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August 17, 2006

VIA FACSIMILE AND FEDERAL EXPRESS

Ms. Pat Schneiders
Internal Revenue Agent
Department of the Treasury
Internal Revenue Service
MC 4926 DSM
210 Walnut Street
Des Moines, IA 50309-2109

Re: Information Document Request #1 for All Saints Church

Dear Ms. Schneiders:

On behalf of All Saints Church in Pasadena, California (the "Church"), I am writing to respond to your recent letter and the accompanying Information Document Request ("IDR") dated July 24, 2006. Given that we have not received any written communication from you since October 2005 and that you have not answered either our written or oral communications since November 2005, the Church was surprised by the IDR and requests clarification regarding a few points.

Several of the questions contained in the IDR are quite broad. Accordingly, it will take the Church a significant amount of time to conduct detailed searches of voluminous records, and, for this reason, we request a 45-day extension. I received a facsimile from your office dated July 31, 2006 granting this request for the bulk of the documents, and we would like to acknowledge receipt of this communication.

Moreover, because of this breadth of your questions, we anticipate the searches will yield a large number of results that bear no relevance to the subject or purpose of this examination. For instance, Question 9 asks for "sermons identifying candidates for public office" and Question 10 requests "written or oral communications identifying one or more candidates." Please be advised that offering prayers for the leaders of a nation, by title, name or both, is a traditional part of the Anglican liturgy, and the Church regularly follows this

tradition, both at Holy Eucharist and at other events. As a large and active parish, the Church holds numerous services and events every day, including four services celebrating Holy Eucharist on Sundays and follows the practice of praying for President George W. Bush by name. Because some of the leaders for whom the Church prayed were running for office in 2004, these prayers technically are responsive to your questions 9 and 10 but the sheer volume of paper would be both overwhelming and, we believe, irrelevant to the examination. Clearly we would prefer not to subject the Church to such a burdensome process if this information is not necessary to complete the IRS's examination. Thus we would appreciate it if you would please reformulate the request with sufficient specificity for the Church to be able to tailor its search for responsive documents.

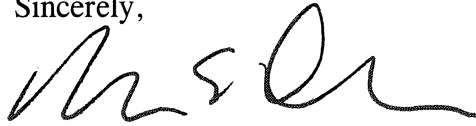
Given the abrupt resumption of the examination after the better part of a year of inaction, the Church is also concerned that the timing may reflect an attempt to chill the Church's discussions of fundamental religious issues with policy implications before the mid-term elections, and in a way that intrudes into core religious practice. As I have explained previously, the Church will not waiver in its commitment to address critical religious issues, such as war, poverty and society's duty to care for its least fortunate members, merely because the discussion occurs in an election year. Given the continuing war in the Middle East and the disasters that recently befell the Gulf Coast, the Church anticipates that it will continue in the prophetic tradition of advocating for policy changes based on its fundamental religious beliefs and notes that the IRS position represents an attempt to restrain protected speech.

In addition to these First Amendment concerns, we are also concerned about the recharacterization of the examination. In our earlier discussions, you characterized the sermon at issue as "inferential" political campaign intervention. In the IDR, however, the IRS claims that the sermon "took a position" on regarding the presidential candidates. Not only did the sermon contain explicit disclaimers that the Rev. George Regas did not "intend to tell [churchgoers] how to vote" and that "good people of profound faith" will vote for both candidates, but the Rev. Regas also never explicitly endorsed a candidate. Given these facts, please explain the IRS's recharacterization of the sermon in question.

Furthermore, as you are aware, we twice requested assurance that the decision to initiate a church tax inquiry was made by the appropriate high-level Treasury official in letters dated December 13, 2005 and March 29, 2006 (both enclosed). We never received any response from the IRS describing which official authorized this church tax inquiry of the Church, and we would appreciate confirmation from you that an appropriately high-level official did, in fact, authorize the inquiry.

Finally, because of the foregoing concerns, the Church wishes to preserve its right to challenge the government's procedures in this case. For this reason, we respectfully request that the IDR be reissued in the form of an administrative summons.

Sincerely,

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

Marcus S. Owens

cc: All Saints Church