLVD MEMPHIS, TN 38116	N/A	PUBLIC	CHARITABLE	\$500
PSYCHOLOGICAL RESEARCH FDN PO BOX 5669 ALOHA, OR 97006	N/A	PUBLIC	EDUCATIONAL	\$10,000
ST VINCENT MEDICAL FDN 9205 SW BARNES ROAD PORTLAND, OR 97225	N/A	PUBLIC	BREAST CANCER RESEARCH	\$250,000
TOTAL				\$464,000

PARKS FOUNDATION NOVEMBER 30, 1997 93-0729614

MONTH END	CDIC A/C 1	W FARGO CK A/C 2	W FARGO MM A/C 5	US MNY MKT A/C 7	MONTHLY TOTAL
12/31	\$2,736,351.46	\$9,294.65	\$2,033,907.97	\$4,916.82	\$4,784,470.90
1/31	\$2,727,611.92	\$7,090.65	\$2,045,481.30	\$4,925.09	\$4,785,108.96
2/28	\$2,527,165.49	\$1,915.65	\$2,045,481.30	\$4,943.80	\$4,579,506.24
3/31	\$2,537,675.66	\$7,792.30	\$2,067,631.27	\$4,952.14	\$4,618,051.37
4/30	\$2,547,845.99	\$6,334.60	\$2,071,001.78	\$4,960.80	\$4,630,143.17
5/31	\$2,558,622.43	\$5,563.10	\$2,078,718.16	\$4,970.36	\$4,647,874.05
6/30	\$2,567,539.38	\$1,405.60	\$2,085,894.19	\$4,979.35	\$4,659,818.52
7/31	\$2,578,640.66	\$1,405.60	\$2,092,751.92	\$4,988.96	\$4,677,787.14
8/31	\$2,584,699.08	\$2,529.53	\$2,100,090.88	\$4,997.98	\$4,692,317.47
9/30	\$2,595,405.59	\$2,529.53	\$2,106,995.28	\$5,007.01	\$4,709,937.41
10/31	\$2,596,475.18	\$7,449.53	\$2,114,384.19	\$5,016.67	\$4,723,325.57
11/30	\$2,306,290.45	\$2,323.53	\$2,121,567.30	\$5,026.05	\$4,435,207.33

\$55,943,548.13

AVG MTHLY CASH BAL-PT X, LINE 1b

\$4,661,962.34

PART I

CONTRIBUTIONS RECEIVED-PART I, LINE 1

NONE

THE FOUNDATION IS MAKING AN ELECTION UNDER
REG 53.4942(a)-3(d)(2) IN WHICH \$102,492 OF
\$0.00 THE CURRENT YEAR'S QUALIFYING DISTRIBUTION
\$0.00 IS MADE OUT OF THE UNDISTRIBUTED INCOME OF
-----THE YEAR ENDED 11-30-95

\$0.00

LEGAL FEES, LINE 16a

DAVIS, WRIGHT & TREMAINE-ANNUAL CORP MTNCE	\$738.40
DONAHUE AND ASSOCIATES	\$11,164.20
HAMILTON MEDIATORS & COURT REPORTING	\$555.00

\$12,457.60

ACCOUNTING, LINE 16b

RH CHURCH CPA-TAX RETURN PREPARATION	\$2,200.00
--------------------------------------	------------

OTHER PROFESSIONAL FEES, LINE 16c

KEVIN MANNIX, PC-CRIME RESEARCH	\$22,500.00
---------------------------------	-------------

TAXES, LINE 18

OREGON DEPT OF JUSTICE-FYE 11-30-96	\$554.00
OREGON CORPORATION COMMISSIONER-LICENSE	\$10.00
FED QTRLY EST TAX PMT FOR FYE 11-30-97	\$3,800.00
BALANCE FED TAX FOR FYE 11-30-96	\$1,731.00

\$6,095.00

OTHER EXPENSES, LINE 23

PROGRAM PREPARATION FOR PUBLIC TV	\$4,000.00
RADIO ADVERTISING	\$65,000.00
MISCELLANEOUS	\$104.00

ER-221

**PUBLISHED
FIRST TIME TODAY
NOTICE**

Notice is hereby given that the annual return for the Parks Foundation for fiscal year ending November 30, 1997, is available for inspection during regular business hours at 19460 SW Shaw, Aloha, Oregon 97007, by any citizen who requests such inspection within 180 days from this date.

LOREN E. PARKS, Principal Officer
Published May 22, 1998. PF9856-11

1/4/99 12:52 pm P 1

Form 990-FF

Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

OMB No. 1545-0052

1997

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 1997, or tax year beginning December 1 and ending November 30, 1998Use the IRS
label.
Otherwise,
please print
or type.
See Specific
Instructions.VT 93-0729614 199811 29 03043 IC
PARKS FOUNDATION
PO BOX 5669
ALOHA OR 97006

City or town, state, and ZIP + 4

A Employer identification number

93-0729614

B State registration number (see instruction F)

125706-10

C If exemption application is pending, check here

D 1. Foreign organizations, check here

2. Organizations meeting the 85% test,
check here and attach computation

E If private foundation status was terminated

under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination

under section 507(b)(1)(B), check here

G If address changed, check here

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c),

line 16) \$4226012 J Accounting method: ☒ Cash ☐ Accrual

(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The

total of amt. in col. (b), (c), & (d) may not necessarily equal
the amounts in column (a) (see page 9 of the instructions).)(a) Revenue and
expenses per
books(b) Net investment
income(c) Adjusted net
income(d) Disbursements
for charitable
purposes
(cash basis only)

1	Contr., gifts, grants, etc., received	295			
2	Contributions from split-interest trusts				
3	Interest on savings & temporary cash investments	133406	133406	133406	
4	Dividends and interest from securities	88779	88779	88779	
5a	Gross rents				
b	(Net rental income or (loss))				
6	Net gain or (loss) from sale of assets not on line 10	0			
7	Capital gain net income (from Part IV, line 2)		0		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & allow.				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (att. schedule)				
11	Other income (attach schedule)				
12	Total. Add lines 1 through 11	222480	222185	222185	
13	Compensation of officers, directors, trustees, etc.	0	0	0	0
14	Other employee salaries and wages	0	0	0	0
15	Pension plans, employee benefits	0	0	0	0
16a	Legal fees (attach schedule)	74027	22371	22371	51656
b	Accounting fees (attach schedule)	1900	1900	1900	0
c	Other professional fees (attach sch.)	27500	0	0	27500
17	Interest	0	0	0	0
18	Taxes (att. sch.) (see pg. 12 of the instr.)	1063	0	0	0
19	Depreciation (att. sch.) & depletion	0	0	0	0
20	Occupancy	0	0	0	0
21	Travel, conferences, and meetings	0	0	0	0
22	Printing and publications	0	0	0	0
23	Other expenses (attach schedule)	1185	0	0	1185
24	Total operating and administrative expenses. Add lines 13 through 23	105675	24271	24271	80341
25	Contributions, gifts, grants paid	321000			321000
26	Total expenses and disbursements. Add lines 24 and 25	426675	24271	24271	401341
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	<204195>			
b	Net investment income (if negative, enter -0-)		197914		
c	Adjusted net income (if negative, enter -0-)			197914	

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Part II Balance Sheet		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)			Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value			
1	Cash-non-interest-bearing		2323	2476	2476		
2	Savings and temporary cash investments		4432884	2134527	2134527		
3	Accounts receivable						
	Less: allowance for doubtful accounts						
4	Pledges receivable						
	Less: allowance for doubtful accounts						
5	Grants receivable						
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 14 of the instructions)						
7	Other notes & loans receivable						
	Less: allowance for doubtful accounts						
8	Inventories for sale or use						
9	Prepaid expenses and deferred charges						
10a	Investments-U.S. and state government obligations			2089009	2089009		
b	Investments-corporate stock (attach schedule)						
c	Investments-corporate bonds (attach schedule)						
11	Investments-land, buildings, & equipment: basis						
	Less: accumulated depreciation						
12	Investments-mortgage loans						
13	Investments-other (attach schedule)						
14	Land, buildings, and equipment: basis		26292				
	Less: accumulated depreciation		26292		0	0	
15	Other assets (describe)						
16	Total assets (to be completed by all filers-see page 15 of the instructions)		4435207	4226012	4226012		
17	Accounts payable and accrued expenses						
18	Grants payable						
19	Deferred revenue						
20	Loans from officers, directors, trustees, and other disqualified persons						
21	Mortgages and other notes payable (attach sch.)						
22	Other liabilities (describe)						
23	Total liabilities (add lines 17 through 22)		0	0			
24	Organizations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.						
25	Unrestricted						
26	Temporarily restricted						
27	Organizations that do not follow SFAS 117, check here and complete lines 27 through 31.						
28	Capital stock, trust principal, or current funds						
29	Paid-in or capital surplus, or land, bldg., and equipment fund						
30	Total net assets or fund balances (see page 15 of the instructions)		4435207	4226012			
31	Total liabilities and net assets/fund balances (see page 15 of the instructions)		4435207	4226012			

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year-Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	4435207
2	Enter amount from Part I, line 27a	2	<204195>
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	4231012
5	Decreases not included in line 2 (itemize) Contribution to nonqualified political action committee	5	5000
6	Total net assets or fund balances at end of year (line 4 minus line 5)-Part II, column (b), line 30	6	ER-2246012

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b				
c				
d				
e				

(e) Gross sales price minus expense of sale	(f) Depreciation allowed (or allowable)	(g) Cost or other basis	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss).	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 11 and 16 of the instructions). (loss), enter -0- in Part I, line 8		3

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 16 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
1998 1	567324	4592033	12.35 %
1995 4	106260	4663343	2.28 %
1994 5	166995	4628517	3.61 %
1993 4	200584	4575999	4.38 %
1992 3	184364	3869355	4.76 %

2 Total of line 1, column (d)	2	27.38 %
3 Average distribution ratio for the 5-year base period-divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	5.48 %
4 Enter the net value of noncharitable-use assets for 1997 from Part X, line 5	4	4309808
5 Multiply line 4 by line 3	5	236177
Enter 1% of net investment income (1% of Part I, line 27b)	6	1979
7 Add lines 5 and 6	7	238156
8 Enter qualifying distributions from Part XII, line 4	8	401341

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 16.

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Part VI Excise Tax on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948-see pg. 16 of the instr.)

Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1.		
Date of ruling letter: (attach copy of ruling letter if necessary-see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1 1979
c	All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of line 27b	
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2 0
3	Add lines 1 and 2	3 1979
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4 0
5	Tax on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5 1979
6	Credits/Payments:	
a	1997 estimated tax payments and 1996 overpayment credited to 1997	6a 2162
b	Exempt foreign organizations-tax withheld at source	6b
c	Tax paid with application for extension of time to file (Form 2758)	6c
d	Backup withholding erroneously withheld	6d
7	Total credits and payments. Add lines 6a through 6d	7 2162
8	Enter any PENALTY for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8
9	TAX DUE. If the total of lines 5 and 8 is more than line 7, enter AMOUNT OWED	9
10	OVERPAYMENT. If line 7 is more than the total of lines 5 and 8, enter the AMOUNT OVERPAID	10 183
11	Enter the amount of line 10 to be: Credited to 1998 estimated tax <input checked="" type="checkbox"/> 183 Refunded <input type="checkbox"/>	11

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 17 of the instructions for definition)?		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.		
Did the organization file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization. \$ (2) On organization managers. \$		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. \$		
2 Has the organization engaged in any activities that have not previously been reported to the IRS?		X
If "Yes," attach a detailed description of the activities.		
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?		X
If "Yes," attach the statement required by General Instruction T.		
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument; or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the organization have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 17 of the instructions) Oregon		
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," att. explanation	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 1997 or the taxable year beginning in 1997 (see instructions for Part XIV on page 23)? If "Yes," complete Part XIV		X
d any persons become substantial contributors during the tax year? If "Yes," att. a sch. listing their names & addresses.		X
11a Did anyone request to see either the organization's annual return or its exemption application (or both)?		X
b If "Yes," did the organization comply pursuant to the instructions? (See General Instruction Q.)		N/A
12 The books are in care of Loren E Parks Telephone no. 503-649-7007 Located at 19460 SW Shaw, Aloha, OR ZIP code 97007		
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041. -Check here and enter the amount of tax-exempt interest received or accrued during the year		

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1	Self-dealing (section 4941):		
a	During the year did the organization (either directly or indirectly):		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did ANY of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 18 of the instructions)? <input type="checkbox"/> 1b <i>N/A</i>		
c	Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 1997? <input type="checkbox"/> 1c <i>X</i>		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 1997, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 1997? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <input type="checkbox"/> 19 <input type="checkbox"/> 19 <input type="checkbox"/> 19 <input type="checkbox"/> 19		
b	Are there any years listed in 2a for which the organization is NOT applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to ALL years listed, answer "No" and attach statement-see page 18 of the instructions.) <input type="checkbox"/> 2b <i>N/A</i>		
c	If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in 2a, list the years here. <input type="checkbox"/> 19 <input type="checkbox"/> 19 <input type="checkbox"/> 19 <input type="checkbox"/> 19		
3	Taxes on excess business holdings (section 4943):		
a	Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 1997 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 1997.) <input type="checkbox"/> 3b <i>N/A</i>		
4	Taxes on investments that jeopardize charitable purposes (section 4944):		
a	Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/> 4a <i>X</i>		
b	Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 1997? <input type="checkbox"/> 4b <i>X</i>		
5	Taxes on taxable expenditures (section 4945) and political expenditures (section 4955):		
a	During the year did the organization pay or incur any amount to:		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)-(5), did ANY of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 18 of the instructions)? <input type="checkbox"/> 5b <i>X</i>		
c	If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? <i>N/A</i> <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945-5(d).		

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Part VIII**Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see page 19 of the instructions):**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contr. to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Loren E. Parks, 19460 SW Shaw, Aloha, OR	Pres 1 hr/wk	0	0	0
Claudene Gilmore	Sec 1 hr/wk	0	0	0
Ray C Parks	Director 0 hrs/wk	0	0	0
Gary L Parks	Director 0 hrs/wk	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1-see page 19 of the instructions).

If 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 and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over \$50,000

3 Five highest-paid independent contractors for professional services (see page 19 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1. None	
2.	
3.	
4.	

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Part IX-B Summary of Program-Related Investments (see page 20 of the instructions)

Describe any program-related investments made by the foundation during the tax year.	Amount
1 <i>N/A</i>	
2	
3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 20 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	1696452
b Average of monthly cash balances	1b	2678988
c Fair market value of all other assets (see page 21 of the instructions)	1c	
d Total (add lines 1a, b, and c)	1d	4375440
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	4375440
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 21 of the instructions)	4	65632
Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4309808
6 Minimum investment return. Enter 5% of line 5	6	215490

Part XI Distributable Amount (see page 21 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	215490
2a Tax on investment income for 1997 from Part VI, line 5	2a	1979
b Income tax for 1997. (This does not include the tax from Part VI.)	2b	0
c Add lines 2a and 2b	2c	1979
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	213511
4a Recoveries of amounts treated as qualifying distributions	4a	
b Income distributions from section 4947(a)(2) trusts	4b	
c Add lines 4a and 4b	4c	0
5 Add lines 3 and 4c	5	213511
6 Deduction from distributable amount (see page 22 of the instructions)	6	0
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	213511

Part XII Qualifying Distributions (see page 22 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc.-total from Part I, column (d), line 26	1a	401341
b Program-related investments-total of lines 1-3 of Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
Suitability test (prior IRS approval required)	3a	
Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	401341
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 22 of the instructions)	5	1979
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	399362

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

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Part XIII Undistributed Income (see page 22 of the instructions)

	(a) Corpus	(b) Years prior to 1996	(c) 1996	(d) 1997
1 Distributable amount for 1997 from Part XI, line 7				213511
2a Undistributed income, if any, as of the end of 1996:				
b Enter amount for 1996 only			0	
Total for prior years: 19____, 19____, 19____		0		
3 Excess distributions carryover, if any, to 1997:				
a From 1992				
b From 1993				
c From 1994				
d From 1995				
e From 1996				7956
f Total of lines 3a through e	7956			
4 Qualifying distributions for 1997 from Part XII, line 4: \$ 401341				
a Applied to 1996, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required-see page 23 of the instructions)		0		
c Treated as distributions out of corpus (Election required-see page 23 of the instructions)	0			
d Applied to 1997 distributable amount				213511
e Remaining amount distributed out of corpus	187830			
5 Excess distributions carryover applied to 1997 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	195786			
b Prior years' undistributed income. Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount-see page 23 of the instructions		0		
e Undistributed income for 1996. Subtract line 4a from line 2a. Taxable amount-see page 23 of the instructions			0	
f Undistributed income for 1997. Subtract lines 4d and 5 from line 1. This amount must be distributed in 1998				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 23 of the instructions)	0			
8 Excess distributions carryover from 1992 not applied on line 5 or line 7 (see page 23 of the instructions)	0			
Excess distributions carryover to 1998. Subtract lines 7 and 8 from line 6a	195786			
10 Analysis of line 9:				
a Excess from 1993				
b Excess from 1994				
c Excess from 1995				
d Excess from 1996	7956			
e Excess from 1997	187830			

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Part XIV Private Operating Foundations (see page 23 of the instructions and Part VII-A, question 9)

1 If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 1997, enter the date of the ruling

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 1997	(b) 1996	(c) 1995	(d) 1994	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	N/A				
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amt. incl. in ln. 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test-enter:					
(1) Value of all assets					
(2) Value of assets qualifying under sec. 4942(j)(3)(B)(i)					
b "Endowment" alternative test-Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
"Support" alternative test-enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment inc.					

Part XV Supplementary Information (Complete this part only if the org. had \$5,000 or more in assets at any time during the year-see page 24 of the instr.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

None

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ☒ if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see page 24 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

N/A

b The form in which applications should be submitted and information and materials they should include:

N/A

c Any submission deadlines:

N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

N/A

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Part XV Supplementary Information (continued)**Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year Schedule attached				321 000
Total				▶ 3a 321 000
b Approved for future payment				
Total				▶ 3b

† gross amounts unless otherwise indicated.

Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See pg. 24 of the instructions.)
(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:				
a	111A			
b				
c				
d				
e				
f				
g Fees and contracts from government agencies				
2 Membership dues and assessments				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities				
5 Net rental income or (loss) from real estate:				
a	Debt-financed property			
b	Not debt-financed property			
6 Net rental income or (loss) from personal property				
7 Other investment income				
8 Gain or (loss) from sales of assets other than inventory				
9 Net income or (loss) from special events				
10 Gross profit or (loss) from sales of inventory				
11 Other revenue:				
a				
b				
c				
d				
e				
Subtotal. Add columns (b), (d), and (e)				
13 Total. Add line 12, columns (b), (d), and (e)				

(See worksheet in line 13 instructions on page 25 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes[illegible]

1 Did the 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?

(1) Cash

(2) Other assets

b Other Transactions:

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities or equipment

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) 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.

[illegible]

2a 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.

[illegible]

1 Enter the date the notice of availability of the annual return appeared in a newspaper

2 Enter the name of the newspaper

3 Check here ☒ to indicate that you have attached a copy of the newspaper notice required by the instructions on page 26.

(If the notice is not attached, the return will be considered incomplete.)

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 taxpayer or fiduciary) is based on all info. of which preparer has any knowledge.

Larueda
Signature of officer or trustee

7-09-95
Date

Title

Paid
Preparer's
Use Only

Preparer's
signature

Firm's name (or
yours if self-employed)
and address

Date 6-24-99

Check if self-employed

Preparer's social security no.
541-34-1544

ROBERT H. CHURCH CPA
4904 S. E. BELMONT, PORTLAND, OREGON 97215

ER-234

ZIP code

Parks Foundation Year ended November 30, 1998 93-0729614

STATEMENT REGARDING FORM 4720 AND AMENDED FORM 990PF

The Department of Justice has been auditing the Parks Foundation for the year ended November 30, 1998. It has been concluded that a contribution of \$5,000 to "Justice for All" is a non-qualifying distribution. Justice for All is not a tax-exempt charitable entity, but rather a political action committee, the purpose for which is to support ballot measures relative to the criminal justice system.

Accordingly, Form 990PF is amended to eliminate this contribution as a qualifying distribution and Form 4720 has been prepared for the tax on political expenditures.

m p 173

PARKS FOUNDATION NOVEMBER 30, 1998 93-0729614

MONTH END	CDIC A/C 1	W FARGO CK A/C 2	W FARGO MM A/C 5	US MNY MKT A/C 7	MONTHLY TOTAL	FMV-US TREAS STRIPS-A/C 17
12/31	\$2,311,654.12	\$7,067.53	\$2,127,844.81	\$5,034.22	\$4,451,600.68	
1/31	\$2,316,735.67	\$5,683.03	\$2,136,013.90	\$5,044.54	\$4,463,477.14	
2/28	\$2,295,636.57	\$4,571.53	\$138,845.36	\$5,053.36	\$2,444,106.82	\$2,000,230.50
3/31	\$2,265,231.10	\$4,371.53	\$139,256.18	\$5,061.89	\$2,413,920.70	\$2,000,230.50
4/30	\$2,271,107.26	\$3,772.03	\$139,714.00	\$5,071.65	\$2,419,664.94	\$2,000,230.50
5/31	\$2,250,633.58	\$2,678.11	\$140,203.95	\$5,080.82	\$2,398,596.46	\$2,000,230.50
6/30	\$2,232,146.35	\$2,365.61	\$140,649.52	\$5,089.70	\$2,380,251.18	\$2,000,230.50
7/31	\$2,212,063.53	\$2,281.93	\$141,111.92	\$5,099.52	\$2,360,556.90	\$2,000,230.50
8/31	\$2,209,043.27	\$1,659.93	\$141,622.24	\$5,101.36	\$2,357,426.80	\$2,089,009.25
9/30	\$2,013,217.17	\$5,153.93	\$142,087.84	\$5,101.36	\$2,165,560.30	\$2,089,009.25
10/31	\$2,004,628.63	\$3,369.93	\$142,586.12	\$5,101.36	\$2,155,686.04	\$2,089,009.25
11/30	\$1,986,371.24	\$2,475.61	\$143,054.89	\$5,101.36	\$2,137,003.10	\$2,089,009.25

\$32,147,851.06 \$20,357,420.00

AVG MTHLY SEC BAL-PT X, LINE 1a

\$1,696,451.67

AVG MTHLY CASH BAL-PT X, LINE 1b

\$2,678,987.59

PART I

CONTRIBUTIONS RECEIVED-PART I, LINE 1

BAKER COUNTY HUNTERS ASSOC

\$295.00

\$0.00

\$0.00

LEGAL FEES, LINE 16a

DAVIS, WRIGHT & TREMAINE-AUDIT

\$22,571.00

DONAHUE AND ASSOCIATES

\$40,350.29

SCHMITT & LEHMAN-COURT REPORTERS

\$1,354.75

BULLIVANT, ET AL-LEGAL WORK FOR MEASURE 1

\$3,230.27

BUCKLEY, LE CHEVALIER

\$6,200.00

TRIAL DOCUMENTS

\$520.60

\$74,026.91

ACCOUNTING, LINE 16b

RH CHURCH CPA-TAX RETURN PREPARATION

\$1,900.00

OTHER PROFESSIONAL FEES, LINE 16c

KEVIN MANNIX, PC-CRIME RESEARCH

\$27,500.00

TAXES, LINE 18

OREGON DEPT OF JUSTICE-FYE 11-30-96

\$539.00

FED QTRLY EST TAX PMT FOR FYE 11-30-98

\$524.00

\$1,063.00

OTHER EXPENSES, LINE 23

LEONARD ADAMS-INSURANCE

\$1,027.00

MISCELLANEOUS

\$157.75

\$1,184.75

US FDN
PART XV (3a) CONTRIBUTIONS PAID

11-30-98

93-0729614

NAME & ADDRESS	RECIPIENT RELATIONSHIP	RECIPIENT STATUS	PURPOSE OF GRANT	AMOUNT
CRIMINAL JUSTICE FOUNDATION 2003 STATE ST SALEM, OR 97301	N/A	PUBLIC	EDUCATIONAL	\$39,000
OREGON HEALTH SCIENCES UNIVERSITY 3181 SW SAM JACKSON PARK ROAD PORTLAND, OR 97201	N/A	PUBLIC	MEDICAL RESEARCH	\$5,000
OREGON HUNTER'S ASSOCIATION PO BOX 6618 2150 NE DIVISION, SUITE 1 BEND, OR 97708	N/A	PUBLIC	PRESERVATION OF WILDLIFE POPULATIONS	\$20,000
AMERICAN HERITAGE SEMINARS 4100 SE 26TH PLACE GRESHAM, OR 97080	N/A	PUBLIC	EDUCATIONAL	\$12,000
AMERICAN CONSTITUTIONAL LAW FDN 3075 S UNIVERSITY BLVD #240 DENVER, CO 80210	N/A	PUBLIC	EDUCATIONAL	\$15,000
ILLUSTRATION & REFERENDUM INSTITUTE 1825 I ST, SUITE 400 WASHINGTON, DC 20006	N/A	PUBLIC	EDUCATIONAL	\$10,000
BAKER COUNTY HUNTERS ASSOC PO BOX 846 BAKER CITY, ORE 97814	N/A	PUBLIC	PRESERVATION OF WILDLIFE POPULATIONS	\$5,000
PSYCHOLOGICAL RESEARCH FDN PO BOX 5669 ALOHA, OR 97006	N/A	PUBLIC	EDUCATIONAL	\$5,000
CIVIL JUSTICE FDN 2003 STATE ST SALEM, OR 97301	N/A	PUBLIC	EDUCATIONAL	\$10,000
CLAPPER AGENCY BOX 1438 GRESHAM, OR 97030	N/A	PRIVATE	EDUCATIONAL-PREPARES PUBLIC SERVICE RADIO ANNOUNCEMENTS	\$200,000
TOTAL				\$321,000

PARKS FOUNDATION
DEPRECIATION SCHEDULE

ASSET	DATE ACQ	COST	ACCUM DEPREC 11-30-97	LIFE/ METHOD	DEPREC EXPENSE 1997-98	ACCUM DEPREC 11-30-98	BOOK VALUE 11-30-98
DUPLICATOR & CASSETTES	3-24-78	\$2,060.00	\$2,060.00			\$2,060.00	\$0.00
FOLDING CART	1981	\$200.00	\$200.00			\$200.00	\$0.00
VIDEO CAMERA & EQUIP	1981	\$20,556.80	\$20,556.80			\$20,556.80	\$0.00
CAMERA EQUIPMENT	1-83	\$443.35	\$443.35			\$443.35	\$0.00
WORKCENTER & HUTCH	2-84	\$249.00	\$249.00			\$249.00	\$0.00
JVC DEMO M/C M510X	3-85	\$169.00	\$169.00			\$169.00	\$0.00
SONY VIDEO EQUIP	2-90	\$2,613.97	\$2,613.97			\$2,613.97	\$0.00
TOTAL		\$26,292.12	\$26,292.12		\$0.00	\$26,292.12	\$0.00

990-PF

Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

OMB No. 1545-0052

1998Department of the Treasury -
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

*AUTO*****ALL FOR ADC 970
T139 P5

December 1

, 1998, and ending November 30, 1999

ARKS FOUNDATION
PO BOX 5669
039 LAU KAH ST
LOHA OR 97006-0669

A Employer identification number 93-0729614	
not delivered to street address	Room/suite
B Telephone number (see page 9 of the instructions) (503) 649-7007	

.....

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end
of year (from Part II, col. (c),
line 16) **\$5196065**

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)

C If exemption application is pending, check here ☐
D 1. Foreign organizations, check here ☐
2. Organizations meeting the 85% test,
check here and attach computation ☐
E If private foundation status was terminated
under section 507(b)(1)(A), check here ☐
F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ☐
G If address changed, check here ☐
Part I Analysis of Revenue and Expenses (The total of
amounts in columns (b), (c), and (d) may not necessarily equal
the amounts in column (a) (see page 9 of the instructions).)

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)	1000000			
2 Contributions from split-interest trusts	134123	134123	134123	
3 Interest on savings and temporary cash investments	94272	94272	94272	
4 Dividends and interest from securities				
5a Gross rents				
b (Net rental income or (loss))	0			
6 Net gain or (loss) from sale of assets not on line 10		0		
7 Capital gain net income (from Part IV, line 2)			0	
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11.	1228395	228395	228395	
13 Compensation of officers, directors, trustees, etc.	0	0	0	0
14 Other employee salaries and wages	0	0	0	0
15 Pension plans, employee benefits	0	0	0	0
16a Legal fees (attach schedule)	70130	49354	49354	20776
b Accounting fees (attach schedule)	2200	2200	2200	0
c Other professional fees (attach schedule)	0	0	0	0
17 Interest	0	0	0	0
18 Taxes (attach schedule) (see page 12 of the instructions)	3742	0	0	0
19 Depreciation (attach schedule) and depletion	0	0	0	
20 Occupancy	0	0	0	0
21 Travel, conferences, and meetings	0	0	0	0
22 Printing and publications	0	0	0	0
23 Other expenses (attach schedule)	99	0	0	99
24 Total operating and administrative expenses. Add lines 13 through 23	76171	51554	51554	20875
25 Contributions, gifts, grants paid	182171			182171
26 Total expenses and disbursements. Add lines 24 and 25	258342	51554	51554	203046
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	970053			
b Net investment income (if negative, enter -0-)		176841		
c Adjusted net income (if negative, enter -0-)			176841	

Form 990-EF (1998)

Page 2

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	2476		
	2 Savings and temporary cash investments	2134527	3011110	3011110
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 14 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)	2089009	2183281	2183281
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment: basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)				
14 Land, buildings, and equipment: basis ▶ 26292				
Less: accumulated depreciation (attach schedule) ▶ 26292	0	0	0	
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers—see page 15 of the instructions. Also, see page 1, item I)	4226012	5194391	5194391	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22).	0	0		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see page 16 of the instructions)	4226012	5194391	
	31 Total liabilities and net assets/fund balances (see page 16 of the instructions)	4226012	5194391	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return).	1	4226012
2 Enter amount from Part I, line 27a.	2	970053
3 Other increases not included in line 2 (itemize) ▶		ER-240
4 Add lines 1, 2, and 3	4	5196065
		1174

Form 990-PF (1998)

Page 3

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss). { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 11 and 16 of the instructions). If (loss), enter -0- in Part I, line 8			3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
 If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 16 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
1997	399,362	4,309,808	9.27
1996	567,324	4,592,033	12.35
1995	106,260	4,663,343	2.28
1994	166,995	4,628,517	3.61
1993	200,584	4,575,999	4.38

2 Total of line 1, column (d)	2	31.89
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	6.38
4 Enter the net value of noncharitable-use assets for 1998 from Part X, line 5	4	5,048,895
5 Multiply line 4 by line 3	5	322,120
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1768
7 Add lines 5 and 6	7	323,888
8 Enter qualifying distributions from Part XII, line 4	8	208,421

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See

Form 990-PF (1998)

Page 4

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 16 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling letter: (attach copy of ruling letter if necessary—see instructions)			
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
c	All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of line 12b			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	1	3958	-
3	Add lines 1 and 2	2	0	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3	3958	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	4	0	
6	Credits/Payments: 1817 123	5	3958	
a	1998 estimated tax payments and 1997 overpayment credited to 1998	6a	2000	
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 2758)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7	2000	
8	Enter any PENALTY for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0	
9	TAX DUE. If the total of lines 5 and 8 is more than line 7, enter AMOUNT OWED	9	1958	
10	OVERPAYMENT. If line 7 is more than the total of lines 5 and 8, enter the AMOUNT OVERPAID	10		
11	Enter the amount of line 10 to be: Credited to 1999 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
b		X
c		X
d		
e		
2		X
3		X
4a		X
4b		N/A
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X
11a		X
11b		N/A

1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 17 of the instructions for definition)?

If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.

c Did the organization file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:
(1) On the organization. ▶ \$ _____ (2) On organization managers. ▶ \$ _____

e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. ▶ \$ _____

2 Has the organization engaged in any activities that have not previously been reported to the IRS?

If "Yes," attach a detailed description of the activities.

3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes

4a Did the organization have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If "Yes," attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:
• By language in the governing instrument; or
• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7 Did the organization have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.

8a Enter the states to which the foundation reports or with which it is registered (see page 18 of the instructions) ▶ Oregon

b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 1998 or the taxable year beginning in 1998 (see instructions for Part XIV on page 23)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses.

11a Did anyone request to see either the organization's annual return or its exemption application (or both)?

b If "Yes," did the organization comply pursuant to the instructions? (See General Instruction Q.)

12 The books are in care of ▶ Loren E. Parks Telephone no. ER 242-7007
located at ▶ 19460 SW Shaw, Aloha OR ZIP+4 ▶ 97007-0669

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1 Self-dealing (section 4941):**a** During the year did the organization (either directly or indirectly):

- (1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No
- (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No
- (6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No

b If any answer is "Yes" to 1a(1)-(6), did ANY of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 18 of the instructions)?Organizations relying on a current notice regarding disaster assistance check here ☐**c** Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 1998?**2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):****a** At the end of tax year 1998, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 1998? ☐ Yes ☒ No
If "Yes," list the years ☐ 19...., 19...., 19...., 19....**b** Are there any years listed in 2a for which the organization is NOT applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to ALL years listed, answer "No" and attach statement—see page 18 of the instructions.)**c** If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in 2a, list the years here.
☐ 19...., 19...., 19...., 19....**3 Taxes on excess business holdings (section 4943):****a** Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No**b** If "Yes," did it have excess business holdings in 1998 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 1998.)**4 Taxes on investments that jeopardize charitable purposes (section 4944):****a** Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?**b** Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 1998?**5 Taxes on taxable expenditures (section 4945) and political expenditures (section 4955):****a** During the year did the organization pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☒ Yes ☐ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did ANY of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 19 of the instructions)?Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the organization claim exemption from the self-dealing exception for the grant? ☐ Yes ☐ No

	Yes	No
1a		
1b	N/A	
1c		X
2a		
2b	N/A	
3a		
3b	N/A	
4a		X
4b		X
5a		
5b	X	

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Form 990-RF (1998)

Page 6

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 19 of the instructions):**

(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 and deferred compensation	(e) Expense account, other allowances
Loren E Parks, 19460 SW Shaw, ALbany, OR	Pres 1 hr/wk	0	0	0
Claudene Gilmore	Sec 1 hr/wk	0	0	0
Ray Parks	Director 0 hrs/wk	0	0	0
Gary L Parks	Director 0 hrs/wk	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 19 of the instructions). If 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 and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over \$50,000 ▶**3 Five highest-paid independent contractors for professional services—(see page 19 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 None	
2	
3	

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Part IX-B Summary of Program-Related Investments (see page 20 of the instructions)

Describe any program-related investments made by the foundation during the tax year.	Amount
1 <u>None</u>	
2	
3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 20 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	2129543
b Average of monthly cash balances	1b	2996237
c Fair market value of all other assets (see page 21 of the instructions)	1c	
d Total (add lines 1a, b, and c)	1d	5125782
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	5125782
Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 21 of the instructions)	4	76837
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5048895
6 Minimum investment return. Enter 5% of line 5	6	252445

Part XI Distributable Amount (see page 21 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1 Minimum investment return from Part X, line 6		1	252445
2a Tax on investment income for 1998 from Part VI, line 5	2a		3958
b Income tax for 1998. (This does not include the tax from Part VI.)	2b		0
c Add lines 2a and 2b		2c	3958
3 Distributable amount before adjustments. Subtract line 2c from line 1.		3	248487
4a Recoveries of amounts treated as qualifying distributions	4a		
b Income distributions from section 4947(a)(2) trusts	4b		
c Add lines 4a and 4b		4c	0
5 Add lines 3 and 4c		5	248487
6 Deduction from distributable amount (see page 22 of the instructions)		6	0
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	248487

Part XII Qualifying Distributions (see page 22 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	203046
b Program-related investments—total of lines 1-3 of Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	203046
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 22 of the instructions)	5	0
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	ER-2415

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation

Part XIII Undistributed Income (see page 22 of the instructions)

	(a) Corpus	(b) Years prior to 1997	(c) 1997	(d) 1998
1 Distributable amount for 1998 from Part XI, line 7				248487
2 Undistributed income, if any, as of the end of 1997:				
a Enter amount for 1997 only			0	
b Total for prior years: 19____, 19____, 19____		0		
3 Excess distributions carryover, if any, to 1998:				
a From 1993				
b From 1994				
c From 1995				
d From 1996				7936
e From 1997				187830
f Total of lines 3a through e		195786		
4 Qualifying distributions for 1998 from Part XII, line 4: ▶ \$				203046
a Applied to 1997, but not more than line 2a.			0	
b Applied to undistributed income of prior years (Election required—see page 23 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 23 of the instructions)	0			
d Applied to 1998 distributable amount	0			203046
e Remaining amount distributed out of corpus	45441			45441
5 Excess distributions carryover applied to 1998 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	150345			
b Prior years' undistributed income. Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount—see page 23 of the instructions		0		
e Undistributed income for 1997. Subtract line 4a from line 2a. Taxable amount—see page 23 of the instructions			0	
f Undistributed income for 1998. Subtract lines 4d and 5 from line 1. This amount must be distributed in 1999.				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 23 of the instructions).	0			
8 Excess distributions carryover from 1993 not applied on line 5 or line 7 (see page 23 of the instructions).	0			
9 Excess distributions carryover to 1999. Subtract lines 7 and 8 from line 6a	150345			
10 Analysis of line 9:				
a Excess from 1994				
b Excess from 1995				
c Excess from 1996				

- (4) Gross investment income**

4 Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other

Form 990-PF (1998)

Page 10

Part XV Supplementary Information (continued)**3** Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year Schedule attached				189171
Total			▶ 3a	189171
b Approved for future payment				

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[illegible]

12 Subtotal. Add columns (b), (d), and (e)

13 Total. Add line 12, columns (b), (d), and (e)

(See worksheet in line 13 instructions on page 25 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No.

Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). (See page 25 of the instructions.)

11A

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | | | | |
|--|--|-----|----|
| 1 Did the 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? | | Yes | No |
| a Transfers from the reporting organization to a noncharitable exempt organization of: | | | |
| (1) Cash | | | X |
| (2) Other assets | | | X |
| b Other Transactions: | | | |
| (1) Sales of assets to a noncharitable exempt organization | | | X |
| (2) Purchases of assets from a noncharitable exempt organization | | | X |
| (3) Rental of facilities or equipment | | | X |
| (4) Reimbursement arrangements | | | X |
| (5) Loans or loan guarantees | | | X |
| (6) Performance of services or membership or fundraising solicitations | | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | | X |
| 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. | | | |

[illegible]

- 2a** 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.

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

Part XVIII Public Inspection (see page 26 of the instructions and General Instruction Q)

- 1 Enter the date the notice of availability of the annual return appeared in a newspaper ▶
- 2 Enter the name of the newspaper ▶ Daily Journal of Commerce
- 3 Check here ▶ ☒ to indicate that you have attached a copy of the newspaper notice required by the instructions on page 26.
(If the notice is not attached, the return will be considered incomplete.)

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 taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

7/14/00
Date

President
Title

**Paid
parer's
Only**

Preparer's
signature

Firm's name (or

Robert H Church

Date _____

7-11-00

Check if self-employed ☒

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FIN 1

PARKS FOUNDATION
DEPRECIATION SCHEDULE

ASSET	DATE ACQ	COST	ACCUM DEPREC 11-30-98	LIFE/ METHOD	DEPREC EXPENSE 1998-99	ACCUM DEPREC 11-30-99	BOOK VALUE 11-30-99
DUPLICATOR & CASSETTES	3-24-78	\$2,060.00	\$2,060.00			\$2,060.00	\$0.00
FOLDING CART	1981	\$200.00	\$200.00			\$200.00	\$0.00
VIDEO CAMERA & EQUIP	1981	\$20,556.80	\$20,556.80			\$20,556.80	\$0.00
CAMERA EQUIPMENT	1-83	\$443.35	\$443.35			\$443.35	\$0.00
WORKCENTER & HUTCH	2-84	\$249.00	\$249.00			\$249.00	\$0.00
JVC DEMO M/C M510X	3-85	\$169.00	\$169.00			\$169.00	\$0.00
SONY VIDEO EQUIP	2-90	\$2,613.97	\$2,613.97			\$2,613.97	\$0.00
TOTAL		\$26,292.12	\$26,292.12		\$0.00	\$26,292.12	\$0.00

PARKS FOUNDATION NOVEMBER 30, 1999 93-0729614

MONTH END	CDIC A/C 1	W FARGO CK A/C 2	W FARGO MM A/C 5	US WNY MKT A/C 7	MONTHLY TOTAL	FMV-US TREAS STRIPS-A/C 17
12/31	\$1,991,281.32	\$1,318.36	\$143,476.21	\$5,101.36	\$2,141,177.25	\$2,089,009.25
1/31	\$2,998,833.19	\$1,318.36	\$143,958.12	\$5,101.36	\$3,149,211.03	\$2,089,009.25
2/28	\$2,896,958.77	\$4,910.99	\$144,344.63	\$5,101.36	\$3,051,315.75	\$2,089,009.25
3/31	\$2,907,708.37	\$3,235.54	\$144,718.34	\$5,101.36	\$3,060,763.61	\$2,089,009.25
4/30	\$2,938,660.03	\$3,216.04	\$145,176.28		\$3,087,052.35	\$2,089,009.25
5/31	\$2,949,481.78	\$2,716.04	\$145,593.90		\$3,097,791.72	\$2,089,009.25
6/30	\$2,931,032.79	\$929.36	\$145,998.76		\$3,077,960.91	\$2,156,870.50
7/31	\$2,918,547.23	\$999.86	\$146,460.75		\$3,066,007.84	\$2,156,870.50
8/31	\$2,917,527.27	\$499.86	\$146,868.02		\$3,064,895.15	\$2,156,870.50
9/30	\$2,919,915.81	\$331.28	\$147,291.85		\$3,067,538.94	\$2,183,281.25
10/31	\$2,931,955.21	\$331.28	\$147,756.59		\$3,080,043.08	\$2,183,281.25
11/30	\$2,862,611.27	\$331.28	\$148,167.47		\$3,011,110.02	\$2,183,281.25

\$35,954,867.65 \$25,554,510.75

AVG MTHLY SEC BAL-PT X, LINE 1a

\$2,129,542.56

AVG MTHLY CASH BAL-PT X, LINE 1b

\$2,996,238.97

PART I

CONTRIBUTIONS RECEIVED-PART I, LINE 1

LOREN E PARKS	\$1,000,000.00
	\$0.00

	\$1,000,000.00

LEGAL FEES, LINE 16a

DAVIS, WRIGHT & TREMAINE-AUDIT	\$49,354.20
HAGEN, DYE, HERSHEY ET AL	\$7,427.43
CONNOLLY AND DOYLE	\$3,489.25
KEVIN L. MANNIX, PC	\$9,859.33

	\$70,130.21

ACCOUNTING, LINE 16b

RH CHURCH CPA-TAX RETURN PREPARATION	\$2,200.00
--------------------------------------	------------

TAXES, LINE 18

OREGON DEPT OF JUSTICE-FYE 11-30-98	\$498.00
FED QTRLY EST TAX PMT FOR FYE 11-30-98	\$1,817.00
FED FORM 4720 FYE 11-30-98	\$500.00
OREGON CORP DIV-RENEW LICENSE	\$10.00
IRS 6-22-99	\$803.34
IRS 9-10-99	\$113.58

	\$3,741.92

OTHER EXPENSES, LINE 23

DAILY JOURNAL OF COMMERCE-PUBLISH NOTICE	\$33.50
MISCELLANEOUS	\$65.50

	\$99.00

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NAME & ADDRESS.	RECIPIENT RELATIONSHIP	RECIPIENT STATUS	PURPOSE OF GRANT	AMOUNT
CRIMINAL JUSTICE FOUNDATION 2003 STATE ST SALEM, OR 97301	N/A	PUBLIC	EDUCATIONAL	\$18,000
OREGON HEALTH SCIENCES UNIVERSITY 3181 SW SAM JACKSON PARK ROAD PORTLAND, OR 97201	N/A	PUBLIC	MEDICAL RESEARCH	\$10,000
OREGON HUNTER'S ASSOCIATION PO BOX 6618 2150 NE DIVISION, SUITE 1 BEND, OR 97708	N/A	PUBLIC	PRESERVATION OF WILDLIFE POPULATIONS	\$12,000
OTU EDUCATION FDM 16140 SE 82ND DR PORTLAND, OR 97015	N/A	PUBLIC	EDUCATIONAL	\$100,000
FAHA COMPETITIVE PROGRAM P O BOX 83596 (ID#92-0090471) FAIRBANKS, AK 99708	N/A	PUBLIC	EDUCATIONAL	\$2,000
PLANNED PARENTHOOD 3231 SE 50TH ST PORTLAND, OR 97206	N/A	PUBLIC	EDUCATIONAL	\$5,000
KBPS 515 NE 15TH AVE PORTLAND, OR 97232	N/A	PUBLIC	EDUCATIONAL	\$1,000
CANCER COALITION OF AMERICA 9396 RICHMOND AVE HOUSTON, TX 77063	N/A	PUBLIC	CANCER RESEARCH	\$10,000
PAL-BEAVERTON, OR PO BOX 4755 BEAVERTON, OR 97076	N/A	PUBLIC	BYRTN POLICE YOUTH ACTIVITIES	\$5,000
PAL-PORTLAND 449 NE EMERSON ST PORTLAND, OR 97211	N/A	PUBLIC	PTLD POLICE YOUTH ACTIVITIES	\$10,000
THURSTAN HIGH SCHOOL SPRINGFIELD, OR	N/A	PUBLIC	EDUCATIONAL	\$2,500
CLAPPER AGENCY BOX 1438 GRESHAM, OR 97030	N/A	PRIVATE	EDUCATIONAL-PREPARES PUBLIC SERVICE RADIO ANNOUNCEMENTS	\$6,671
				\$182,171

Form **2758**
(Rev. June 1998)**Application for Extension of Time To File
Certain Excise, Income, Information, and Other Returns**

OMB No. 1545-0148

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return.

9911

Please type or
print. File the
original and one
copy by the due
date for filing
your return. See
instructions on
page 2.

Name

Parks Foundation

Employer ID number

93-0729614

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

PO Box 5669

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

Aloha OR 97006**Note:** Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.1 I request an extension of time until JUL 15, 2000 to file (check only one):

- | | | | |
|---|---|---|------------------------------------|
| <input type="checkbox"/> Form 706-GS(D) | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 1120-ND (sec. 4951 taxes) | <input type="checkbox"/> Form 8612 |
| <input type="checkbox"/> Form 706-GS(T) | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 3520-A | <input type="checkbox"/> Form 8613 |
| <input type="checkbox"/> Form 990 or 990-EZ | <input type="checkbox"/> Form 1041 (estate) (see instructions) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8725 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 5227 | <input type="checkbox"/> Form 8804 |
| <input checked="" type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1042 | <input type="checkbox"/> Form 6069 | <input type="checkbox"/> Form 8831 |

If the organization does not have an office or place of business in the United States, check this box ☐2a For calendar year December 1, 1998 and ending November 30, 1999b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period3 Has an extension of time to file been previously granted for this tax year? ☐ Yes ☒ No4 State in detail why you need the extension More time is needed for clarification of the classification of some expenditures

5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069,

8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions \$ 2000b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ 2000c Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions. \$ 0**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 Robert H ChurchTitle CPADate 4-9-00

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant -- To Be Completed by the IRS

- ☒ We HAVE approved your application. Please attach this form to your return.
- ☐ We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.
- ☐ We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are denying the 10-day grace period.
- ☐ We cannot consider your application because it was filed after the due date of the return for which an extension was requested.

Other:

APR 19 2000

OGDEN, UT

Director

By:

Date

If you want a copy of this form to be returned to an address other than that shown above, please enter address to which the copy should be sent.

Name

ROBERT H. CHURCH CPA

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

4504 S.E. Belmont Suite 230
Portland, Oregon 97215

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

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Form **2758**
(Rev. June 1998)**Application for Extension of Time To File
Certain Excise, Income, Information, and Other Returns**

OMB No. 1545-0148

Department of the Treasury
Internal Revenue Service

File a separate application for each return.

Please type or
print. File the
original and one
copy by the due
date for filing
your return. See
instructions on
page 2.

Name

Parks Foundation

Employer ID number

93-0729614

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

PO Box 5669

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

Aloha OR 97006

Notes: Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

1 I request an extension of time until July 15, 2000 to file (check only one):

- | | | | |
|---|---|---|------------------------------------|
| <input type="checkbox"/> Form 706-GS(D) | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 1120-ND (sec. 4951 taxes) | <input type="checkbox"/> Form 8612 |
| <input type="checkbox"/> Form 706-GS(T) | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 3520-A | <input type="checkbox"/> Form 8613 |
| <input type="checkbox"/> Form 990 or 990-EZ | <input type="checkbox"/> Form 1041 (estate) (see instructions) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8725 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 5227 | <input type="checkbox"/> Form 8804 |
| <input checked="" type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1042 | <input type="checkbox"/> Form 6069 | <input type="checkbox"/> Form 8831 |

If the organization does not have an office or place of business in the United States, check this box ☐2a For calendar year _____, or other tax year beginning December 1, 1998 and ending November 30, 1999b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period3 Has an extension of time to file been previously granted for this tax year? ☐ Yes ☒ No4 State in detail why you need the extension More time is needed for clarification of the classification of some expenditures

5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069,

8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions. \$ 2000b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ 2000c Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions. \$ 0**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

Robert H Church

Title

CPADate 4-9-00

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant — To Be Completed by the IRS

- ☒ We HAVE approved your application. Please attach this form to your return.
- ☐ We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.
- ☐ We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- ☐ We cannot consider your application because it was filed after the due date of the return for which an extension was requested.

APR 19 2000OGDEN, UT

By: _____

Date

you want a copy of this form to be returned to an address other than that shown above, please enter address to which the copy should be sent.

Name

ROBERT H. CHURCH CPA

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

4506 S.E. Belmont Suite 230

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

Portland, Oregon 97215

Form **990-PF**

Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

2949106200411

OMB No. 1545-0052

2000 1999

For calendar year 1999, or tax year beginning

December 1, 1999, and ending November 30, 2000

Use the IR label.
Otherwise, please print or type.
See Specific Instruction:

VT 93-0729614 200011 29 03 04 3 152
PARKS FOUNDATION
PO BOX 5669
BEAVERTON OR 97006-0669

ALL FOR ADC 970
3 152

Employer identification number

13 0729614

Telephone number (see page 9 of the instructions)

503) 649-7007

Exemption application is pending, check here ☐Foreign organizations, check here ☐2. Organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐G If address changed, check here ☐H Check type of organization: ☐ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 4,900,044**

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 9 of the instructions).)

(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
------------------------------------	---------------------------	-------------------------	---

- 1 Contributions, gifts, grants, etc., received (attach schedule)
- 2 Contributions from split-interest trusts
- 3 Interest on savings and temporary cash investments
- 4 Dividends and interest from securities
- 5a Gross rents
- b (Net rental income or (loss))
- 6 Net gain or (loss) from sale of assets not on line 10
- 7 Capital gain net income (from Part IV, line 2)
- 8 Net short-term capital gain
- 9 Income modifications
- 10a Gross sales less returns and allowances
- b Less: Cost of goods sold
- c Gross profit or (loss) (attach schedule)
- 11 Other income (attach schedule)
- 12 Total. Add lines 1 through 11.

200100			
161789	161789	161789	
153112	153112	153112	
0	0		
		0	
515001	314901	314901	

- 13 Compensation of officers, directors, trustees, etc.
- 14 Other employee salaries and wages
- 15 Pension plans, employee benefits
- 16a Legal fees (attach schedule)
- b Accounting fees (attach schedule)
- c Other professional fees (attach schedule)
- 17 Interest
- 18 Taxes (attach schedule) (see page 12 of the instructions)
- 19 Depreciation (attach schedule) and depletion
- 20 Occupancy
- 21 Travel, conferences, and meetings
- 22 Printing and publications
- 23 Other expenses (attach schedule)
- 24 Total operating and administrative expenses. Add lines 13 through 23
- 25 Contributions, gifts, grants paid
- 26 Total expenses and disbursements. Add lines 24 and 25

0	0	0	0
0	0	0	0
0	0	0	0
129570	115538	115538	14032
3400	3400	3400	0
0	0	0	0
0	0	0	0
6685	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
341264	0	0	341264

- 24 Total operating and administrative expenses. Add lines 13 through 23
- 25 Contributions, gifts, grants paid
- 26 Total expenses and disbursements. Add lines 24 and 25

480922	118938	118938	355296
330100			330100
811022	118938	118938	685396

- 27 Subtract line 26 from line 12:
- a Excess of revenue over expenses and disbursements
- b Net investment income (negative, enter -0-)

296021	195963	195963	
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SCANNED FEB 06 2001

Operating and Administrative Expenses

Exhibit 6

Form 990-PF (1999)

Page 2

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	3011110	2564139	2564139
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 14 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)	2183281	2335905	2335905
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment: basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)				
14 Land, buildings, and equipment: basis ▶	26292			
Less: accumulated depreciation (attach schedule) ▶	26292			
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers—see page 15 of the instructions. Also, see page 1, item I)	5194391	4900044	4900044	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22).				
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see page 16 of the instructions)	5194391	4900044	
	31 Total liabilities and net assets/fund balances (see page 16 of the instructions)	5194391	4900044	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return).	1	5194391
2 Enter amount from Part I, line 27a	2	296021
3 Other increases not included in line 2 (itemize) ▶ Reimbursement for nonqualified PAC	3	4614
4 Add lines 1, 2, and 3	4	ER-2560044
5 Decreases not included in line 2 (itemize) ▶	5	

Form 990-PF (1999)

Page 3

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss). If gain, also enter in Part I, line 7
If (loss), enter -0- in Part I, line 7 2

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c) (see pages 11 and 16 of the instructions).
If (loss), enter -0- in Part I, line 8 3

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
 If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 16 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
1998	203046	5048895	4.02
1997	399362	4309808	9.27
1996	567324	4592033	12.35 ←
1995	106260	4663343	2.28
1994	166995	4628517	4.38

2 Total of line 1, column (d)

3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

4 Enter the net value of noncharitable-use assets for 1999 from Part X, line 5

5 Multiply line 4 by line 3

6 Enter 1% of net investment income (1% of Part I, line 27b)

7 Add lines 5 and 6

8 Enter qualifying distributions from Part XII, line 4

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 16.

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Form 990-PF (1999)

Page 4

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 16 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling letter: (attach copy of ruling letter if necessary—see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	1960
c	All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	1960
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	1960
6	Credits/Payments:		
a	1999 estimated tax payments and 1998 overpayment credited to 1999	6a	4000
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 2758)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	4000
8	Enter any PENALTY for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0
9	TAX DUE. If the total of lines 5 and 8 is more than line 7, enter AMOUNT OWED	9	
10	OVERPAYMENT. If line 7 is more than the total of lines 5 and 8, enter the AMOUNT OVERPAID	10	2040
11	Enter the amount of line 10 to be: Credited to 2000 estimated tax 2040 Refunded	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 17 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.</i>		X
1c Did the organization file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization. ▶ \$ (2) On organization managers. ▶ \$		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. ▶ \$		
2 Has the organization engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		X
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes.</i>		X
4a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument; or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the organization have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 18 of the instructions) ▶ Oregon		
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation.</i>	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 1999 or the taxable year beginning in 1999 (see instructions for Part XIV on page 23)? <i>If "Yes," complete Part XIV.</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>		X
11a Did anyone request to see either the organization's annual return or its exemption application (or both)?		X
b If "Yes," did the organization comply pursuant to the instructions? (See General Instruction Q.)		N/A
12 The books are in care of ▶ Loren E. Parks Telephone no. ▶ 503-449-2007 Located at ▶ 19460 SW Shaw, Aloha, OR ZIP+4 ▶ 97006-2591		
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here <input type="checkbox"/>		

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

- 1 Self-dealing (section 4941):**
- a** During the year did the organization (either directly or indirectly):
- (1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No
- (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No
- (6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No
- b** If any answer is "Yes" to 1a(1)-(6), did ANY of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 18 of the instructions)? ☐ Yes ☒ No
- Organizations relying on a current notice regarding disaster assistance check here ☐
- c** Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 1999? ☐ Yes ☒ No
- 2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):**
- a** At the end of tax year 1999, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 1999? ☐ Yes ☒ No
- If "Yes," list the years ☐ 19...., 19...., 19...., 19....
- b** Are there any years listed in 2a for which the organization is NOT applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to ALL years listed, answer "No" and attach statement—see page 18 of the instructions.) ☐ Yes ☒ No
- c** If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in 2a, list the years here: ☐ 19...., 19...., 19...., 19....
- 3 Taxes on excess business holdings (section 4943):**
- a** Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No
- b** If "Yes," did it have excess business holdings in 1999 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 1999.) ☐ Yes ☒ No
- 4 Taxes on investments that jeopardize charitable purposes (section 4944):**
- a** Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes? ☐ Yes ☒ No
- b** Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 1999? ☐ Yes ☒ No
- 5 Taxes on taxable expenditures (section 4945) and political expenditures (section 4955):**
- a** During the year did the organization pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No
- b** If any answer is "Yes" to 5a(1)-(5), did ANY of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 19 of the instructions)? ☐ Yes ☒ No
- Organizations relying on a current notice regarding disaster assistance check here ☐
- c** If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No
- If "Yes" attach the statement required by Regulations section 53.4945-5(d).

	Yes	No
1a		
1b	N/A	
1c		X
2a		
2b	N/A	
2c		
3a		
3b	N/A	
3c		
4a		X
4b		X
4c		
5a		
5b	X	
5c		

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Form 990-PF (1999)

Page 6

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see page 19 of the instructions):

(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 and deferred compensation	(e) Expense account, other allowances
Loren E Parks, 19460 SW Shaw, Aloha OR	Pres 1 hr/wk	0	0	0
Claudene Gilmore	Sec 1 hr/wk	0	0	0
Roy C Parks	Director 0 hrs/wk	0	0	0
Gary L Parks	Director 0 hrs/wk	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 19 of the instructions). If 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 and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over \$50,000. ▶**3** Five highest-paid independent contractors for professional services—(see page 19 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1	None	
2		
3		
4		

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Part IX-B Summary of Program-Related Investments (see page 20 of the instructions)

Describe any program-related investments made by the foundation during the tax year.	Amount
1 <u>None</u>	
2	
3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 20 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
a Average monthly fair market value of securities	1a 2245488
b Average of monthly cash balances	1b 2849217
c Fair market value of all other assets (see page 21 of the instructions)	1c
d Total (add lines 1a, b, and c)	1d 5094705
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e
2 Acquisition indebtedness applicable to line 1 assets	2
3 Subtract line 2 from line 1d	3 5094705
4 Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 21 of the instructions)	4 76421
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 5018284
6 Minimum investment return. Enter 5% of line 5	6 250914

Part XI Distributable Amount (see page 21 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1 Minimum investment return from Part X, line 6	1 2509914
2a Tax on investment income for 1999 from Part VI, line 5	2a 1960
b Income tax for 1999. (This does not include the tax from Part VI.)	2b 0
c Add lines 2a and 2b	2c 1960
3 Distributable amount before adjustments. Subtract line 2c from line 1.	3 248954
4a Recoveries of amounts treated as qualifying distributions	4a 0
b Income distributions from section 4947(a)(2) trusts	4b 0
c Add lines 4a and 4b	4c 0
5 Add lines 3 and 4c	5 248954
6 Deduction from distributable amount (see page 22 of the instructions)	6 0
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7 248954

Part XII Qualifying Distributions (see page 22 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a 685396
b Program-related investments—total of lines 1-3 of Part IX-B	1b 0
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2 0
3 Amounts set aside for specific charitable projects that satisfy the:	
a Suitability test (prior IRS approval required)	3a 0
b Cash distribution test (attach the required schedule)	3b 0
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 685396
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 22 of the instructions)	5 1960
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6 683436

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 22 of the instructions)

	(a) Corpus	(b) Years prior to 1998	(c) 1998	(d) 1999
1 Distributable amount for 1999 from Part XI, line 7				248954
2 Undistributed income, if any, as of the end of 1998:			0	
a Enter amount for 1998 only		0		
b Total for prior years: 19____, 19____, 19____				
3 Excess distributions carryover, if any, to 1999:				
a From 1994				
b From 1995				
c From 1996				
d From 1997	150345			
e From 1998				
f Total of lines 3a through e	150345			
4 Qualifying distributions for 1999 from Part XII, line 4: ▶ \$ <u>685396</u>			0	
a Applied to 1998, but not more than line 2a.		0		
b Applied to undistributed income of prior years (Election required—see page 23 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 23 of the instructions)	0			
d Applied to 1999 distributable amount				248954
e Remaining amount distributed out of corpus	436442			
5 Excess distributions carryover applied to 1999 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
6 Enter the net total of each column as indicated below:	586787			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		0		
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount—see page 23 of the instructions		0		
e Undistributed income for 1998. Subtract line 4a from line 2a. Taxable amount—see page 23 of the instructions			0	
f Undistributed income for 1999. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2000.				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 23 of the instructions).	0			
8 Excess distributions carryover from 1994 not applied on line 5 or line 7 (see page 23 of the instructions).	0			
9 Excess distributions carryover to 2000. Subtract lines 7 and 8 from line 6a	586787			
10 Analysis of line 9:				
a Excess from 1995				
b Excess from 1996				
c Excess from 1997	150345			
d Excess from 1998				
e Excess from 1999				

- (4) Gross investment income

11/1/80

Form 990-PF (1999)

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Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year <i>Schedule attached</i>				<i>330,100</i>
Total				330,100 ▶ 3a
b Approved for future payment				
Total				

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[illegible]**12 Subtotal. Add columns (b), (d), and (e)**

13 Total. Add line 12, columns (b), (d), and (e) ▶ 13
(See worksheet in line 13 instructions on page 25 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No.

Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). (See page 25 of the instructions.)

N/A

Please Sign Here

NAME & ADDRESS	RECIPIENT RELATIONSHIP	RECIPIENT STATUS	PURPOSE OF GRANT	AMOUNT
CRIMINAL JUSTICE FOUNDATION 2003 STATE ST SALEM, OR 97301	N/A	PUBLIC	EDUCATIONAL	\$35,100
OREGON HEALTH SCIENCES UNIVERSITY 3181 SW SAM JACKSON PARK ROAD PORTLAND, OR 97201	N/A	PUBLIC	MEDICAL RESEARCH	\$15,000
OREGON HUNTER'S ASSOCIATION PO BOX 6618 2150 NE DIVISION, SUITE 1 BEND, OR 97708	N/A	PUBLIC	PRESERVATION OF WILDLIFE POPULATIONS	\$5,000
OTU EDUCATION FDN 16140 SE 82ND DR PORTLAND, OR 97015	N/A	PUBLIC	EDUCATIONAL	\$100,000
AMERICAN CONSTITUTIONAL LAW FDN 1 S UNIVERSITY BLVD #240 DENVER, CO 80219	N/A	PUBLIC	EDUCATIONAL	\$50,000
CIVIL JUSTICE FDN 2003 STATE ST. SALEM, OR 97301	N/A	PUBLIC	EDUCATIONAL	\$59,000
KBPS 515 NE 15TH AVE PORTLAND, OR 97232	N/A	PUBLIC	EDUCATIONAL	\$6,000
CANCER COALITION OF AMERICA 9396 RICHMOND AVE HOUSTON, TX 77063	N/A	PUBLIC	CANCER RESEARCH	\$10,000
PAL-BEAVERTON, OR PO BOX 4755 BEAVERTON, OR 97076	N/A	PUBLIC	BVRTN POLICE YOUTH ACTIVITIES	\$5,000
PAL-PORTLAND 449 NE EMERSON ST PORTLAND, OR 97211	N/A	PUBLIC	PTLD POLICE YOUTH ACTIVITIES	\$5,000
PSYCHOLOGICAL RESEARCH FDN PO BOX 5669 COVINGTON, OR 97006	N/A	PUBLIC	EDUCATIONAL	\$15,000
LOAVES & FISHES 5550SW HALL BEAVERTON, OR	N/A	PUBLIC	FEEDING THE ELDERLY	\$2,000
SUBTOTAL				\$307,100

PARKS FDN

11-30-00

93-0729614

PAGE 2

PART XV (3a) CONTRIBUTIONS PAID

NAME & ADDRESS	RECIPIENT RELATIONSHIP	RECIPIENT STATUS	PURPOSE OF GRANT	AMOUNT
BALANCE FORWARD FROM PAGE 1				\$307,100
KENTON GRANGE #562 24270 SW FARMINGTON ROAD BEAVERTON, OR 97007	N/A	PUBLIC	COMMUNITY GRANGE HALL	\$10,000
TILLAMOOK ANGLERS 7510 TRASK RIVER ROAD TILLAMOOK, OR 97141	N/A	PUBLIC	PRESERVATION OF FISH	\$1,000
OREGON WILDLIFE HERITAGE FDN PO BOX 30406 PORTLAND, OR 97294	N/A	PUBLIC	PRESERVATION OF WILDLIFE POPULATIONS	\$2,000
M.E.L.P. PO BOX 126 MARYLEHURST COLLEGE MARYLEHURST, OR 97036	N/A	PUBLIC	EDUCATIONAL-LEARNING PROBLEMS	\$10,000
TOTAL				\$330,100

PARKS FOUNDATION NOVEMBER 30, 2000 93-0729614

MONTH END	CDIC A/C 1	W FARGO CK A/C 2	W FARGO MM A/C 5	MONTHLY TOTAL	FMY-98 TREAS STRIPS-A/C 17
12/31	\$2,917,646.52	\$331.28	\$140,579.49	\$3,066,557.29	\$2,183,281.25
1/31	\$2,881,037.48	\$321.28	\$149,063.45	\$3,030,422.21	\$2,183,281.25
2/28	\$2,849,930.84	\$321.28	\$149,951.65	\$3,000,203.77	\$2,224,511.06
3/31	\$2,818,122.26	\$1,733.48	\$150,367.49	\$2,970,223.23	\$2,224,511.06
4/30	\$2,739,996.54	\$30,091.24	\$150,842.00	\$2,920,929.78	\$2,224,511.06
5/31	\$2,753,314.09	\$1,744.74	\$151,243.89	\$2,906,304.72	\$2,224,511.06
6/30	\$2,691,124.01	\$1,744.74	\$151,723.18	\$2,844,591.93	\$2,224,511.06
7/31	\$2,694,103.75	\$2,639.33	\$152,135.50	\$2,848,878.58	\$2,224,511.06
8/31	\$2,593,216.91	\$2,612.03	\$152,538.05	\$2,748,166.99	\$2,224,511.06
9/30	\$2,465,489.03	\$30,004.17	\$153,026.21	\$2,648,519.41	\$2,335,905.00
10/31	\$2,478,211.19	\$9,816.67	\$153,443.91	\$2,641,471.77	\$2,335,905.00
11/30	\$2,401,349.98	\$8,926.67	\$153,862.75	\$2,564,139.40	\$2,335,905.00

\$34,190,609.08 \$26,945,854.92
 \$2,849,217.42 \$2,245,487.91

AVG MTHLY SEC BAL-PT X, LINE 1a
 AVG MTHLY CASH BAL-PT X, LINE 1b

PT 1

CONTRIBUTIONS RECEIVED-PART 1, LINE 1

LOREN E PARKS 12-27-99 \$100,000.00
 8-20-00 \$100,000.00 \$200,000.00
 WENDELL GEORGE, JR \$100.00

 \$200,100.00

LEGAL FEES, LINE 16a

DAVIS, WRIGHT & TREMAINE-AUDIT \$115,537.99
 HAGEN, DYE, HERSCHEY ET AL \$7,824.29
 CONNOLLY AND DOYLE \$562.00
 KENT & ASSOC \$2,000.00
 PERKINS & COLE \$1,643.69

 \$129,569.97

ACCOUNTING, LINE 16b

RM CHURCH CPA-TAX RETURN PREPARATION \$3,400.00

TAXES, LINE 18

OREGON DEPT OF JUSTICE-FYE 11-30-99 \$728.00
 FED QTRLY EST TAX PNT FOR FYE 11-30-00 \$4,800.00
 FED BAL DUE FOR FYE 11-30-99 \$1,958.00
 OREGON CORP DIV-RENEW LICENSE \$10.00

 \$6,688.00

OTHER EXPENSES, LINE 23

DAILY JOURNAL OF COMMERCE-PUBLISH NOTICE \$40.00
 MISCELLANEOUS \$19.00
 ADVERTISING \$341,062.00
 BANK CHARGES \$143.00

 \$341,264.00

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PARKS FOUNDATION
DEPRECIATION SCHEDULE

ASSET	DATE ACQ	COST	ACCUM DEPREC 11-30-99	LIFE/ METHOD	DEPREC EXPENSE 1998-99	ACCUM DEPREC 11-30-00	BOOK VALUE 11-30-00
DUPLICATOR & CASSETTES	3-24-78	\$2,060.00	\$2,060.00			\$2,060.00	\$0.00
FOLDING CART	1981	\$200.00	\$200.00			\$200.00	\$0.00
VIDEO CAMERA & EQUIP	1981	\$20,556.80	\$20,556.80			\$20,556.80	\$0.00
CAMERA EQUIPMENT	1-83	\$443.35	\$443.35			\$443.35	\$0.00
WORKCENTER & HUTCH	2-84	\$249.00	\$249.00			\$249.00	\$0.00
JVC DEMO M/C M510X	3-85	\$169.00	\$169.00			\$169.00	\$0.00
SONY VIDEO EQUIP	2-90	\$2,613.97	\$2,613.97			\$2,613.97	\$0.00
TOTAL		\$26,292.12	\$26,292.12		\$0.00	\$26,292.12	\$0.00

NONPROFIT
RESTATED ARTICLES OF INCORPORATION
OF
PARKS FOUNDATION

ARTICLE I.

Name

The name of this corporation is "Parks Foundation" (the "Corporation") and its duration shall be perpetual.

ARTICLE II.

Type of Nonprofit Corporation

This Corporation is a public benefit corporation.

ARTICLE III.

Purposes and Powers

1. The Corporation is organized exclusively for charitable and educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 and as the same may hereafter be amended (the "Code"), including the making of distributions directly in support of such purposes or the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code. References to Sections of the Code shall be construed to include corresponding Sections of any future federal tax code.

2. The Corporation may engage in any lawful activity, none of which is for profit, for which corporations may be organized under the Oregon Nonprofit Corporation Act (the "Act"), and as the same may be hereafter amended. The Corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in, any activity that will invalidate its status as a corporation which is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Code or as a corporation contributions to which are deductible under Section 170(c)(2) of the Code.

3. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, its officers, directors or other private persons; provided, however, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes as previously set forth. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political **ER-272**

behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by (i) a corporation exempt from federal income tax under Section 501(c)(3) of the Code; or (ii) a corporation contributions to which are deductible under Section 170(c)(2) of the Code.

4. In furtherance of the above purposes, and until the Corporation is dissolved, the Corporation shall:

(a) Distribute all or such portions of the funds of the Corporation, including both income and assets, at such times and in such amounts as the directors of the Corporation may determine, to any organization, including a corporation, society, association or foundation, which at the time of such distribution is organized, operating and existing within and under the laws of any state or territory of the United States exclusively for religious, charitable, scientific, literary or educational purposes, and which qualifies as exempt under Section 501(c)(3) of the Code; or for any charitable purpose.

(b) The provisions of Paragraph 4(a) above shall be construed to require the Corporation to make distributions of the income or assets of the Corporation at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code;

(c) The Corporation shall not engage in any act of self dealing as defined in Section 4941(d) of the Code;

(d) The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Code;

(e) The Corporation shall not make any investments in such a manner as to subject the Corporation to tax under Section 4944 of the Code; and

(f) The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

5. All terms and provisions of these Articles and all operations of the Corporation shall be construed, applied and carried out in accordance with the intent and purposes described in this Article.

ARTICLE IV.

Members and Management

1. The Corporation shall have no members.

2. The Corporation shall be managed by a Board of Directors as provided by law, by these Articles of Incorporation and by the Bylaws.

ARTICLE V.

Board of Directors

The number, qualifications, terms of office, manner of election, time and place of meeting, and powers and duties of the Directors shall be prescribed by the Bylaws.

ARTICLE VI.

Dissolution

1. The Corporation may be dissolved at any time by a majority vote of the Board of Directors then in office at a meeting for which seven days prior written notice of consideration of such action shall be duly given.

2. Upon dissolution or final liquidation, after payment or provision for payment of all liabilities and obligations of the corporation, the remaining assets of the corporation shall be distributed in the discretion of the Board of Directors, to an organization described in Section 501(c)(3) of the Code or to a governmental entity for public purposes.

ARTICLE VII.

Amendment

These Articles of Incorporation may be amended by a unanimous vote of the Board of Directors then in office at any meeting for which seven days prior written notice of consideration of such an action shall be duly given.

ARTICLE VIII.

Limitation of Liability

The personal liability to the Corporation or any Director or uncompensated Officer for monetary damages for that person's conduct as a Director or Officer is hereby eliminated; provided, however, that such Director or Officer shall remain liable for any breach of such Director's or Officer's duty of loyalty to the Corporation, acts or omissions by such Director or Officer which are not in good faith or which involve intentional misconduct or knowing violations of law, unlawful distributions, transactions from which the Director or Officer derived an improper personal benefit, and any act or omission in violation of ORS 65.361 to 65.367, as in effect on the date of these Articles.

ARTICLE IX.

Indemnification

1. Pursuant to ORS 65.387 to 65.414, the Corporation shall indemnify, to the fullest extent provided in the Act, any Director or Officer who was or is a Party or is threatened to be made a Party to any Proceeding (other than an action by or in the right of the Corporation) by reason of or arising from the fact that such person is or was a Director or Officer of the Corporation. The determination and authorization of indemnification shall be made as provided in the Act.

2. The Corporation may pay for or reimburse the reasonable Expenses incurred by a Director or Officer who is a Party to a Proceeding in advance of final disposition of the Proceeding as provided in the Act.

3. At the discretion of the Board of Directors, the Corporation may purchase and maintain insurance on behalf of any person who is or was a Director or Officer of the Corporation against any Liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such Liability under the provisions of this Article.

4. The indemnification referred to in the various sections of this Article shall be deemed to be in addition to and not in lieu of any other rights to which those indemnified may be entitled under any statute, rule of law or equity, provision of the Articles of Incorporation, agreement, vote of the Board of Directors or otherwise.

5. The terms used in this Article shall have the same meanings given them in ORS 65.387 to 65.414.

RESTATED BYLAWS

OF

PARKS FOUNDATION

These Restated Bylaws of Parks Foundation (the "Corporation") are intended to conform to the mandatory requirements of the Oregon Nonprofit Corporations Act (the "Act"). Any ambiguity arising between the Bylaws and the discretionary provisions of the Act shall be resolved in favor of the application of the Act.

ARTICLE I.

PURPOSE

Section 1. General Purpose

The Corporation is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 and as the same may hereafter be amended (the "Code"), including the making of distributions directly in support of such purposes or the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code. References to sections of the Code shall be construed to include corresponding sections of any future federal tax code.

Section 2. Specific Purpose

The primary purposes of the Corporation shall include, but not be limited to, the following:

- (1) Enhancement and promotion of sport fishing and sport hunting and preservation, restoration and development of associated environments, habitats and resources through all appropriate means such as predator control, purchase of recreational easements and the like;
- (2) Promotion of education (i) by researching for and presenting to the public issues of general interest or concern and (ii) by supporting alternative educational programs and institutions; and
- (3) Support of charitable organizations and activities, the goals and objectives of which the Foundation wishes to encourage and promote.

ARTICLE II.

MEMBERSHIP

This Corporation shall have no members. It shall be governed and managed by a Board of Directors (the "Board").

ARTICLE III.

BOARD OF DIRECTORS

Section 1. Function

The Board shall manage the business and affairs of the Corporation and shall exercise all the powers of the Corporation as provided by the Act and the Articles of Incorporation, but subject to any restrictions imposed by the Act, the Articles of Incorporation, or these Bylaws. The Board may by resolution delegate to committees, including an Executive Committee of their own number, or to officers of the Corporation; such powers and functions as they may designate from time to time.

Section 2. Number

The Board shall at all time consist of at least three Directors. The Board may increase the number of Directors by amendment to these Bylaws. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director.

Section 3. Term

a. The term of each member of the Board shall be one year. A Director shall hold office for the time for which he or she is elected or until his or her successor is elected and qualified or until his or her resignation or removal.

b. All Directors shall serve at the pleasure of the Board.

Section 4. Election Procedure

At each annual meeting of the Board, the successors to the Directors whose terms expire that year shall be elected.

Section 5. Annual Meeting

The Board shall hold meetings at least once each calendar year, or more often as necessary. The Board shall, by its own resolution, designate such dates, times and places as it may choose for such meetings; provided, however, the annual meeting of the Board shall be held no later than the second Monday of January of each calendar year.

Section 6. Special Meetings

Special meetings of the Board may be called by the President and must be called by the President upon the written request of at least two Directors. Notice of a special meeting of the Board shall be mailed, hand-delivered or given verbally to each Director not less than 48 hours prior to the meeting. The notification shall include the date, time, place and agenda of the special meeting.

Section 7. Waiver of Notice

a. A Director may at any time waive any notice required by the Act, the Articles of Incorporation or these Bylaws. Except as otherwise provided herein, such waiver must be in writing, signed by the Director entitled to notice, specify the meeting for which notice is waived and be filed with the corporate records. A waiver of notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

b. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 8. Quorum

A majority of the Directors in office immediately before the meeting begins shall constitute a quorum at any meeting. When a quorum is present, the vote of the majority of the Directors at such meeting shall be the act of the Board unless the Act, the Articles of Incorporation or these Bylaws require a greater vote.

Section 9. Presumption of Assent

A Director of the Corporation who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless his dissent shall be entered in the minutes of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 10. Removal or Resignation of Directors

Any Director of the Corporation may resign from such position by delivering written notice of the resignation to the Board, its presiding officer, the president or secretary, but such resignation shall be without prejudice to the contract rights, if any, of the Corporation. Any Director elected or appointed by the Board may be removed by the Board, with or without cause, by a vote of two-thirds of the Directors then in office, whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. The election or appointment of a Director shall not of itself create contract rights.

Section 11. Vacancies

In the event of a vacancy, the Board shall, by a majority vote, appoint an interim Director for the uncompleted term.

Section 12. Compensation

Directors shall not be compensated for their services as Directors. The Corporation shall reimburse the Directors for necessary expenses incurred in the execution of their duties and responsibilities. No Director shall be liable to account to the Corporation for any profit realized by the Director from or through any transaction or contract of the Corporation; provided, however, in the case of any such contract or transaction requiring authorization by the Board, no Director who personally or through any firm or corporation is interested in such a contract or transaction shall be entitled to vote thereon, although such Director may be counted in determining whether a quorum is present at any meeting upon which action thereon is taken; and such Director shall be responsible for disclosing to the Board his or her interest in any such contract or transaction.

Section 13. Action by Directors Without a Meeting

Any action required to be taken at a meeting of the Directors of this Corporation, or any other action which may be taken at a meeting of the Directors, may be taken without a meeting if a consent in writing setting forth the actions so taken shall be signed by all the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect and force as a unanimous vote of said Directors.

ARTICLE IV.

OFFICERS

Section 1. Officers

The officers of the Corporation shall be a President and a Secretary. Any officer may hold more than one office, except the offices of President and Secretary. The Board at its annual meeting shall elect each officer. The officers do not need to be Directors. Each officer shall serve for a term of one year. Officers shall assume their respective duties immediately upon election.

Section 2. Duties of Officers

a. President – The President shall be the chief executive officer of the Corporation, and shall, subject to the control of the Board, have general supervision, direction and control of the business and affairs of the Corporation. The President shall preside over all meetings of the Board and shall discharge such other duties as may be prescribed from time to time by the Board. The President shall designate the members and officers of any standing committee and any other committee created by the Board from time to time.

b. Secretary - The Secretary shall keep or cause to be kept the minutes of the meetings of the Board and of any standing or temporary committees thereof; shall be responsible for the timely preparation and delivery of all notices to be given in accordance with the provisions of these Bylaws, the Articles of Incorporation or as required by the Act; shall be custodian of the corporate records and the seal of the Corporation, if any, and shall be responsible for authenticating the

records of the Corporation as duly authorized or required by the Act; and shall perform such other duties as may be prescribed from time to time by the Board.

c. Treasurer - The Treasurer, if any, shall be the legal custodian of all the corporate funds and securities; shall deposit all funds in the name of the Corporation in such bank or banks as the Board shall by resolution specify; shall keep proper account books and perform such other duties as may be prescribed from time to time by the Board.

Section 3. Other Officers

The Board may by resolution create such additional and special officers as may be considered necessary or desirable in addition to those hereinabove described. The appointment, tenure, removal and succession of persons to hold such offices shall be as the Board shall provide.

Section 4. Compensation and Expenses

Unless otherwise established by the Board, no officer shall be compensated for his or her services as an officer. Expenses incurred in connection with performance of an officer's official duties may be reimbursed upon approval of the Board.

Section 5. Resignation or Removal

Any officer of the Corporation may resign from such position by delivering written notice of the resignation to the Board, but such resignation shall be without prejudice to the contract rights, if any, of the Corporation. Any officer or agent elected or appointed by the Board may be removed by the Board, with or without cause, when in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. The election or appointment of an officer or agent shall not of itself create contract rights.

Section 6. Vacancies

The Board, at any meeting, may fill vacancies in any office caused by any reason by selecting a suitable and qualified person to act during the unexpired term.

ARTICLE V.

COMMITTEES OF THE BOARD

Section 1. Committees of the Board of Directors.

A majority of the Board of Directors in office may create one or more committees of the Board of Directors. The President shall designate the members and officers of each such committee and each other committee created by the Board of Directors. Each committee of the Board shall consist of two or more Directors. Such committees may exercise the authority of the Board subject to limitations imposed by the Act, the Article of Incorporation or these Bylaws.

Section 2. Executive Committee.

a. The Board of Directors may establish an Executive Committee. The Executive Committee shall exercise the full power of the Board in the management of the Corporation during periods of adjournment of the Board, subject to limitations imposed by the Act, the Articles of Incorporation, these Bylaws or resolution duly adopted by the Board of Directors.

b. The Executive Committee shall consist of the officers of the Corporation who are Directors and such other Directors of the Board as may be elected by a majority vote of the Board. Any member of the Executive Committee who is not an officer of the Corporation shall serve for a term of one year.

c. Any actions of the Executive Committee requiring board approval must be submitted to the Board of Directors for ratification at the next meeting. The presence of a majority of the Executive Committee shall constitute a quorum for the transaction of business. A majority of the total votes cast shall decide all issues.

Section 3. Action by Committees.

Except as otherwise provided in this Article, the provisions in Article III of these Bylaws governing meetings, action without meetings, notice and waiver of notice and quorum and voting requirements of the Board of Directors apply to the committees and their members.

ARTICLE VI.

RIGHT OF PARTICIPATION

No person shall be denied the services or facilities of this organization or be excluded from participation or service herein because of race, age, color, sex, creed, religion, handicap, or national origin, and discrimination of any kind in respect hereof is expressly prohibited.

ARTICLE VII.

DEPOSITORIES, SIGNATURES AND SEAL

Section 1. Depositories

All funds of the Corporation shall be deposited in the name of the Corporation in such bank, banks or other financial institutions as the Board may from time to time designate and shall be drawn on checks, drafts or other orders signed on behalf of the Corporation by the Treasurer and/or such other person or persons as the Board may from time to time designate.

Section 2. Contracts

All contracts, deeds and other instruments shall be signed on behalf of the Corporation by the President or by such other officer or agent as the Board may from time to time designate.

Section 3. Seal

The Corporation shall have no seal.

Section 4. Borrowing

Notwithstanding any other provision in these Bylaws, no officer or agent of this Corporation shall have authority to borrow any funds on behalf of the Corporation, or to hypothecate any assets thereof, for corporate purposes or otherwise, except as expressly stated in a resolution approved by a majority of Directors, duly entered in the minutes of the Board. The Corporation shall make no loans to any Director or officer.

Section 5. Gifts

The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose of the Corporation, and any such contribution, gift, bequest, or devise is subject to the Board's acceptance.

ARTICLE VIII.

AMENDMENTS

These Bylaws may be amended by a majority vote of the Board then in office at any regular or special meeting of the Board provided the notice given for such meeting indicates that such amendments will be considered.

ARTICLE IX.

INDEMNIFICATION

Section 1. Directors and Officers

Pursuant to ORS 65.387 to 65.414, the Corporation shall indemnify, to the fullest extent provided in the Act, any Director or officer who was or is a Party or is threatened to be made a Party to any Proceeding (other than an action by or in the right of the Corporation) by reason of or arising from the fact that such person is or was a Director or officer of the Corporation. The determination and authorization of indemnification shall be made as provided in the Act.

Section 2. Advance of Expenses

The Corporation may pay for or reimburse the reasonable Expenses incurred by a Director or officer who is a Party to a Proceeding in advance of final disposition of the Proceeding as provided in the Act.

Section 3. Insurance

At the discretion of the Board, the Corporation may purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Corporation against any Liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such Liability under the provisions of this Article.

Section 4. Purpose and Exclusivity

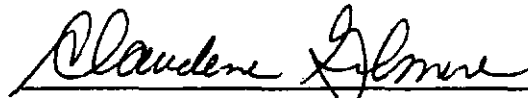
The indemnification referred to in the various sections of this Article shall be deemed to be in addition to and not in lieu of any other rights to which those indemnified may be entitled under any statute, rule of law or equity, provision of the Articles of Incorporation, agreement, vote of the Board or otherwise.

Section 5. Definitions

The terms used in this Article shall have the same meanings given them in ORS 65.387 to 65.414.

IDENTIFICATION

I am the Secretary of Parks Foundation and the foregoing Restated Bylaws in eight typewritten pages numbered consecutively from 1 to 8 are the Restated Bylaws adopted by the Directors of the Corporation on September 22, 1998.



Claudene Gilmore, Secretary



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

October 14, 2002

DAVIS WRIGHT TREMAINE
ATT: C. MAURITZ
2300 WELLS FARGO CENTER
1300 SW FIFTH AVENUE
PORTLAND, OR 97201

Dear Mr. Mauritz:

I am nearing the conclusion of the examination of the Parks Foundation's Form 990 for 1997 through 2000. These information returns reported that the Foundation made numerous expenditures for radio advertising. The Foundation identified these expenditures as being for educational purposes. My examination has revealed that these expenditures were in fact for purposes other than educational purposes. I have concluded that these expenditures were "taxable expenditures" within the meaning of section 4945(d) of the Internal Revenue Code. I have concluded that the expenditures are either described in section 4945(d)(1) (amounts paid to carry on propaganda or otherwise attempt to influence legislation) or section 4945(d)(5) (amounts paid for any purpose other than one specified in section 170(c)(2)(B)).

The purpose of this letter is to advise you that I intend to propose liabilities under section 4945(a)(1) on the Foundation and section 4945(a)(2) on Loren Parks as the foundation manager. It is my understanding that you do not concur with my proposals and that the Foundation has made no "correction" of these taxable expenditures as defined by section 4945 (i)(1). Given this lack of correction, I also intend to propose liabilities under section 4945(b)(1) on the Foundation. In addition, and as explained in more detail below, I also intend to propose section 4945(b)(2) liabilities on Mr. Parks as foundation manager.

While I intend to propose the liabilities described in the preceding paragraphs, please do not construe this letter as a 30-day letter. Following the conclusion of my preparation of a report on the proposed liabilities, we will forward the report I prepare and the entire file I have compiled in my examination to the Exempt Organizations Mandatory Review function. At Mandatory Review, a senior Exempt Organizations Specialist will review my report for technical accuracy. If Mandatory Review concurs with my proposal, Mandatory Review will issue a 30-day letter to you and advise you of your administrative appeal rights. Generally, you will have thirty days from the receipt of that letter to submit an administrative protest.

COPY
EX-284
FALL 7-1

Please be advised, that I intend to propose to define correction under the facts and circumstances of this examination to be that Mr. Parks reimburse the Foundation for the taxable expenditures of the Foundation. I intend to propose the following amounts of taxable expenditures in the following years:

Year	Taxable Expenditure
1997	\$ 87,500.00
1998	225,730.00
1999	33,011.62
2000	<u>341,062.00</u>
TOTAL	\$ 687,303.62

The liability of the Foundation under section 4945(b)(1) would be eliminated if Mr. Parks made the above-enumerated reimbursement to the Foundation. In addition, the liability of Mr. Parks under section 4945(b)(2) would be eliminated if he agreed to the correction.

Pursuant to Thorne v. Commissioner, 99 T.C. 67 (1992), I am hereby formally requesting that Mr. Parks make the correction as cited above. Please advise in writing by October 31, 2002, whether Mr. Parks will agree or refuse to make the requested correction.

Thank you for your prompt attention to this matter.

Sincerely,

Robertta Wolf
Exempt Organizations Specialist

Price, Stephanie

From: Mauritz, Chuck
Sent: Thursday, March 12, 1998 5:46 PM
To: 'Robin.Willie@doj.state.or.us'
Cc: Lowry, Marylee; Price, Stephanie
Subject: RE: Parks Foundation

While we talked to Loren generally about the permissible content of radio and newspaper information ads, we did not review any of the scripts. I don't really know who he might be referring to. I will check with Loren to see if there was another firm assisting him with these ads.

-----Original Message-----

From: Robin.Willie@doj.state.or.us [SMTP:Robin.Willie@doj.state.or.us]
Sent: Thursday, March 12, 1998 2:52 PM
To: Mauritz, Chuck
Subject: re: Parks Foundation

Chuck:

I got in touch with Clapper. He said he didn't have a copy of the scripts for the ads from February and April 1995. He did say, however, that all the scripts for the advertisements were reviewed and approved by Park's lawyer. Would that have been you or anyone else at your firm by any chance? If so, do you have a copy of the ad scripts in your files?

Clapper is looking for the rest of the information I requested and is supposed to contact me when he has it together.

Robin Willie
Financial Investigator
Dept of Justice - Charitable Activities Section
(503) 229-5725 x 206

Price, Stephanie

From: Mauritz, Chuck
Sent: Tuesday, March 31, 1998 9:53 AM
To: Price, Stephanie
Subject: FW: Parks Foundation

-----Original Message-----

From: Robin.Willie@doj.state.or.us [SMTP:Robin.Willie@doj.state.or.us]
Sent: Thursday, March 12, 1998 2:52 PM
To: Mauritz, Chuck
Subject: re: Parks Foundation

Chuck:

I got in touch with Clapper. He said he didn't have a copy of the scripts for the ads from February and April 1995. He did say, however, that all the scripts for the advertisements were reviewed and approved by Park's lawyer. Would that have been you or anyone else at your firm by any chance? If so, do you have a copy of the ad scripts in your files?

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Robin Willie
Financial Investigator
Dept of Justice - Charitable Activities Section
(503) 229-5725 x 206

Price, Stephanie

From: Mauritz, Chuck
Sent: Tuesday, March 31, 1998 9:53 AM
To: Price, Stephanie
Subject: FW: witch hunt

-----Original Message-----

From: lparks [SMTP:lparks@aracnet.com]
Sent: Wednesday, March 11, 1998 5:03 PM
To: Mauritz, Chuck
Subject: Re: witch hunt

Clapper said he has 1997 scripts but had a disk crash which wiped out the old stuff. He is looking. We did a barrage for the Better Schools Foundation when I opened the school about 3 years ago and we may have done a booster. But that probably would have been paid from something other than the Parks Foundation.

Loren
>

773145/3

Price, Stephanie

From: Mauritz, Chuck
Sent: Tuesday, March 31, 1998 9:53 AM
To: Price, Stephanie
Subject: FW: witch hunt

-----Original Message-----

From: lparks [SMTP:lparks@aracnet.com]
Sent: Monday, March 16, 1998 7:32 PM
To: Mauritz, Chuck
Subject: Re: witch hunt

Mauritz, Chuck wrote:

>
> Clapper has told the Attorney General Auditor that "Parks' attorney
> reviewed all of the ads." You and I discussed the limits on the
> messages in the ads, but I don't believe I ever actually reviewed the
> text of any of the ads. Did you have someone else look them over before
> putting them on the air?

> -----Original Message-----

> > From: lparks [SMTP:lparks@aracnet.com]
> > Sent: Wednesday, March 11, 1998 5:03 PM
> > To: Mauritz, Chuck
> > Subject: Re: witch hunt

> >
> > Clapper said he has 1997 scripts but had a disk crash which wiped out
> > the old stuff. He is looking. We did a barrage for the Better Schools
> > Foundation when I opened the school about 3 years ago and we may have
> > done a booster. But that probably would have been paid from something
> > other than the Parks Foundation.

> >
> > Loren
> >>

Clapper misspoke. You gave me the principles and I followed them, namely
you can do anything but tell them how to vote. I gave information only.
Some ads were for my Research Foundation and some were for my school. I
am not sure that any of those were paid for by the Parks Foundation but
it is possible. You may have reviewed an ad once but no more. I am not
even sure of that.

Loren

SEP-14-98 MON 08:

GREGG K. CLAPPER

503 36 2338

P.01

THE CLAPPER
AGENCY

9/14/98

TO: CHUCK MAURITZ

FAX: 778-5299

PLEASE GET BACK TO ME AT
674-5232 (PHONE + FAX)

THANKS —

Gregg

P.O. BOX 1438 • GRESHAM, OR 97030 • (503)669-8809 • FAX: (503) 669-3587

THE CLAPPER

AGENCY

M65-1

Right now, without even knowing it, you're being forced to live under laws created *not* by elected officials but by *non-elected* government bureaucrats.

They're called administrative rules.

Here's what happens:

The legislature passes a law to keep a watchful eye on growth and tells its hired workforce to carry out that law.

So Jack and Bev Stewart turn 90 acres of Polk County brushpiles into a horse farm. Because horses are expensive and easily stolen, they want to build a farmhouse so they can be there. But the government bureaucrats say no, we're not gonna let you until you earn \$80,000 off the property. The Stewarts say, we can't do *that* until we get more horses...the bureaucrats say tough, that's your problem, not ours.

When a legislator is asked how government can get away with this, he says we never intended for *this* to happen.

So the Stewarts are stuck...all they did was turn 90 acres of noxious weeds into *income-producing, tax-paying* farm acreage.

It's called administrative rules...and you're gonna hear a lot more about 'em in the weeks to come.

Pd for by

M85-2

Right now, without even knowing it, you're being forced to live under laws created *not* by elected officials, but by *non-elected* government bureaucrats.

They're called *administrative rules*.

Here's what happens:

The Good Shepherd Church of Clackamas County purchased the only available piece of land in the area to build a new church. It's zoned for farm use. But even though the *elected* legislature passed a state law allowing churches to build on farmland, the *non-elected bureaucrats* made up an administrative rule saying, we're not going to let you do it. And it doesn't matter whether the land is any good or not.

When a legislator is asked how government can get away with this, he says we never intended for *this* to happen.

So in the mean time, the Good Shepherd Church has been denied a building permit on their *own* land even though state law says it's OK.

It's called administrative rules...and you're gonna' hear alot more about 'em in the weeks to come.

Pd for by

P.O. BOX 1438 • GRESHAM, OR 97030 • (503) 669-8809 • FAX: (503) 669-3587



Davis Wright Tremaine LLP

ANCHORAGE BELLEVUE BOISE CHARLOTTE HONOLULU LOS ANGELES PORTLAND RICHMOND SAN FRANCISCO SEATTLE WASHINGTON, D.C. SHANGHAI, CHINA

SUITE 2300
1300 SW FIFTH AVENUE
PORTLAND, OR 97201-5682

TEL (503) 241-2300
FAX (503) 778-5299
www.dwt.com

TO: GREGG CLAPPER (FAX# 674-5232)
FROM: CHUCK MAURITZ
DATE: September 14, 1998
RE: PARKS FOUNDATION
RADIO SPOTS

We have reviewed the texts of spots labeled M65-1 and M65-2. They appear to comply with the "public education" purpose of the Parks Foundation. If you have further questions, please contact us.



TO: CHUCK
MAURITZ

M61#1

Back when John Kitzhaber was Senate President, legislation was passed that resulted in a convicted murderer, given a life sentence, actually serving less than 7 years in jail.

They said they didn't have enough jail space.

But then came Measure 11.

It required mandatory sentences for violent criminals with no possibility of early release...and....it required the state to build enough jail space.

They said it would cost billions of dollars. But it didn't.

And since Measure 11, violent crime in Oregon has gone *down*.

And now Measure 61's on the ballot.

It requires *mandatory* sentences for criminals convicted of property crimes.

You live in Portland...you get your car stolen or your house burglarized, there won't be jail....just probation.

If Measure 61 passes, that criminal goes to jail. And they'll *have* to build enough jail space to keep 'em. There'll be no early release.

It's Measure 61.

Pd for in the public interest by the Parks Foundation.



Davis Wright Tremaine LLP

ANCHORAGE BAKER CITY BELLEVUE BOISE CHARLOTTE HONOLULU LOS ANGELES NEW YORK
PORTLAND RICHLAND SAN FRANCISCO SEATTLE WASHINGTON, D.C. SHANGHAI

SUITE 2300
1300 SW FIFTH AVENUE
PORTLAND, OR 97201-5682

TEL (503) 241-2300
FAX (503) 778-3299
www.dwt.com

TO: Gregg Clapper (FAX# 674-5232)
FROM: Chuck Mauritz
DATE: October 1, 1998
RE: Parks Foundation
Radio Spot M61#1

We have reviewed the text of radio spot M61#1. The Foundation is not permitted to support or oppose any political candidate or any ballot measure. Its role is to "educate" the public about the issues of the candidates and the ballot measures. The conclusion of this radio spot is close to an endorsement of the ballot measure, but we do not think it goes too far. Nevertheless, you should try to maintain an unbiased posture even though the thrust of the information emphasizes the "positive" aspects of the ballot measure. Let us know if there is any other information you need.

773145-3

Davis Wright Tremaine LLP

LAW OFFICES

Suite 2300 • 1300 S.W. Fifth Avenue • Portland, Oregon 97201-5682
(503) 241-2300 • Fax: (503) 778-5299

FAX TRANSMITTAL

Date: December 9, 1998

SEND TO:

Name: Reed Drew
Fax Number: 229-5120
Telephone Number: 229-5725

Client and Matter Number: 773145/3

FROM:

D. Charles Mauritz

Telephone: (503) 778-5320

Fax: (503) 778-5299

NUMBER OF PAGES (INCLUDING COVER PAGE): 3

Time Sent: _____

THE WRITTEN MESSAGE TRANSMITTED HEREBY IS FOR THE EXCLUSIVE USE OF THE ADDRESSEE AND CONTAINS CONFIDENTIAL, PRIVILEGED AND NONDISCLOSABLE INFORMATION. IF THE RECIPIENT OF THIS MESSAGE IS NOT THE ADDRESSEE, OR A PERSON RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE ADDRESSEE, SUCH RECIPIENT IS PROHIBITED FROM READING OR USING THIS MESSAGE IN ANY WAY. IF YOU HAVE RECEIVED THIS MESSAGE BY MISTAKE, PLEASE NOTIFY THE SENDER IMMEDIATELY AND DESTROY THE FACSIMILE MESSAGE.

COMMENTS:

We are confirming that these are the only radio spots produced for this campaign season. I'll let you know as soon as Gregg Clapper returns my call.

IF YOU DO NOT RECEIVE ALL PAGES OF THIS TRANSMISSION,
PLEASE CALL (503) 241-2300 AS SOON AS POSSIBLE

Exhibit

8-1

PA008707

Page

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ER-295

LAWYERS

Davis Wright Tremaine LLP

ANCHORAGE BAKER CITY BELLEVUE BOISE CHARLOTTE HONOLULU LOS ANGELES NEW YORK
PORTLAND RICHLAND SAN FRANCISCO SEATTLE WASHINGTON, D.C. SHANGHAI

D. CHARLES MAURITZ
Direct (503) 778-5320
chuckmauritz@dwtr.com

SUITE 2300
1300 SW FIFTH AVENUE
PORTLAND, OR 97201-5612

TEL (503) 241-2300
FAX (503) 778-5299
www.dwt.com

October 14, 1999

Mr. Loren Parks
Parks Medical Electronics, Inc.
P.O. Box 5669
Aloha, Oregon 97006

Re: Parks Foundation
Grant Criteria

Dear Loren:

The last correspondence from the Attorney General confirms that we are not going to reach a mutually agreeable settlement any time soon. Consequently, we have prepared some simple guidelines for you to use when you consider making new grants (contributions) to other organizations and individuals in the future. In addition, we have included several forms which are required documentation in some situations and desirable record-keeping in others. We encourage you to use these forms as necessary. Also, we encourage you to review your existing procedures and to implement any changes needed to enable you (and us) to retrieve a complete record of each grant you make. While your records are already much better than most charitable organizations, the Attorney General's audit has shown that some improvement is warranted. The enclosed guidelines should be of assistance in this regard.

Background

The enclosed materials are intended to assist you in complying with the rules applicable to the activities of 501(c)(3) charitable organizations. These rules did not emerge in a legislative vacuum. They definitely reflect a particular attitude about charitable organizations. Understanding that attitude will help you understand why the rules evolved in the fashion we now find them.

The bulk of the present law was adopted by Congress in 1969 in response to what it considered substantial abuses by charitable entities. Tax deductible monies were being used for the personal benefit of the charity's sponsors and their family members, for financing private business ventures and for actively participating in political campaigns and lobbying. Congress surmised that charities with large memberships or ones supported by a large number of unrelated persons

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Portland

Mr. Loren Parks
 October 14, 1999
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were less likely to be the ones committing these abuses. Rather, it was perceived to be the smaller, family foundations that were the primary culprits. While family foundations did perform a public benefit when they were properly administered, the Congressional objective was to make sure they all operated properly all of the time. To do this, Congress enacted a series of laws aimed directly at curtailing the perceived abuses of charitable entities. Failure to abide by these rules would result in substantial fines (excise taxes) against the entity and the guilty individual, or the loss of 501(c)(3) charitable status, or both.

Congress recognized that the restrictions it was about to place on the activities of charitable entities would be a substantial burden on a great many, well-meaning and well-run charities. Not wanting to paint all charities with the same brush, Congress decided to separate the good charities from the perceived bad charities by creating two general categories. Charities with broad public participation and financial support, schools, religious organizations and entities actively conducting charitable programs would be given a special status as "public charities." These entities would only be affected by the most basic of the new rules. On the other end of the spectrum was everything else. Any entity that could not qualify as a public charity would automatically fall into the category of "private foundation." These entities would have to endure the most harsh treatment and the strictest of supervision.

Thus, the system has evolved along two distinct lines. The public charities enjoy only the most modest limitations on their activities. Their members, contributors and managers are subject to relatively few restrictions concerning conflict of interest, self-dealing and minimum performance standards. On the other hand, the private foundations have not progressed very far from their initial position of derision as a disguised tool for tax law abuse. A whole host of rules apply to limit their activities, tax their income, restrict their organizers and managers and strictly prohibit any form of self-dealing, private benefit or conflict of interest. It is this hostile attitude embodied in the law that spawns the hostile regulatory environment in which the private foundation must perform its public service, and it is in this hyper-sensitive arena that the activities of the Parks Foundation are judged.

Charitable Grants

A 501(c)(3) organization has two choices for achieving its charitable purposes under the law: (1) it can contribute to or sponsor the work of other charitable organizations, e.g. through grants and donations, or (2) it can perform charitable services itself, e.g. buy and distribute books to schools. You have chosen to do both. On the one hand, you make substantial grants to other charitable organizations. On the other, you have gathered and distributed information to the public concerning political issues you consider important. Both activities promote the charitable purposes of the Parks Foundation, but the rules applicable to the conduct of these two activities are substantially different. The Attorney General's audit has revealed that there is no bright, easily recognized dividing line between acceptable behavior and prohibited behavior. Consequently, you need to establish a clearer statement of operating policies which can be applied to measure each activity you undertake against a common understanding of acceptable behavior.

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 Portland

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Individual Grants. The first step toward a defined operating policy is to eliminate the activities you do not want to pursue in the normal course of operation. We have enclosed procedural instructions for assisting you in making grants to individuals. In the past, you have not made individual grants, i.e., scholarships, internships, study grants, etc. We encourage you to continue to exclude this area of charitable activity. It is a very time consuming activity and requires extensive administrative effort to keep proper records. Nevertheless, it does not hurt to have in place an established, and IRS approved, procedure for making grants to individuals. One of the arguments we are having with the Attorney General is the result of not having an approved procedure in effect when you are making "payments" to individuals. They claim some payments are grants, while we contend they are compensation. A pre-approved grant procedure would, to a large extent, render this argument moot. It is probably not possible to simply stop making any form of payments to individuals, but you can adopt a policy of not making grants to individuals. This should clarify the image you have in mind when a payment to an individual actually occurs since the policy would imply that the payment is for something other than a grant.

We will forward to you the materials to submit to the IRS to obtain approval for an individual grant program. It is a safety precaution to have available even if you do not now ever intend to award individual grants.

Organization Grants. We have also enclosed procedural instructions for assisting you in making grants to other charitable organizations. It is in this area that the Attorney General has scored the most direct hits in his assault on the Foundation. Establishing an operating policy to define the kinds of organizations the Foundation will assist should go a long way toward correcting this problem. The enclosed instructions divide the grant process into two pieces: grants to public charities and grants to private foundations. We have to remember that the law places a significant preference on public charity status and only begrudgingly tolerates private foundations, hence the distinction between the two procedures.

The law assumes the wholesomeness of a grant to a public charity, so the only administrative burden you have is to confirm public charity status by obtaining a copy of its latest IRS determination letter. You have no responsibility to make any further inquiry of the recipient or its activities or to supervise the use of the contribution once you know the recipient is, in fact, a public charity. We have enclosed a copy of the determination letter for the Oregon Tax Foundation which we recently sent to the Attorney General. We have highlighted the portion that confirms it to be a public charity, i.e. one described in Sections 509(a)(1), (2) or (3) or Section 4940(d)(2). For comparison, we are enclosing a copy of the determination letter we recently received for the Peck Foundation and have highlighted the portion (or its absence) that confirms it to be a private foundation since the notations of public charity status are omitted. With this information in hand, a copy of the IRS determination letter and your canceled check is about all the record-keeping that is required to meet your compliance obligation.

On the other hand, the exact opposite is assumed of a grant to another private foundation. Every step in the grant-making process, from the pre-grant inquiry to the post-grant reporting, is intended to saddle the Foundation with the burden of proving that the contribution is used exclusively for the charitable purposes for which it is intended. The administrative effort is

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Portland

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Mr. Loren Parks
 October 14, 1999
 Page 4

significant. Your records have been reasonably good, but they are a long way from fully complying with the literal requirements of the law. Thus far in the Attorney General's audit, we have been able to divert their attention away from the characterization of the recipient. At some point, however, they may get back to this issue. In the mean time, we encourage you to adopt a policy which commits the Foundation to only providing financial assistance and grants to confirmed public charities. This does not mean you should abandon your political objectives. Public charities are permitted to undertake a significant amount of political activities within certain guidelines. You may actually be able to achieve part of your own political goals through grants to public organizations which support your points of view.

In summary, our recommendation for future grant procedures is to adopt a written policy (i) not to make individual grants even though you have a pre-approved grant procedure in place; (ii) not to make grants to organizations which are private foundations; and (iii) make grants only to organizations which are confirmed public charities.

Employment for Services

Another area of disagreement with the Attorney General is the nature of the payments to Kevin Mannix and two other attorneys who have assisted the Foundation with its activities. The issue is whether these payments are individual grants or compensation. It is not always clear in which category a particular project will be placed since a study grant can just as easily produce the same information or report as a research project by an employee. The same is true for some services provided by business entities, e.g. Greg Clapper and The Clapper Agency. We urge you to adopt a policy of recording in the corporate minutes the employment/compensation terms of all individuals engaged by the Foundation to provide services. We have enclosed a simple form of employment agreement for an "independent contractor." This form will go a long way to eliminate any confusion or misunderstanding about the relationship the Foundation has with any person it hires to provide services.

At the same time, you also need to examine your business relationships. A letter confirming the engagement of a business or firm for services is appropriate but may be difficult to administer since some services are so clearly beyond the scope of a charitable contribution. Nevertheless, a simple solution may be in the forms you exchange for the work provided. We urge you to adopt a policy of confirming each project with a purchase order and pay only upon invoice. This documentation should help clarify the character of the relationship and the purpose for the payment.

Political Activities

The Foundation's political activities are obviously the primary target of the Attorney General. You have pursued these objectives by both providing financial support to other organizations and by directly sponsoring information ads on radio and in newspapers. Some of your donations have clearly been outside the permitted limits because the recipient was not a recognized charitable entity (e.g. the Bendl and McEntire programs) or was not for a charitable purpose (e.g. Mannix's PAC). These kinds of contributions are the easiest activities to control. As long as

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 Portland

Mr. Loren Parks
 October 14, 1999
 Page 5

the entity to which you make donations is confirmed to be a 501(c)(3) charitable organization and is also confirmed to be a public charity, then you have no further responsibility for the expenditure of the funds unless you specifically earmark the funds for a particular political purpose. Earmarked funds are not bad, but you are taking a risk that the recipient organization will abuse its charitable mandate and you, in turn, will suffer the repercussions. Consequently, we urge you to adopt a policy which confines all political donations to confirmed public charities whose purposes are sufficiently narrow to give you assurance that the funds will be used to promote the causes you support without specific instructions from you to do so.

If you adopt this policy, you will achieve a significantly higher level of compliance without any appreciable effort. First, you must request and obtain a copy of the IRS determination letter from the soliciting entity before making any donation. If you do not receive the determination letter, it means (i) the solicitation is not coming from a non-profit corporation or non-profit trust, or (ii) the entity is not a recognized 501(c)(3) entity. In either case, you should not make a donation from the Foundation. Second, with a copy of the determination letter in hand, you can confirm whether the soliciting entity is a private foundation or a public charity. As noted above, making a grant to a private foundation means you have a much higher standard of administrative work to perform in order to meet your compliance obligation. Probably the most significant issue is the requirement for the recipient to use the contribution solely for "charitable" purposes. As you now know, politics and charity are not easy to separate clearly. Thus, by making the contribution, you are placing your charitable status at risk through an entity over which you may not have any control. This is why we urge you not to make any political contribution to an entity that is not a confirmed public charity.

Sponsoring your own public information ads has produced the most ardent response from the Attorney General, but it is not necessarily the area of most concern; it is simply the most visible. The law prohibits a private foundation from engaging in any activities intended to "affect the outcome of an election," in other words, from lobbying. The law then goes on to define what constitutes prohibited lobbying. There are two forms of political activity that meet the test. They should be clearly distinguished in your mind when the ads are being produced and circulated because each has a slightly different compliance standard.

The two forms of lobbying are called "direct lobbying" and "grass roots lobbying." The difference lies in the type of political action being promoted. Direct lobbying concerns actions to influence a legislative body (e.g. legislature, Congress, city council, county council, etc.) through communications with a member of that body or a staff person. In other words, it is an attempt to affect the adoption or rejection of a specific bill or act in the legislature by contacting a member of the legislature or a staff member about that bill or act. In contrast, grass roots lobbying concerns actions to influence a legislative body through communications with the general public in hopes of building public sentiment in favor of or opposed to a specific law or act. We previously provided you with the basic criteria for each. They are fairly simple concepts. For direct lobbying, the tests for judging the communication are (i) it refers to a specific bill or act, and (ii) it expresses a point of view. Grass roots lobbying adds one more communication test, (i) it refers to a specific bill or act, (ii) it expresses a point of view, and (iii) it urges the voters to

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 Portland

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PA005473

Mr. Loren Parks
October 14, 1999
Page 6

vote in a particular fashion or to take action by calling or writing the members of the legislative body or staff persons.

Until this year, most of your activities have focused on the initiative process. The law takes the view that the voters are the legislature when deciding a initiative ballot issue. Thus, communicating with the voters about an initiative issue is direct lobbying, rather than grass roots lobbying. The requirement for urging a particular vote or to contact a legislator is not required. This is why the Attorney General is so adamant about condemning your activities; they believe you are engaging in direct lobbying: you refer to a specific bill or act (even when you don't), and you are expressing a point of view. What the Attorney General is striving so mightily to ignore is a simple exception to these lobbying rules which permits the expression of a point of view if the message is "educational." This is where the "gray area" comes in, and it is the arena in which the main battle with the Attorney General will be waged.

It is not possible to express a "general rule" for you to follow in your political efforts. Instead, we urge you to simply stay focused on the facts. Do not succumb to emotion or generalizations of "good" or "bad" or "conservative" or "liberal." It is certainly acceptable to use humor, sarcasm and imagery as long as they do not obscure the factual basis of your message. We also urge you to let us review the text of your messages before they are circulated. We do not want to be your censors, only another eye to evaluate the medium of your expression, not the message it contains.

Conclusion

We have proposed a number of actions in this letter. Another meeting with you could be useful, and you may want to have Claudene attend since she is responsible for most of the administrative details of the Foundation. Since the initiative process is now under way and ballots are in the mail, another meeting with Greg may also be appropriate to again discuss the standards by which the ads you produce will be measured. Please let us know how you want to proceed.

Very truly yours,

Davis Wright Tremaine LLP

D. Charles Mauritz

DCM:sp

Enclosures

cc: Claudene Gilmore
Robert Church
Steve Wallace

FA7A773145\INLETTERS\L-PARKS04.LTR.DOC
Portland



Mar-22-00 14:12 PARK MEDICAL ELECT

507 91 9753

P.01

PARKS

Medical Electronics, Inc.

19460 S.W. Shaw, Aloha, OR 97007

1-800 547-5427 (503) 649-7007 Fax (503) 591-9753

Date:

3/22/00

To:

Chuck
Mauritz

Attention:

Pages:

2

Here's another Joe Spot Sheet.
LP & Joe wanted your Blessing

Bladen

003-0085 4-28-85

Exhibit

8-1

PA000773

Page

17

of

ER-302

Mar-22-00 14:12

PARK MEDICAL ELECT

507 1 9753

P.02



What you are seeing is the massacre of Oregon's salmon...and it's being perpetrated by state employees using your tax dollars.

Governor John Kitzhaber and top officials with the Oregon Department of Fish and Wildlife have decided that *these* fish, which were originally bred in a hatchery, don't have the *survival* instincts and must be killed before they even get a chance to breed.

Oregon taxpayers laid out \$47 million dollars to operate these hatcheries....but the government kills these fish and sells the carcasses for cat food and the salmon eggs for bait.

There exists much scientific evidence that indicates these fish - shouldn't be massacred....after all, they've just survived the rigors of living 3 to 4 years in the Pacific Ocean and returned to breed in the rivers from which they came....just like all the other salmon.

^{POLITICIANS} Government has spent hundreds of millions of dollars ^{to} bring the salmon back...and it's been a miserable failure...

It's time ordinary Oregonians start examining the scientific facts.

Here's a website to get you started:

www.oia.org

(Paid for by the Parks Foundation)

*Spent Hundreds of Thousands of \$ TO IMPROVE SALMON.
+ STEEL HEAD RIVERS.*

P.O. BOX 1438 • GRESHAM, OR 97030 • (503) 669-8809 • FAX: (503) 669-3387

Exhibit 8-1
Page 18 of 24 ER-303

PA000774

Lowry, MaryleeFile *File* 773145/3

From: Mauritz, Chuck
 Sent: Tuesday, April 18, 2000 8:29 AM
 To: 'Ross'
 Cc: Price, Stephanie; Lowry, Marylee; O'Leary, Dan; Hackett, Mark
 Subject: Parks Foundation

Status report: We have completed research on the definition of "point of view." A harder topic than we expected. I am assembling the information in a letter to you. It should be ready in the next day or so.

Chuck

D. Charles Mauritz
 Davis Wright Tremaine LLP
 1300 SW 5th Ave, Ste 2300
 Portland, Oregon 97201
 Direct: 1-503-778-5320
 Fax: 1-503-778-5299
 Email: chuckmauritz@dwt.com

Lowry, Marylee

From: Mauritz, Chuck
 Sent: Thursday, April 06, 2000 4:15 PM
 To: Price, Stephanie
 Cc: Lowry, Marylee
 Subject: Parks Foundation

This is the text of a letter to Loren with cc's to Claudene, Bob Church, Steve Wallace, and Greg Clapper

Re: Parks Foundation

Dear Loren:

Yesterday, Greg Clapper sent us a copy of a proposed ad regarding the State salmon hatchery program. The ad was mostly factual, but it made significant use of comments attributed to Sen. George. The ad does not endorse Sen. George, however it quotes him on a political position he has taken. In essence, the ad "comments" on Sen. George's comments about the State's salmon policy. Sen. George is up for re-election. The Foundation is absolutely prohibited from spending any money on "political campaigns" of any person seeking elected office. Educating the electorate is irrelevant in this arena. This ad goes too far. In fact, we urge you to avoid even mentioning any politician's name or the office he holds or for which he is running (i.e., the "secretary of state" or the "attorney general"), regardless of the subject matter. The consequences are too severe to take the risk. On the other hand, you can say just about anything you want about the actions of a non-elected official regardless of what position he holds.

The Foundation cannot spend money on campaigning because the law places an absolute prohibition on all foundations. Spending money on lobbying efforts is also severely restricted, but not completely prohibited. The Parks Foundation is classified as a private foundation. It cannot spend money on lobbying, but it can "educate" the public. This is the focus of the controversy we are having with the Attorney General. On the other hand, "public charities" are not completely prohibited from lobbying. Instead, they cannot devote a "significant" amount of time or money to the activity. This is much less restrictive.

The Foundation has donated money to public charities in the past which have a political agenda, namely, Kevin Mannix's Criminal Justice Foundation and Civil Justice Foundation. Both of these foundations are currently listed as public charities with the IRS. You might avoid future conflicts with the Attorney General and the IRS if your political efforts were limited to causes taken up by public charities such as these. You can make contributions to them for such purposes without violating any rules on lobbying expenditures and without having to monitor the use of the funds. The continued qualification of the public charity under the IRS guidelines is not any concern of yours. Consequently, you could achieve your political objectives without risking the charitable status of the Foundation. We will be happy to give you more information on this suggestion if you choose to pursue it further.

vty...

LAWYERS



Davis Wright Tremaine LLP

ANCHORAGE BELLEVUE CHARLOTTE HONOLULU LOS ANGELES NEW YORK
 PORTLAND SAN FRANCISCO SEATTLE WASHINGTON, D.C. SHANGHAI

[ENTER ATTY NAME]
 Direct (503) [ENTER PHONE]
 [Enter Email Prefix] @dwt.com

SUITE 2300
 1300 SW FIFTH AVENUE
 PORTLAND, OR 97201-5682

TEL (503) 241-2300
 FAX (503) 778-5299
 www.dwt.com

TO: Loren Parks (Via Fax:
 FROM: Chuck Mauritz
 DATE: August 4, 2000
 RE: Parks Foundation

You mentioned that Bill Sizemore had informed you of the ability of Oregon Taxpayer United Education Foundation to finance a lobbying program in the coming elections without fear of IRS reprisals. As I recall your comment, he said OTU was able to spend up to 20% of its first \$500,000 on lobbying campaigns.

On this issue, Bill is correct. However, he is correct because OTU Education Foundation is a "public" charity. That means the organization receives contributions from a large group of private citizens rather than from just one or two principal contributors. The federal law permits a public charity to lobby on legislative matters so long as these activities do not constitute a "significant part" of its total activities. The IRS guidelines have defined "significant" as less than 20% of the first \$500,000.

The Parks Foundation does not enjoy this same privilege because it is not a public charity. Rather, it is a private foundation. As such, the law prohibits the Foundation from lobbying except within the confines of an "educational" effort to "inform the public" rather than overtly encouraging them to vote one way or another. This is the arena in which we are arguing with the Attorney General and the IRS. If Parks Foundation was a public charity, we would not be having the contest.

Gregg Clapper asked us about setting up a prize or award program for teachers whose students improved their performance on standardized tests the most. Attached is a memo we prepared on this topic. If you have questions, please contact us further.

FROM : CLAPPER

FAX NO. : 503 674 5232

Aug. 08 2000 02:21PM P1

TO: CHUCK
MAURITZ

Please Respond ASAP
THANKS
GREGG

91-Parks Found.#1

Is Oregon state government really growing nearly 3 times faster than the personal income of it's citizens?

This November, Oregonians will be asked if they want to slow down the growth of their state government.

So let's look at the facts....numbers taken directly from official state budget documents.

From 1989 to '91, state government grew by 21%...citizen income grew by less than 9%.

In 1993, the state was up 20%...citizens' income up 11%.

In '95, the state picked up another 23% while private pay was up less than 11%.

In '97, the state was up 14%, private pay just 8%.

So what all this means is that over the last 10 years, the state increased its' income by more than 130% while private pay increased less than 50%....

Our tax dollars to state government has increased nearly 3 times faster than the personal income of its' own citizens.

And those are the state's own figures.

Pd for by the Parks Foundation.

FROM : CLAPPER

FAX NO. : 503 674 5232

19. 08 2000 02:52PM P1

CHUCK —

LATEST VERSION

91-Parks Found.#1

Is Oregon state government really growing nearly 3 times faster than the personal income of its citizens?

This November, Oregonians will be asked if they want to slow down the growth of their state government.

So let's look at the facts....numbers taken directly from official state budget documents.

From 1989 to '91, state government grew by 21%...citizen income grew less than 9%.

In 1993, the state income was up 20%...citizens' income just 11%.

In '95, the state income went up another 23% while private pay was up less than 11%.

In '97, the state income was up 14%, private pay just 8%.

So what all this means is that over the last 10 years, the state increased its' income by more than 130% while private pay increased less than 50%....

Our tax dollars to state government have increased nearly 3 times faster than the personal income of its' own citizens.

And those are the state's own figures.

Pd for by the Parks Foundation.

Exhibit

8.1

PA005737

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Price, Stephanie

From: Mauritz, Chuck
Sent: Thursday, September 14, 2000 6:30 PM
To: Price, Stephanie
Cc: Lowry, Marylee
Subject: FW: Parks - 8(m)

FYI

-----Original Message-----

From: Lowry, Marylee
Sent: Thursday, September 14, 2000 1:03 PM
To: Mauritz, Chuck; Hackett, Mark; O'Leary, Dan
Subject: Parks - 8(m)

The allegation is that Parks Foundation paid \$200,000 to the Clapper agency in support of Ballot Measure 61. The foundation appears to have sponsored two ad campaigns one for Ballot Measure 61 and the other for Ballot Measure 65. Ballot Measure 61 may have been taken off the ballot. The two ads for Ballot Measure 65 were approved by us. I don't know if they ran, however. I haven't found anything which said we approved the ones for Ballot Measure 61.

Marylee A. Lowry
Davis Wright Tremaine
Portland, Oregon

FROM : CLAPPER

FAX NO. : 503 674 5232

Sep. 20 2000 03:11PM P1

TO: CHUCK WALKER
778-5299

A few weeks ago, the Parks Foundation revealed that, over the last 10 years, Oregon government income has grown by 130%, nearly 3 times faster than the personal income of citizens who pay for it.

The state government didn't like what we said. They filed a lawsuit against us.

But, like it or not, the general fund budget *has* gone from 4 to \$10 billion.

And where's that money gone?

A big part of it goes to the Oregon Health plan that just paid a quarter million dollars for a convicted child molester from Mexico to receive a bone marrow transplant....

And 2 brain surgeries for an out of state man...

Gall bladder surgery for an out of state woman...

And 2 knee replacements for a skier who lives off a trust fund but said he had no income.

The state government is using taxpayers' money to intimidate us from revealing this kind of information.

Isn't that what Richard Nixon did when he used the IRS to go after *his* political enemies?

Pd for by the Parks Foundation.

Exhibit

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8-1

24 of 24

ER-309

PA007901

Westlaw.

NewsRoom

8/25/00 PTLDOGN C01

Page 1

8/25/00 Portland Oregonian C01
2000 WLNK 8831759

Oregonian, The (Portland, OR)
Copyright 2000 Oregonian Publishing Co.

August 25, 2000

Section: LOCAL STORIES

AD'S VIEW OF STATE BUDGET DISPUTED AS INCOMPLETE

JAMES MAYER - The Oregonian

Summary: A radio spot paid for by the Parks Foundation says the state tax has grown 3 times faster than residents' personal income

Conservative businessman Loren Parks has thrown the first punch in this year's ballot fight about taxes and government spending, launching a statewide radio ad that claims Oregon's budget has grown three times faster than personal income in the past decade.

But the 60-second spot, paid for by the Parks Foundation, fails to account for inflation, population growth or the decade-long shift in school finance from local property taxes to the state budget.

Considering those factors, growth in state spending has actually been slower than personal income growth in the 1990s.

Parks declined to be interviewed about the ad, but the political consultant who produced it said the message is more important than the math.

"We simply can't afford this rate of growth," said the consultant, Greg Clapper. "We are going to have to do something to address this, or otherwise government will take much more of our income than it should."

The ad doesn't mention specific ballot measures, but its theme of runaway government growth is likely to be a central campaign issue for three citizen initiatives on the Nov. 7 ballot.

They are Measure 91, which would cut income taxes by \$1 billion a year; Measure 8, which would limit state spending to no more than 15 percent of personal income; and Measure 93, which would require a popular vote for most tax increases.

Two of the measures are sponsored by Bill Sizemore of Oregon Taxpayers United, and

the spending limit is sponsored by Don McIntire, a retired businessman from Gresham and critic of government waste.

Although the ad doesn't specify, it relates most closely to the spending limit.

In the past 10 years, the ad says, "The state increased its income by more than 130 percent while private pay increased less than 50 percent. Our tax dollars to state government have increased nearly three times faster than the personal income of its own citizens."

Clapper said he relied on figures supplied by Oregon Tax Research, a conservative think tank in Portland, showing that the state's general fund, plus lottery revenues, rose from \$4.6 billion in 1989-99 to \$10.6 billion in 1999-2001, an increase of 130 percent. OTR's figures also show per capita personal income growing by 50 percent in the same period, he said.

The comparison is flawed, however, because one figure -- personal income -- is adjusted for population, while the other -- spending -- is not.

Without adjusting for population, personal income grew by 87 percent in the same period, which is closer to the 130 percent rise in the budget.

And by focusing on the general fund, the ad gives voters a misleading picture of McIntire's measure, which limits total state spending, not just the general fund. The state's "all funds" budget, which includes federal funds, the gas tax and licenses and other user fees, increased 108 percent in the past 10 years.

These discrepancies don't bother McIntire.

"Whether or not Clapper is spot-on, the principle is correct," he said. "Government spending is still accelerating."

As with most attempts to put government spending in context, however, the issue gets more complex.

Paul Warner, legislative revenue officer, said the major reason for the increase in state spending is Oregon's healthy economy, which has generated higher incomes and business profits that have boosted tax collections.

But much of that increasing revenue went into schools as the Legislature followed the dictates of Measure 5, the 1990 property tax limit that was written by McIntire.

The measure shifted responsibility for school finance primarily to the state, and the Legislature now sets the K-12 budgets using both income taxes and local property taxes.

Voters also passed tougher sentencing laws that spawned a prison construction boom, and population growth has placed a bigger burden on social services, said Bill Thorndyke Jr., a Medford businessman and an organizer of Committee for Our Oregon,

8/25/00 PTLDOGN C01

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the campaign opposing the McIntire and Sizemore measures.

"Thank God for the good economy," he said. "We have a lot more elderly people to take care of in this state, and because of voters, we have a lot more people sitting in jails and penitentiaries."

Accounting for the shift in school funding by adding in all school property taxes, adjusting for population growth and factoring in inflation turns the claim in the Parks' radio ad on its head.

Adjusted figures show that per capita state spending increased only 4 percent over the last decade, far less than the 18 percent increase in per capita personal income.

"Overall, the tax burden has declined as a percent of income," Warner said.

McIntire disputed the argument that bulging state budgets can be traced to his property tax limit.

"That's not the reason for the growth in state spending," he said. "The state gets the money, and the state spends it."

You can reach James Mayer at 503-294-4109- or by e-mail at jimmayer@news.oregonian.com.

----- INDEX REFERENCES -----

NEWS SUBJECT: (Legal (1LE33); Judicial (1JU36); Business Management (1BU42); Local Taxing Authorities (1LO66); Taxation (1TA10); Prisons (1PR87); Tax Law (1TA64); Sales & Marketing (1MA51))

INDUSTRY: (Advertising (1AD82); Advertising & Public Relations (1AD83); Accounting, Consulting & Legal Services (1AC73); Advertising Campaigns (1AD39))

REGION: (USA (1US73); Americas (1AM92); North America (1NO39); Oregon (1OR01))

Language: EN

OTHER INDEXING: (AD; INCOMPLETE; LEGISLATURE; LOREN PARKS; OREGON; OREGON TAX RESEARCH; OREGON TAXPAYERS UNITED; OTR; PARKS; PARKS FOUNDATION) (Bill Sizemore; Bill Thorndyke Jr.; Clapper; Greg Clapper; James Mayer; McIntire; Paul Warner; Sizemore; Summary; Warner)

EDITION: NORTHWEST EDITION

Word Count: 1006
8/25/00 PTLDOGN C01
END OF DOCUMENT

COPY

Docket No. 7043-07

Respondent:

4. Admits.

Docket No. 7043-07

- 2 -

5. a. through c., inclusive. Denies the Commissioner erred as alleged.

6. a. Admits; alleges that the Parks Foundation did in fact file a petition with the United States Tax Court and that it is assigned Docket No. 7093-07.

6. b. Admits.

6. c. Denies for lack of sufficient knowledge or information.

6. d. Admits.

6. e. Admits.

6. f. through h., inclusive. Denies.

7. a. Denies.

7. b. Denies on the ground that there are no material allegations of fact that require an answer pursuant to Tax Court Rule 36(b); alleges that petitioner refused to make correction following a request from respondent to do so as set forth in a letter dated November 20, 2002 from counsel then representing petitioner to respondent's examining agent.

8. Denies generally each and every allegation of the petition not herein specifically admitted, qualified or denied.

9. FURTHER ANSWERING the petition, and in support of the determination that petitioner agreed to the making of expenditures, knowing such expenditures to be taxable

Docket No. 7043-07

- 3 -

expenditures, thereby causing petitioner to be liable for the excise tax determined pursuant to I.R.C. § 4945(a)(2) for the taxable periods herein involved, respondent alleges:

a. Petitioner fully controlled the operations of the Parks Foundation, including ultimate decision-making authority over all expenditures;

b. Petitioner personally approved the making of expenditures by the Parks Foundation of \$65,000, \$200,000, \$33,012, and \$341,062 during the fiscal years of the Parks Foundation ending on November 30, 1997, November 30, 1998, November 30, 1999, and November 30, 2000, respectively, which expenditures respondent has determined to be taxable expenditures within the meaning of I.R.C. § 4945(d) ("the expenditures");

c. Petitioner caused the Parks Foundation to make the expenditures to individuals and entities which were not public charities described in I.R.C. § 501(c)(3);

d. Except for the expenditures, petitioner routinely caused grants from the Parks Foundation to be made only to public charities described in section 501(c)(3).

e. Petitioner knew that almost all of the expenditures would be used to produce and air short radio messages having a duration of one minute or less;

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f. Petitioner knew that the expenditures would be used to disseminate information advocating a particular position or viewpoint;

g. Petitioner knew that some of the expenditures would be used to produce and air short radio messages for the purpose of influencing voters in Oregon to vote on various ballot measures in a particular manner;

h. Petitioner knew that the expenditures were not for disseminating nonpartisan analysis, study or research;

i. Petitioner knew that the expenditures were not for disseminating a sufficiently full and fair exposition of pertinent facts to permit an individual or public to form an independent opinion or conclusion; and

j. Petitioner knew that no expenditure responsibility was being conducted with respect to the expenditures.

WHEREFORE, it is prayed:

(1) That the relief sought in the petition be denied;

(2) That respondent's determination, as set forth in the notice of deficiency, be in all respects approved; and

(3) That the excise taxes as determined pursuant to I.R.C. § 4945(a)(2), as set forth in the notice of deficiency, be in all respects approved.

Docket No. 7043-07

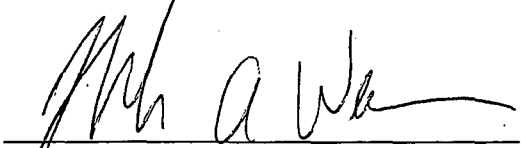
- 5 -

DONALD L. KORB
Chief Counsel
Internal Revenue Service

MAY 23 2007

Date: _____

By: _____


MARK A. WEINER
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Telephone: (805) 371-6702 x714

OF COUNSEL:

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Division Counsel/Associate Chief Counsel
(Tax Exempt & Government Entities)

CHARLES W. JEGLIKOWSKI

Area Counsel, Tax Exempt & Government Entities
Pacific Coast Area

IN THE UNITED STATES TAX COURT

LOREN E. PARKS,

Petitioner,

vs.

COMMISSIONER OF THE INTERNAL
REVENUE SERVICE,

Respondent.

Case No.:

PETITION

Petitioner hereby petitions for a redetermination of the deficiency set forth by the Commissioner of the Internal Revenue (the "Commissioner") in the Notice of Deficiency dated December 22, 2006, and as a basis for Petitioner's case alleges as follows:

1. During the years at issue herein, Petitioner was the President of the Parks Foundation, a non-profit corporation. Petitioner's mailing address is 1131 Geneva Avenue, Henderson, Nevada, 89015-4750. Petitioner's social security number is 515-16-8404. The returns for the periods here involved were timely filed by the Parks Foundation with the Internal Revenue Service Center at Ogden, Utah.

2. The Notice of Deficiency (a copy of which, including so much of the statements and schedules accompanying the Notice as is material and which is attached hereto as Exhibit "A") was mailed to the Petitioner on or about December 22, 2006, and was issued by the Department of Treasury Internal Revenue Service Appeals Office, 4050 Alpha Road, Suite 517, MC: 8000NWSAT, Dallas, Texas 75244.

3. The deficiencies, as determined by the Commissioner, are as follows: (i) a First Tier (Initial) Excise Tax Deficiency under IRC § 4945(a)(2)(hereinafter, the "First Tier Tax") for the tax years ended November 30, 1997, November 30, 1998, November 30, 1999 and November 30, 2000, and (iii) a Second Tier (Additional) Excise Tax Deficiency under IRC § 4945(b)(2)(hereinafter, the "Second Tier Tax") for the tax years ended December 30, 1997, December 30, 1998, December 30, 1999 and December 30, 2000. The First Tier Tax and

Second Tier Tax, as determined by the Commissioner, are as follows:

Tax Year Ended	11/30/1997	11/30/1998	12/31/1999	12/31/2000
First Tier Tax	\$ 1,625.00	\$ 5,000.00	\$ 825.30	\$ 5,000.00
Second Tier Tax	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00

4. The entire amount of the First Tier Tax deficiency and Second Tier Tax deficiency are in dispute.

5. The determinations of the tax set forth in the Notice of Deficiency are based upon the following errors:

a. The Commissioner erred in determining that expenditures made from the Parks Foundation during the tax years ended December 30, 1997, December 30, 1998, December 30, 1999 and December 30, 2000, were made for radio advertising which attempted to influence legislation and/or the opinion of the general public, and as a result, were taxable expenditures (collectively, the "Expenditures").

b. The Commissioner erred in imposing a First Tier Tax deficiency on the Expenditures.

c. The Commissioner erred in imposing a Second Tier Tax deficiency on the Expenditures.

6. The facts upon which Petitioner relies as a basis for Petitioner's case are as follows:

a. The First Tier Tax and Second Tier Tax deficiencies asserted against Petitioner in the Commissioner's Notice of Deficiency dated December 22, 2006, are directly related to first and second tier taxes asserted against the Parks Foundation under IRC § 4945(a)(1) and IRC § 4945(b)(1)(hereinafter, the "Parks Foundation Adjustments"), respectively. The Parks Foundation is filing a Petition with the United States Tax Court to contest the Parks Foundation Adjustments (the "Parks Foundation Petition"), concurrently herewith.

b. The Parks Foundation is a charitable organization exempt from federal

1 income tax under IRC § 501(c)(3). The Parks Foundation obtained its tax-exempt status in 1979.

2 c. The Parks Foundation is a Nevada corporation that was originally
3 organized in the State of Oregon on December 29, 1977.

4 d. During the tax years at issue, Petitioner served as President of the Parks
5 Foundation and was a member of its Board of Directors.

6 e. Petitioner approved the Expenditures pursuant to his authority as President
7 of the Parks Foundation.

8 f. In approving the Expenditures, Petitioner did not: (i) have actual
9 knowledge of sufficient facts to know any portion of the Expenditures would be a taxable
10 expenditure; (ii) was not aware that any portion of the Expenditures violated the provisions of
11 federal tax law governing taxable expenditures; and/or (iii) did not negligently fail to make
12 reasonable attempts to ascertain whether any portion of the Expenditures were taxable
13 expenditures, nor was Petitioner aware any portion of the Expenditures may have been taxable
14 expenditures.

15 g. Petitioner did not willfully agree to make any taxable expenditure.

16 h. In approving the Expenditures, Petitioner exercised responsibility on
17 behalf of the Parks Foundation with ordinary business care and prudence. Petitioner's actions
18 were due to reasonable cause.

19 7. In addition, Petitioner asserts as follows:

20 a. The Expenditures asserted to be taxable by the Commissioner in its Notice
21 of Deficiency dated December 22, 2006, were attributable to reasonable cause and not willful
22 neglect.

23 b. In the event the Commissioner prevails on any of the adjustments set forth
24 in the Notice of Deficiency issued to the Parks Foundation, Petitioner is prepared to correct the
25 taxable expenditure(s) within the correction period provided in IRC § 4963. As a result of a
26 timely correction by Mr. Parks, any otherwise applicable First Tier Taxes should be abated under

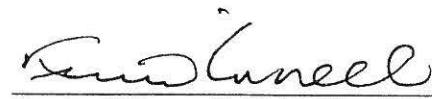
1 IRC § 4962 and all Second Tier Taxes should be abated in full.

2 WHEREFORE, Petitioner prays that this court determine that Petitioner is not liable for
3 the First Tier Tax deficiency and/or Second Tier Tax deficiency for the tax years ended
4 December 30, 1997, December 30, 1998, December 30, 1999 and December 30, 2000,
5 respectively, and grant such other and further relief as the court deems fit and proper.

6 Dated this 21 day of March, 2007.

7 HAGEN O'CONNELL LLP

8
9 By:


Kevin O'Connell, TCB No. OK 0026
Steven B. Hval, TCB No. HS 0373
Attorneys for Petitioner
121 SW Morrison Street, Suite 1500
Portland OR 97204
(503) 227-2900

UNITED STATES TAX COURT
DOCKET ENTRIES

Docket No. 007043-07

INDEX

Loren E. Parks

v. COMMISSIONER OF INTERNAL REVENUE



















Petitioner Counsel (Total 02)












OK0026 O'Connell, Kevin
Suite 300
8555 SW Apple Way
Portland, OR 97225

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WM0464 Weiner, Mark Alan
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Thousand Oaks, CA 91361-2819

LT0237 Lawrence, Tara R.
Hagen O'Connell, LLP
Suite 1500
121 S.W. Morrison Street
Portland, OR 97204

NO.	DATE	EVENT	FILINGS AND PROCEEDINGS	ACT/STAT DTE	SERVED	M
 0001	03/26/2007	PF	PETITION Filed:Fee Paid		R 03/28/2007	
 0002	03/26/2007	DPT	DESIGNATION of Trial at Las Vegas, NV		R 03/28/2007	
 0003	05/24/2007	ACS	ANSWER (C/S 05/23/07).			
 0004	06/12/2008	NTD	NOTICE of Trial on 11/17/08 at Las Vegas, NV.		B 06/12/2008	C
 0005	06/12/2008	SPTO	STANDING PRE-TRIAL ORDER attached to Notice of Trial		B 06/12/2008	C
 0006	06/23/2008	MOTR	MOTION by resp. to cons. 7043-07 & 7093-07. (N.Obj.) (C/S 6-20-08)	GR 06/26/2008	B 06/27/2008	C
 0007	10/15/2008	MOTP	MOTION by petr. to cont. trl. gen. (C/S 10-9-08)	ORD 10/30/2008		
 0008	10/28/2008	EA	ENTRY OF APPEARANCE by Tara R. Lawrence		R 10/31/2008	
 0009	10/30/2008	O	ORDER due date ext. to 11-10-08 for pretrial memorandums. Mot (7) to cont. trl. is DN.		B 10/30/2008	C
 0010	11/14/2008	JMOT	JT. MOTION to submit case under Rule 122.	GR 11/17/2008	B 12/01/2008	C
 0011	11/14/2008	STP	STIPULATION OF FACTS. w/Exs.			
 0012	11/17/2008	HEAR	HEARING before Judge Gale at Las Vegas, NV Jt. mot. to submit--GR. OPENING BRIEFS DUE: 2-17-09 ANSWERING BRIEFS DUE: 5-18-09 SUBMITTED TO JUDGE GALE, FULLY STIPULATED	SUB 11/17/2008		
 0013	12/17/2008	TRAN	TRANSCRIPT of 11-17-08 rec'd. (Cal. Call)			
 0014	02/18/2009	BFP	BRIEF for petr. (C/S 2-17-09)			
 0015	02/18/2009	BFR	BRIEF for resp. (C/S 2-17-09)			
 0016	05/19/2009	RBFR	REPLY BRIEF for resp. (C/S 5-18-09)			
 0017	05/19/2009	RBFP	REPLY BRIEF for petr. (C/S 5-18-09)			
 0018	03/10/2015	NCA	NOTICE OF CHANGE OF ADDRESS by Counsel Kevin O'Connell		R 03/18/2015	

NO.	DATE	EVENT	FILINGS AND PROCEEDINGS	ACT/STAT DTE	SERVED	M
 0019	11/17/2015	TCO5	T.C. OPINION, JUDGE GALE 145 T.C. NO. 12 (DECISIONS WILL BE ENTERED UNDER RULE 155)		B 11/17/2015	
 0020	02/11/2016	COED	COMPUTATION FOR ENTRY OF DECISION by Resp. (EXHIBIT)		P 02/11/2016	
 0021	02/17/2016	NOF	NOTICE OF FILING COMPUTATIONS FOR ENTRY OF DECISION. OBJECTION OR ALTERNATIVE COMPUTATIONS DUE 3/8/16.		B 02/17/2016	
 0022	03/07/2016	M000	MOTION TO WITHHOLD ENTRY OF DECISION by Petrs. Loren E. Parks; & Parks Foundation (C/S 02/29/16)	ORD 03/14/2016	C 03/11/2016	
 0023	03/07/2016	DCL	DECLARATION OF KEVIN O'CONNELL IN SUPPORT OF MOTION TO WITHHOLD ENTRY OF DECISION by Petrs. Loren E. Parks; & Parks Foundation (C/S 02/29/16)		C 03/11/2016	
 0024	03/14/2016	O	ORDER THAT PETRS'. MOTION TO WITHHOLD ENTRY OF DECISION IS HEREBY GRANTED. PETRS. BY 3/31/16 FILE ALTERNATIVE COMPUTATIONS.		B 03/15/2016	
 0025	04/25/2016	COED	COMPUTATION FOR ENTRY OF DECISION by Petr. Loren E. Parks (C/S 04/20/16) (ATTACHMENT)		R 04/26/2016	
 0026	05/10/2016	DEC	DECISION ENTERED, JUDGE GALE		B 05/10/2016	
APPELLATE PROCEEDINGS						
 0027	08/01/2016	NOAP	NOTICE OF APPEAL BY PETR(S). TO U.S.C.A. 9TH CIR. (FEE PD.)		B 08/02/2016	
 0028	08/02/2016	MISC	(FEE REC'D 8-2-16) by Counsel Kevin O'Connell			
 0029	08/02/2016	NOFC	NOTICE OF FILING W/ COPY OF NOT. OF APP. SENT TO THE PARTIES.(COPIES SENT ON 8-2-16)		B 08/02/2016	

UNITED STATES TAX COURT
DOCKET ENTRIES

Docket No. 007093-07

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Parks Foundation

v. COMMISSIONER OF INTERNAL REVENUE

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NO.	DATE	EVENT	FILINGS AND PROCEEDINGS	ACT/STAT DTE	SERVED	M
 0001	03/26/2007	PF	PETITION Filed:Fee Paid		R 03/28/2007	
 0002	03/26/2007	DPT	DESIGNATION of Trial at Las Vegas, NV		R 03/28/2007	
 0003	04/17/2007	EA	ENTRY OF APPEARANCE by Steven B. Hval		R 04/18/2007	
 0004	05/24/2007	ACS	ANSWER (C/S 05/23/07).			
 0005	06/12/2008	NTD	NOTICE of Trial on 11/17/08 at Las Vegas, NV.		B 06/12/2008	C
 0006	06/12/2008	SPTO	STANDING PRE-TRIAL ORDER attached to Notice of Trial		B 06/12/2008	C
 0007	06/23/2008	MOTR	MOTION by resp. to cons. 7043-07 & 7093-07. (N.Obj.) (C/S 6-20-08)	GR 06/26/2008	B 06/27/2008	C
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 0011	11/13/2008	MOTP	MOTION by petr. to amend petition. (Amd. Pet. Ld.) w/Ex. (C/S 11/12/08)	GR 11/14/2008	B 11/14/2008	C
 0012	11/14/2008	AP	AMENDED PETITION		R 11/14/2008	
 0013	11/14/2008	JMOT	JT. MOTION to submit case under Rule 122.	GR 11/17/2008	B 12/01/2008	C
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 0016	12/17/2008	TRAN	TRANSCRIPT of 11-17-08 rec'd. (Cal. Call)			
 0017	01/13/2009	AAP	ANSWER TO AMENDED PETITION (C/S 01/12/09).			
 0018	02/18/2009	BFP	BRIEF for petr. (C/S 2-17-09)			
 0019	02/18/2009	BFR	BRIEF for resp. (C/S 2-17-09)			
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 0029	03/14/2016	O	ORDER THAT PETRS'. MOTION TO WITHHOLD ENTRY OF DECISION IS HEREBY GRANTED. PETRS. BY 3/31/16 FILE ALTERNATIVE COMPUTATIONS.		B 03/15/2016	
 0030	04/04/2016	SATL	FIRST SUPPLEMENTAL COMPUTATION FOR ENTRY OF DECISION by Petr. Parks Foundation (C/S 03/30/16) (P.M.T.)		R 04/05/2016	
 0031	05/10/2016	DEC	DECISION ENTERED, JUDGE GALE		B 05/10/2016	
APPELLATE PROCEEDINGS						
 0032	08/01/2016	NOAP	NOTICE OF APPEAL BY PETR(S). TO U.S.C.A. 9TH CIR. (FEE PD.)		B 08/02/2016	
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 0034	08/02/2016	NOFC	NOTICE OF FILING W/ COPY OF NOT. OF APP. SENT TO THE PARTIES.(COPIES SENT ON 8-2-16)		B 08/02/2016	

Certificate of Service

I certify that on January 25, 2017, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Ninth Circuit by using the CM-ECF system. I certify that all participants in the case are registered CM-ECF users and that service will be accomplished by the appellate CM/ECF system, which will notify the following (as listed on the docket):

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January 25, 2017