

Ex. II



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
 \$129,000 Profit
 Improper 990
 Perjury?

Cheating the IRS?
 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

Added 3/29/2008

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

3ABN Takes Loss in House Sale Doesn't Report It As Compensation

[< Prev.](#)
[Next >](#)

According to [courthouse documents](#) signed by 3ABN board chairman Walt Thompson, Danny and Linda Shelton bought a house from 3ABN on September 25, 1998, for a mere \$6,139. One week later the Sheltons sold the very same house for \$135,000.

Danny Shelton's raking in a [nearly \\$129,000 profit](#) in just seven days from this real estate deal raised several questions:

- Did Danny Shelton report this profit on his 1998 tax return?
- If so, did he report it as a short-term or as a long-term capital gain?
- Did 3ABN report their "gift" of "Lot 6" to Danny for only \$6,139 on his W-2?
- Did 3ABN also report this "gift" on their [1998 Form 990](#) as part of their compensation to Danny?

Since 3ABN's Form 990's are publicly available documents, we can now answer the fourth question above. The attachment to the [1998 Form 990](#) has the following entries:

<u>Item</u>	<u>Book Value</u>	<u>Gross Value</u>	<u>Gain (loss)</u>
Downlink	47,619.57	\$250,000.00	\$202,380.43
House	52,781.05	6,129.00	(46,652.05)
Piano	0.00	2,000.00	2,000.00
<hr/>			
Totals	100,400.62	258,129.00	\$157,728.38

The above figures claim that the house was sold at a \$46,652.05 loss, the very house that the Sheltons sold one week later at a nearly \$129,000 profit.

Gilley Winning Staff**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**

The attachment to the [1998 Form 990](#), as can be seen below, also shows Danny Shelton as making \$49,862.66 in 1998, and Linda Shelton as making \$44,334.10. Given these amounts, and given the fact that the [990](#) claims the house as a loss, it seems apparent that 3ABN's "gift" of the house is not being reported as part of the Sheltons' compensation.

Thus, according to 3ABN:

- The house was "sold" to the Sheltons.
- It was knowingly sold for a price far below fair market value.
- It was reported as a loss rather than as compensation.

By reporting the sale as a loss rather than as compensation to the Sheltons, 3ABN hid from the IRS the fact that this sale was personally benefiting officers and directors of this 501(c)3 non-profit corporation. We hope this was unintentional.

One is led to ask why Danny Shelton, who as president of 3ABN should have been looking out for 3ABN's best interests instead of his own, did not have 3ABN sell the home at the hefty profit instead of himself.

If the [990](#) does not report the "gift" of the house as compensation, it seems highly unlikely that Danny's W-2 reported it as part of his compensation either.

This leaves us with just two questions remaining of our original four:

- Did Danny Shelton report this profit on his 1998 tax return?
 - If so, did he report it as a short-term or as a long-term capital gain?
-

Three Angels Broadcasting Network, Inc.
 Form 990
 For the year ended December 31, 1998

Page 1 Part 1 Line 8C Gain or (Loss)

Item	Book Value	Gross Sale	Gain (Loss)
Downlink	47,619.57	\$250,000.00	\$202,380.43
House	52,781.05	6,129.00	(46,652.05)
Plane	0.00	2,000.00	2,000.00
Totals	100,400.62	258,129.00	\$157,728.38

Page 2 Part II Line 42 Depreciation
 Page 3 Part IV Line 57b Accumulated Depreciation

	Cost	Acc Depn
Land	291,296	
Buildings	1,566,369	204,034
Houses	18,850	9,504
Downlink Equipment	4,837,965	1,079,621
Equipment	4,414,352	2,732,025
Vehicles	1,047,369	145,049
Misc Assets	76,000	
Total	12,252,222	4,170,232

Page 3 Part IV Line 64b Notes Payable

Notes Payable	
Maples	30,000
Schuler	34,983
Boatman's	1,282
Mitchell	100,000
Total	166,265

Three Angels Broadcasting Network, Inc.
Form 990 Page 4 Part V
For year ended December 31, 1998

(A)	(B)	(C,D,E)
Dr. Walter Tompson, Chairman 40 S Clay, Suite 217 Hinsdale, IL 60521 (630)887-1735	Director	-0-
J. Wayne Coulter Illinois Conference of SDA's 3721 Prairie Ave Brookfield, IL 60513 (708)485-1200	Director	-0-
May E. Chung 155 Manchester Lane San Bernardino, CA 92408 (909)824-3112	Director	-0-
Dr. Robert Ford 2517 NE Kresky Chehalis, WA 98532-2409 (360)748-8632	Director	-0-
Bill Hulsey Box 596 Collegedale, TN 37315 (423)396-9303	Director	-0-
Ellsworth McKee PO Box 750 Collegedale, TN 37315 (423)238-5487	Director	-0-
Danny Shelton 21027 Shawneetown Rd Thompsonville, IL 62890 (618)627-2867	President	49,862.66
Linda Shelton 21027 Shawneetown Rd Thompsonville, IL 62890 (618)627-2867	Vice-President	44,334.10

[< Prev.](#)

[Next >](#)

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