



Sign Up!

- Home Page
- Site Map
- Tommy Shelton
- Danny Shelton
- ASI
- Smokescreen
- Abuse of Power
- Ethical
- Allegations
- Financial
- Allegations
- Book Deals
- Form 990's, etc.
- Real Estate
- Cheating the IRS?
- Horse Values

- Jet Costs
- Send Your Tithe
- Selling K36FJ
- Selling K58DL

- Correspondence
- Untruths
- Alleged Illegal
- Activities
- Mene, Mene,
- Tekel, Parsin

- Danny's Apologists
- Leonard Westphal
- 3ABN Board
- Litigation, etc.
- Letters of Support
- Letters of Criticism
- News Releases
- Sign Up!
- Contact Us

Added 5/23/2008  
Initial Tax Case  
Public Record

Added 4/10/2008  
Tax Case Lost  
Copyright Trouble

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## ***An Attempt to Mend a Broken Network & Save the Cause of Christ from Reproach***

### **"Good News!"**

## **"Cash Receipts for \$40,000 for Two Donated Horses!"**

### **Did Danny Tell the IRS?**

[< Prev.](#)

[Next >](#)

As 3ABN president Danny Shelton begins to cause [legal trouble](#) for Gailon Joy and Robert Pickle, emails written by Danny surface that could raise the eyebrows of the IRS. Hopefully, this is no indication of how he has handled the finances of 3ABN.

Just in case you're wondering, we didn't get these emails from Linda.

### **Linda: "Tax Deductible Receipt & Appraisals Needed for Two Donated Horses"**

----- Original Message -----

**From:** Linda Shelton

**To:** Danny Shelton

**Date:** Wednesday, April 06, 2005 9:15:42 AM

My accountant tells me that it is required to have **an acknowledgement from \*\*\*\*\* that he received the two horses** (which I am claiming as a tax deduction), also **the two appraisals of the horses.** I cannot finish my tax returns without these items. I appreciate your help in these matters.

LS

Added 3/7/2008  
Terminated

Added 2/10/2008  
Objections Heard

Added 1/25/2008  
Church Vote

Must Read:  
Mom in Pain #1  
Mene, Mene,  
Tekel, Parsin  
The Actual Lawsuit  
IRS Criminal  
Investigation

## Danny: "I'll Call Today"

----- Original Message -----

**From:** Danny Shelton  
**To:** Linda Shelton  
**Subject:** RE:  
**Date:** Wednesday, April 06, 2005 2:02 PM

LS,

I will call \*\*\*\*\* today and try to take care of this. I need them also.

DS

## Danny: "We'll Each Get Tax Write Offs of \$10,000 Each"

It appears that the two horses donated to another ministry are being valued at \$10,000 each, which is at least twice as much as what [Danny himself valued them](#) at just 9 months earlier.

----- Original Message -----

**From:** Danny Shelton  
**To:** Linda Shelton  
**Date:** Thursday, April 07, 2005 1:39 AM

I left a phone message to \*\*\*\*\* of what we need. He did get the horses and we will each get **two tax write offs for \$10,000 @**

Mr. Shelton

How did you like my new Kabota 4x4? It has power steering, a heater and an enclosed cab for winter. It has tail lights and a horn and even windshield wipers and goes 25 miles per hour! That's about 7 miles per hour faster

than the gator. It has independant suspension which makes it ride like a dream.

Danny Shelton

## Danny: "Cash Receipts" for Donated Horses that Just Doubled in Value

It appears below that the two horses worth \$20,000 just 14 hours ago are now worth \$40,000. 100% inflation? That's mighty fast.

But why cash receipts? Since when are horses considered cash?

Notice also that Danny appears to admit to doing the same thing with \*\*\*\*\* for the 2003 tax year to the tune of a \$20,000 tax deduction, and that he plans on getting a \$10,000 cash receipt for a single donated horse in the 2005 tax year.

----- Original Message -----

**From:** Danny Shelton

**To:** Linda Shelton

**Date:** Thursday, April 07, 2005 3:14 PM

Ms. Shelton

I tried to call you to explain the horse deductions. I just remembered that \*\*\*\*\* just gave us a donation of \$20,000 last year. It did not mention horses. That is much better than all the other rig a ma role.

I have no idea if that's even close to spelling that word, but it seemed to fit.

So, I have left a message that he has not returned yet. Hopefully, you will just get a tax donation report from his ministry showing that you gave \$20,000 to his ministry. That's the way he chose to do it.

I should get one too. I guess he's counting it the same as a cash donation.

Happy Dan

ps. I think he's willing to give us a \$10,000 donation for 2005 (\$5,000 @), if we donate our black 3 yr. old stud. I can't really use him to breed any more of our horses or they will all be the same blood line.

If this is ok with you please let me know in writing and I'll try to make it happen. He's hurt his foot really bad by kicking in his stall. I hope it heals ok.

Danny Shelton

## Danny: How to Reduce Your Tax Bill ... Overnight

----- Original Message -----

**From:** Danny Shelton

**To:** Linda Shelton

**Date:** Monday, April 11, 2005 4:23 PM

LS

\*\*\*\*\* says he is overnighting me two cash donation receipts. One for you for \$20,000 and one for me for \$20,000. I'll overnight it to you if you want or you can give it to your accountant when you want.

If you want me to overnight it to you, then please let me know.

DS

This is a great blessing to us for him to consider this a cash donation.

Danny Shelton

## Linda: "I Need an Appraisal for Those Horses"

----- Original Message -----

**From:** Linda Shelton

**To:** Danny Shelton

**Subject:** Re:

**Date:** Tuesday, April 12, 2005 5:38:38 PM

Yes, I would appreciate very much the receipt for the horses ASAP. My accountant says that I really need an appraisal for the horses as well, but I trust Stephen has all of this handled correctly.

So... your "managers took a survey and over half would leave if I came back? And for every person who supports "my sin" there are ten against it?" and on and on and on... The Bible says love and hate can't come from the same package. This has been the story for over a year. I wish I was not so privy to your trash talk to so many.

You made your choice a long time ago. Period.

the forced out of my home X

In case you don't know why an appraisal is needed, IRS rules dictate that if you donate property of a similar type that is collectively worth more than \$5,000, you have to get an appraisal and file Form 8283. Furthermore, the organization accepting the donation has to meet some special requirements. See a document provided by [United States Pony Clubs, Inc.](#) entitled, "[Donation of Horses.](#)"

Were the requirements the same for the tax years in question? We checked IRS Publication 526 for the years [2002](#), [2003](#), [2004](#), and [2005](#), and they all read about the same from what we can tell:

### **Deductions Over \$5,000**

If you claim a deduction of over \$5,000 for a charitable contribution of one property item or a group of similar property items, you must have the acknowledgement and the written records described under *Deductions Over \$500 But Not Over \$5,000*. In figuring whether your deduction is over \$5,000, combine your claimed deductions for all similar items donated to any charitable organization during the year.

Generally, you must also obtain a qualified written appraisal of the donated property from a qualified appraiser. See *Deductions of More Than \$5,000* in Publication 561 for more information.

...

***Deduction over \$5,000 for one item.*** You must complete Section B of Form 8283 for each item or group of items for which you claim a deduction of over \$5,000. ... In figuring whether your deduction is over \$5,000, combine the claimed deductions for all similar items donated to any charitable organization during the year. The organization that received the property must complete and sign Part IV of Section B.

(IRS Pub. 526 for years [2002](#), [2003](#), [2004](#), and [2005](#))

So how long has the IRS been requiring this sort of thing, and the filing of Form 8283? According to *The CPA Journal's* 1994 online article, "[Appraising personal property and fine arts](#)", since 1985 or so, back in the days when 3ABN first got started:

3. Cost Basis, Date, and Manner of Acquisition. While essentially the same as the provenance of the piece, this information is required for the gifting of property and the

correct filing of Form 8283 (Non-cash Charitable Contributions.) This form was first issued in February 1985, with the latest revision coming in March of 1990, in response to Reg. Sec. 1.170A-13(c)(4) requiring that an "appraisal summary" be attached to a donor's income tax return.

## Danny: "Don't Tell the Accountants About the Horses"

Did he not want Linda to tell the IRS either?

----- Original Message -----

**From:** Danny Shelton  
**To:** Linda Shelton  
**Subject:** Re:  
**Date:** Tuesday, April 12, 2005 6:11 PM

Dear Linda Sue,

Once again you didn't listen to what I told you. In my last email to you about \*\*\*\*\* I told you that he was giving us CASH receipts. As far as your accountants are concerned they don't need to know anything about horses. I didn't ask him to do this. This is the way he wants to run it through his accounting. That's good for us. He is sending you a cash receipt just the same as if you had sent him a check for \$20,000. Good Eh!

This is the kind of junk that I don't want to be a part of anymore. We don't even know this \*\*\*\*\* , yet he is able to get us BOTH to defend ourselves to him. This is wrong on both of our parts. I do apologize as I don't want to be a part of that junk anymore....."defending" or trashing as we both have done. Please forgive me! With God's help I want to put the past behind and just concentrate on what the Lord has for me in the future. I hope you can feel the

same. That's why we need to talk.....Most everything we hear about the other one is just that.....Hearsay! We don't communicate any more. But people constantly tell me how badly you have trashed me and many times I find myself defending myself. I'm through with that. God wants us to move on. We can move on totally without each other or the Lord may have us to mend some fences between us so we can continue to work for him.

What do you say? Let's be friends Eh!

Dan

Been involved in deals like this with Danny Shelton? Then it might be wise for you to seek the advise of a professional accountant to see if anything was done inappropriately. And if anything was, it might also be wise to contact the IRS and try to make things right. One CPA we spoke with thought it would be better to contact the IRS first rather than wait for the IRS to contact you.

### Linda: "I want to Be Honest"

----- Original Message -----

**From:** Linda Shelton

**To:** Danny Shelton

**Date:** Wednesday, April 13, 2005 7:22:12 AM

I do not want the \$20,000 cash receipt. I think if we gave horses, we need to claim that we gave horses and give the appraisals and proper documentation.

LS

### Danny: "They Might Not Appraise at \$40,000"

And why might they not appraise that high? Because back [in 2004 Danny himself said](#) they weren't worth that much.

----- Original Message -----

**From:** Danny Shelton

**To:** Linda Shelton

**Subject:** RE:

**Date:** Wednesday, April 13, 2005 7:34 AM

Linda, can we talk about why you don't want a cash receipt. It's nothing that we are doing wrong. If I understand it, he has the option of writing the receipt the way that's best for him. It's definately better for us, or at least quicker and easier for us to get a cash receipt. An appraisal can take time and cost money. **We also have no guarantee what they will appraise for.** I'm willing to do what you want, but it could take from a couple of weeks to a couple of months to try to get an appraisal.

I'd like to call you in a few minutes and talk about it. OK?

Dan

So what's the point about how much the horses are really worth? Suppose you want to sell a horse for \$3,000 and it just won't sell. Suppose you give it away and get a cash receipt for \$20,000. Suppose if you had not claimed a charitable contribution deduction for \$20,000 that you would have had to pay 15% of that amount in taxes, or \$3,000. Thus, by giving away the horse you just saved \$3,000 in taxes. In effect you sold your horse to the IRS for \$3,000 without the IRS getting the horse out of the deal.

Do we recommend such a strategy? Absolutely not! Get the appraisal, file Form 8283, and claim only what the item is actually worth. Even if the IRS never catches you, God already has, and He will call you to account one day, whether you like it or not.

### **Danny: "Appraisals Are a Problem"**

Would you not expect someone who has been the founder, president, and CEO of a 501(c)3 for the last 20-odd years to have a handle by now on how charitable donations of property are supposed to be appraised and receipted?

This interchange between 3ABN president Danny Shelton and his ex-wife Linda documents why a forensic audit is needed at 3ABN. And if ASI won't do it, if concerned Seventh-day Adventist members aren't allowed to do it, someone else just might take up the baton, someone else that doesn't need Danny Shelton's permission to do so, someone else who won't be as nice.

----- Original Message -----

**From:** Danny Shelton

**To:** Linda Shelton

**Date:** Wednesday, April 13, 2005 8:06 AM

Linda I tried to call you to explain the tax thing. I tried both numbers and you didn't answer. Please talk to me about it. I won't explain it all in the email. We don't have to talk about anything else. Just the tax issue. Then if you still don't want to talk to me ever again we don't have to. I hope that's not the case, but I will respect your position.

**There are some complications with getting an appraisal.**

I'll try to call you again shortly. I'll do what you want, but If I'm the one responsible for putting this together, then I would like to at least talk to you first about it.

DS

[< Prev.](#)

[Next >](#)

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***"Truth invites examination & needs no defense.  
Lies hide in darkness & blame everyone else."***