

My Opinion

Elliot M. Nesvig
2392 Via Mariposa West, 3H
Laguna Woods, California 92637
949-380-7218

MEMO To File July 21, 2009 Tuesday - Third Mutual Monthly Board Meeting

During Member Comments:

I advised the Board:

That I came to this meeting primarily to welcome Katie McDaniel back to the board.

I did not mention that at an earlier closed meeting, after a monthly board meeting, I advised the Third Mutual Board Members that the PCM Treasurer had received a bonus of \$ 100,000.00 for obtaining from the Internal Revenue Service for Golden Rain, status of 501 (c)(4) social charity. This means lower taxes and a rebate of taxes, which we had over paid in the amount of \$ 1,200,000.00, to Golden Rain.

During the July 21 meeting, I announced that PCM Treasurer had received the \$ 100,000.00 for obtaining the IRS 501 (c)(4). Our general manager had previously acknowledged the payment to the treasurer. I also advised that PCM's treasurer did not obtain the 501 (c)(4). That was done by our auditing firm, KPMG.

Not said during the July 21 meeting was previous information that the incentive payments were at a level of 30% of the payback which in this case would amount to \$ 360,000.00. The obvious question, was the hundred thousand a down payment to the treasurer? Was the additional \$ 260,000.00 paid in a lump sum or in increments to further avoid detection?

In any event, I want our money back from the treasurer, and all of the \$ 1,200,00.00 divided among our 12,000 plus owners.

from. Bud Nesvig

cc: Third Mutual Directors (You may wish to distribute to PCM personnel who report to the general manager)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **JAN 14 2002**

GOLDEN RAIN FOUNDATION OF LAGUNA
WOODS
23522 PASEO DE VALENCIA
LAGUNA WOODS, CA 92653

Employer Identification Number: 95-2366569
DLN: 17053330047011
Contact Person: RICHARD K DOLFI ID# 31363
Contact Telephone Number: (877) 829-5500
Internal Revenue Code Section 501(c)(4)
Accounting Period Ending: December 31
Form 990 Required: Yes
Addendum Applies: No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in the section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay \$100 or more during a calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment, or other Federal taxes, please address them to this office.

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth

Letter 948 (DO/CG)

GOLDEN RAIN FOUNDATION OF LAGUNA

month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Donors may not deduct contributions to you because you are not an organization described in section 170(c) of the Code. Under section 6113, any fundraising solicitation you make must include an express statement (in a conspicuous and easily recognizable format) that contributions or gifts to you are not deductible as charitable contributions for Federal income tax purposes. This provision does not apply, however, if your annual gross receipts are normally \$100,000 or less, or if your solicitations are made to no more than ten persons during a calendar year. The law provides penalties for failure to comply with this requirement, unless failure is due to reasonable cause.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt

GOLDEN RAIN FOUNDATION OF LAGUNA

status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in cursive script that reads "Steven T. Miller". The signature is written in dark ink and is positioned above the typed name and title.

Steven T. Miller
Director, Exempt Organizations



Three Embarcadero Center
San Francisco, CA 94111

Telephone 415 951 0100

COPY

November 20, 2001

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

RECEIVED

NOV 23 2001

FINANCIAL SERVICES

Re: Golden Rain Foundation of Laguna Woods
FEIN 95-23665569
Form 1024

Dear Sir or Madam:

Enclosed please find Form 1024, Application for Recognition of Exemption under Section 501(a) and associated attachments in connection with the application of the above organization for tax exempt status under section 501(c)(4).

Enclosed please find Form 8718 and a check in the amount of \$500 in full payment of the user fee for this application.

Additionally, please find Form 2848 authorizing the undersigned to act for the organization in this matter.

I would be pleased to respond to any communication from your office.

Sincerely yours,

John M. Panetta
Tax Managing Director

Enclosures

Application for Recognition of Exemption Under Section 501(a)

OMB No. 1545-0057

If exempt status is approved,
 this application will be open
 for public inspection.

Read the instructions for each Part carefully. **A User Fee must be attached to this application.**
 If the required information and appropriate documents are not submitted along with Form 8718 (with payment
 of the appropriate user fee), the application may be returned to the organization.
Complete the Procedural Checklist on page 6 of the instructions.

Part I. Identification of Applicant (Must be completed by all applicants; also complete appropriate schedule.)
 Submit only the schedule that applies to your organization. Do not submit blank schedules.

Check the appropriate box below to indicate the section under which the organization is applying:

- a Section 501(c)(2) - Title holding corporations (Schedule A, page 7)
- b Section 501(c)(4) - Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)
- c Section 501(c)(5) - Labor, agricultural, or horticultural organizations (Schedule C, page 9)
- d Section 501(c)(6) - Business leagues, chambers of commerce, etc. (Schedule C, page 9)
- e Section 501(c)(7) - Social clubs (Schedule D, page 11)
- f Section 501(c)(8) - Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule E, page 13)
- g Section 501(c)(9) - Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)
- h Section 501(c)(10) - Domestic fraternal societies, orders, etc., not providing life, sick, accident or other benefits (Schedule E, page 13)
- i Section 501(c)(12) - Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)
- j Section 501(c)(13) - Cemeteries, crematoria, and like corporations (Schedule H, page 16)
- k Section 501(c)(15) - Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)
- l Section 501(c)(17) - Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)
- m Section 501(c)(19) - A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)
- n Section 501(c)(25) - Title holding corporations or trusts (Schedule A, page 7)

1a Full name of organization (as shown in organizing document) GOLDEN RAIN FOUNDATION OF LAGUNA WOODS		2 Employer identification number (EIN) (if none, see Specific Instructions on page 2) 95-2366569
1b c/o Name (if applicable) _____		3 Name and telephone number of person to be contacted if additional information is needed John Panetta (415) 576-8461
1c Address (number and street) 23522 Paseo de Valencia	Room/Suite _____	
1d City, town or post office, state, and ZIP + 4 If you have a foreign address, see Specific Instructions for Part I, page 2. Laguna Woods, CA 92653		
1e Web site address _____	4 Month the annual accounting period ends December	5 Date incorporated or formed March 5, 1963

6 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation. Yes No

7 Has the organization filed Federal income tax returns or exempt organization information returns? Yes No
 If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.
 Form 1120-H has been filed with the IRS in Ogden, Utah, since date of formation.

- 8** Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING.
- a Corporation - Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach a copy of the bylaws.
 - b Trust - Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
 - c Association - Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence that the organization was formed by adoption of the document by more than one person. Also include a copy of the bylaws.

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

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

SIGN HERE

 Janet W. Price, Asst. Treasurer

 9/11/01

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

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

For IRS Use Only
 Control number _____
 Amount paid _____
 User fee screener _____

1 Name of organization GOLDEN RAIN FOUNDATION OF LAGUNA WOODS	2 Employer Identification Number 95-2366569
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Caution: Do not attach Form 8718 to an application for a pension plan determination letter. Use Form 8717 instead.

3 Type of request	Fee
a <input type="checkbox"/> Initial request for a determination letter for:	
<ul style="list-style-type: none"> • An exempt organization that has had annual gross receipts averaging not more than \$10,000 during the preceding 4 years, or • A new organization that anticipates gross receipts averaging not more than \$10,000 during its first 4 years ▶ 	\$150
Note: If you checked box 3a, you must complete the Certification below.	

Certification

I certify that the annual gross receipts of _____
name of organization
 have averaged (or are expected to average) not more than \$10,000 during the preceding 4 (or the first 4) years of operation.
 Signature ▶ _____ Title ▶ _____

b <input checked="" type="checkbox"/> Initial request for a determination letter for:	Fee
<ul style="list-style-type: none"> • An exempt organization that has had annual gross receipts averaging more than \$10,000 during the preceding 4 years, or • A new organization that anticipates gross receipts averaging more than \$10,000 during its first 4 years . . . ▶ 	\$500
c <input type="checkbox"/> Group exemption letters ▶	\$500

Instructions

The law requires payment of a user fee with each application for a determination letter. The user fees are listed on line 3 above. For more information, see Rev. Proc. 2000-8, 2000-1, I.R.B. 230.

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

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

Send the determination letter application and Form 8718 to:
 Internal Revenue Service
 P.O. Box 192
 Covington, KY 41012-0192
 If you are using express mail or a delivery service, send the application and Form 8718 to:
 Internal Revenue Service
 201 West Rivercenter Blvd.
 Attn: Extracting Stop 312
 Covington, KY 41011

THIS DOCUMENT IS ALTERATION PROTECTED AND REFLECTS FLUORESCENT FIBERS UNDER UV LIGHT

Golden Rain Foundation
 P.O. BOX 2220
 Laguna Hills, Ca 92654-2220

Bank of America
 South Orange County RCBO
 675 Anton Blvd, 2nd Floor
 Costa Mesa, CA 92626

16-66/1220

DATE	09/10/2001	CHECK NUMBER	027755
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PAY Five hundred and no/100 *****

TO THE ORDER OF INTERNAL REVENUE SERVICE
 P.O. BOX 24017
 FRESNO, CA 93779-4017

AMOUNT	\$500.00
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[Handwritten Signature]

027755 112200068 14582 25400*

Power of Attorney and Declaration of Representative

OMB No. 1545-0150
For IRS Use Only

▶ See the instructions.

Received by:
 Name _____
 Telephone _____
 Function _____
 Date _____

Part I Power of Attorney (Please type or print.)

1 Taxpayer information (Taxpayer(s) must sign and date this form on page 2, line 9.)

Taxpayer name(s) and address GOLDEN RAIN FOUNDATION OF LAGUNA WOODS P.O. BOX 2220 LAGUNA WOODS, CA 92654	Social security number(s) Daytime telephone number 949-597 4229	Employer identification number 95-2366569 Plan number (if applicable)
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hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

2 Representative(s) (Representative(s) must sign and date this form on page 2, Part II.)

Name and address John M. Panetta, Tax Managing Director KPMG LLP Three Embarcadero Center, Suite 2000 San Francisco, CA 94111	CAF No. 9005-24333R Telephone No. 415-576-8461 Fax No. 415-981-7102 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax Matters

Type of Tax (Income, Employment, Excise, etc.)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s)
Income	1024	All years

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. (See instruction for Line 4-Specific uses not recorded on CAF.)

5 Acts authorized. The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative unless specifically added below, or the power to sign certain returns (see instruction for Line 5-Acts authorize d).
 List any specific additions or deletions to the acts otherwise authorized in this power of attorney: _____

Note: In general, an unenrolled preparer of tax returns cannot sign any document for a taxpayer. See Revenue Procedure 81-38, printed as Pub. 470, for more information.
Note: The tax matters partner of a partnership is not permitted to authorize representatives to perform certain acts. See the instructions for more information.

6 Receipt of refund checks. If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here _____ and list the name of that representative below.

Notices and communications. Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2 unless you check one or more of the boxes below.

- a If you want the first representative listed on line 2 to receive the original, and yourself a copy, of such notices or communications, check this box
- b If you also want the second representative listed to receive a copy of such notices and communications, check this box
- c If you do not want any notices or communications sent to your representative(s), check this box

Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here

YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

9 Signature of taxpayer(s). If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.

✓ *[Signature]* _____ 9/11/01 _____ Assistant Treasurer
 Signature Date Title (if applicable)

Print Name

Signature

Date

Title (if applicable)

Print Name

Part II Declaration of Representative

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
 - a Attorney - a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b Certified Public Accountant - duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c Enrolled Agent - enrolled as an agent under the requirements of Treasury Department Circular No. 230.
 - d Officer - a bona fide officer of the taxpayer's organization.
 - e Full-Time Employee - a full-time employee of the taxpayer.
 - f Family Member - a member of the taxpayer's immediate family (i.e., spouse, parent, child, brother, or sister).
 - g Enrolled Actuary - enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d)(1) of Treasury Department Circular No. 230).
 - h Unenrolled Return Preparer - an unenrolled return preparer under section 10.7(c)(viii) of Treasury Department Circular No. 230.

▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.

Designation - Insert above letter (a-h)	Jurisdiction (state) or Enrollment Card No.	Signature	Date
	D.C., MD	<i>[Signature]</i>	11/20/01