

IN THE CIRCUIT COURT OF HAMPSHIRE COUNTY, WEST VIRGINIA

GLOBAL CAPITAL OF WORLD PEACE,  
INC.,

*Petitioner,*

v.

CIVIL ACTION NO. 15-AA-\_\_\_\_\_

NORMA WAGONER, Assessor of  
Hampshire County, West Virginia, and  
MARK W. MATKOVICH, State Tax  
Commissioner,

*Respondents.*

**PETITION APPEALING DENIAL OF AD VALOREM PROPERTY TAX EXEMPTION**

Comes now your Petitioner, pursuant to West Virginia Code Sections 11-3-24a and 11-3-25, and it does represent unto this Honorable Court as follows:

**Introduction**

1. The Petitioner, Global Capital of World Peace, Inc., ("GCWP") is a West Virginia nonprofit corporation, formed for the charitable purpose of promoting spiritual development and enlightenment through the study and practice of transcendental meditation<sup>1</sup>. See Certificate of Incorporation and Articles of Incorporation, attached hereto as Exhibit A.

2. Transcendental Meditation ("TM") is intended to provide relief from stress as well as improved mental and physical functioning. Research studies on the TM technique have been published in scores of scientific journals.<sup>2</sup> The American Cancer Society lists TM in its grouping of complementary and alternative medicines, stating that "[r]esearch shows that meditation can help reduce anxiety, stress, blood pressure, chronic pain, and

<sup>1</sup> "Transcendental Meditation" is defined by the Oxford English Dictionary as "a method of relaxation and meditation based on the theory and practice of yoga popularized in the West by the Maharishi Mahesh Yogi". <http://www.oed.com/view/Entry/204610?redirectedFrom=transcendental+meditation#eid17927279>, accessed Mar. 26, 2015.

<sup>2</sup> See <https://www.mum.edu/about-mum/consciousness-based-education/tm-research/bibliography/>, accessed Mar. 30, 2015.

insomnia.”<sup>3</sup> An American Heart Association Scientific Statement published on April 22, 2013 stated that “TM may be considered in clinical practice to lower [blood pressure]”<sup>4</sup>.

3. GCWP was granted tax exempt status under Internal Revenue Code (“IRC”) Section 501(c)(3) by the Internal Revenue Service and classified as a public charity under IRC Section 170(b)(1)(A)(vi), meaning that it normally receives a substantial part of its support (exclusive of income received in the exercise or performance of its charitable purpose constituting the basis for its exemption) from a specified governmental unit or from direct or indirect contributions from the general public. *See* Exempt Organization Determination Letter, attached hereto as Exhibit B.

4. In 2009, GCWP was granted 171 acres and improvements thereon in Hampshire County, West Virginia by the Global Country of World Peace, another organization exempt under IRC Section 501(c)(3) and organized for the promotion of Transcendental Meditation, education, and the construction of buildings for peace.

5. From 2010 through 2014, GCWP was granted and acquired additional land for its purposes, and, as of July 1, 2014, held 355 contiguous acres, situate in Gore District, Hampshire County, West Virginia, identified for assessment purposes as Map 8, Parcel 3, and Map 9, Parcels 15, 15.1, 19, and 20 (the “Subject Property”).

6. GCWP acquired the Subject Property to use as its campus for many reasons, including the desire of its leaders to create an influence of peace on Washington, D.C. and its surrounding citizens, but also because the Subject Property is suitable for Vedic

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<sup>3</sup> See, e.g. “What is the evidence?” <http://www.cancer.org/treatment/treatmentsandsideeffects/complementaryandalternativemedicine/mindbodyandspirit/meditation>, accessed Mar. 26, 2015.

<sup>4</sup> See AHA Scientific Statement, Robert D. Brook et al., available at <http://hyper.ahajournals.org/content/61/6/1360.full>, accessed Mar. 30, 2015

architecture<sup>5</sup> and, specifically, meets a requirement for long range and unobstructed eastern views.

7. The Subject Property is home to organic gardens and compost in furtherance of the GCWP's charitable purpose of supporting individual health and peace through healthy food that supports the development of full human consciousness and human potential.

8. The Subject Property is also improved by buildings constructed in accordance with ecologically sustainable green technology, including Maharishi Sthapatya Veda design, which takes into consideration Natural Law so that individual life is naturally supported by healthy living conditions conducive to individual peace and the development of full human potential. The sustainable and energy-efficient construction includes "Passive House" design principles, 12" thick, dense-pack walls insulated with recycled cellulose materials for maximum energy efficiency, specially designed high-efficiency, triple pane windows for maximum insulation and energy efficiency, high efficiency airtight construction, and energy recovery ventilations systems that provide fresh air while recovering 80% of the heat in the exhausted air, reducing energy used to heat buildings by 75% over standard Energy Star construction. Additionally, electrical wires are encased in metal to minimize electromagnetic pollution, carpet is wool with low volatile oil content, the paint is low volatile oil, the carpet padding is made of recycled materials, and the lighting is LED energy-efficient.

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<sup>5</sup> Vedic architecture is the traditional architectural science of India; its main features include the eastern orientation of buildings, specific placement of rooms, mathematical formulations governing proportionality, natural and nontoxic materials, solar energy, and other important influences. See <http://www.maharishivastu.org/principles-of-maharishi-vastu-architecture>, accessed Mar. 30, 2015. "The term 'Vedic' is derived from the Sanskrit word 'Veda' which means 'knowledge' — knowledge of the field of pure intelligence that is the source of all the diverse fields of knowledge." <https://www.mum.edu/academic-departments/maharishi-vedic-science/about-us/what-is-maharishi-vedic-science/>, accessed Mar. 30, 2015.

9. The Subject Property is improved by buildings which house 100 permanent residents, who practice Transcendental Meditation on a daily basis, along with a communal kitchen and dining hall, as well as a staff village containing six two-bedroom cottages. The permanent residents do not pay rent or room and board.

10. An additional building contains 14 rooms used for hosting meditation retreat weekends, week-long, and ten day courses, as well as Transcendental Meditation Teacher Training Courses that last approximately five months (collectively, the "temporary programs").

11. The Maharishi Purusha Program ("MPP"), another related entity, tax exempt under IRC Section 501(c)(3) and classified as a public charity, provides support to GCWP. The MPP conducts the temporary programs held at the Subject Property, and charges fees for participation in those programs. The fees constitute program service revenue<sup>6</sup> for MPP. MPP's income is derived approximately 95% from contributions and grants and 5% from program service revenue, most of the latter of which is generated by courses conducted at the Subject Property.

12. Neither the GCWP nor the MPP earns any unrelated business income, or income from activities unrelated to each of their charitable missions. All program service revenue earned by MPP is used to further MPP's charitable purpose. No income inures to the benefit of any private party, as that term is used in the regulations governing *ad valorem* property tax exemptions. See W.Va. Code R. § 110-3-19.5.

13. The GCWP is funded entirely by charitable contributions. No residents of the Subject Property pay any rent or other fees to the GCWP. There is no explicit agreement

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<sup>6</sup> "A program service is an activity of an organization that accomplishes its exempt purpose." See Excerpts from Instructions to IRS Form 990, Part III, attached hereto as Exhibit J.

between the GCWP and the MPP governing payment for use of the Subject Property by the MPP. Donations from the MPP are a major source of revenue to the GCWP.

14. The GCWP does not have a website. The MPP has three websites: [www.purusha.org](http://www.purusha.org), [www.purushacapital.org](http://www.purushacapital.org), and [www.purushacourses.org](http://www.purushacourses.org). It appears that the Respondent Assessor and Respondent Tax Commissioner have gathered their online information from [www.purushacourses.org](http://www.purushacourses.org), which is operated by the MPP, not the GCWP.

15. The GCWP is aggrieved by the actions of Respondent, Norma Wagoner, as Assessor of Hampshire County, West Virginia (the "Assessor"), in denying the GCWP's written Application for Exemption of certain improved real property owned by the Petitioner for 2015 *ad valorem* property tax purposes. The Assessor requested a taxability ruling on the Subject Property by letter dated January 15, 2015, and attached hereto as Exhibit C, supplemented by letter dated January 16, 2015, and attached hereto as Exhibit D. The Petitioner officially requested exemption of the Subject Property from *ad valorem* property tax by email dated January 20, 2015, and attached hereto as Exhibit E. Then, by email dated January 21, 2015, the Assessor denied the Petitioner's request for exemption of the Subject Property from *ad valorem* property taxation. See Ex. F. By letter dated January 23, 2015, and attached hereto as Exhibit G, the Petitioner objected to the Assessor's denial of exemption and requested that the matter be submitted to the Respondent, the West Virginia State Tax Commissioner (the "Commissioner"), for a taxability ruling. On January 27, 2015, by letter attached hereto as Exhibit H, the Assessor forwarded to the Commissioner the Petitioner's request for taxability ruling.

16. The GCWP is also aggrieved by Property Tax Ruling 15-50, issued by Respondent, Mark W. Matkovich, State Tax Commissioner, dated February 27, 2015 and

received on behalf of the taxpayer on March 6, 2015, which ruled that the Subject Property is not exempt from 2015 *ad valorem* property taxes under West Virginia Code Section 11-3-9. A copy of Property Tax Ruling 15-50 is attached hereto as Exhibit I.

#### Legal Authority

17. The West Virginia Constitution provides that "property used for educational, literary, scientific, religious or charitable purposes . . . may by law be exempted from taxation." W.Va. Const. Art. X, § 1. Accordingly, the West Virginia Legislature enacted West Virginia Code Section 11-3-9, subsection (a)(12) of which exempts from taxation real and personal property used for charitable purposes and not held or leased out for profit.

18. "Charity" is defined, by legislative regulation, to mean a gift to be applied consistently with the existing laws, for the benefit of an indefinite number of persons, either by bringing their hearts under the influence of education or religion, by relieving their bodies from disease, suffering or constraint, by assisting them to establish themselves for life . . . or otherwise lessening the burdens of government. It is immaterial whether the purpose is called charitable in the gift itself if it is so described as to show that it is charitable. Any gift not inconsistent with existing laws which is promotive of science or tends to the education, enlightenment, benefit or amelioration of the condition of mankind or the diffusion of useful knowledge, or is for the public convenience is a charity.

W. Va. Code R. § 110-3-2.10.

19. "The beneficiaries of a charity may be limited to a class of beneficiaries bearing a rational relationship to the purpose of the charity." W. Va. Code R. § 110-3-19.2.

20. "Realization of a surplus, or of positive net earnings, may not constitute a disqualifying private gain. So long as any such surplus or earnings are used in furtherance of the charitable activities of the organization, no disqualifying gain can be said to inure to the benefit of any private person." W. Va. Code R. § 110-3-19.5.

21. "Charities must be operated on a not-for-profit basis, must directly benefit society, must be for the benefit of an indefinite number of people, and must be exempt from

federal income taxes . . . in order for the property to be exempt, the *primary and immediate use* of the property must be for one or more exempt purposes.” W.Va. Code R. § 110-3-19.1 (emphasis added).

22. “In order for real property to be exempt from ad valorem property taxation, a two-prong test must be met: (1) the corporation or other entity must be deemed to be a charitable organization under 26 U.S.C. § 501(c)(3) or 501(c)(4) as is provided in 110 C.S.R. § 3-19.1; and (2) the property must be used [primarily and immediately]<sup>7</sup> for charitable purposes and must not be held or leased out for profit as is provided in W. Va. Code § 11-3-9.” *United Hosp. Ctr., Inc. v. Romano*, 233 W. Va. 313, 758 S.E.2d 240, 241 (2014) (citing Syl. Pt. 3, *Wellsburg Unity Apartments, Inc. v. County Comm'n of Brooke County*, 202 W.Va. 283, 503 S.E.2d 851 (1998)).

23. In *Wellsburg Unity Apartments, Inc. v. County Com'n of Brooke County*, the petitioner owned and operated an apartment complex exclusively for charitable purposes (providing housing to low-income individuals), and no profits inured to any private person. *Wellsburg Unity Apartments, Inc.*, 202 W.Va. 283, 285, 503 S.E.2d 851, 853 (1998). The rent chargeable for occupancy was set by the United States Department of Housing and Urban Development, limited to specified monthly charges based upon the cost of construction, maintenance, and operation of the apartments. *Id.* The petitioner operated solely on a break-even basis, earning no profit. *Id.* The Tax Commissioner asserted that the property was not property “used for charitable purposes, and not held or leased out for profit,” and, thus, not exempt from

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<sup>7</sup> Syllabus Point 2 of *Romano*, in citing to the earlier case of *Wellsburg Unity Apartments, Inc.*, incorrectly states the degree of charitable use required for exemption as being “exclusive” instead of “primary and immediate.” Syllabus Point 1 of *Romano* states the correct degree of charitable use required by the Legislature and Tax Commissioner: “[u]nder section 1, art. 10, Const., the exemption of property from taxation depends on its use. To warrant such an exemption for a purpose there stated, the use must be primary and immediate, not secondary or remote.” Syl. Pt. 1, *United Hosp. Center, Inc. v. Romano*, 233 W.Va. 313, 758 S.E.2d 240 (2014). Cf. W.Va. Code § 11-3-9(a)(12); W.Va. Code R. § 110-3-19.1.

*ad valorem* property taxation. *Id.* The West Virginia Supreme Court of Appeals found that the property was exempt from *ad valorem* property taxation as being used for charitable purposes and not held or leased for profit, despite the fact that the apartments were, in fact, leased to tenants who paid (albeit on a sliding scale) to live there. *Id.* at 289, 503 S.E.2d at 857.

#### Argument

24. The Subject Property is entitled to exemption from *ad valorem* property tax because the GCWP is a charitable organization under IRC § 501(c)(3) and because the Subject Property is neither held for profit nor leased out for profit.

25. Specifically, a) the GCWP hosts permanent and temporary residents for charitable purposes, b) the temporary programs for which fees are charged are not conducted by the GCWP, c) the amount of program revenue realized by the MPP from such temporary programs is *de minimis* service program revenue, and d) the mere fact that a small part of the Subject Property could be deemed to be “leased” as part of the conduct of the temporary programs would not prevent exemption from *ad valorem* property taxation even if such temporary programs were conducted by the GCWP.

26. Participation in group meditation by the permanent residents and guests of the GCWP and MPP is charitable in nature because it serves to reduce anxiety, stress, blood pressure, chronic pain, and insomnia, making the permanent and temporary residents more productive members of society and relieving the burdens of government and the healthcare industry by reducing the need for traditional medication. Additionally, participation in group meditation by the permanent residents and guests of the GCWP and MPP provides a gift of peace and prosperity to society via “field effects of consciousness,” the effects of which have been



discussed by numerous studies published in scientific journals and supported by various, reputable, academic minds.<sup>8</sup>

27. The permanent residents of the Subject Property do not pay rent or fees for their use of the Subject Property, and are benefitted by “bringing their hearts under the influence of education . . . by relieving their bodies from disease, suffering, or constraint, [and] by assisting them to establish themselves for life . . .” in accordance with the definition of “charity” as set forth in W.Va. Code R. § 110-3-2.10.

28. Limiting the programs conducted at the Subject Property to single men permissibly limits its beneficiaries to a class of beneficiaries bearing a rational relationship to the purpose of the GCWP, in accordance with W.Va. Code R. § 110-3-19.2.

29. No fees for temporary programs are paid by participants to the GCWP. While fees for some temporary programs are paid to the MPP, the proceeds from the temporary programs account for a *de minimis* amount of service program income to the MPP, in support of the MPP’s charitable purpose, and the MPP derives the overwhelming majority of its income from donations. The MPP does not lease any part of the Subject Property “for profit,” but rather charges fees constituting service program revenue, not to make a profit but to generate revenue for use in its exempt purpose, much like the petitioner in *Wellsburg Unity Apartments, Inc.*<sup>9</sup> See ¶ 23, *supra*.

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<sup>8</sup> See, e.g., “In the studies that I have examined on the impact of the Maharishi Effect on conflict, I can find no methodological flaws, and the findings have been consistent across a large number of replications in many different geographical and conflictual situations. As unlikely as the premise may sound, I think we have to take these studies seriously.” Ted Robert Gurr, Ph.D., Emeritus Professor of Government and Politics at the University of Maryland, <http://proposal.permanentpeace.org/support.html>, accessed Mar. 27, 2015.

<sup>9</sup> See, e.g., Ex. J., Excerpts from Instructions to IRS Form 990 Part VIII, Line 6a, (“[f]or example, an exempt organization whose exempt purpose is to provide low-rental housing to persons with low income would report that rental income as program service revenue . . .”).

30. As evidenced by *Wellsburg Unity Apartments, Inc.*, even if the GCWP did conduct, and earn revenue from, the temporary programs, the mere fact that income is received will not bar the recipient of such income from exemption from *ad valorem* property tax. Rather, what matters is that the taxpayer uses the property in question for charitable purposes, and does not hold it or lease it for profit.

31. In this case, the GCWP uses the Subject Property in furtherance of its pursuit of its charitable purpose, and does not derive a profit, or intend to derive a profit, from such use. The actively coordinated use of all parcels of the Subject Property is primarily and immediately integral to the GCWP's pursuit of its charitable purpose of benefitting the general public through daily meditation.

32. The Respondent Assessor's denial of exemption for the Subject Property for 2015 *ad valorem* property tax purposes, and the Respondent Commissioner's Property Tax Ruling 15-50, violate the provisions of West Virginia Code § 11-3-9, as interpreted by the West Virginia Supreme Court of Appeals.

33. The Assessor's denial of the GCWP's Application for Exemption for the Subject Property for 2015 *ad valorem* property tax purposes, and Property Tax Ruling 15-50, are both erroneous for the reasons aforesaid.

WHEREFORE, the Petitioner prays that this Honorable Court:

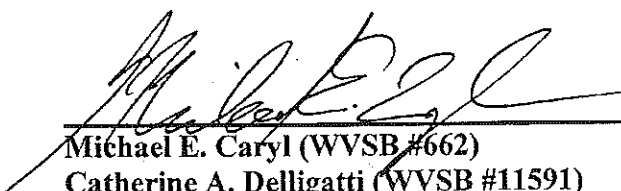
- i. overrule and reverse the Respondent Assessor's denial of the Petitioner's application for exemption of the Subject Property from 2015 *ad valorem* property taxes;
- ii. overrule and reverse the Respondent Tax Commissioner's ruling against the Petitioner in Property Tax Ruling 15-50;

iii. determine that the Subject Property is exempt from *ad valorem* property taxation as provided in West Virginia Code Section 11-3-9; and

iv. grant such other and further, legal and equitable relief as the Court shall deem proper.

**GLOBAL CAPITAL OF WORLD  
PEACE, INC., PETITIONER**

*By Counsel*



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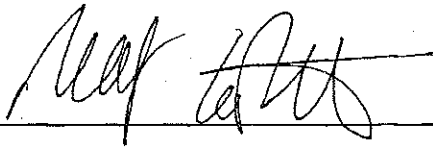
Michael E. Caryl (WVSB #662)  
Catherine A. Delligatti (WVSB #11591)  
Bowles Rice LLP  
Post Office Drawer 1419  
Martinsburg, West Virginia 25402  
(304) 263-0836  
mcaryl@bowlesrice.com  
cdelligatti@bowlesrice.com

VERIFICATION

STATE OF Maryland,

COUNTY OF Montgomery, to wit:

This day personally appeared before me, the undersigned, ROBERT LOPINTO, who being by me first duly sworn, deposes and says that he is the President of the Global Capital for World Peace, Inc., Petitioner in the foregoing Petition; that he has read the foregoing Petition and knows the contents thereof pertaining to its claims and allegations; that the facts set forth therein are true, except as to such matters as are therein stated to be upon information and belief, and that insofar as matters are therein stated to be upon information and belief, he/she believes them to be true.

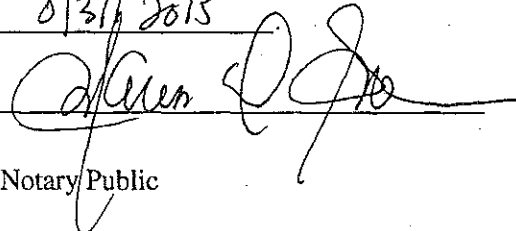


Robert LoPinto

Taken, subscribed and sworn to before me, the undersigned authority, in my said county, this 30<sup>th</sup> day of March, 2015.

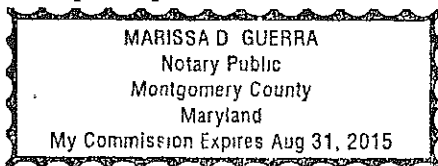
My commission expires

8/31/2015



Notary Public

[SEAL]



Exhibits are on file in  
the Clerk's Office.