

Return of Organization Exempt From Income Tax

2006

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

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

A For the 2006 calendar year, or tax year beginning Nov 1, 2006, and ending Oct 31, 2007

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: American Botanical Council. D Employer Identification Number: 74-2518542. E Telephone number: (512) 926-4900. F Accounting method: Accrual.

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

G Web site: www.herbalgram.org

J Organization type: 501(c) 3. Check here: if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. I Group Exemption Number. M Check if the organization is not required to attach Schedule B.

Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 1,631,596.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, Amount. Includes rows for Contributions, Program service revenue, Membership dues, Dividends, Gross rents, Other investment income, Gross amount from sales of assets, Special events, Gross sales of inventory, Other revenue, Total revenue, Program services, Management and general expenses, Fundraising, Payments to affiliates, Total expenses, Excess or deficit, Net assets at beginning and end of year.

SCANNED JUL 14 2008

RECEIVED

RECEIVED JUN 11 2008

EXPENSES

617,2118

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
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch) See L-25a Stmt	25a 213,536.	166,611.	11,168.	35,757.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)	25b			
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26 521,909.	408,189.	98,363.	15,357.
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28 84,312.	65,763.	12,647.	5,902.
29 Payroll taxes	29 53,240.	41,527.	7,986.	3,727.
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33 31,210.	24,343.	4,682.	2,185.
34 Telephone	34 42,205.	32,920.	6,331.	2,954.
35 Postage and shipping	35 77,090.	64,887.	8,320.	3,883.
36 Occupancy	36			
37 Equipment rental and maintenance	37			
38 Printing and publications	38			
39 Travel	39 906.	707.	136.	63.
40 Conferences, conventions, and meetings	40			
41 Interest	41 29,645.	23,123.	4,447.	2,075.
42 Depreciation, depletion, etc (attach schedule)	42 61,988.	37,193.	24,795.	0.
43 Other expenses not covered above (itemize)				
a Contractual services	43a 178,410.	138,006.	27,548.	12,856.
b Advertising & Promotion	43b 172,215.	172,215.	0.	0.
c Outside services	43c 48,506.	48,506.	0.	0.
d Professional services	43d 15,148.	11,816.	2,272.	1,060.
e Insurance	43e 18,985.	14,808.	2,848.	1,329.
f Bank & CC Fees	43f 14,488.	11,301.	2,173.	1,014.
g Miscellaneous	43g 11,907.	9,288.	1,785.	834.
44 Total functional expenses Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44 1,575,700.	1,271,203.	215,501.	88,996.

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

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.

What is the organization's primary exempt purpose? ▶ <u>See Statement 1</u> 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.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)
<p>a <u>See Statement 2</u></p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$ 0.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	1,271,203.
<p>b</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>c</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>d</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>e Other program services</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶</p>	1,271,203.

BAA

Part IV Balance Sheets (See the instructions.)

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	32,732.	45	16,324.
	46 Savings and temporary cash investments		46	32,728.
	47a Accounts receivable	47a 80,617.		
	b Less allowance for doubtful accounts	47b 8,933.	43,092.	47c 71,684.
	48a Pledges receivable	48a 301,300.		
	b Less allowance for doubtful accounts	48b 15,065.	379,313.	48c 286,235.
	49 Grants receivable			49
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	51 a Other notes and loans receivable (attach schedule)	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		68,157.	52 42,079.
	53 Prepaid expenses and deferred charges			53
	54a Investments – publicly-traded securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
b Investments – other securities (attach sch)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55a Investments – land, buildings, & equipment basis	55a			
b Less accumulated depreciation (attach schedule)	55b		55c	
56 Investments – other (attach schedule)			56	
57a Land, buildings, and equipment basis	57a 1,024,121.			
b Less accumulated depreciation (attach schedule) L-57 Stmt	57b 277,847.	637,574.	57c 746,274.	
58 Other assets, including program-related investments (describe ▶ _____)			58	
59 Total assets (must equal line 74) Add lines 45 through 58		1,160,868.	59 1,195,324.	
LIABILITIES	60 Accounts payable and accrued expenses	91,889.	60	91,801.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)	277,066.	64b	400,071.
	65 Other liabilities (describe ▶ _____)		65	
	66 Total liabilities. Add lines 60 through 65		368,955.	66 491,872.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	791,913.	67	696,127.
	68 Temporarily restricted		68	7,325.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	791,913.	73	703,452.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,160,868.	74	1,195,324.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	1,487,239.
b	Amounts included on line a but not on Part I, line 12			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	1,487,239.
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12) Add lines c and d		e	1,487,239.

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

a	Total expenses and losses per audited financial statements		a	1,575,700.
b	Amounts included on line a but not on Part I, line 17			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	1,575,700.
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17) Add lines c and d		e	1,575,700.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(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 and deferred compensation plans	(E) Expense account and other allowances
Mark Blumenthal P.O. Box 144345 Austin, TX 78714	Executive Director 60	125,000.	4,490.	35.
Wayne Silverman P.O. Box 144345 Austin, TX 78714	Chief Administrative Offi 40	75,770.	2,965.	35.
Michael J. Balick, PhD 200th Street & Southern Blvd Bronx, NY 10458-5126	Trustee 3	0.	0.	0.
Neil Blomquist 4392 Belmont Drive Sebastopol, CA 95472	Treasurer 3	0.	0.	0.
Peggy Brevoort P.O. Box 1200 Kapa'au, HI 96755	President 3	0.	0.	0.
See List of Officers, Etc. Statement				

Part V-A Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>	Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business as board meetings ▶ 8	---	---
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s)	75b	X
c Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of 'related organization' If 'Yes,' attach a statement that includes the information described in the instructions	75c	X
d Does the organization have a written conflict of interest policy?	75d	X

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
None				

Part VI Other Information <i>(See the instructions.)</i>	Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If 'Yes,' attach a detailed statement of each change	76	X
77 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	77	X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	78b	---
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	79	X
80a 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?	80a	X
b If 'Yes,' enter the name of the organization ▶ ----- and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt	81a	---
81a Enter direct and indirect political expenditures (See line 81 instructions)	81a	---
b Did the organization file Form 1120-POL for this year?	81b	X

Part VI Other Information (continued)	Yes	No
82 a 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?		X
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 in Part III)		
82 b _____		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members	N/A	
d Section 162(e) lobbying and political expenditures	N/A	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86 501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	N/A	
b Gross receipts, included on line 12, for public use of club facilities	N/A	
87 501(c)(12) organizations Enter a Gross income from members or shareholders	N/A	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	N/A	
88 a 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.		X
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI.		X
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 _____, section 4912 _____, section 4955 _____		
b 501(c)(3) and 501(c)(4) organizations 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.		X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.	0.	
d Enter Amount of tax on line 89c, above, reimbursed by the organization.		
e All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90 a List the states with which a copy of this return is filed. <u>None</u>		
b Number of employees employed in the pay period that includes March 12, 2006 (See instructions)	90 b	16
91 a The books are in care of <u>Cecelia Thompson</u> Telephone number <u>(512) 926-4900</u> Located at <u>6200 Manor Road, Austin, TX</u> ZIP + 4 <u>78723</u>		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country.		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued)

	Yes	No
c		X

c At any time during the calendar year, did the organization maintain an office outside of the United States?

If 'Yes,' enter the name of the foreign country

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

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated

	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	
93 Program service revenue					
a Services					98,645.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					1,044,275.
95 Interest on savings & temporary cash invmnts					
96 Dividends & 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 pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					41,214.
103 Other revenue					
a					
b Miscellaneous					29,025.
c Content licensing					71,200.
d Safety labeling					6,000.
e					
104 Subtotal (add columns (B), (D), and (E))					1,290,359.
105 Total (add line 104, columns (B), (D), and (E))					1,290,359.

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 the instructions.)

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)
All	American Botanical Council was developed to organize and implement programs on herbs and medical programs for charitable scientific literary and educational purposes. All funds received are used to meet organizational needs to provide programs.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

N/A

(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 the instructions.)

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)

Part XI. Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

	N/A	
	Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
Totals				

	Yes		No	
	Yes	No		
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity				

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
Totals				

	Yes		No	
	Yes	No		
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?				

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	▶ <u>Mark Blumenthal</u> <small>Signature of officer</small>	▶ <u>June 13, 2008</u> <small>Date</small>
	▶ <u>MARK BLUMENTHAL EXECUTIVE DIRECTOR</u> <small>Type or print name and title</small>	

Paid Preparer's Use Only	▶ <u>[Signature]</u> <small>Preparer's signature</small>	▶ _____ <small>Date</small>	▶ _____ <small>Check if</small>	▶ _____ <small>Preparer's SSN or PTIN (See instructions)</small>
	▶ <u>Montemayor Hill & Company, P.C.</u> <small>Firm's name (or yours if self-employed), address, and ZIP + 4</small>	▶ <u>3001 South Lamar Boulevard,</u> <u>Austin</u>		

BAA

TEEA0110

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

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

Supplementary Information — (See separate instructions.)

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

OMB No 1545-0047

2006

Name of the organization American Botanical Council	Employer identification number 74-2518542
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See 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 and deferred compensation	(e) Expense account and other allowances
C. Thompson PO Box 144345, Austin, TX 78714	Finance Coordinator 40	54,394.	4,490.	35.

Total number of other employees paid over \$50,000 ▶	None			

Part II – A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See 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
Eric J. Valdez & Associates, LLC 3301 Accomac, Austin, TX 78748	IT/Web Design Consulting	210,070.
Branch-Smith Printing 120 St. Louis, Ft. Worth, TX 76104	Magazine Printing	76,507.

Total number of others receiving over \$50,000 for professional services ▶	None	

Part II – B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of other contractors receiving over \$50,000 for other services ▶	None	

Part III Statements About Activities (See instructions.)

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)

	Yes	No
1		X

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

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)

2a		X
-----------	--	---

a Sale, exchange, or leasing of property?

b Lending of money or other extension of credit?

2b	X	
-----------	---	--

c Furnishing of goods, services, or facilities?

2c		X
-----------	--	---

See Part V, Form 990

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d	X	
-----------	---	--

e Transfer of any part of its income or assets?

2e		X
-----------	--	---

3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments)

3a		X
-----------	--	---

b Did the organization have a section 403(b) annuity plan for its employees?

3b	X	
-----------	---	--

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement

3c		X
-----------	--	---

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d		X
-----------	--	---

4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g

4a		X
-----------	--	---

b Did the organization make any taxable distributions under section 4966?

4b		
-----------	--	--

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c		
-----------	--	--

d Enter the total number of donor advised funds owned at the end of the tax year **▶** _____

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year **▶** _____

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts **▶** _____ **0**

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year **▶** _____ **0.**

Part IV Reason for Non-Private Foundation Status (See instructions.)

I certify that 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization ▶
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					▶

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	120,666.	142,277.	109,769.	168,861.	541,573.
16 Membership fees received	1,009,944.	903,956.	892,185.	779,387.	3,585,472.
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	129,835.	85,945.	286,145.	297,156.	799,081.
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		0.	0.	0.	0.
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. See L-22 Stmt.	119,074.	163,579.	180,271.	201,425.	664,349.
23 Total of lines 15 through 22	1,379,519.	1,295,757.	1,468,370.	1,446,829.	5,590,475.
24 Line 23 minus line 17	1,249,684.	1,209,812.	1,182,225.	1,149,673.	4,791,394.
25 Enter 1% of line 23	13,795.	12,958.	14,684.	14,468.	
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a 95,828.
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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b 41,210.
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26c 4,791,394.
d Add: Amounts from column (e) for lines:	18 0.	19			
	22 664,349.	26b 41,210.			26d 705,559.
e Public support (line 26c minus line 26d total)					26e 4,085,835.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 85.27 %
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:					
(2005) _____ (2004) _____ (2003) _____ (2002) _____					
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 11b, 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:					
(2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines:	15 _____	16 _____			
	17 _____	20 _____	21 _____		
d Add: Line 27a total _____ and line 27b total _____					27c _____
e Public support (line 27c total minus line 27d total)					27d _____
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					27e _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27f _____
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27g %
					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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.					

Part V Private School Questionnaire (See instructions.)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		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) ----- ----- -----		
32a	Does the organization maintain the following a Records indicating the racial composition of the student body, faculty, and administrative staff?		
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
32d	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.) ----- -----		
33	Does the organization discriminate by race in any way with respect to		
33a	a Students' rights or privileges?		
33b	b Admissions policies?		
33c	c Employment of faculty or administrative staff?		
33d	d Scholarships or other financial assistance?		
33e	e Educational policies?		
33f	f Use of facilities?		
33g	g Athletic programs?		
33h	h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
34b	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		
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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

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
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 --		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
The lobbying nontaxable amount is --		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000		
\$225,000 plus 5% of the excess over \$1,500,000		
\$1,000,000		
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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions)

N/A

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			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h.)			

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

Name as Shown on Return
American Botanical Council

Employer Identification No
74-2518542

Compensation

Name	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Mark Blumenthal	125,000.	106,250.	6,250.	12,500.
Wayne Silverman	75,770.	49,251.	3,789.	22,730.
Steven Foster	5,241.	5,241.	0.	0.
Total Compensation Received	206,011.	160,742.	10,039.	35,230.

Contributions to Employee Benefit Plans & Deferred Compensation Plans

Name	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Mark Blumenthal	4,490.	3,502.	674.	314.
Wayne Silverman	2,965.	2,312.	445.	208.
Total Contributions to Employee Benefit Plans & Deferred Compensation Plans	7,455.	5,814.	1,119.	522.

Expense Account and Other Allowances

Name	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Mark Blumenthal	35.	27.	5.	3.
Wayne Silverman	35.	28.	5.	2.
Total Expense Account and Other Allowances	70.	55.	10.	5.
Total to Part II, Line 25a	213,536.	166,611.	11,168.	35,757.

Additional Information

Statement 1

American Botanical Council was created to provide the public with responsible information on herbs and medicinal plants.

Additional Information

Statement 2

American Botanical Council (ABC) is a nonprofit, member-supported organization whose mission is to provide education using science-based and traditional information to promote responsible use of herbal medicine - serving the public, researchers, educators, healthcare professionals, industry, and media.

Form 990, Page 5, Part V-A
List of Officers, Etc. Statement

(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 and deferred compensation	(E) Expense account and other allowances
James A. Duke, Ph.D. 8210 Murphy Road Fulton, MD 20759-9706	Trustee 3	0.	0.	0.
Norman Farnsworth, PhD 833 South Wood Street Chicago, IL 60612	Trustee 3	0.	0.	0.
Steven Foster P.O. Box 57 Brixey, MO 65618	Vice President 3	5,241.	0.	0.
Fredi Kronenberg, PhD 630 West 168th Street, Box 75 New York, NY 10032	Secretary 3	0.	0.	0.
Morris Shriftman 45 Gable Ct. San Rafael, CA 94903-5211	Trustee 3	0.	0.	0.
John Weeks 3345 59th Ave. SW Seattle, WA 98116	Trustee 3	0.	0.	0.

Form 990, Page 1, Part I, Line 10
Gross Sales of Inventory Statement

Description	Gross Sales Less: Returns and Allowances	Less: Cost of Goods Sold	Gross Profit (Loss)
HerbalGram	102,538.	0.	102,538.
Retail	83,033.	0.	83,033.
Cost of sales	0.	144,357.	-144,357.
Total	<u>185,571.</u>	<u>144,357.</u>	<u>41,214.</u>

Form 990, Page 4, Part IV, Lines 57a & 57b
Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Land	102,900.	0.	102,900.
Buildings	568,056.	190,085.	377,971.
Machinery and equipment	141,736.	61,782.	79,954.
Furniture	28,268.	25,980.	2,288.
Work in progress-Website	183,161.	0.	183,161.
Total	<u>1,024,121.</u>	<u>277,847.</u>	<u>746,274.</u>

Schedule A, Part IV-A, Line 22

Other Income

Description	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
Miscellaneous	38,580.	44,785.	64,071.	54,225.	201,661.
Content licensing	71,994.	99,044.	78,200.	65,500.	314,738.
Safety labeling	8,500.	19,750.	38,000.	27,500.	93,750.
Bad debt recovery	0.			54,200.	54,200.
Total	<u>119,074.</u>	<u>163,579.</u>	<u>180,271.</u>	<u>201,425.</u>	<u>664,349.</u>