

Empowering Evangelization

END OF YEAR REPORT 2019

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Dear Friends,

It is my pleasure to share with you Napa Legal Institute's end-of-year report for 2019, which summarizes NLI's accomplishments since our official launch earlier this year. What first began as an idea has since expanded into a fulltime organization with national scope and purpose. It is an exciting time to serve and elevate spiritual entrepreneurs who are empowering evangelization and striving towards the common good.

We are collaborating in the renewal of the temporal order by enhancing the sophistication of religious nonprofits through our corporate education and other legal resources. Catholics are uniquely situated to do this, as our faith inspires us to establish and operate countless charities, schools, hospitals, orphanages, and many other institutions that serve as the building blocks of civil society. As Peggy Noonan of the Wall Street Journal recently wrote, "...an America without the Catholic church would be a poorer, sicker, colder place, and one less likely to continue."

In less than twelve months, NLI has expanded its staff and programming to respond to welcomed opportunity. This included the hiring of a fulltime staff attorney and a program coordinator, as well as sponsoring a series of events designed to build our brand and recruit legal and financial professionals into our national network. We are well-positioned to continue advancing our mission and serving those who serve others.

Thank you again for your interest in NLI's work. There is much to be done, and we couldn't do it without friends like you.

Sincerely,



JOSHUA D. HOLDENRIED
VP & Executive Director



“LET US NOT GROW
TIRED
OF DOING GOOD,
FOR IN DUE TIME
WE SHALL REAP
OUR HARVEST,
IF WE DO
NOT GIVE UP.”

Galatians 6:9

OUR VISION

NAPA LEGAL INSTITUTE'S VISION IS to empower evangelization, which involves supporting and educating religious nonprofits on how to protect and advance their apostolic missions. As the legal environment increases in complexity, spiritual entrepreneurs need specific education and timely resources so they can exercise their religious liberty without fear of transgressing the law. This requires a better knowledge of taxes, corporate structures, and a tangle of local, state, and federal labor laws and regulations.

Without this type of knowledge, religious nonprofits will be impeded in their ability to evangelize and provide the social services that are indispensable to civil society. NLI recognizes that the explicit religious identity of these organizations inspires them to provide such services.

RELIGIOUS CONTRIBUTIONS TO THE COMMON GOOD

IN HIS RECENT BOOK, *Free to Believe: The Battle over Religious Liberty in America*, attorney Luke Goodrich of the Becket Fund for Religious Liberty succinctly captures the positive impact of religious organizations. Citing a study from Georgetown University, it is estimated that religion contributes over \$1 trillion per year to the socio-economic health of the United States through "education, healthcare, local congregational activities, charities, media, food, and other social services." To put that into perspective, Goodrich notes that this number, "is more than the annual revenue of Google, Amazon, Apple, and the rest of the top ten tech companies in this country combined."

None of this would be possible without religious freedom, which allows the faithful to fulfill their moral obligations by serving their fellow citizens. As Charles Carroll, the Roman Catholic signatory of the Declaration of Independence once observed, "Without morals a republic cannot subsist any length of time; they therefore who are decrying the Christian religion, whose morality is so sublime and pure (and) which insures to the good eternal happiness, are undermining the solid foundation of morals, the best security for the duration of free governments."

In recognition of this reality, NLI seeks to support and educate our friends across the faith-based community who, through their tireless work, strengthen the conditions that make a free and vibrant civil society possible.

OUR CATHOLIC IDENTITY

GIVEN OUR OWN COMMITMENT TO the Catholic faith, NLI recognizes Catholic nonprofits have a unique and explicit role to play in advancement of the common good. This is because Catholics are specifically called to contribute their talents and professional skills to the improvement of civil society. As the Second Vatican Council's Decree on the Apostolate of the Laity states:

"In regard to the Christian renewal of the temporal order, the laity should be instructed in the true meaning and value of temporal things, both in themselves and in relation to all the aims of the human person. They should be trained in the right use of things and the organization of institutions, attentive always to the common good in line with the principles of the moral and social teaching of the Church." (Apostolicam Actuositatem).

Vatican II's call to the laity is the inspiration behind Napa Legal Institute. By providing corporate education and legal resources to nonprofits aligned with the Catholic faith, we collaborate with other religious organizations in this renewal of the temporal order.



OUR MISSION

NAPA LEGAL INSTITUTE ADVANCES AND promotes religious freedom by providing corporate, tax, philanthropic, and other non-litigation legal and financial education to protect and advance the missions of nonprofit organizations aligned with the Catholic Faith.

Our core commitments constitute the *three pillars* that support NLI's mission.



Pillar I: Integrating Faith and Professional Life

"Faithful adherence to all that the Holy Catholic Church teaches, believes, and proclaims to be revealed by God"

NLI CORE COMMITMENT

- **EVENTS**
Host both public and private events to foster spiritual formation, fellowship, and community
- **OPPORTUNITIES**
Afford lawyers, accountants, and nonprofit professionals opportunities to use their skills for the benefit of religious nonprofits aligned with the Catholic faith
- **CATHOLIC ALIGNMENT**
Work closely with partners and allies to ensure that every NLI activity, conference, and project is in alignment with the Catholic faith



Pillar II: Education and Publication

"Comprehensive, practical, non-litigation legal and financial education that promotes excellent governance, faithfulness, transparency, and accountability in organizations served by constituents of NLI"

NLI CORE COMMITMENT

- **ONLINE LIBRARY**
White papers, issue briefs, and special projects
- **WEBINARS AND SEMINARS**
Interactive education and engagement
- **THE NAPA LEDGER**
NLI's monthly newsletter
- **AND GOD'S FIRST**
NLI's blog



Pillar III: Partnerships and Community

"Collaboration with like-minded nonprofit organizations, law firms, lawyers, accountants, financial advisors, and friends to build a network of legal, professional, and spiritual support"

NLI CORE COMMITMENT

- **PRESENCE**
Maintain a presence at major conferences, strategic events, and social functions
- **PARTNERSHIP**
Partner with existing legal organizations, chapters, and societies across the country to identify and recruit talented professionals committed to advancing religious liberty and civil society
- **NETWORK**
Operate an extensive network with the capacity to respond to a variety of needs related to corporate governance, tax compliance, employment issues, and more



A unique nonprofit organization debuted recently with the innovative goal of helping Catholic organizations fortify themselves against potential legal challenges in a cultural landscape that is increasingly hostile to people of faith."

NATIONAL CATHOLIC REGISTER

OUR BOARD

Timothy R. Busch, Chairman of the Board



TIM BUSCH IS THE FOUNDER of the Busch Firm, which specializes in estate and tax planning and the representation of religious organizations. He is the CEO of the Pacific Hospitality Group, a company that owns and operates twelve hotels throughout the United States. Tim and his wife are involved in many Catholic organizations, including the Magis Institute and the Napa Institute, which they co-founded with Fr. Robert J. Spitzer. Long time advocates of Catholic education, Tim and Steph co-founded St. Anne School in Laguna Niguel and JSerra Catholic High School in San Juan Capistrano. In 2016, the Catholic University of America named the Tim and Steph Busch School of Business and Economics, in recognition of Tim and Steph's generous support of the school.

Fr. Dominic Legge, O.P., Thomistic Institute



FR. DOMINIC LEGGE, O.P., is the Director of the Thomistic Institute and Assistant Professor in Systematic Theology at the Pontifical Faculty of the Immaculate Conception in Washington, D.C. He holds a J.D. from Yale Law School, a Ph.L. from the School of Philosophy of the Catholic University of America, and a doctorate in Sacred Theology from the University of Fribourg in Switzerland. He entered the Order of Preachers in 2001, after having practiced constitutional law for several years as a trial attorney for the U.S. Department of Justice. He has also taught at The Catholic University of America Law School and at Providence College. He is the author of *The Trinitarian Christology of St. Thomas Aquinas* (Oxford University Press, 2016).

Leonard Leo, Federalist Society



LEONARD LEO IS EXECUTIVE VICE President of the Federalist Society, having joined the organization over 25 years ago. Since that time, he has been instrumental in helping the organization top 70,000 members, focusing on the growth of lawyers' membership and operations and activities advancing limited, constitutional government. In addition to his work at the Society, Leonard has advised President Trump on judicial selection, assisted with the Gorsuch and Kavanaugh Supreme Court selection and confirmation process, and served as a member of the transition team. He also organized the outside coalition efforts in support of the Roberts and Alito U.S. Supreme Court confirmations. Leonard was appointed by President George W. Bush to three terms to the U.S. Commission on International Religious Freedom as chairman. He was also a U.S. Delegate to the UN Council and UN Commission on Human Rights during the Bush Administration. Leonard holds degrees from Cornell University and Cornell Law School. He presently resides in Northern Virginia, where he and his wife Sally have raised their seven children.

William Mumma, Becket



BILL MUMMA IS CEO AND Board Chairman of the Becket Fund for Religious Liberty. He has served as a full-time volunteer in this role since 2011. He ended a 30 year career on Wall Street as CEO of Mitsubishi UFJ Securities (USA), with prior executive roles at Nomura Securities International and the Bankers Trust Company. Mr. Mumma is also currently serving as Trustee on the boards of the Witherspoon Institute, FOCUS (The Fellowship of Catholic University Students) and PRAF (Patients Rights Action Fund). He has degrees from Georgetown University's School of Foreign Service and Columbia University Business School. Mr. Mumma lives in Summit, New Jersey with his wife Kathy, to whom he has been happily married since 1983, and has six children and eight grandchildren.

Stephen C. Payne, Columbus School of Law, Catholic University of America



STEVE PAYNE BEGAN HIS TENURE as Dean of the Columbus School of Law and Knights of Columbus Professor of Law on July 1, 2019. He previously served as a partner and the Chair of the FDA and Health Care practice group at the global law firm, Gibson, Dunn & Crutcher LLP, where his practice focused on regulatory compliance, investigations, and enforcement litigation, as well as an adjunct professor at the Antonin Scalia Law School at George Mason University, where he taught FDA Regulation and Health Law & Policy. Prior to that role, Dean Payne practiced at Sidley Austin LLP both as a partner and associate in the Washington, D.C. office. Dean Payne also served as a Captain in the U.S. Army Judge Advocate General's Corps at the U.S. Army Infantry Center at Fort Benning, Georgia. Dean Payne holds a J.D. from Yale Law School, where he was a John M. Olin Fellow in Law and Economics and a Prize Finalist in the Thomas Swann Barristers' Union Mock Trial Competition. He also graduated from Cornell University with a B.S. from the School of Industrial and Labor Relations, where he finished first in his class.

Alan Sears, KSG, Alliance Defending Freedom



ALAN SEARS IS THE FOUNDER of Alliance Defending Freedom and ADF International. As the first president, CEO, and General Counsel, Sears led all strategic initiatives from 1993 through 2017. Sears is the author of several books, including his most recent title, *The Soul of an American President: The Untold Story of Dwight D. Eisenhower's Faith*. Sears has received many awards from Catholic, other Christian, and legal entities including the 2017 Edwin Meese III Originalism and Religious Liberty Award. He also received the 2017 William Wilberforce Award from The Colson Center, and with his wife, Paula has been invested as a Knight/Dame of the Equestrian Order of St. Gregory the Great (KSG) per Pope Francis, the highest award given by the Pope to a layperson.

OUR BOARD (CONT.)

Amy Shepard, Augustine Institute

AMY SHEPARD SERVES AS EXECUTIVE VICE PRESIDENT of Strategic Advancement for the Augustine Institute. Before joining the Augustine Institute, Amy served as Vice President of Ecumenical Relations for Alliance Defending Freedom (ADF), where she focused on fundraising and enhancing the ministry's impact and visibility. Prior to joining ADF, Shepard was vice president of healthcare content solutions for McMurry/TMG. She created strategic partnerships with hospitals and healthcare foundations across the United States and Canada, generating millions of dollars in new business. She was also a principal for Optimum Marketing, where she developed integrated television broadcast strategies for television stations across the nation. Shepard serves on the board of directors for Bosco Classical School Rochester, Minnesota and for CCF Giving. She is also an allied member of Catholic Medical Association. Shepard earned her B.A. in communication from Canisius College in New York.



Bishop Robert Vasa, Diocese of Santa Rosa

BISHOP VASA HAS SERVED IN his current ecclesiastical office since 2011, when he was installed as the Sixth Bishop of Santa Rosa. Bishop Vasa was ordained a priest in 1976 in Lincoln, Nebraska, and was ordained a bishop in 2000 in Baker, Oregon. Bishop Vasa plays a very active role in the education and spiritual formation of his diocese, communicating Catholic teaching through a variety of media.



Michael Warsaw, EWTN

MIKE P. WARSAW IS THE Chairman of the Board & Chief Executive Officer of EWTN Global Catholic Network. He joined EWTN in 1991 and has held senior management positions in the areas of television production, satellite operations, and technical services, working directly with Mother Angelica, the network's founder, on all of her major initiatives. Michael was named president of EWTN in 2000 and assumed the post of chief executive officer in 2009. With the Network's 2011 acquisition of the National Catholic Register, he became its publisher. Michael assumed the post of chairman of the board of EWTN in 2013. In that capacity he oversees the network's strategic direction and mission around the world. In 2017, Pope Francis appointed him as a Consultor to the Vatican's Dicastery for Communications.



OUR TEAM

John C. Peiffer II, President and General Counsel

JOHN SERVES AS PRESIDENT AND General Counsel of NLI. He is also CEO of the Busch Firm. John advises for-profit and nonprofit clients on business transactions, entity structures, and corporate formation and governance. He has advised Catholic dioceses, religious orders, private religious schools, and other religious organizations on mission-focused corporate structuring and governance, tax compliance issues, and charitable planning structures. John obtained a B.A. in Classical Studies and English from Santa Clara University, an A.M. in Religious Studies from the University of Chicago Divinity School, and a J.D. from the University of Notre Dame Law School.



Joshua D. Holdenried, VP & Executive Director

JOSH SERVES AS VICE PRESIDENT and Executive Director for NLI. Before joining NLI, he was Associate Director of Coalition Relations at The Heritage Foundation, where he focused on strategic partnerships and policy promotion. He holds a B.A. in Public Policy Leadership from the University of Mississippi and a Certificate in Applied Religion in Public Policy from Pepperdine University's School of Public Policy. He is currently pursuing an M.A. at Hillsdale College's School of Government.



Maggie Beecher, Research Fellow & Staff Attorney

MAGGIE SERVES AS RESEARCH FELLOW and Staff Attorney for NLI. Before joining NLI, Maggie was an associate attorney with the Chicago-based law firm Wagenmaker & Oberly, LLC. While there, she provided legal services for the law firm's wide range of nonprofit organizations and other clients. She helped clients with legal guidance on matters including corporate formation, governance, tax and regulatory compliance, and other business and legal issues.



Maggie also has experience with regulatory compliance matters, implementation of U.S. sanctions programs, and cybersecurity risk management. She is particularly interested in the intersection of business and law, and helping nonprofit organizations navigate the complexities involved in that area. Maggie received CALI awards for her work in Constitutional Law and Administrative Law while studying at Chicago Kent Law School and holds an undergraduate degree with honors in Finance and Business from Texas A&M University.

Holly Bahadursingh, Program Coordinator

HOLLY SERVES AS PROGRAM COORDINATOR for NLI. She is a 2019 graduate of the University of Notre Dame where she studied Political Science with minors in Theology and Constitutional Studies. At Notre Dame, she was a Tocqueville fellow for the inquiry into religion and public life, wrote for The Irish Rover, and was involved in the Alexander Hamilton Society. She also spent a semester studying in Athens, Greece. Holly has previously interned for The Heritage Foundation, Orange County Board of Supervisors, and the U.S. House of Representatives.



WORKING GROUPS

NLI WORKING GROUPS ARE COMPRISED of members serving on a volunteer basis and tasked with the responsibility of producing white papers, taking on important matters and projects, and helping equip and train each other to develop the specific types of resources and education that lay apostolates need.

While the benefit of joining an NLI Working Group is to serve spiritual entrepreneurs in need, it is also an opportunity for members to highlight their professional profile and affiliation to NLI's wider network of attorneys, financial professionals, and lay apostolate leaders.

Our working groups are organized as follows:



MEMBER SPOTLIGHT

NLI'S WORK WOULD NOT BE possible without our volunteer network of attorneys, accountants, and nonprofit professionals. These men and women dedicate their time and talents through participation in one or more of NLI's Working Groups, which are subdivided into several issue areas that impact religious nonprofits.



This year we are pleased to highlight the work of Bonnie M. Wyllie, Chair of NLI's Tax Compliance Working Group. Bonnie is a Counselor at Law for Lukinovich, a professional law corporation based in New Orleans, Louisiana. With over 30 years of experience, Bonnie has extensive knowledge in all aspects of nonprofit, individual, estate, trust, and tax compliance law. Bonnie received her B.S., B.M., and Juris Doctor from Loyola University, her LL.M. degree in taxation from Georgetown University Law Center, the AICPA Nonprofit Certificate, and a Nonprofit Management Certificate. She is a recipient of the Order of St. Louis medallion in recognition of her service to the Archdiocese of New Orleans.

Since joining NLI's Tax Compliance Working Group, Bonnie has authored five white papers, which are published through NLI's online library:

- *Introduction to Private Inurement*
- *Excess Benefit Transactions: The Incentive for Compliance*
- *Best Practices with Respect to Avoiding Excess Benefit Transactions*
- *Responding to an Excess Benefit Transaction*
- *Charitable Giving*

We are deeply grateful to Bonnie and the many other professionals who have joined our growing network of volunteer professionals. Through their authorship of educational resources and willingness to take on important cases and projects, NLI is better able to **empower evangelization**.

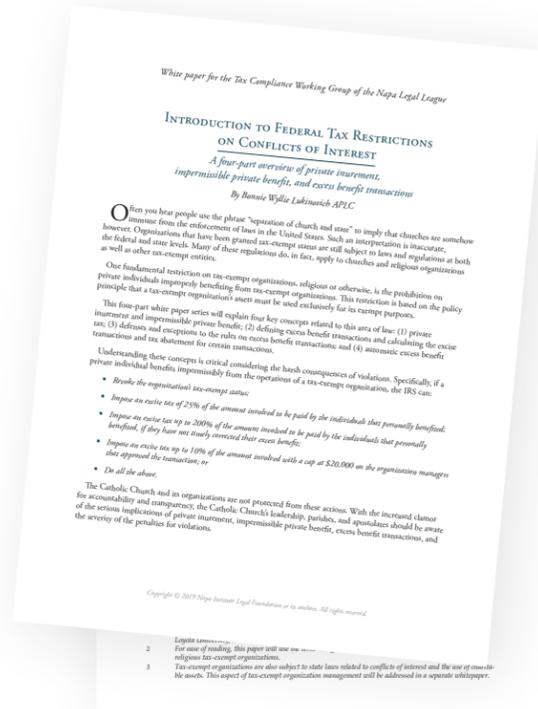
“I am deeply honored to work with the Napa Legal Institute. I often say attorneys and accountants are really ‘professional guardian angels’ that guide our clients to a better place. Sometimes we even work a miracle or two. Napa Legal Institute provides a platform for us to do the same for the Catholic Church and its organizations.”

BONNIE M. WYLLIE,
*Chair of NLI Tax
Compliance Working Group*

WHITE PAPERS

NLI WHITE PAPERS ARE PUBLISHED on topics pertinent to religious nonprofits. Our working group members address legal concepts in a manner that empowers the individual – whether a nonprofit leader looking for a place to start or an attorney seeking a reference point – with a knowledge and understanding of the legal environment in which they are operating. All NLI white papers can be found in our online library at napalegalinstitute.org.

- “Why a Religious Corporation?”
Corporate Governance
- “Making a Christ Centered Healthcare Decision”
Healthcare
- “Introduction to Private Inurement”
Tax Compliance
- “Excess Benefit Transactions: The Incentive for Compliance”
Tax Compliance
- “Best Practices with Respect to Avoiding Excess Benefit Transactions”
Tax Compliance
- “Responding to an Excess Benefit Transaction”
Tax Compliance
- “Volunteer Risk Management”
Risk Management & Insurance
- “Charitable Giving”
Planned & Charitable Giving



“There are excellent public interest law firms that are already focused on defending our constitutional right to religious liberty in the courts. What we want to do is keep organizations aligned with our faith out of court by equipping them with the necessary education and resources that promote excellent nonprofit governance.”

JOSH HOLDENRIED, CRUX CATHOLIC MEDIA

WEB CONTENT



NEW WEBSITE LAUNCHED

WE ARE PLEASED TO ANNOUNCE the launch of our new website, which will feature an online library that is accessible through a donation portal that supports the work of NLI. We encourage readers to visit our site at napalegalinstitute.org.



WEBINARS

NAPA LEGAL INSTITUTE PRODUCED A two-episode webinar series this year that can be found on our website. The webinar, titled “Steps of Success for Catholic Lay Apostolates,” was hosted by John Peiffer and William Klimon.

IMPACT

IN ADDITION TO PRODUCING EDUCATIONAL resources for religious nonprofits, NLI also connects spiritual entrepreneurs to professionals within our network who are committed to taking on low-bono or pro-bono engagements. NLI has served Catholic lay apostolates facing the following corporate and legal issues:

- Intellectual property
- Donor privacy
- Corporate structuring
- Private benefit
- Multi-state regulatory compliance
- Domestication
- Corporate formation
- Qualifying for federal tax-exempt status
- Corporate governance
- Real estate ownership
- Clergy and religious immigration visas
- Risk management
- Issue advocacy
- Fiscal sponsorships
- Public relations
- Charitable registrations
- Religious liberty protections
- Conscience in healthcare issues
- Religious exemptions

A YEAR IN REVIEW



4 CITIES WITH AN OFFICIAL NLI PRESENCE



8 WHITE PAPERS PUBLISHED



2 WEBINARS PRODUCED



5 EDITIONS OF *THE NAPA LEDGER* PUBLISHED

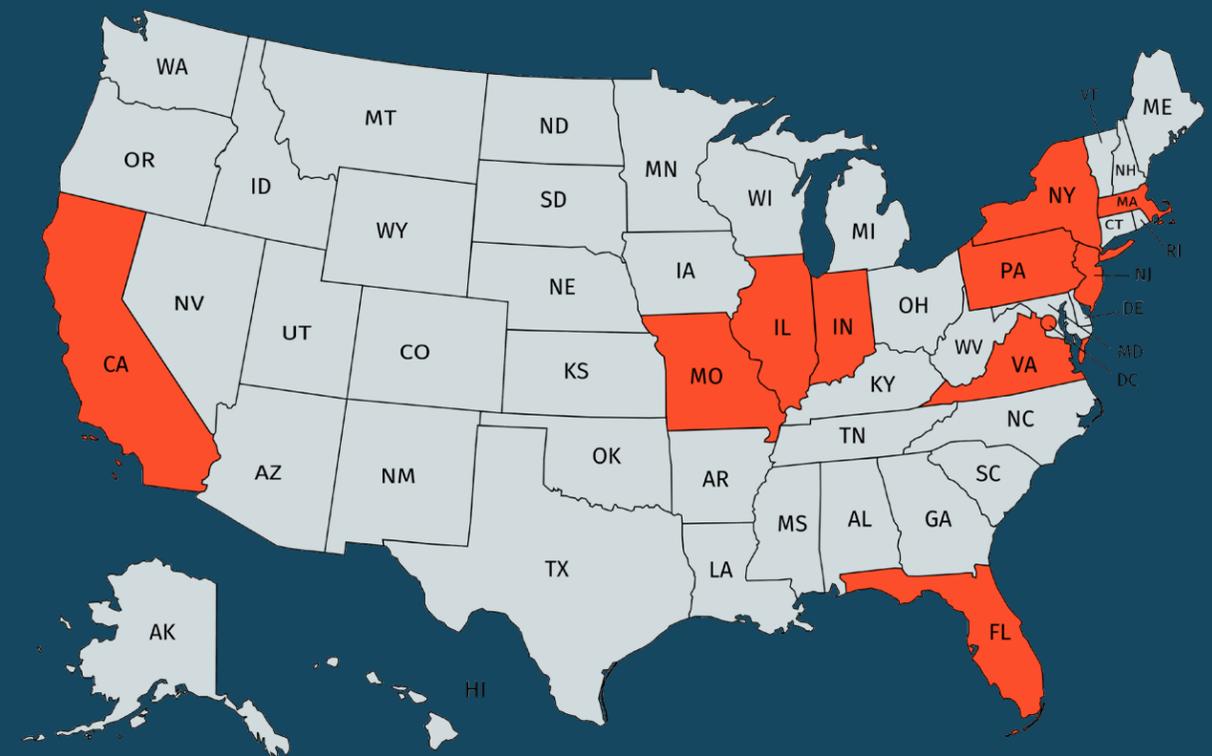


11 ACTIVE WORKING GROUPS

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ACTIVE WORKING GROUP MEMBERS

MAP OF INQUIRIES



NLI LAUNCH EVENTS

NLI LAUNCH IN WASHINGTON, DC

May 2, 2019

In partnership with Catholic University's Busch School of Business

NLI LAUNCH IN NEW YORK, NY

September 17, 2019

In partnership with the New York City Catholic Lawyers Guild

NLI LAUNCH IN ORANGE COUNTY, CA

November 5, 2019

In partnership with The Busch Firm

NLI LAUNCH IN LOS ANGELES, CA

November 6, 2019

In partnership with area allies

WHAT CATHOLIC NONPROFIT LEADERS SAY ABOUT WORKING WITH NLI:

"Napa Legal Institute provided timely and helpful educational information about a variety of questions related to financial and legal reporting."

Spiritual Entrepreneur, New England

"NLI was efficient and effective in their delivery and equipped me with the financial and legal knowledge to adequately prepare for developing a non-profit. Their assistance has been vital to the growth of my organization."

Spiritual Entrepreneur, Florida

NLI IN THE MEDIA

JANUARY

**"NAPA LEGAL INSTITUTE LAUNCHES TO SERVE
CATHOLIC ORGANIZATIONS AND INDIVIDUALS."**

NAPA INSTITUTE. FEBRUARY 6, 2019.

FEBRUARY

**"NAPA LEGAL INSTITUTE LAUNCHES TO
HELP CATHOLIC GROUPS IN THE 'NEXT AMERICA'."**

NATIONAL CATHOLIC REGISTER. FEBRUARY 28, 2019.

MARCH

**"NEW INSTITUTE SET UP TO HELP CATHOLIC
NGOs DEAL WITH LEGAL CHALLENGES."**

CRUX. MARCH 05, 2019.

**"NAPA LEGAL INSTITUTE FOUNDED TO HELP
CATHOLIC NONPROFITS AND ORGANIZATIONS FLOURISH."**

CATHOLIC WORLD REPORT. MARCH 13, 2019.

"NAPA LEGAL INSTITUTE PROVIDES LEGAL ADVICE, FINANCIAL EDUCATION."

OUR SUNDAY VISITOR NEWSWEEKLY. MARCH 27, 2019.

APRIL

"THE NEXT AMERICA."

FIRST THINGS. APRIL 25, 2019.

JULY

**"NAPA INSTITUTE EXPANDS TO OFFER LEGAL, ORGANIZATIONAL RESOURCES TO
NONPROFITS."**

NATIONAL CATHOLIC REPORTER.



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