

Pacific Yearly Meeting Holding Corporation's

Report to Pacific Yearly Meeting's 2011 Annual Gathering

Pacific Yearly Meeting Holding Corporation is a section 501(c)(2) non-profit corporation. While (c)(3) non-profits are as common as pigeons in parks, (c)(2) non-profits are rarely encountered. In Internal Revenue Service parlance, a religious holding corporation is a "fully integrated church auxiliary" where "fully integrated" means integral, "auxiliary" means adjunct and "church" means a congregation united by faith or belief. In keeping therewith, PYM Holding Corporation is separate from but essential to the right functioning of Pacific Yearly Meeting.

PYM Holding Corporation is a corporate fiduciary whose job is to hold title to real property and other assets for Pacific Yearly Meeting and its associated Monthly Meetings. Thus corporation members must take their fiduciary responsibilities seriously. At this time, in addition to holding cash and stock for two Monthly Meetings, PYM Holding Corporation is responsible for holding *and disbursing* the proceeds received from laying down San Fernando Valley Meeting and selling its Meetinghouse.

From that late 1996 sale, Friends received cash plus a 20-year note for \$105,000 with a robust 9% interest rate. For the first 10 years, these proceeds could only be spent to help Pacific Yearly Meeting obtain a permanent site. To this end, over a decade ago \$25,000 was distributed to PFOS – Pacific Friends Outreach Society. With Pacific Yearly Meeting's failure come to unity upon the PFOS/*Quaker Oaks* Visalia site or obtain a different permanent site, on Halloween of 2006 the sale's proceeds became available to help PYM's Monthly Meetings acquire Meetinghouses.

During 2009, PYM Holding Corporation gave \$50,000 to San Diego Monthly Meeting to support its participation in the construction of the San Diego Friends Center, a just under 7,000 square foot building within the City of San Diego, which unites San Diego Monthly Meeting, San Diego Church of the Brethren, the San Diego Peace Resource Center, and the San Diego Area Program of the American Friends Service Committee (AFSC) as partners in the building.

As authorized during PYMHC's 2010 annual gathering, PYM Holding Corporation has given Chico Friends Meeting and Inland Valley Friends Meeting \$50,000 for their new Meetinghouses.

As of July 14, 2011, the remaining proceeds consist of \$90,915 in a bank account and the further \$52,410 which remains due on the 9% note. The note is seven months behind, which is five months more than has been usual for the "Church of God", which purchased the former San Fernando Valley Meetinghouse. These arrears, which have mushroomed since our last gathering, will be grapple with by PYM Holding Corporation at this year's annual gathering.

As of this writing, there have been *no* new requests for funds to help Monthly Meetings, Preparative Meetings or Worship Groups acquire new Meetinghouses.

Faithfully,

s/ Lanny Jay

Lanny Jay
Clerk of PYMHC
7/14/11