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October 11, 2005

**Via Regular Mail and Facsimile (515) 284-4252**

Ms. Pat Schneiders  
Exempt Organizations Specialist  
Internal Revenue Service  
210 Walnut St., MC 4926 DSM  
Des Moines, IA 50309-2109

Dear Ms. Schneiders:

On behalf of All Saints Church in Pasadena, California, I am responding to the Internal Revenue Service's decision to investigate the circumstances surrounding a sermon delivered by a guest preacher, who is also pastor emeritus to the congregation, on October 31, 2004, the Sunday before the 2004 Presidential election.

As you indicated in our telephone conference call on September 22 with you and your IRS colleagues, the reason you are conducting the investigation is your view that the sermon may have constituted implicit intervention in the 2004 Presidential election by its language reminding the congregation of the need to consider their values when voting in the election. In particular, you noted that a newspaper account of the sermon described it as an "indictment of the Bush administration's policies in Iraq," that the sermon criticized the "drive to develop more nuclear weapons," and described tax cuts, "which benefited the rich, as inimical to the values of Jesus." You also referenced the title of the sermon, "If Jesus Debated Senator Kerry and President Bush." The Church also wishes to note that the sermon ended with the words "[w]hen you go into the voting booth on Tuesday, take with you all that you know about Jesus, the peacemaker. Take all that Jesus means to you. Then vote your deepest values. Amen."

The Church believes that the IRS's concerns are unsupported by the facts and circumstances of the event at issue, the guest sermon on October 31. More importantly, this case implicates First Amendment principles of religious freedom and freedom of speech; indeed, it threatens core values which the congregation of the

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Church holds dear. The congregation has asked me to assure you that it has a longstanding policy against campaign intervention and will continue to maintain its nonpartisan stance. However, it also takes pride in a long history of active involvement in the community and a steadfast and theologically-based commitment to alleviating poverty and promoting equality, social justice and peace. The Church cannot, and will not, waiver from that commitment.

Moreover, even if the sermon in question contained an implicit political message, we simply can not agree with your assertion that a single guest sermon by a former pastor, who no longer is employed by or officially representing the Church, can threaten the Church's exempt status. The Church does not believe the law requires it to preview or edit every guest's remarks -- much less mandate that a preacher's sermons may not discuss moral values during the congregation's time of worship. It seems ludicrous to suggest that a pastor cannot preach about the value of promoting peace simply because the nation happens to be at war during an election season.

As I explained during our call, the Church takes issue with your suggestion that the mere mention of candidates' names, coupled with statements regarding the speaker's personal values, is sufficient to constitute prohibited campaign intervention. In order to conclude that campaign intervention occurred in this case, the IRS would have to make several cognitive leaps which are not supported by the facts on the record. For example, you and your colleagues on our conference call indicated that your concerns are based on a subjective determination that the guest pastor was *implicitly* opposing one candidate and endorsing the other. In contrast, your analysis ignores the fact that the guest pastor *explicitly* stated at the outset of his sermon that he was not advising anyone how to vote. We are also troubled by the suggestion that the common honorific title "emeritus" could somehow confuse members of the congregation and lead them to believe that the pastor emeritus -- who stepped down a decade ago -- still represents the Church. In fact, the pastor clearly was introduced as a visitor, and he made it clear during his sermon that he was expressing personal opinions. Nevertheless, members of the Church should be able to acknowledge that the values expressed in the sermon include profound but simple truths that reflect their faith without threatening the Church's legal status.

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The congregation was hoping that the case would end at the church tax inquiry level, but it understands that that the IRS has decided to proceed with an examination. While it understands and respects that the mission of the IRS is to administer the federal tax laws, it trusts that you similarly appreciate that the tentative findings of the agency challenge the core values of the congregation of the Church, clearly placing First Amendment principles at stake.

Please feel free to call me (202/862-5020) or Diara Holmes (202/862-7829) with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'MSO', written in a cursive style.

Marcus S. Owens