One of IJ’s secrets to success is our resilience. When we encounter adversity, we craft strategies to overcome whatever defeat we have suffered and move forward aggressively. IJ’s resilience recently paid off in a big way in Arizona. In March, we scored a final victory in a school choice case that significantly expands educational opportunities for tens of thousands of Arizona families. But our momentous win started with a difficult loss.

In 2009, in a case named *Cain v. Horne*, the Arizona Supreme Court struck down two state-funded scholarship programs that provided tuition assistance to families. One of the programs served children with special needs; the other served children in foster care. The programs were making a real difference in our clients’ lives. Andrea Weck-Robertson’s daughter, Lexie, was making tremendous academic and social gains at a private school after public school officials had told Andrea they did not know where to place or how to educate Lexie. Crystal Fox’s daughter, Tia, was making significant progress at another private school after Crystal was told by a public school teacher that parents whose children are as severely autistic as Tia typically do not send their children to school.

**Victory Secures School Choice in AZ**

*By Tim Keller*

Austin Fox is one example of the difference education savings accounts are making in students’ lives.

School Choice Victory continued on page 6
By Bob McNamara

In 1993, IJ launched its first transportation lawsuit in Denver, Colo., on behalf of a group of entrepreneurs who wanted to open up the taxi market and start their own company. Since then, IJ has been devoted to the idea of transportation freedom: The basic idea that consumers and entrepreneurs, not government officials, should be the ones deciding what transportation options are available in a particular city. From taxicabs to dollar vans and black cars, we’ve taken on entrenched monopolies all across the country. In the past year, we’ve redoubled our commitment to the cause, launching a case in Tampa and securing an important Supreme Court victory in Colorado.

And now we can add the Windy City to that list with our latest intervention in a federal lawsuit in Chicago. For the past year, Chicago has allowed “ridesharing” services to operate in the city. Ridesharing companies like Sidecar, UberX and Lyft use smartphone technology to match consumers with ordinary drivers who can transport them for a fee. The experiment seemed to be working—drivers were making money and consumers were having good experiences—until a group of large taxicab companies filed a lawsuit claiming that Chicago was committing an unconstitutional taking by not arresting ridesharing drivers. The lawsuit did not allege that Chicago was actually taking anything from the companies; the city is not taking their cabs away or revoking their medals. Instead, the cab companies’ shockingly broad legal theory is that Chicago is committing a taking by allowing other businesses to compete with them.

But that cannot be right: Customers aren’t property, and competition isn’t theft. If the taxicab companies’ legal theory prevailed, it would be the death knell of any meaningful transportation reform anywhere in the country. Not only would taxicab companies be able to prevent ridesharing using smartphone apps, they’d be able to prevent any reform that resulted in them making less money.

Faced with this threat, IJ’s transportation team swung into action with amazing speed. Within hours of the lawsuit being filed, we were on the phone with ridesharing groups and drivers in search of potential clients. Within days, IJ Attorneys Anthony Sanders and Renée Flaherty were on the ground in Chicago, meeting with the ridesharing drivers who were directly affected by the lawsuit. And within weeks, we formally intervened in the lawsuit to make sure that the possibility of transportation reform remains alive and well not just in Chicago, but nationwide. While the litigation team was moving to make sure our voice was heard in court, IJ Clinic Director Beth Kregor swung into action on the legislative front, working to make sure protectionist legislation did not shut down these innovative businesses before they started. The team effort resulted in a major media splash—and it will make sure the cab companies’ lawsuit does not result in a legal ruling setting up a permanent monopoly.

As technology continues to change the transportation landscape, this kind of speedy reaction will only grow more important. And IJ will stand ready with the resources, the experience and the principles that are necessary to make sure economic liberty does not disappear as soon as someone gets behind the wheel.

Bob McNamara is an IJ senior attorney.

IJ client Dan Burgess, left, with IJ Attorneys Renée Flaherty and Anthony Sanders at the case launch.

Chicago, but nationwide. While the litigation team was moving to make sure our voice was heard in court, IJ Clinic Director Beth Kregor swung into action on the legislative front, working to make sure protectionist legislation did not shut down these innovative businesses before they started. The team effort resulted in a major media splash—and it will make sure the cab companies’ lawsuit does not result in a legal ruling setting up a permanent monopoly.

As technology continues to change the transportation landscape, this kind of speedy reaction will only grow more important. And IJ will stand ready with the resources, the experience and the principles that are necessary to make sure economic liberty does not disappear as soon as someone gets behind the wheel.

Bob McNamara is an IJ senior attorney.
June 2014

By Anthony Sanders

Can the government say that only the first 12 people at the polls on Election Day get to vote for every office and everyone else gets to vote for only half the offices? Of course not. In this country, we don’t dish out rights on a first-come, first-served basis.

Except in Minnesota, apparently. To teach the state that the “First” in “First Amendment” does not mean first-come, first-served, IJ filed a lawsuit in April 2014 challenging the state’s “special sources limit.” The law allows donors to contribute a certain amount to candidates—$1,000 for Minn. House of Representatives on up to $4,000 for governor—but cuts the amount in half if the candidate raises “too much” money. For state house campaigns, once 12 people contribute $1,000 to a candidate, everyone else can donate only $500. Since candidates use that money to speak to voters, this means donors who wait to contribute have fewer free-speech rights than those who contributed early.

IJ’s challenge was filed a mere seven days after the U.S. Supreme Court struck down a similar law in McCutcheon v. FEC, a case IJ followed closely and in which we filed an amicus brief. There, Congress banned donors from contributing more than a specified sum to all candidates combined, even if none of the separate contributions exceeded the per-candidate limit of $5,200.

The Supreme Court rightly struck down the law as violating donors’ First Amendment rights. The Court reasoned that if Congress thinks it is OK for a person to donate $5,200 to one candidate, that person should be able to donate the same amount to others.

Minnesota’s law, in comparison, is an even more egregious limit on speech. It applies to a donor contributing as little as $501 to a single candidate because of what prior donors have done.

IJ’s case may have been filed seven days after McCutcheon, but it took much longer than seven days to build. Last year, IJ’s campaign-finance team saw the coming McCutcheon decision as an opportunity to further the cause of unshackling political speech. Lawyers at our Minnesota Chapter talked to numerous donors and candidates, looking for a few brave souls willing to stand up to Minnesota’s speech police. We found our champions in Doug Seaton and Van Carlson, Minnesota residents and campaign donors whose speech has been stymied because of the special sources law, and in candidates Linda Runbeck, a state representative, and Scott Dutcher.

IJ is particularly excited about this case because it is the first time IJ has directly challenged a campaign contribution limit that applies to candidates. It’s the latest in our attempt to revive the core of the First Amendment: protecting what we say about who we elect to office.

Anthony Sanders is an IJ attorney.

IJ attorney Anthony Sanders joins Minnesota donors and candidates who are suing to overturn restrictive campaign finance laws.
By Larry Salzman

In Georgia, entrepreneurs who compete with dentists to offer teeth-whitening services can be charged with a felony, imprisoned for up to five years and fined $500 per customer. This is because the Georgia Board of Dentistry—made up of eight dentists and only one non-dentist—has irrationally deemed teeth-whitening entrepreneurs to be engaged in the “unlawful practice of dentistry.”

The dentists’ monopoly on teeth whitening has nothing to do with health or safety and everything to do with protecting dentists from honest competition. Trisha Eck is the latest victim of this law.

In 2012, Trisha was looking for a way to bring in some extra money for her family with a flexible schedule so she could spend time with her grandkids. Trisha got the idea to open a teeth-whitening business after seeing others do it and attending a teeth-whitening trade show.

She opened Tooth Fairies Teeth Whitening that year and rented space at a medi-spa near her home in Warner Robins, Ga. She sold pre-packaged, over-the-counter teeth-whitening products, like the kind sold in drugstores. These products are safe, and the FDA regulates them as cosmetics. Trisha never had a complaint.

Her business did not involve touching any customer’s mouth or performing any cleaning. She simply instructed her customers on how to apply the products to their own teeth in her clean, comfortable spa environment.

By charging as little as $79, and with the help of referrals, Trisha soon turned a profit. Her success gave her confidence to advertise on the radio and through direct mail.

By Larry Salzman

The right to earn an honest living free from arbitrary government interference is one of the most important rights protected by the U.S. Constitution. Giving dentists the power to outlaw their own competition is not just bad policy; it’s unconstitutional.

That’s why Trisha teamed up with IJ in April to file a federal lawsuit against the Dental Board to strike down Georgia’s monopoly on teeth whitening. A victory will not only save Trisha’s business, but vindicate economic liberty for entrepreneurs throughout Georgia and the nation. That should give all Americans a reason to smile.

Larry Salzman is an IJ attorney.
Teeth-whitening entrepreneurs in Connecticut can return to work thanks to a ruling issued on March 31, in Sensational Smiles LLC v. Mullen, the first of IJ’s three lawsuits that aim to beat back dental boards’ efforts to monopolize the safe practice of teeth whitening.

The lawsuit arose out of a 2011 ruling by the Connecticut Dental Commission that banned non-dentists from selling an over-the-counter whitening product and providing a clean, comfortable place for customers to apply the product to their own teeth, just as they would at home. After IJ challenged that ruling in federal court, the Commission back-pedaled and took a much narrower view of the law. The recent federal court ruling binds the Commission to that view, and confirms that it has almost no jurisdiction over teeth whitening as it is commonly practiced in shopping malls and salons.

That ruling will allow IJ’s clients to return to work, offering almost all of the services they previously offered, with just one exception. Over the course of the litigation, the Dental Commission adopted the absurd position that, although it was legal for non-dentists to make LED teeth-whitening lights available to their customers, they could not position those lights in front of their customers’ mouths. Instead, the customers have to position the light themselves. The district court upheld that restriction despite the fact that IJ presented unrebutted expert testimony that the LED lights used in teeth whitening are no more powerful or dangerous than common household flashlights.

The district court’s ruling demonstrates the critical need for judicial engagement. Nobody needs eight years of higher education to safely point a flashlight at someone’s mouth, and the only reason the restriction exists is to burden businesses that compete with dentists for teeth-whitening customers. That’s why we’ve appealed the court’s ruling to the 2nd U.S. Circuit Court of Appeals—and why we won’t stop fighting until we’ve secured total victory for our clients and all Connecticut entrepreneurs.

By John E. Kramer

Protecting economic liberty doesn’t end after we win a major legal or state legislative victory. IJ Attorney Dan Alban and former IJ client Melony Armstrong, an African hairbraider from Mississippi, recently testified before the U.S. Senate Finance Committee and the U.S. House Small Business Committee, respectively, to call on lawmakers to better respect Americans’ right to economic liberty.

Dan was invited to testify after IJ’s victory on behalf of independent tax preparers against the IRS. The IRS sought to demand independent tax preparers get a government-issued license to continue in their trade.

Dan told the senators, “Licensing reduces competition in the tax preparation market, which is bad for consumers. Between reduced competition and increased regulatory compliance costs, licensing is expected to artificially drive up the prices consumers pay for tax preparation. Many taxpayers will not only be left with fewer options, but will be deprived of their first preference and forced to pick a new preparer if licensing forces their current preparer out of business. Instead, taxpayers—not the IRS—should be the ones who get to decide who prepares their taxes.”

Melony told congressional members, “Every day across Mississippi, hundreds of low-income families are housed because of my advocacy and hard work. But I don’t run a shelter. They are clothed through what I’ve done. But I don’t run a second-hand clothing store. They are fed as a direct result of what I have achieved and continue to achieve. But I don’t run a soup kitchen. I have transformed the lives of literally hundreds of poor women in my state of Mississippi not because I sought out government assistance for them; rather, because I demanded that the government get out of my way so I could provide for myself and for my family, and so other women around me could do likewise in peace, dignity and prosperity. We demanded the government respect our economic liberty—the right to earn an honest living in the occupation of our choice free from unnecessary government regulation.”

The right to earn an honest living is one of the most fundamental freedoms we enjoy as Americans. It’s time for Congress to do what it can to protect this vital right.

John E. Kramer is IJ’s vice president for communications.
Lexie has flourished at the St. Dominic Savio Academy, a private school in Tempe that specializes in educating children with autism and related disorders.

IJ client Andrea Weck-Robertson says the progress her daughter Lexie has experienced thanks to Arizona choice programs has surpassed her greatest expectations. Lexie has made incredible leaps in her academic ability.

Educational Opportunities Abound in Arizona Thanks to IJ’s Resilience

School Choice Victory continued from page 1

It was extremely difficult to call Andrea and Crystal to tell them that the court had severed their children’s educational lifelines. But before hanging up the phone, I promised Andrea and Crystal one thing: IJ would not leave them or their children adrift at sea.

As an initial measure, IJ worked with our local school choice allies to pass a new tax-credit-funded scholarship program. Arizona’s courts had previously upheld tax-credit scholarship programs, thanks in large measure to IJ’s legal advocacy. The Arizona Legislature even named the new tax-credit program Lexie’s Law. The program secured many children’s educational futures, including Tia’s and Lexie’s, but in the midst of the financial crisis, it failed to attract the robust funding needed to help all of the kids who lost their scholarships. So we went back to the drawing board.

Working in tandem with our friends at the Goldwater Institute and the Center for Arizona Policy, IJ helped create the nation’s first publicly funded education savings account (ESA) program. Under the program, parents receive quarterly deposits into a savings account in an amount slightly less than their child’s public school would have received.

Parents can use those funds for a wide array of educational options, including private school tuition, curriculum and books for use at...
“Since enrolling in the ESA program, Austin has gone from a 2.0 GPA to nearly a 4.0 GPA. Crystal credits the program with saving Austin’s life.”

Austin Fox—who has Asperger’s syndrome—was ready to drop out of his public high school in 10th grade. But the opportunity to participate in the ESA program, and to choose a school for himself, convinced Austin to stay in school. Austin’s new-found academic success and high SAT and ACT scores mean he is college-bound upon graduation.

home, therapies to help children speak or write, hiring tutors or purchasing individual classes at a public school. ESA funds can even be saved for college expenses.

The genesis of the ESA program came from language in the Cain decision that emphasized that parents have “no choice” but to use their previous state-funded scholarships to attend private schools. The ESA program, on the other hand, allows parents to pick and choose from an à la carte menu of educational options to meet their child’s unique needs. While parents are permitted to choose a private school under the program, they are not required to do so and may educate their child through any combination of the allowable education expenses.

The teachers’ unions challenged the ESA program in court as soon as it was signed into law. U was ready and immediately intervened on behalf of Crystal—this time focusing on her son Austin, who has Asperger’s Syndrome and who, by that time, was ready to drop out of a public education system that had utterly failed him. Since enrolling in the ESA program, Austin has gone from a 2.0 GPA to nearly a 4.0 GPA. Crystal credits the program with saving Austin’s life.

The Arizona Supreme Court recently decided not to review U’s Court of Appeals victory putting an end to the legal challenge and leaving the ESA program on firm constitutional footing. Losing is never easy, but U’s never-say-die approach to public-interest law means we create opportunities to overcome even the worst adversity. And when we do finally prevail, there is nothing sweeter than picking up the phone to tell our clients, “We won.”

Austin’s sister, Tia Fox, left, attends Chrysalis Academy. Tia’s mom, Crystal, says that Tia’s life today is completely changed with the help of the Chrysalis Academy, and, most importantly, she’s happy.
Join the IJ Partners Club

Play a vital role in powering the national law firm for liberty

By Caitlyn Korb

The Institute for Justice has become a powerful force for freedom through the strength of our partnerships. We team up with citizens and entrepreneurs whose liberties are under assault to win important legal victories. We work with grassroots groups to raise awareness of our four core mission areas and empower citizens to assert their rights. And we partner with individuals like you who are passionate about defending our most basic freedoms and securing the blessings of liberty for generations to come.

As IJ enters a period of exciting and ambitious growth, we invite you to demonstrate your commitment to defending individual freedom and opportunity by becoming a member of IJ’s Partners Club. IJ Partners support our mission by giving $1,000 or more to the Institute each year. In total, Partners provide nearly 75 percent of our annual funding. We hope you will maximize your investment in a freer and more just society by joining the Partners Club.

In addition to an invitation to attend Partners Retreat events, Partners also receive special updates from President Chip Mellor on important case developments. They have the opportunity to visit personally with IJ staff members who are traveling in their area, and they enjoy inside looks at new and exciting IJ cases. For a full list of the benefits of becoming a Partners Club member, please visit ij.org/PartnersClub.

As you read through this issue of Liberty & Law and take stock of the many ways in which IJ is changing the world and impacting the lives of real people, we hope you’ll seize this opportunity to play a vital role in securing the liberties that make America exceptional. The stakes have never been higher, nor has the need for IJ ever been greater than at this moment. Join us and become a Partner at the national law firm for liberty.

For more information and to become a Partners Club member, please contact me at 703-682-9320, ext. 221, or ckorb@ij.org.

Caitlyn Korb is the Institute’s Partners Club coordinator.

PARTNERS PROVIDE NEARLY 75% OF OUR ANNUAL FUNDING. WE HOPE YOU WILL MAXIMIZE YOUR INVESTMENT IN A FREER AND MORE JUST SOCIETY BY JOINING THE PARTNERS CLUB.

Palm Beach, FL
October 24-26, 2014
Eau Palm Beach Resort & Spa

Join the Institute for Justice for an inspiring and invigorating weekend set in a luxurious Palm Beach oasis. Open to members of our Partners Club and Four Pillars Society, the 2014 Partners Retreat is a unique opportunity to connect with fellow IJ supporters and get exclusive insight into IJ’s plans to go “all in for freedom” in the coming years. Featuring panel discussions with IJ’s talented staff, attorneys and courageous clients, and addresses from renowned liberty advocates like Charles Murray, this is an event that you won’t want to miss.

For more details on the 2014 Partners Retreat and to register, please visit ij.org/PartnersRetreat2014.

FOR A FULL LIST OF THE BENEFITS OF BECOMING A PARTNERS CLUB MEMBER, PLEASE VISIT IJ.ORG/PARTNERSCLUB
By Beth Kregor

Every chef or foodie knows the most successful recipes are simple and require few ingredients. But the recipe for starting a food business in Chicago is complex and messy. Happily, though, entrepreneurs can turn to the IJ Clinic on Entrepreneurship for step-by-step guidance on the recipe for success.

On Saturday, May 3, the IJ Clinic hosted Recipe for Success: Your Place at the Table. The daylong conference showed aspiring and active entrepreneurs in the food industry that they are not alone. They have the IJ Clinic and a community of like-minded culinary businesspeople to help them establish their niches.

The program focused on strategies for teaming up with others to build a strong business. When they arrived, all the participants received recipe cards that they could fill out with tidbits of know-how—perhaps an actual recipe, a business strategy or a helpful contact—and share with others at the conference. Everyone in the room had wisdom and experience to share.

We launched the program with stories of entrepreneurs who have changed Chicago history and IJ clients who have changed the law. Then the speakers dished out special expertise. First, a panel of entrepreneurs took the stage to discuss the topic at the top of everyone’s mind: funding. Amy Le, owner of Saucy Porka, spoke about how she grew her business from a food truck to a brick-and-mortar restaurant. Dimitri Syrkin-Nikolau explained how he relied on family and friends in the early days to invest in Dimo’s, his pizza restaurant, when he was unsuccessful in securing a bank loan. Galen Williams has learned as an investor and an entrepreneur about the best approach to fundraising. He shared helpful tips on how to find the right investor who will be a boon to a new business, rather than a bomb. Everyone in the audience saw that bringing passion and hard work is ultimately more important than raising lots of money.

More entrepreneurs shared their experiences in later sessions, talking about resilience in the face of rejection, distinctive marketing on small budgets and creating a local supply chain. Along with the information, attendees gobbled up a delicious lunch from local food trucks and restaurants, including IJ Clinic client Moon Meals.

The main course of the conference was a collection of presentations by IJ Clinic students. What the students lack in worldly experience, they make up for with research and diligence. The students clearly and creatively broke down the complex legalities of building successful food businesses. Their presentations explained how to draw up an agreement among the founders of a business, how to get a license from the city to share a kitchen with other entrepreneurs, how to set up a business organization, how to label a food product in compliance with the complicated FDA rules and how to start a food truck or food cart. Where the laws make entrepreneurship impossible, we invited the courageous entrepreneurs to join us in our fight to change them.

The day was full of great ideas, great connections and great food. That night, 150 entrepreneurs dreamed the American Dream more vividly than ever before.

Beth Kregor is the director of the IJ Clinic on Entrepreneurship.
Hands Off My Art Studio: IJ Helps Philadelphia Artist Fight Greedy City Planners

Philadelphia is using eminent domain to take James Dupree’s art studio to clear a large parcel for private development. IJ has been working with Dupree to stop this taking.

By Melinda Haring

IJ continues its fight against eminent domain abuse nationwide, and the latest battle has brought us to an art studio in Philadelphia. James Dupree is one of the city’s most highly sought-after artists. Five of his paintings are housed at the Philadelphia Museum of Art, and numerous pieces of his are displayed throughout the city. Nine years ago, James turned a broken-down warehouse and garage into a unique art space where he works and hosts art classes. He wants to start a mentorship program so that inner-city kids, like he once was, can learn to appreciate art and maybe even become artists one day.

But James’ plans came to an abrupt halt last year. Like most properties targeted for eminent domain abuse, James’ 8,600 square-foot eclectic studio is situated in a prized area. Drexel University plans to expand its campus into James’ neighborhood. To make way for Drexel and its students, the city is using eminent domain to seize his studio and replace it with a grocery store—clearly not a public use. Seizing James’ art studio is not only unconstitutional, it is unconscionable.

To draw national attention to his case, James teamed up with IJ in November. Together we launched a campaign urging the city council to halt this unconstitutional land grab and return James’ property. In April, IJ sponsored an all-day open studio event with live music, spin art and speeches that drew more than 400 art enthusiasts, community leaders and activists to demonstrate their support for James.

One trademark of IJ’s activism is its ability to forge nontraditional alliances. James’ case is no different. IJ is working with the ACLU of Pennsylvania and Philadelphia, Americans for Prosperity-Pennsylvania, the Commonwealth Foundation, a number of prominent art groups and a local minister to save Dupree Studios. Our coalition has generated enormous media attention: There have been more than 20 articles written about James’ fight in outlets like The Philadelphia Inquirer and Forbes.com. James has also appeared on Stossel and Fox & Friends.

As a result of the tug-of-war over James’ property, he had not been able to work. Since IJ got involved, James has returned to his paints and participated in Art Basel, a prestigious international art show for contemporary art in Miami.

James’ studio remains in legal limbo—but he fights on, knowing that he is not alone. Since Kelo, 47 states have strengthened protections for property owners against eminent domain abuse and IJ’s activism has helped save more than 16,000 properties.

The Institute for Justice will continue to seek justice for James and to prevent similar takings from ever occurring in Philadelphia again.

Melinda Haring is the activism manager at the Institute for Justice.
“‘There is no constitutional right to be free from competition,’ the rideshare drivers’ attorney, Anthony Sanders, said. ‘And there is no constitutional right to have the government arrest your business competitors, which is what the taxicab companies are arguing.’”

“The IJ’s common-sense recommendation for reforms to American forfeiture laws include increasing oversight and reporting requirements on police departments, curbing the financial incentive by directing seized assets into a neutral fund (such as education or drug treatment) or a municipality’s general fund and placing the burden of proof on the government rather than property owners.”

“In what it probably considered an act of unmerited mercy, the IRS offered to return 20 percent of [IJ forfeiture client Terry Dehko’s] money. Such extortion—pocketing other people’s money—often succeeds when the IRS bullies bewildered people not represented by IJ, which forced the government to return all of Terry’s and the gas station owner’s money.”

“Chicago is one of the most restrictive cities in America for mobile food vendors, according to Elizabeth Kregor, director of the Institute for Justice Clinic on Entrepreneurship at the University of Chicago. The organization has consulted with city health officials on a draft ordinance to legalize some types of food cart sales, one that it hopes can soon go before the City Council and become law later this year.”

“‘The issue with policing for profit in most cases is not that police are simply taking money they shouldn’t,’ said Matt Miller, the Austin attorney who represented [IJ forfeiture client] El-Ali in his appeals. ‘It’s that you create the opportunity, even the incentive, for corruption.’”
“Without the Institute for Justice, we would never have kept the house. They did it pro bono. Thank God there are people to donate to their organization.”

— Lori Ann Vendetti (former IJ client), Atlantic Highlands Herald

The City of Sacramento said politicians and realtors could have portable signs, but our small business couldn’t.

The survival of our business depended on our right to speak.

We fought for our First Amendment rights.

And we won.

We are IJ.