See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490
Form 990-T
Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2009 or other tax year beginning
[ ] and ending
[ ]

Name of organization ( ) Check box if name changed and see instructions )

Print or Type

PACIFIC LEGAL FOUNDATION

Number, street, and room or suite no. If a P.O. box, see page 8 of instructions
3900 LENNANE DRIVE, NO. 200

City or town, state, and ZIP code
SACRAMENTO, CA 95834

Employer identification number
94-2197343

Unrelated business activity codes
(See instructions for Block E on page 9)

Check organization type
[ ] 501(c) corporation
[ ] 501(c) trust
[ ] 401(a) trust
[ ] Other trust

Book value of all assets at end of year
18065705.

Unrelated business activity
BOOK SALES

Check organization type
[ ] 501(c) corporation
[ ] 501(c) trust
[ ] 401(a) trust
[ ] Other trust

Describe the organization's primary unrelated business activity
BOOK SALES

Are the books in care of
PACIFIC LEGAL FOUNDATION
Telephone number
916-419-7111

Part I
Unrelated Trade or Business Income

<table>
<thead>
<tr>
<th>A</th>
<th>Income</th>
<th>B</th>
<th>Expenses</th>
<th>C</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Gross receipts or sales</td>
<td>5,230</td>
<td>1c</td>
<td>5,230</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Cost of goods sold (Schedule A, line 7)</td>
<td>2,338</td>
<td>3</td>
<td>2,846</td>
<td>2,846</td>
</tr>
<tr>
<td>3</td>
<td>Gross profit</td>
<td>Subtract line 2 from line 1c</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Part II
Deductions Not Taken Elsewhere

<table>
<thead>
<tr>
<th>A</th>
<th>Income</th>
<th>B</th>
<th>Expenses</th>
<th>C</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Compensation of officers, directors, and trustees (Schedule K)</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>16</td>
<td>Salaries and wages</td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>18</td>
<td>Repairs and maintenance</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>19</td>
<td>Bad debts</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>20</td>
<td>Interest (attach schedule)</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>21</td>
<td>Taxes and licenses</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>22</td>
<td>Charitable contributions (see instructions for limitation rules)</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>23</td>
<td>Depletion</td>
<td>21</td>
<td>22</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>24</td>
<td>Contributions to deferred compensation plans</td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>25</td>
<td>Employee benefit programs</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>26</td>
<td>Excess exempt expenses (Schedule I)</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>27</td>
<td>Excess readership costs (Schedule J)</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>28</td>
<td>Other deductions (attach schedule)</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>29</td>
<td>Total deductions. Add lines 14 through 28</td>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
</tr>
<tr>
<td>30</td>
<td>Unrelated business taxable income before net operating loss deduction</td>
<td>Subtract line 29 from line 13</td>
<td>31</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td>31</td>
<td>Net operating loss deduction (limited to the amount on line 30)</td>
<td>32</td>
<td>33</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>32</td>
<td>Unrelated business taxable income before specific deduction</td>
<td>Subtract line 31 from line 30</td>
<td>33</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>33</td>
<td>Specific deduction (Generally $1,000, but see instructions for exceptions)</td>
<td>34</td>
<td>35</td>
<td>36</td>
<td>37</td>
</tr>
<tr>
<td>34</td>
<td>Unrelated business taxable income</td>
<td>Subtract line 33 from line 32 if line 33 is greater than line 32, enter the smaller of zero or line 32</td>
<td>35</td>
<td>36</td>
<td>37</td>
</tr>
</tbody>
</table>

Form 990-T (2009)

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

LHA 05-08-10

08310803 759263 PACIFICLEGAL 2009.03060 PACIFIC LEGAL FOUNDATION PACIF121
### Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions on page 20)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
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<td></td>
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<tr>
<td>(2)</td>
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</tr>
<tr>
<td>(3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td>Enter here and on page 1, Part I, line 10, col (9)</td>
<td>Enter here and on page 1, Part I, line 10, col (9)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Totals**: 0

### Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions on page 21)

<table>
<thead>
<tr>
<th>1. Description of exploited activity</th>
<th>2. Gross unrelated business income from trade or business</th>
<th>3. Expenses directly connected with production of unrelated business income</th>
<th>4. Net income (loss) from unrelated trade or business (column 2 minus column 3) if a gain, compute cols 5 through 7</th>
<th>5. Gross income from activity that is not unrelated business income</th>
<th>6. Expenses attributable to column 5</th>
<th>7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
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<td>(3)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td>Enter here and on page 1, Part II, line 10, col (9)</td>
<td>Enter here and on page 1, Part II, line 10, col (9)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Totals**: 0

### Schedule J - Advertising Income

(see instructions on page 21)

#### Part I - Income From Periodicals Reported on a Consolidated Basis

<table>
<thead>
<tr>
<th>1. Name of periodical</th>
<th>2. Gross advertising income</th>
<th>3. Direct advertising costs</th>
<th>4. Advertising gain or (loss) (col 2 minus col 3) if a gain, compute cols 5 through 7</th>
<th>5. Circulation income</th>
<th>6. Readership costs</th>
<th>7. Excess readership costs (column 6 minus column 5, but not more than column 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
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<td>(4)</td>
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<td></td>
</tr>
</tbody>
</table>

**Totals (carry to Part II, line (5))**: 0

#### Part II - Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

<table>
<thead>
<tr>
<th>1. Name of periodical</th>
<th>2. Gross advertising income</th>
<th>3. Direct advertising costs</th>
<th>4. Advertising gain or (loss) (col 2 minus col 3) if a gain, compute cols 5 through 7</th>
<th>5. Circulation income</th>
<th>6. Readership costs</th>
<th>7. Excess readership costs (column 6 minus column 5, but not more than column 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(2)</td>
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</tr>
<tr>
<td>(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Totals, Part II (lines 1-5)**: 0

### Schedule K - Compensation of Officers, Directors, and Trustees

(see instructions on page 21)

<table>
<thead>
<tr>
<th>1. Name</th>
<th>2. Title</th>
<th>3. Percent of time devoted to business</th>
<th>4. Compensation attributable to unrelated business</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>

**Total**: Enter here and on page 1, Part II, line 14

0
Application for Extension of Time To File an Exempt Organization Return

File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I and check this box.
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II (on page 2 of this form).

**Part I**

**Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only.

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

**Type or print**

<table>
<thead>
<tr>
<th>Name of Exempt Organization</th>
<th>Employer identification number</th>
</tr>
</thead>
<tbody>
<tr>
<td>PACIFIC LEGAL FOUNDATION</td>
<td>94-2197343</td>
</tr>
</tbody>
</table>

**Number, street, and room or suite no. If a P.O. box, see instructions.**

3900 LENNANE DRIVE, NO. 200

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

SACRAMENTO, CA 95834

**Check type of return to be filed** (file a separate application for each return):

- [ ] Form 990
- [X] Form 990-T (corporation)
- [ ] Form 990-BL
- [ ] Form 990-T (sec. 401(a) or 408(a) trust)
- [ ] Form 990-EZ
- [ ] Form 990-T (trust other than above)
- [ ] Form 990-PF
- [ ] Form 1041-A
- [ ] Form 4720
- [ ] Form 5227
- [ ] Form 6069
- [ ] Form 8870

**PACIFIC LEGAL FOUNDATION**

3900 LENNANE DRIVE, SUITE 200 - SACRAMENTO, CA 95834

Telephone No.: 916-419-7111  FAX No.: 916-419-7747

- If the books are in the care of [ ] 3900 LENNANE DRIVE, SUITE 200 - SACRAMENTO, CA 95834

- If the organization does not have an office or place of business in the United States, check this box [ ]

- If this is for a Group Return, enter the organization’s four digit Group Exemption Number (GEN) _________. If this is for the whole group, check this box [ ]

1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until _________.

- [X] calendar year 2009 or

- [ ] tax year beginning _________. and ending _________.

2 If this tax year is for less than 12 months, check reason: [ ] Initial return  [ ] Final return  [ ] Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.

- 3a $ 0.

3b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.

- 3b $ 0.

3c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with PTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System).

- 3c $ 0.

Caution: If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev 4-2009)
### Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

1. **Description of property**

   (1) 
   (2) 
   (3) 
   (4) 

2. **Rent received or accrued**

<table>
<thead>
<tr>
<th>From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)</th>
<th>From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)</th>
<th>Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>(4)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total: 0. Total: 0.

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ➤ 0. (b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ➤ 0.

### Schedule E - Unrelated Debt-Financed Income

1. **Description of debt-financed property**

2. **Gross income from or allocable to debt-financed property**

3. **Deductions directly connected with or allocable to debt-financed property**

   - (a) Straight line depreciation (attach schedule)
   - (b) Other deductions (attach schedule)

4. **Amount of average acquisition debt or allocable to debt-financed property (attach schedule)**

5. **Average adjusted basis of or allocable to debt-financed property (attach schedule)**

6. **Column 4 divided by column 5**

7. **Gross income reportable (column 2 x column 6)**

8. **Allocable deductions (column 6 x total of columns 3(a) and 3(b))**

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
</table>

Totals ➤ 0. 0.

Total dividends-received deductions included in column 8 ➤ 0.

### Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations

1. **Name of controlled organization**

   2. **Employer identification number**

   3. **Net unrelated income (loss) (see instructions)**

   4. **Total of specified payments made**

   5. **Part of column 4 that is included in the controlling organization’s gross income**

   6. **Deductions directly connected with income in column 5**

   **Exempt Controlled Organizations**

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
</table>

**Nonexempt Controlled Organizations**

7. **Taxable Income**

8. **Net unrelated income (loss) (see instructions)**

9. **Total of specified payments made**

10. **Part of column 9 that is included in the controlling organization’s gross income**

11. **Deductions directly connected with income in column 10**

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
</table>

**Totals** ➤ 0. 0.

Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A) ➤ 0. Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B) ➤ 0.
Part III | Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation

Controlled group members (sections 1561 and 1563) check here □ See instructions and

a) Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order)
   (1) $ □ (2) $ □ (3) $ □

c) Income tax on the amount on line 34
   □ 35c 0.

36 Trusts Taxable at Trust Rates See instructions for tax computation. Income tax on the amount on line 34 from
   □ Tax rate schedule or □ Schedule D (Form 1041) ▷ 36

37 Proxy tax. See instructions ▷ 37

38 Alternative minimum tax ▷ 38

39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies ▷ 39

Part IV | Tax and Payments

40a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116) ▷ 40a

b Other credits (see instructions) ▷ 40b

c General business credit Attach Form 3800 ▷ 40c

d Credit for prior year minimum tax (attach Form 8801 or 8827) ▷ 40d

e Total credits. Add lines 40a through 40d ▷ 40e

41 Subtract line 40a from line 39 41 0.

42 Other taxes Check if from □ Form 4255 □ Form 8611 □ Form 8679 □ Form 8866 □ Other (attach schedule) ▷ 42

43 Total tax. Add lines 41 and 42 ▷ 43

44a Payments A 2009 overpayment credited to 2009 ▷ 44a

b) 2009 estimated tax payments ▷ 44b

c) Tax deposited with Form 8868 ▷ 44c

d) Foreign organizations Tax paid or withheld at source (see instructions) ▷ 44d

e) Backup withholding (see instructions) ▷ 44e

f) Other credits and payments □ Form 2439
   □ Form 4136 Other ▷ Total ▷ 44f

45 Total payments. Add lines 44a through 44f 45

46 Estimated tax penalty (see instructions) Check if Form 2220 is attached □ 46

47 Tax due If line 45 is less than the total of lines 43 and 46, enter amount owed ▷ 47

48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▷ 48

49 Enter the amount of line 48 you want. Credited to 2010 estimated tax ▷ 49

Part V | Statements Regarding Certain Activities and Other Information (See instructions on page 17)

1 At any time during the 2009 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22 1, Report of Foreign Bank and

Financial Accounts If YES, enter the name of the foreign country here □

2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? □

If YES, see page 5 of the instructions for other forms the organization may have to file

3 Enter the amount of tax-exempt interest received or accrued during the tax year ▷ $

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▷ N/A

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
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<tr>
<td>4a</td>
<td>0</td>
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<tr>
<td>4b</td>
<td>0</td>
</tr>
<tr>
<td>4c</td>
<td>0</td>
</tr>
<tr>
<td>4d</td>
<td>0</td>
</tr>
<tr>
<td>4e</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

Under penalty of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signed by officer ▷ "Sawyer" 10/4/10

PREPARED & CEO ▷ "Sawyer" 10/4/10

May the IRS discuss the return with the preparer shown below (see instructions)? □ Yes □ No

Preparer's SSN or PTIN ▷ P00003225

Preparer's signature ▷ "Sawyer" 10/4/10

Check if self-employed □

Firm's name (or yours if self-employed), address, and ZIP code ▷ CAMPBELL TAYLOR & COMPANY

3741 DOUGLAS BLVD, SUITE 350

ROSEVILLE, CA 95661

EIN 68-0251243

Phone no (916) 929-3680

Form 990-T(2009)