

Return of Organization Exempt From Income Tax

Department of the Treasury
Internal Revenue Service

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

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

Open to Public Inspection

A For the 2001 calendar year, or tax year period beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization THE WAY TO HAPPINESS INTERNATIONAL		D Employer identification number 95-3937092
		Number and street (or P O box if mail is not delivered to street address) Room/suite 6381 HOLLYWOOD BLVD. 250		E Telephone number (323) 962-7906
		City or town, state or country, and ZIP + 4 LOS ANGELES, CA 90028		F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

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

H and I are not applicable to section 527 organizations

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? N/A Yes No (If "No," attach a list)

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

I Enter 4-digit GEN

G Web site WWW.TWTH.ORG

J Organization type (check only one) 501(c) (3) (insert no) 4947(a)(1) or 527

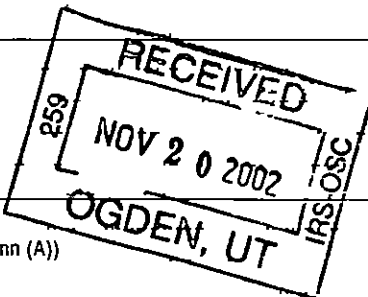
K Check here if the organization's gross receipts are normally not more than \$25,000 The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data Some states require a complete return

M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **597,037.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	319,410.		
	b	Indirect public support	1b	197,153.		
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ 516,563. noncash \$)	1d	516,563.		
	2	Program service revenue including government fees and contracts (from Part VII line 93)	2	40,519.		
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4			
	5	Dividends and interest from securities	5			
	6a	Gross rents	6a			
	b	Less rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe)	7				
Revenue	8a	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other		
	b	Less cost or other basis and sales expenses	8a			
	c	Gain or (loss) (attach schedule)	8b			
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
Revenue	9	Special events and activities (attach schedule)				
	a	Gross revenue (not including \$ 4,380. of contributions reported on line 1a)	9a	6,800.		
	b	Less direct expenses other than fundraising expenses	9b	19,129.		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c	<12,329.>			
Revenue	10a	Gross sales of inventory, less returns and allowances	10a	29,378.		
	b	Less cost of goods sold	10b	19,397.		
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	9,981.		
Expenses	11	Other revenue (from Part VII, line 103)	11	3,777.		
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	558,511.		
	13	Program services (from line 44, column (B))	13	424,775.		
	14	Management and general (from line 44, column (C))	14	60,066.		
	15	Fundraising (from line 44, column (D))	15	53,889.		
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17	538,730.		
	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	19,781.		
	Net Assets	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	32,839.	
		20	Other changes in net assets or fund balances (attach explanation)	20	0.	
		21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	52,620.	



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10

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.			
Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) cash \$ 4,575. noncash \$	4,575.	4,575.	STATEMENT 5	
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	73,990.	54,743.	13,323.	5,924.
26	Other salaries and wages	58,218.	36,531.	18,309.	3,378.
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes	10,799.	7,455.	2,584.	760.
30	Professional fundraising fees				
31	Accounting fees	9,182.		9,182.	
32	Legal fees	1,675.	1,675.		
33	Supplies	6,393.	3,859.	2,252.	282.
34	Telephone	6,753.	4,866.	1,458.	429.
35	Postage and shipping	26,660.	24,001.	2,079.	580.
36	Occupancy	22,612.	15,609.	5,411.	1,592.
37	Equipment rental and maintenance	5,865.	4,153.	1,323.	389.
38	Printing and publications	13,692.	11,140.	2,256.	296.
39	Travel	4,024.	4,024.		
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	1,667.	1,151.	399.	117.
43	Other expenses not covered above (itemize)				
a					
b					
c					
d					
e	SEE STATEMENT 4	292,625.	250,993.	1,490.	40,142.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	538,730.	424,775.	60,066.	53,889.

Joint Costs Check if you are following SOP 98-2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? 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

What is the organization's primary exempt purpose? <input type="checkbox"/>	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
TO PROMOTE COMMON SENSE MORAL VALUES All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a DISTRIBUTING THE WAY TO HAPPINESS BOOKLET SEE STATEMENT 11 (Grants and allocations \$ _____)	254,246.
b PUBLIC CAMPAIGNS TO RAISE AWARENESS REGARDING MORAL VALUES SEE STATEMENT 12 (Grants and allocations \$ 4,575.)	54,732.
c SERVICES USING THE WAY TO HAPPINESS BOOKLET SEE STATEMENT 13 (Grants and allocations \$ _____)	115,797.
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	424,775.

Part IV Balance Sheets

Note Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	29,075.	45	52,553.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable		47a	
	b Less allowance for doubtful accounts		47b	47c
	48 a Pledges receivable		48a	
	b Less allowance for doubtful accounts		48b	48c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable		51a	
	b Less allowance for doubtful accounts		51b	51c
	52 Inventories for sale or use	12,775.	52	12,213.
	53 Prepaid expenses and deferred charges	387.	53	
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55 a Investments - land, buildings, and equipment basis		55a	
	b Less accumulated depreciation		55b	55c
56 Investments - other		56		
57 a Land, buildings, and equipment basis	18,444.	57a		
b Less accumulated depreciation STMT 6	10,848.	57b	57c	
58 Other assets (describe <input type="checkbox"/> DEPOSITS)	1,300.	58	0.	
59 Total assets (add lines 45 through 58) (must equal line 74)	48,390.	59	72,362.	
Liabilities	60 Accounts payable and accrued expenses	15,551.	60	19,742.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe <input type="checkbox"/>)		65	0.
66 Total liabilities (add lines 60 through 65)	15,551.	66	19,742.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds	0.	70	0.
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.	71	0.
	72 Retained earnings, endowment, accumulated income, or other funds	32,839.	72	52,620.
73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	32,839.	73	52,620.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	48,390.	74	72,362.	

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

a	Total revenue, gains, and other support per audited financial statements	a	N/A
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	
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	

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

a	Total expenses and losses per audited financial statements	a	N/A
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	
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	

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)

(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
FRANK ZURN 6381 HOLLYWOOD BLVD., SUITE 250 LOS ANGELES, CA 90028	DIRECTOR 10	0.	0.	0.
JOANNE TAKANO IRWIN 6381 HOLLYWOOD BLVD., SUITE 250 LOS ANGELES, CA 90028	DIRECTOR .25	0.	0.	0.
RUTH LYONS 6381 HOLLYWOOD BLVD., SUITE 250 LOS ANGELES, CA 90028	TREASURER .25	0.	0.	0.
DAN IRWIN 6381 HOLLYWOOD BLVD., SUITE 250 LOS ANGELES, CA 90028	DIRECTOR/PRES./SECRETARY .25	0.	0.	0.
JONI GINSBERG (SEE STATEMENT 1) 6381 HOLLYWOOD BLVD., SUITE 250 LOS ANGELES, CA 90028	DIRECTOR/PRESIDENT 40	44,490.	0.	0.
DENNIS SCHLIEWE (SEE STATEMENT 1) 6381 HOLLYWOOD BLVD., SUITE 250 LOS ANGELES, CA 90028	EXECUTIVE DIRECTOR 40	29,500.	0.	0.

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Part VI Other Information

Table with columns for question number, question text, and Yes/No columns. Includes questions 76 through 91 regarding organizational activities, financials, and employee counts.

91 The books are in care of GINSBERG, JONI Telephone no (323) 962-7906
Located at 6381 HOLLYWOOD BLVD., STE 250, L.A., CA ZIP +4 90028

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Noté Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a LICENSE FEES					40,460.
b TRAINING					59.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					<12,329.>
102 Gross profit or (loss) from sales of inventory					9,981.
103 Other revenue					
a COMMISSIONS					3,777.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		0.	41,948.
105 Total (add line 104, columns (B), (D), and (E))					41,948.

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 32)

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)
7	SEE STATEMENT 7

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33)

(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
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33)

- (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)

Under penalties 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 officer) is based on all information of which preparer has any knowledge.

Please Sign Here: Signature of officer: *[Signature]* Date: 11/15/02 Type or print name and title: Tomi Grunberg, President

Paid Preparer's Use Only: Preparer's signature: *[Signature]* CPA Date: 11/8/02 Check if self-employed: Preparer's SSN or PTIN: EIN: (310) 273-2501

Firm's name (or yours if self-employed) address and ZIP + 4: NSBN LLP, 9454 WILSHIRE BLVD., 4TH FLOOR, BEVERLY HILLS, CA 90212-2907

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2001

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

THE WAY TO HAPPINESS INTERNATIONAL

Employer identification number

95 3937092

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 ▶

0

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 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
NONE		

Total number of others receiving over \$50,000 for professional services ▶

0

Part III Statements About Activities (See page 2 of the instructions)		Yes	No
1	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 ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B) 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
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, 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? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a	Sale exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	X	
e	Transfer of any part of its income or assets?		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below)		X
4	Do you have a section 403(b) annuity plan for your employees?		X
Note: 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 STATEMENT 8

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 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)
 - 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 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting
 Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	302,580.	225,797.	152,790.	196,258.	877,425.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	74,381.	50,009.	14,444.	20,743.	159,577.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.	750.		SEE STATEMENT 9		750.
23 Total of lines 15 through 22	377,711.	275,806.	167,234.	217,001.	1,037,752.
24 Line 23 minus line 17	303,330.	225,797.	152,790.	196,258.	878,175.
25 Enter 1% of line 23	3,777.	2,758.	1,672.	2,170.	
26 Organizations described on lines 10 or 11 a Enter 2% of amount in column (e), line 24					17,564.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					302,597.
c Total support for section 509(a)(1) test. Enter line 24, column (e).					878,175.
d Add Amounts from column (e) for lines 18 _____ 19 _____		750.	302,597.		303,347.
e Public support (line 26c minus line 26d total)					574,828.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					65.4571%
27 Organizations described on line 12 a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year. N/A					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2) enter the sum of these differences (the excess amounts) for each year. N/A					
c Add Amounts from column (e) for lines 15 _____ 16 _____					N/A
d Add Line 27a total _____ and line 27b total _____					N/A
e Public support (line 27c total minus line 27d total)					N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e).					N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					N/A %
28 Unusual Grants For an organization described in line 10, 11, or 12, that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					NONE

Part V . Private School Questionnaire (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)		
<hr/>			
<hr/>			
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	32d	
<hr/>			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	
<hr/>			
<hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A. Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check a if the organization belongs to an affiliated group Check b if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

Part VI-B. Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2001

Name of organization

THE WAY TO HAPPINESS INTERNATIONAL

Employer identification number

95-3937092

Organization type (check one)

Filers of

Section

Form 990 or 990 EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990 PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General rule** or a **Special rule** (Note Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule—see instructions)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990 EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990 EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990 EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year) ▶ \$ _____

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of organization

Employer identification number

THE WAY TO HAPPINESS INTERNATIONAL

95-3937092

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 183,670.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2		\$ 85,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

FOOTNOTES

STATEMENT 1

FORM 990, PART V LIST OF OFFICERS, DIRECTORS, TRUSTEES AND
KEY EMPLOYEES

OFFICERS, DIRECTORS AND TRUSTEES WHO ARE ALSO EMPLOYEES
ARE COMPENSATED ONLY FOR THEIR DUTIES AS EMPLOYEES, NOT
FOR THEIR DUTIES AS OFFICERS, DIRECTORS AND TRUSTEES.

FORM 990

SPECIAL EVENTS AND ACTIVITIES

STATEMENT 2

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
GOLF TOURNAMENT	11,180.	4,380.	6,800.	19,129.	<12,329.>
TO FM 990, PART I, LINE 9	11,180.	4,380.	6,800.	19,129.	<12,329.>

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 3

INCOME

1. GROSS RECEIPTS	29,378	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		29,378
4. COST OF GOODS SOLD (LINE 13)	19,397	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		9,981

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	12,775	
7. MERCHANDISE PURCHASED	18,835	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		31,610
12. INVENTORY AT END OF YEAR	12,213	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12). .		19,397

FORM 990	OTHER EXPENSES			STATEMENT 4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
COMMISSIONS	39,020.	433.	0.	38,587.
BANK CHARGES	5,601.	3,844.	1,365.	392.
ROYALTIES	51,463.	51,463.		
PROMOTION	69,925.	68,762.	0.	1,163.
PRINTING AND DISTRIBUTION	124,090.	124,090.		
TRANSLATIONS	2,184.	2,184.		
STAFF TRAINING	217.	217.		
LICENSES & FEES	125.		125.	
TOTAL TO FM 990, LN 43	292,625.	250,993.	1,490.	40,142.

FORM 990	CASH GRANTS AND ALLOCATIONS			STATEMENT 5
CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
EDUCATIONAL	ASSN FOR BETTER LIVING & EDUCATION	7065 HOLLYWOOD BLVD. LOS ANGELES, CA 90028	N/A	1,485.
FLOAT IN PARADE	CONCERNED BUSINSMNM ASSOC OF AMERICA	13688 MAXELLA AVE., MARINA DEL REY, CA	N/A	3,090.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				4,575.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT			STATEMENT 6
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE	
FURNITURE AND EQUIPMENT	616.	616.	0.	
FAX MACHINE	1,055.	1,055.	0.	
LIBRARY MATERIALS	2,033.	2,033.	0.	
FURNITURE AND EQUIPMENT	4,560.	4,560.	0.	
COMPUTER	1,699.	850.	849.	
COMPUTER	4,071.	1,221.	2,850.	

THE WAY TO HAPPINESS INTERNATIONAL

95-3937092

COMPUTER .	3,336.	334.	3,002.
SOFTWARE	1,074.	179.	895.
TOTAL TO FORM 990, PART IV, LN 57	18,444.	10,848.	7,596.

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 7

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	LICENSE FEES FOR REPRINTING OF THE WAY TO HAPPINESS BOOKLET.
93B	TRAINING ON MORAL VALUES USING THE WAY TO HAPPINESS BOOKLET
101	BENEFIT GOLF TOURNAMENTS HELD TO RAISE FUNDS FOR EXEMPT PROGRAMS.
102	SALES OF THE WAY TO HAPPINESS BOOKS, COURSE MATERIALS, SHIRTS, ETC. TO CONTRIBUTE TO BROAD DISTRIBUTION OF THE WAY TO HAPPINESS IN SOCIETY.
103A	COMMISSIONS RECEIVED FROM OTHER EXEMPT ORGANIZATIONS

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 8
PART III, LINE 4

THE RECIPIENTS OF THE WAY TO HAPPINESS' GRANTS WERE QUALIFIED EXEMPT ORGANIZATIONS. PROJECTS ARE DETERMINED TO BE QUALIFIED ON AN INDIVIDUAL BASIS. THE ORGANIZATION ENSURES THAT EACH SO QUALIFIES AT ALL TIMES.

SCHEDULE A OTHER INCOME STATEMENT 9

DESCRIPTION	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT
FUNDRAISING COMMISSIONS	750.	0.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	750.	0.	0.	0.

**2001 Form 990, Part III
Federal ID # 95-3937092
The Way to Happiness Foundation International
Statement #11**

**Description of Program Service One:
Distribution of *The Way to Happiness* Booklet**

The primary purpose of The Way to Happiness Foundation International is to raise the moral standards of society through dissemination of a common-sense guide to better living called "The Way to Happiness," by L. Ron Hubbard.

The booklet consists of 21 precepts that help individuals establish personal and social values. For example, "Love and Help Children," "Do Not Murder," "Do Not Steal," and "Respect the Religious Beliefs of Others" are four of the guidelines.

During the year 2001, The Way to Happiness Foundation International distributed nearly 2,000,000 "The Way to Happiness" booklets internationally to promote common sense moral values, reduce violence, and improve both individual and social relationships.

While The Way to Happiness Foundation International distributed the booklets directly to individuals, it also encouraged other entities to do the same. Of the copies that were distributed during 2001, many hundreds of thousands of copies were distributed by individuals, corporations and institutions affiliated with The Way to Happiness Foundation International. These entities were granted the right to reprint the booklets and distribute them of their own accord to their clients, customers, friends, associates and the general public in their countries.

The breakdown of distribution of "The Way to Happiness" was as follows:

More than 500,000 copies of "The Way to Happiness" were distributed in New York City in the wake of the September 11th tragedy. Of these, 203,000 booklets were distributed through newspapers. The remaining booklets were distributed by hand to the firefighters, police officers and rescue workers at ground zero and throughout the city, to volunteers helping with the rescue and cleanup efforts, to the families and friends of the victims, and to the community at large.

More than 340,000 copies of "The Way to Happiness" were distributed in the Middle East throughout the West Bank and the Gaza Strip. Volunteers went directly to the sites of some of the worst bombings and handed out "The Way to Happiness" booklets to bring calm and sanity to the areas. The booklets were distributed in Hebrew and Arabic, in town squares, schools, newspapers, and other public places.

More than 477,000 copies of "The Way to Happiness" were distributed in Zimbabwe to help bring peace to the troubled area.

More than 66,000 copies of "The Way to Happiness" were distributed in Inglewood, California as part of a campaign to improve the condition of that community.

9,000 booklets were distributed in Cincinnati, Ohio, helping to restore calm to the local neighborhoods after race riots which lasted several days.

3,000 booklets were distributed to attendees of the Mountain View Art and Wine festival.

The remaining copies were distributed throughout the world, on all six populated continents. Though many were distributed by hand, they were also distributed in schools, through businesses, through banks, through government programs, newspapers and over the Internet.

"The Way to Happiness" was translated into Farsi (Afghanistan), Urdu (Pakistan), Japanese, Kannada and Vietnamese, bringing the total number of languages into which it has been translated to 38.

To Form 990, part III, line A

**Grants
\$0**

**Expenses
\$254,246**

2001 Form 990, Part III
Federal ID # 95-3937092
The Way to Happiness Foundation International
Statement #12

Description of Program Service Two:
Services using *The Way to Happiness* Booklet

The Way to Happiness Foundation International performed several public benefit services in the year 2001. The guidelines of "The Way to Happiness" encourage individuals to give back to their communities and support one another in achieving goals, and The Way to Happiness Foundation International and its chapters throughout the world, follow these guidelines in the conduct of its affairs. The following services were rendered to communities throughout the world in the year 2001

In Rwanda, the Congo, Kenya, Uganda, and Tanzania, more than 1,500 people enrolled onto the "The Way to Happiness" correspondence course with 500 completing the course by year-end. Each of the graduates pledged to apply the precepts to their lives and helping others. This then resulted in these individuals delivering weekly seminars using "The Way to Happiness", to the people of Africa. These seminars gained the favor of government officials in Rwanda and the Congo. The officials requested broad distribution of "The Way to Happiness" in their countries, based on the benefits to their society they observed.

The Way to Happiness Foundation International delivered workshops to 520 elementary school students at Cameron Public School in Barstow, California. The workshops emphasized participation by the students, and they showed the students how they could use "The Way to Happiness" in the pursuit of happier lives and better relations with their families and classmates.

In Clearwater, Florida, a local The Way to Happiness chapter joined the "Adopt-a-Street" program in its city, keeping an entire neighborhood consistently clean.

A The Way to Happiness chapter delivered courses to prisoners in Costa Rica, helping to reform convicted criminals. Courses were also delivered to the instructors of National Police Academy in Costa Rica as part of their campaign to better service

their community. Additionally, training of 27 teachers on "The Way to Happiness" was started with the Ministry of Education in the province of Alajuela

The Way to Happiness volunteers performed beach clean-ups up and down the California coast, at Surfrider Beach, Zuma Beach, Malibu Creek, La Jolla Shores Beach and Moonlight State Beach

In the Philippines, the National Red Cross dedicated a playground to The Way to Happiness and utilized "The Way to Happiness" to teach values to street children in two of their learning centers

"The Way to Happiness" Essay and Poster contest inspires children with positive messages and helps to install strong moral values in them. Run annually by The Way to Happiness Foundation International in various schools throughout the United States, the contest educates children about the harmful effects of drugs and crime. By studying, discussing and writing essays or drawing posters on various themes from "The Way to Happiness", children of all ages not only learn the basic values of life, but they help to make a safer America in the process.

To Form 990, part III, line B	Grants	Expenses
	\$0	\$115,797

2001 Form 990, Part III
Federal ID # 95-3937092
The Way to Happiness Foundation International
Statement #13

Description of Program Service Three: Public Awareness

The Way to Happiness Foundation International has sought to make L Ron Hubbard's "The Way to Happiness" broadly known throughout the world, toward the end of increased individual and societal awareness of moral values

The Way to Happiness Foundation International worked toward this aim of increasing public awareness of "The Way to Happiness" across the world.

Radio and television programs throughout the Congo over a period of two months, featured "The Way to Happiness" in programs that reached a combined audience of 50 million people. The programs discussed several of the guidelines from "The Way to Happiness" and promoted the use of the booklets in the pursuit of a happier life.

The guidelines of "The Way to Happiness" formed the basis of the "Set a Good Example" float featured in the Hollywood Christmas parade, forwarding such values as honesty, trust, tolerance and understanding. The float was viewed by more than one million people on the streets of Hollywood and by the millions who watched the parade on television stations throughout the United States.

"The Way to Happiness World Groove Band" participated in the St. Louis Mardi Gras parade, performing in front of more than 650,000 people along the parade route and garnering mention in the local press. The band promoted the common sense values of "The Way to Happiness" to the assembled crowd through their songs.

The Way to Happiness Foundation International participated in a marathon in Burney, California, in which 21 runners wore a different t-shirt, each one representing one of the 21 precepts from "The Way to Happiness". \$10,000 was raised for the distribution of the booklets in New York and Washington D.C. following the September 11th attacks. The Way to Happiness Foundation also participated in the "Human Race" fundraising event in Santa Rosa, California, wearing t-shirts carrying the precepts of "The Way to Happiness".

Also, after September 11, two golf tournaments were held in Florida resulting in \$20,000 being raised for the distribution of "The Way to Happiness" in New York and DC.

In March 2001, in Mexico, The Way to Happiness Trail was opened as part of the Mayor of Mexicali's Youth Park. Monuments were established for each of the precepts of "The Way to Happiness" along the trail throughout this 8-acre park. As part of the park dedication ceremonies, 3,000 young people who graduated a program based on "The Way to Happiness", received their certificates from the Mayor

To Form 990, part III, line C

Grants
\$4,575

Expenses
\$54,732

Depreciation and Amortization
(Including Information on Listed Property) **990**

▶ See separate instructions ▶ Attach to your tax return

Name(s) shown on return THE WAY TO HAPPINESS INTERNATIONAL	Business or activity to which this form relates FORM 990 PAGE 2	Identifying number 95-3937092
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Part I Election To Expense Certain Tangible Property Under Section 179 Note If you have any listed property, complete Part V before you complete Part I

1 Maximum amount See instructions for a higher limit for certain businesses	1	24,000.
2 Total cost of section 179 property placed in service (see 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 instructions	5	
6	(a) Description of property	(b) Cost (business use only)
		(c) Elected cost
7 Listed property Enter amount from line 29	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 line 13 of your 2000 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5	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 2002 Add lines 9 and 10, less line 12	13	

Note Do not use Part II or Part III below for listed property Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)		
14 Special depreciation allowance for certain property (other than listed property) acquired after September 10, 2001 (see instructions)	14	
15 Property subject to section 168(f)(1) election (see instructions)	15	
16 Other depreciation (including ACRS) (see instructions)	16	1,667.

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A		
17 MACRS deductions for assets placed in service in tax years beginning before 2001	17	
18 If you are electing under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2001 Tax Year Using the General Depreciation System						
(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
19a 3-year property						
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	
	/		27 5 yrs	MM	S/L	
i Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2001 Tax Year Using the Alternative Depreciation System						
(a) Class life	(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
20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year	/		40 yrs	MM	S/L	

Part IV Summary (See instructions)		
21 Listed property Enter amount from line 28	21	
22 Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations - see instr	22	1,667.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)
Note For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A - Depreciation and Other Information (Caution See instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for listed property acquired after September 10, 2001, and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
 If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? Note If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2001 tax year					
43 Amortization of costs that began before your 2001 tax year					43
44 Total Add amounts in column (f) See instructions for where to report					44

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ 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)
- Note. Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**

Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)
Note Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only
 All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization THE WAY TO HAPPINESS INTERNATIONAL	Employer identification number 95 3937092
	Number, street and room or suite no. If a P.O. box, see instructions 6381 HOLLYWOOD BLVD #250	
	City, town or post office, state and ZIP code. For a foreign address, see instructions LA, CA 90028	

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

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- 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 If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until **AUGUST 15, 2002** to file the exempt organization return for the organization named above. The extension is for the organization's return for
 ▶ calendar year 2001 or
 ▶ tax year beginning ... , 20... , and ending ... , 20...

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 \$ _____

b 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. \$ _____

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

Signature and Verification

Under penalties of perjury I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶  Title ▶ **President** Date ▶ **5/13/02**

COPY

- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box **Note Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868**
- If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Additional (not automatic) 3-Month Extension of Time—Must File Original and One Copy

Type or print	Name of Exempt Organization <i>The Way to Happiness International</i>	Employer identification number <i>95 3937092</i>
File by the extended due date for filing the return See instructions	Number street and room or suite no. If a P.O. box, see instructions <i>6381 Hollywood Blvd # 250</i>	For IRS use only
	City town or post office, state and ZIP code For a foreign address see instructions <i>LA, CA 90028</i>	

Check type of return to be filed (File a separate application for each return)

Form 990
 Form 990-EZ
 Form 990 T (Sec 401(a) or 408(a) trust)
 Form 1041-A
 Form 5227
 Form 8870
 Form 990 BL
 Form 990 PF
 Form 990 T (trust other than above)
 Form 4720
 Form 6069

STOP Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868

- 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 If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until *NOV 15*, 2002

5 For calendar year _____, or other tax year beginning _____, 20 and ending _____, 20

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

7 State in detail why you need the extension *Additional time needed to obtain necessary information to file a complete and accurate tax return.*

8a 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 \$ _____

b If this application is for Form 990-PF, 990 T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868

c Balance Due Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ _____

COPY

Signature and Verification

Under penalties of perjury I declare that I have examined this form including accompanying schedules and statements and to the best of my knowledge and belief it is true correct and complete and that I am authorized to prepare this form

Signature  Title *EXEC DIR* Date *8/8/02*

- Notice to Applicant—To Be Completed by the IRS**
- We have approved this application Please attach this form to the organization's return
 - We have not approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return Please attach this form to the organization's return
 - We have not approved this application After considering the reasons stated in Item 7, we cannot grant your request for an extension of time to file We are not granting a 10-day grace period
 - We cannot consider this application because it was filed after the due date of the return for which an extension was requested
 - Other _____

Director _____ By _____ Date _____

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print	Name
	Number and street (include suite, room, or apt no.) Or a P.O. box number
	City or town, province or state, and country (including postal or ZIP code)

