

# Return of Organization Exempt From Income Tax

**2000**

**Open to Public Inspection**

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527, or section 4947(a)(1) nonexempt charitable trust

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

Department of the Treasury  
Internal Revenue Service

**A For the 2000 calendar year, or tax year period beginning** , 2000, and ending , 20

- B** Check if applicable:
- Change of address
  - Change of name
  - Initial return
  - Final return
  - Amended return

Please use IRS label or print or type See Specific Instructions

**C Name of organization**  
**KABBALAH CENTRE INTERNATIONAL**

Number and street (or P O box if mail is not delivered to street address) Room/suite  
**1062 SOUTH ROBERTSON BLVD**

City or town state or country and ZIP code  
**LOS ANGELES, CA 90035-1505**

**D Employer identification number**  
**95: 4685000**

**E Telephone number**  
**(310) 854-1531**

**F** Check  if application pending

**G Organization type** (check only one) ▶  501(c) ( 3 ) ◀ (insert no)  527 or  4947(a)(1)

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

**J Accounting method**  Cash  Accrual  Other (specify) ▶

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return

Note H and I are not applicable to section 527 orgs

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes" enter number of affiliates ▶

**H(c)** Are all affiliates included?  Yes  No (If No, attach a list. See inst)

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Enter 4-digit group exemption no. (GEN) ▶

**L** Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) ▶

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See Specific Instructions on page 16)

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received				
	<b>a</b> Direct public support	<b>1a</b>	1,961,558		
	<b>b</b> Indirect public support	<b>1b</b>			
	<b>c</b> Government contributions (grants)	<b>1c</b>			
	<b>d Total</b> (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	<b>1d</b>		1,961,558	
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>		2,543,125	
	<b>3</b> Membership dues and assessments	<b>3</b>			
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>		18,704	
	<b>5</b> Dividends and interest from securities	<b>5</b>			
	<b>6a</b> Gross rents	<b>6a</b>			
	<b>b</b> Less rental expenses	<b>6b</b>			
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>			
<b>7</b> Other investment income (describe ▶ )	<b>7</b>				
<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	<b>8a</b>				
	<b>b</b> Less cost or other basis and sales expenses	<b>8b</b>			
	<b>c</b> Gain or (loss) (attach schedule)	<b>8c</b>			
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8d</b>				
<b>9</b> Special events and activities (attach schedule)	<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)	<b>9a</b>			
	<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>			
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>			
<b>10a</b> Gross sales of inventory less returns and allowances	<b>10a</b>	1,881,317			
	<b>b</b> Less cost of goods sold	<b>10b</b>	835,740		
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>		1,045,577	
<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>				
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>		5,568,964		
Expenses	<b>13</b> Program services (from line 44, column (B))	<b>13</b>		1,301,446	
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>		147,178	
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>			
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>			
	<b>17</b> Total expenses (add lines 16 and 44, column (A))	<b>17</b>		1,448,634	
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>		4,120,330	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		6,887,718	
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	<b>20</b>			
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>		11,008,048	

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3

**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 20.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25			
26	Other salaries and wages	26	135,305	135,305	
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29	21,900	21,900	
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32	41,140	41,140	
33	Supplies	33			
34	Telephone	34			
35	Postage and shipping	35	21,488	21,488	
36	Occupancy	36			
37	Equipment rental and maintenance	37	4,784	4,784	
38	Printing and publications	38			
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41	52,574	52,574	
42	Depreciation, depletion, etc (attach schedule)	42	1,684	1,684	
43	Other expenses (itemize) a	43a			
b	.....	43b			
c	<b>See attached schedule</b> .....	43c	1,169,759	1,117,969	51,780
d	.....	43d			
e	.....	43e			
44	<b>Total functional expenses</b> (add lines 22 through 43) <i>Organizations completing columns (B)-(D), carry these totals to lines 13-15</i>	44	1,448,634	1,301,446	147,178

**Reporting of Joint Costs** Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_, (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_.

**Part III Statement of Program Service Accomplishments** (See Specific Instructions on page 23)

What is the organization's primary exempt purpose? <b>RELIGIOUS ACTIVITIES</b>	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
a <b>RELIGIOUS SERVICES, EDUCATIONAL LECTURES ON KABBALAH, PRODUCTION, SALE AND DISTRIBUTION OF BOOKS AND TAPES ON KABBALAH DOOR TO DOOR REQUESTS FOR CONTRIBUTIONS AND</b> (Grants and allocations \$ _____)	1,301,446
b <b>PROMOTION AND SALE OF RELIGIOUS BOOKS.</b> (Grants and allocations \$ _____)	
c ..... (Grants and allocations \$ _____)	
d ..... (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	<b>1,301,446</b>

**Part IV Balance Sheets** (See Specific Instructions on page 23 )

<b>Note</b>		<b>(A)</b>		<b>(B)</b>	
<i>Where required attached schedules and amounts within the description column should be for end-of-year amounts only</i>		Beginning of year		End of year	
<b>Assets</b>	<b>45</b> Cash—non-interest-bearing			<b>45</b>	
	<b>46</b> Savings and temporary cash investments			<b>46</b>	<b>194,607</b>
	<b>47a</b> Accounts receivable	<b>47a</b>	<b>68,549</b>		
	<b>b</b> Less allowance for doubtful accounts	<b>47b</b>		<b>47c</b>	<b>68,549</b>
	<b>48a</b> Pledges receivable	<b>48a</b>			
	<b>b</b> Less allowance for doubtful accounts	<b>48b</b>		<b>48c</b>	
	<b>49</b> Grants receivable			<b>49</b>	
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule)			<b>50</b>	
	<b>51a</b> Other notes and loans receivable (attach schedule)	<b>51a</b>	<b>860,000</b>		
	<b>b</b> Less allowance for doubtful accounts	<b>51b</b>		<b>51c</b>	<b>860,000</b>
	<b>52</b> Inventories for sale or use			<b>891,842</b>	<b>860,000</b>
	<b>53</b> Prepaid expenses and deferred charges			<b>6,914,177</b>	<b>6,914,177</b>
	<b>54</b> Investments—securities (attach schedule) <span style="float: right;">▶ <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV</span>				<b>53</b>
	<b>55a</b> Investments—land, buildings, and equipment basis	<b>55a</b>			<b>54</b>
	<b>b</b> Less accumulated depreciation (attach schedule)	<b>55b</b>			<b>55c</b>
<b>56</b> Investments—other (attach schedule)				<b>56</b>	
<b>57a</b> Land, buildings, and equipment basis	<b>57a</b>	<b>350,371</b>			
<b>b</b> Less accumulated depreciation (attach schedule)	<b>57b</b>	<b>1,684</b>		<b>57c</b>	
<b>58</b> Other assets (describe ▶ _____ )			<b>339,150</b>	<b>58</b>	
<b>59 Total assets</b> (add lines 45 through 58) (must equal line 74)			<b>8,145,169</b>	<b>59</b>	
				<b>14,581,729</b>	
<b>Liabilities</b>	<b>60</b> Accounts payable and accrued expenses			<b>60</b>	<b>24,778</b>
	<b>61</b> Grants payable			<b>61</b>	
	<b>62</b> Deferred revenue			<b>62</b>	
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule)			<b>63</b>	
	<b>64a</b> Tax-exempt bond liabilities (attach schedule)			<b>64a</b>	
	<b>b</b> Mortgages and other notes payable (attach schedule)			<b>64b</b>	
	<b>65</b> Other liabilities (describe ▶ _____ )			<b>1,257,451</b>	<b>65</b>
	<b>66 Total liabilities</b> (add lines 60 through 65)			<b>1,257,451</b>	<b>66</b>
				<b>3,573,681</b>	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	<b>67</b> Unrestricted			<b>67</b>	
	<b>68</b> Temporarily restricted			<b>68</b>	
	<b>69</b> Permanently restricted			<b>69</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 70 through 74				
	<b>70</b> Capital stock, trust principal, or current funds			<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund			<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds			<b>6,887,718</b>	<b>72</b>
	<b>73 Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19 and column (B) must equal line 21)			<b>6,887,718</b>	<b>73</b>
	<b>74 Total liabilities and net assets / fund balances</b> (add lines 66 and 73)			<b>8,145,169</b>	<b>74</b>
				<b>11,008,048</b>	
				<b>14,581,729</b>	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

**Part IV-A** Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 25 )

a	Total revenue, gains, and other support per audited financial statements ▶	a	5,568,964
b	Amounts included on line a but not on line 12, Form 990	b	
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) _____ \$		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b ▶	c	5,568,964
d	Amounts included on line 12, Form 990 but not on line a	d	
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) _____ \$		
	Add amounts on lines (1) and (2) ▶	d	
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	5,568,964

**Part IV-B** Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements ▶	a	1,448,634
b	Amounts included on line a but not on line 17, Form 990	b	
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify) _____ \$		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b ▶	c	1,448,634
d	Amounts included on line 17, Form 990 but not on line a:	d	
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) _____ \$		
	Add amounts on lines (1) and (2) ▶	d	
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	1,448,634

**Part V** List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see Specific Instructions on page 25 )

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0- )	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
PHILIP BERG 155 EAST 48TH STREET, NY NY 10017	DIRECTOR AS REQ.	0	0	
KAREN BERG 155 EAST 48TH STREET, NY NY 10017	DIRECTOR AS REQ.	0		
YEHUDA BERG 155 EAST 48TH STREET, NY NY 10017	DIRECTOR AS REQ.	0		
MICHAEL BERG 155 EAST 48 TH STREET, NY NY 10017	DIRECTOR AS REQ.	0		
EITAN YARDENI 1062 SOUTH ROBERTSON BLVD , LA CA 90035	DIRECTOR AS REQ.	0		
ELIAHOY YARDENI 10/20 GROSVENOR ST. 2ND FLOOR LONDON W1X9AS, UK	DIRECTOR AS REQ.	0		
YIGAL KUTNOVSKY 218 AV DE LAS FUENTES, YECAMACHALO 53950, MX	DIRECTOR	0		

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?  Yes  No  
If "Yes," attach schedule—see Specific Instructions on page 26

<b>Part VI Other Information</b> (See Specific Instructions on page 26)		N/A	Yes	No
<b>76</b>	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	<b>76</b>		X
<b>77</b>	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	<b>77</b>		X
<b>78a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>78a</b>		X
<b>b</b>	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?	<b>78b</b>		X
<b>79</b>	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	<b>79</b>		X
<b>80a</b>	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	<b>80a</b>		X
<b>b</b>	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt			
<b>81a</b>	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	<b>81a</b>		
<b>b</b>	Did the organization file <b>Form 1120-POL</b> for this year?	<b>81b</b>		
<b>82a</b>	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<b>82a</b>		X
<b>b</b>	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions for reporting in Part III)	<b>82b</b>		
<b>83a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>83a</b>	X	
<b>b</b>	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>83b</b>	X	
<b>84a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?	<b>84a</b>		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>84b</b>		
<b>85</b>	<b>501(c)(4), (5), or (6) organizations</b> <b>a</b> Were substantially all dues nondeductible by members?	<b>85a</b>		
<b>b</b>	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	<b>85b</b>		
<b>c</b>	Dues, assessments, and similar amounts from members	<b>85c</b>		
<b>d</b>	Section 162(e) lobbying and political expenditures	<b>85d</b>		
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	<b>85e</b>		
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)	<b>85f</b>		
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	<b>85g</b>		
<b>h</b>	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	<b>85h</b>		
<b>86</b>	<b>501(c)(7) orgs</b> Enter <b>a</b> Initiation fees and capital contributions included on line 12	<b>86a</b>		
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities	<b>86b</b>		
<b>87</b>	<b>501(c)(12) orgs</b> Enter <b>a</b> Gross income from members or shareholders	<b>87a</b>		
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	<b>87b</b>		
<b>88</b>	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	<b>88</b>		X
<b>89a</b>	<b>501(c)(3) organizations</b> Enter Amount of tax imposed on the organization during the year under section 4911 _____, section 4912 _____, section 4955 _____			
<b>b</b>	<b>501(c)(3) and 501(c)(4) orgs</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	<b>89b</b>		X
<b>c</b>	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			
<b>d</b>	Enter Amount of tax on line 89c, above, reimbursed by the organization			
<b>90a</b>	List the states with which a copy of this return is filed <b>NOT APPLICABLE</b>			
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2000 (See inst)	<b>90b</b>		
<b>91</b>	The books are in care of <b>KABBALAH CENTRE INTERNATIONAL</b> Telephone no <b>( 718 )263-4000</b> Located at <b>1062 SOUTH ROBERTSON BLVD, LA</b> ZIP code <b>90035</b>			
<b>92</b>	<b>Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041-</b> Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <b>92</b>			

**Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 30)**

	Unrelated business income		Excluded by section 512, 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
Enter gross amounts unless otherwise indicated					
<b>93</b> Program service revenue					
<b>a</b> <b>CLASSES AND SEMINARS</b>			<b>3</b>		<b>2,543,125</b>
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> Medicare/Medicaid payments					
<b>g</b> Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments					
<b>95</b> Interest on savings and temporary cash investments			<b>14</b>	<b>18,704</b>	
<b>96</b> Dividends and interest from securities					
<b>97</b> Net rental income or (loss) from real estate					
<b>a</b> debt-financed property					
<b>b</b> not debt-financed property					
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income					
<b>100</b> Gain or (loss) from sales of assets other than inventory					
<b>101</b> Net income or (loss) from special events					
<b>102</b> Gross profit or (loss) from sales of inventory					<b>1,045,577</b>
<b>103</b> Other revenue <b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>104</b> Subtotal (add columns (B), (D), and (E))				<b>18,704</b>	<b>3,588,702</b>
<b>105</b> Total (add line 104, columns (B), (D), and (E))					<b>3,607,406</b>

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 31)**

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	SEMINARS FOR THE EDUCATION OF KABBALAH.
102	SALES OF BOOKS AND TAPES FOR THE FURTHERANCE OF THE EDUCATION OF KABBALAH.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 31)**

(A) Name, address and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 31)**

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

including accompanying schedules and statements and to the best of my knowledge (other than officer) is based on all information of which preparer has any knowledge

04.26.02 EITAN YARDENI-DIRECTOR

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

**2000**

Department of the Treasury  
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization <b>KABBALAH CENTRE INTERNATIONAL</b>	Employer identification number <b>95:4685000</b>
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**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 1 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Total number of others receiving over \$50,000 for professional services ▶		

**Part III Statements About Activities**

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary		
<b>a</b> Sale, exchange, or leasing of property?		X
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?		X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
<b>e</b> Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions		X
<b>3</b> Does the organization make grants for scholarships, fellowships, student loans, etc.?		X
<b>4a</b> Do you have a section 403(b) annuity plan for your employees?		X
<b>b</b> Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments (See page 2 of the instructions)		

**Part IV Reason for Non-Private Foundation Status** (See pages 2 through 5 of the instructions)

The organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5**  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6**  A school Section 170(b)(1)(A)(ii) (Also complete Part V, page 5)
- 7**  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8**  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9**  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ \_\_\_\_\_
- 10**  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a**  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b**  A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12**  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13**  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14**  An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)



**Depreciation and Amortization  
(Including Information on Listed Property)**

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions ▶ Attach this form to your return

Name(s) shown on return <b>KABBALAH CENTRE INTERNATIONAL</b>	Business or activity to which this form relates	Identifying number <b>95-4685000</b>
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**Part I Election To Expense Certain Tangible Property (Section 179)**

*Note. If you have any "listed property," complete Part V before you complete Part I*

1 Maximum dollar limitation If an enterprise zone business, see page 2 of the instructions	1	\$20,000
2 Total cost of section 179 property placed in service See page 2 of the instructions	2	
3 Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see page 2 of the instructions	5	
<b>6</b>		
(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property Enter amount from line 27	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from 1999 See page 3 of the instructions	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2001 Add lines 9 and 10, less line 12 ▶	13	

**Note** Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement) Instead, use Part V for listed property

**Part II MACRS Depreciation for Assets Placed in Service Only During Your 2000 Tax Year (Do not include listed property)**

**Section A—General Asset Account Election**

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box See page 3 of the instructions ▶

**Section B—General Depreciation System (GDS) (See page 3 of the instructions)**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property		238,921	3. yr	HY	200DB	1,684
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

**Section C—Alternative Depreciation System (ADS) (See page 5 of the instructions)**

16a Class life						
b 12-year			12 yrs		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part III Other Depreciation (Do not include listed property) (See page 5 of the instructions)**

17 GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	
18 Property subject to section 168(f)(1) election	18	
19 ACRS and other depreciation	19	

**Part IV Summary (See page 6 of the instructions)**

20 Listed property Enter amount from line 26	20	
21 <b>Total</b> Add deductions from line 12, lines 15 and 16 in column (g), and lines 17 through 20 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	21	1,684
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

Form <b>990</b>	<b>Supplemental Schedule</b>	For Tax Year <b>2000</b>
Name <b>KABBALAH CENTRE INTERNATIONAL</b>		Employer ID Number <b>95-4685000</b>

**Page 1, part I, line 10c**

<u>Type of inventory:</u>	<u>Gross sales</u>
RELIGIOUS ITEMS AND BOOKS	1,881,317
	<u>1,881,317</u>
<b>Gross sales</b>	
<b>Less returns and allowances</b>	
<b>Net sales</b>	<u>1881317</u>
<b>Less cost of goods sold</b>	835,740
	<u>\$ 1,045,577</u>

**Page 2, part II, line 43**

	<u>Total</u>	<u>Program Services</u>	<u>Management and general</u>	<u>Fundraising</u>
SEMINAR EXPENSE	966,743	966,743		
WEB PRODUCTION	44,503	44,503		
OFFICE EXPENSE AND PRINTING	25,133	15,606	9,527	
AUTO AND TRAVEL	23,241	23,241		
REPAIRS AND MAINTENANCE	20,200	12,120	8,080	
OUTSIDE SERVICES	18,287	18,287		
ADVERTISING AND MARKETING	16,175	16,175		
COMPUTER AND INTERNET SERVICE	14,014		14,004	
TELEPHONE	9,368	5,621	3,747	
STAFF MAINTENANCE	9,164	9,164		
SALES TAX EXPENSE	9,293		9,293	
BANK CHARGES	5,415		5,415	
SUPPLIES FOR EVENTS	2,616	2,616		
UTILITIES	2,435	1,826	609	
WORKERS COMPENSATION	2,067	2,067		
DUES AND SUBSCRIPTIONS	1,105		1,105	
	<u>\$ 1,169,759</u>	<u>\$ 1,117,969</u>	<u>\$ 51,780</u>	<u>\$</u>

Form <b>990</b>	<b>Supplemental Schedule</b>	For Tax Year <b>2000</b>
Name <b>KABBALAH CENTRE INTERNATIONAL</b>		Employer ID Number <b>95-4685000</b>

Page 3, part IV, line 51a

**Loan receivable**

	Gross Amount	Allow for doubtful accounts	Net Amount Due
<b>Borrower name and title</b>	DUE FROM CENTRES		
<b>Original amount</b>	891842		
<b>Date of note</b>			
<b>Maturity date</b>			
<b>Repayment terms</b>			
<b>Interest rate</b>	0 0000		
<b>Security provided by borrower</b>	Security provided by borrower		
<b>Purpose of loan</b>			
<b>Desc and FMV of consideration</b>			
<b>Relation to foundation</b>			
<b>Balance - beginning of year</b>	891842		
<b>Borrower name and title</b>	KABBALAH ENTERPRISES INC		
<b>Original amount</b>	860000		
<b>Date of note</b>			
<b>Maturity date</b>			
<b>Repayment terms</b>			
<b>Interest rate</b>	0 0000		
<b>Security provided by borrower</b>	Security provided by borrower		
<b>Purpose of loan</b>			
<b>Desc and FMV of consideration</b>			
<b>Relation to foundation</b>			
<b>Balance - beginning of year</b>	0		
	860,000		860,000
<b>Total</b>	<b>\$ 860,000</b>	<b>\$</b>	<b>\$ 860,000</b>

Page 3, part IV, line 54

**Corporate Stocks**

Description of investment	Valuation method	Amount
	Cost	
VARIOUS SECURITIES	Cost	5,848,742
<b>Total</b>		<b>\$ 5,848,742</b>

Form <b>990</b>	<b>Supplemental Schedule</b>	For Tax Year <b>2000</b>
Name <b>KABBALAH CENTRE INTERNATIONAL</b>		Employer ID Number <b>95-4685000</b>

**Page 3, part IV, line 57**

	<u>Cost or other basis</u>	<u>Accumulated depreciation</u>	<u>Book value</u>
FURNITURE	2,300	256	2,044
EQUIPMENT	8,921	1,428	7,493
BUILDING	339,150		339,150
<b>Total</b>	<u>\$ 350,371</u>	<u>\$ 1,684</u>	<u>\$ 348,687</u>

**Page 3, Part IV, line 58**

<b>Description</b>	<b>Amount</b>
NOTE RECEIVABLE	343,000
PATENTS AND TRADEMARKS	2,617
<b>Total</b>	<u>\$ 345,617</u>

**Page 3, Part IV, line 65**

<b>Description</b>	<b>Amount</b>
LINE OF CREDIT	1,226,850
SALES TAX PAYABLE	2,774
CUSTOMERS DEPOSITS	22,630
LOANS PAYABLE	74,980
DUE TO CENTRES	1,878,669
LOANS AND EXCHANGES	343,000
<b>Total</b>	<u>\$ 3,548,903</u>

Form <b>990</b>	<b>Supplemental Schedule</b>	For Tax Year <b>2000</b>
Name <b>KABBALAH CENTRE INTERNATIONAL</b>		Employer ID Number <b>95-4685000</b>

Page 4, part V

		<u>Compen- sation</u>	<u>Contrib to benefit plans</u>	<u>Expense account</u>
<b>Name</b>	PHILIP BERG			
<b>Address</b>	155 EAST 48TH STREET, NY NY 10017			
<b>Title</b>	DIRECTOR			
<b>Avg hours per wk</b>	AS REQ			
<b>Total</b>		<u>\$ 0</u>	<u>\$</u>	<u>\$</u>
<b>Name</b>	KAREN BERG			
<b>Address</b>	155 EAST 48TH STREET, NY NY 10017			
<b>Title</b>	DIRECTORQ			
<b>Avg hours per wk</b>	AS REQ			
<b>Total</b>		<u>\$ 0</u>	<u>\$</u>	<u>\$</u>
<b>Name</b>	YEHUDA BERG			
<b>Address</b>	155 EAST 48TH STREET, NY NY 10017			
<b>Title</b>	DIRECTOR			
<b>Avg hours per wk</b>	AS REQ			
<b>Total</b>		<u>\$ 0</u>	<u>\$</u>	<u>\$</u>
<b>Name</b>	MICHAEL BERG			
<b>Address</b>	155 EAST 48 TH STREET, NY NY 10017			
<b>Title</b>	DIRECTOR			
<b>Avg hours per wk</b>	AS REQ			
<b>Total</b>		<u>\$ 0</u>	<u>\$</u>	<u>\$</u>
<b>Name</b>	EITAN YARDENI			
<b>Address</b>	1062 SOUTH ROBERTSON BLVD , LA CA 90035			
<b>Title</b>	DIRECTOR			
<b>Avg hours per wk</b>	AS REQ			
<b>Total</b>		<u>\$ 0</u>	<u>\$</u>	<u>\$</u>
<b>Name</b>	ELIAHOU YARDENI			
<b>Address</b>	10/20 GROSVENOR ST 2ND FLOOR LONDON W1X9FD, UK			
<b>Title</b>	DIRECTOR			
<b>Avg hours per wk</b>	AS REQ			
<b>Total</b>		<u>\$ 0</u>	<u>\$</u>	<u>\$</u>

Form <b>990</b>	<b>Supplemental Schedule</b>	For Tax Year <b>2000</b>
Name <b>KABBALAH CENTRE INTERNATIONAL</b>		Employer ID Number <b>95-4685000</b>

**Name** YIGAL KUTNOVSKY  
**Address** 218 AV DE LAS FUENTES, YECAMACHALO 53950, MX  
**Title** DIRECTOR  
**Avg hours per wk**

**Total**
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_

\$ 0

\$

\$