

# Liberty & LAW

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## IJ SCORES VICTORY AGAINST INTERIOR DESIGN CARTEL

By Clark Neily

The Institute for Justice scored a decisive blow against the national interior design cartel in June when a federal judge in New Haven, Conn., struck down a Connecticut “tittling law” that allowed anyone to perform interior design services, but dictated that only those with government-issued licenses could call themselves “interior designers.” The state says it will not appeal this free speech decision and we have already cited it in a preliminary injunction motion we filed just two weeks later in our Florida interior design case. The Connecticut victory is a dramatic example of strategic litigation in action.

IJ first learned about interior design regulations when we filed an amicus brief in support of a group of freedom-minded interior designers who were helping challenge an Alabama law that made it a crime to offer advice about such things as throw pillows and paint colors without first securing a license. We quickly realized that Alabama’s law was no isolated

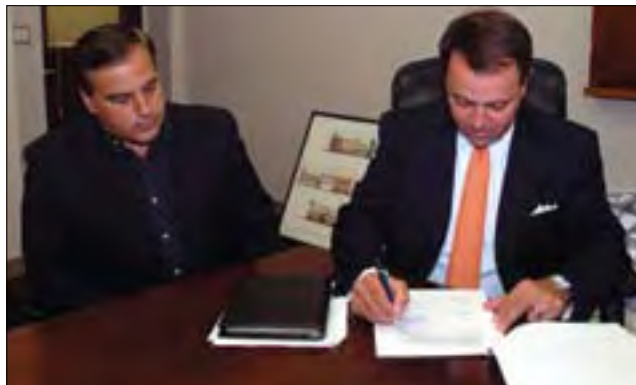
**Interior Design** continued on **page 5**



Thanks to her legal victory, IJ client **Susan Roberts** is now free to tell the world she is an interior designer.



## Victory and a Government Apology For IJ Client Bill Brody



(Top left) IJ client **Bill Brody** and Senior Attorney **Dana Berliner** walk to a signing ceremony and press conference that bring nine years of litigation to a successful end. Port Chester, N.Y., Mayor **Dennis Pilla** greets Brody and Berliner before the signing ceremony (top right). Above, Pilla signs settlement agreement and apology for Bill Brody.

### By Dana Berliner

In the last newsletter, we reported that courts have relied on the precedent in the *Brody* case to protect individuals' right to due process in eminent domain and other cases across the country.

In this newsletter, we are pleased to announce that the defendant in the case—the Village of Port Chester—also recognized the significance of the litigation in a public apology, and that Bill Brody's lawsuit has finally ended.

Last year, a federal judge ruled on the long-running dispute, holding that the village violated Brody's due process rights when it took his property on South Main Street to make way for a shopping mall. During the course of the litigation, Brody's large commer-

cial building was turned into a Stop & Shop parking lot. The case was poised for its fourth appeal before we achieved this final resolution.

The mayor of Port Chester read a formal apology, announcing:  
*The Village of Port Chester sincerely apologizes for violating the constitutional rights of local businessman Bill Brody, who has been fighting a nine-year battle with the Village over its use of eminent domain. The Village acknowledges the importance of this litigation and regrets the hardship it has caused Mr. Brody for the years he has had to fight to vindicate his rights.*

Port Chester will memorialize Brody's successful fight by naming a downtown intersection "William Brody Plaza." The village will erect a sign at the corner of William Street and

Main Street—right across from where Brody's building once stood.

The striking part of this agreement is the frank and full apology. It is extraordinarily rare for government entities to admit they were wrong. Like Port Chester, they will fight for years to avoid such an admission, even if the lawsuit is obviously correct. Port Chester did fight for almost nine years, but, as we approached the fourth appeal, it realized that it was time to concede that it had violated Brody's rights and bring the case to a close.

Bill Brody fought for his rights, and the rights of all New Yorkers, for years. His case was unusually grueling—he endured more than 20 hours of deposition and two trials. He has now been completely vindicated, with local and national recognition for the rights he fought to establish. ♦

**“Port Chester will memorialize Brody's successful fight by naming a downtown intersection ‘William Brody Plaza.’ The village will erect a sign at the corner of William Street and Main Street—right across from where Brody's building once stood.”**

**Dana Berliner** is an Institute senior attorney.





## Minneapolis Taxi Entrepreneur Wins Appeal

Thanks to IJ's litigation, the Minneapolis taxi market will remain open to competition for entrepreneurs like IJ client **Luis Paucar**.

### By Scott Bullock

In July, the Institute for Justice scored yet another victory for both aspiring Minneapolis taxi entrepreneurs and their consumers. In that victory, a federal appellate court unanimously affirmed a district court's dismissal of a lawsuit brought by members of the taxi cartel who sought to overturn Minneapolis' free market reforms. The appellate court made it clear that the law cannot be used to cut off competition and to protect the cartel's monopoly profits. This appeals court victory was especially important because if IJ's views had not prevailed, the adverse decision could have been used to thwart free market reforms in other industries.

The Institute for Justice Minnesota Chapter intervened in this case on the side of the city of Minneapolis to defend its reforms that removed a cap on the number of taxis allowed to operate within city limits. The reforms, finalized in 2007, opened the market to entrepreneurs who are fit, willing and able to serve the public, increased the number of cabs by 180 in the coming years, and eliminated completely the cap on the number of cabs in Minneapolis by 2011.

IJ's Minnesota Chapter drafted the initial proposed changes to the law, arranged for expert and grassroots testimony, and was the leading proponent of the 2007 reforms adopted by the city council to open up the taxi market to competition.

In response to the market-oriented and consumer-friendly reforms, the established taxicab cartel sued the city, demanding reversal of the reforms and arguing that its owners should be able to keep the spoils of the old law that excluded new competitors from the taxi market in Minneapolis for more than 10 years.

The cartel's argument, if accepted by the Court, would have worked a radical change in American law. Under its theory, any time the government sought to ease entry into

an occupation or profession, it would face financial liability to those entities that once profited from the artificial barriers erected to that industry. As a result, the regulatory status quo would forever be maintained, no matter how onerous or irrational the scheme had become.

Fortunately, the 8th U.S. Circuit Court of Appeals rejected this anti-freedom notion. It ruled that taxi licenses do not "provide an unalterable monopoly over the Minneapolis taxi market." In rejecting the cartel's "takings" argument, the Court further held that the "property interest that the taxicab-license holders may possess does not extend to the market value of the taxicab licenses derived through the closed nature of the City's taxicab market."

The Court recognized that the taxi cartel does not have a constitutional right to keep others out of the market so that the cartel's members can maintain long-term profits arising from an artificially restricted markets. In contrast, if the Court had overturned the new law and re-imposed the old regime, entrepreneurs' right to pursue a lawful occupation would have been violated.

Throughout this case, the Institute represented taxi entrepreneur Luis Paucar, who tried for nearly four years to provide service in Minneapolis. He received 22 licenses under the new law. All Luis ever wanted to do was to enter the market and compete. This appeals court victory ensures he will be able to keep and expand his start-up business even as it opens the doors for other entrepreneurs to compete. This victory also demonstrates the important difference between the principled *pro-free-enterprise* reforms that IJ advocates versus the *pro-business* protectionism existing companies often seek from the government. ♦

**Scott Bullock** is an Institute senior attorney.



# THE WALL STREET JOURNAL.

JUNE 6, 2009

## Judicial “Activism” Isn’t the Issue *Liberals and conservatives both show too much deference to Congress.*

BY JEFF ROWES

The growing dispute between conservatives and liberals over the Supreme Court nomination of Sonia Sotomayor obscures a more troubling point of agreement: The government should almost always win.

Many conservatives who think of themselves as proponents of limited government would be surprised to discover that conservative judges begin their constitutional analyses in almost every context by placing a thumb firmly on the government side of the scale. It’s called “judicial deference.” Many liberals, who take pride in being “empathetic,” would be surprised to learn that liberal judges also subscribe to judicial deference.

The practical result is that judges of both persuasions almost never enforce any constitutional limit on the power of government to regulate property and the economy. Given that the vast majority of law concerns these two areas, the real crisis in constitutional law is not judicial “activism” but judicial passivism.

It all began in the late 1930s, when the Supreme Court opened the floodgates for New Deal economic regulation. In essence, conservatives have adopted the big-government agenda of that era. The liberal-conservative consensus explains why nomination fights focus on a few “culture war” issues such as gay marriage or guns. Liberals and conservatives squabble over these esoteric questions because there is such harmonious accord on everything else.

The time-honored justification for judicial deference is that when courts refuse to enforce property rights and allow economic liberties to be trampled by legislatures they are showing respect for the democratic process. But this notion is not faithful to the duty of the judiciary. The Constitution’s framers understood that legislatures are as much nests of vice as of virtue. That is why they went to such lengths to define the limits of government, set forth our rights broadly, and create an independent, co-equal branch of government to protect those rights.

The absence of meaningful constitutional limits on the power of government over property and the economy has had consequences that should cause both liberals and conservatives to rethink the wisdom of sweeping judicial deference. For example, last fall Congress enacted the Troubled Asset Relief Program, putting hundreds of billions of dollars at the personal discretion of the secretary of the Treasury. This grant of authority—which violates the basic constitutional duty of Congress to control the purse laid out in Article I, Section 8—transformed the secretary into the most powerful unelected official in American history. Such power, once acquired, is rarely relinquished.

None of this would have been thinkable, much less possible, without the longstanding refusal of the Supreme Court to enforce clear constitutional boundaries on the elected branches.

In another example, America has become a patchwork quilt of laws serving special interests because courts refuse to pro-

tect economic liberty. In 1950, only one in 20 trades required a license. Now it is more than one in four (according to recent research of Morris Kleiner published by the National Bureau of Economic Research), and the clamor by industry groups for more licensing grows unabated.

Special interests love licensing because it restricts competition and thus drives up the prices they can charge. None of this would be possible if judges simply struck down licensing laws as an insult to the constitutional right to earn an honest living secured by the due process clause of the Fifth Amendment and the “privileges or immunities” clause of the 14th Amendment.

Bad government is usually the result of runaway government. And runaway government is usually the result of government exceeding its constitutional prerogatives. Because they have a far stronger stake in the integrity of checks and balances on government power than in the culture war, conservatives and liberals should declare a truce over “activism” and reflect on the need to take the whole Constitution seriously.

Judges should be neither active nor passive, neither aggressive nor deferential. In a word, they should be engaged—engaged in protecting constitutional rights to property and economic liberty, because these areas of the law have the most impact on our daily lives.

Mr. Rowes is an attorney at the Institute for Justice in Arlington, Va.



## CT Free Speech Victory

**Interior Design** continued from page 1 instance of rent-seeking—where existing businesses use government power to keep out newcomers—but was instead part of an aggressive nationwide lobbying campaign by industry insiders whose avowed goal was to legislate potential competitors out of business. Catching a cartel in its formation gave IJ a rare opportunity to showcase how anti-competitive regulations get on the books. We will apply the lessons learned in this fight to industry after industry nationwide for years to come in an effort to convince courts and legislatures to do away with laws that do nothing more than limit competition and guarantee that existing businesses can over-charge consumers.

Recognizing an opportunity for strategic economic liberty litigation to oppose the interior design cartel, IJ swung into action on all fronts. First, we devised a long-term litigation strategy that targeted the most vulnerable laws and used those precedents to go after the rest of the cartel's handiwork. Next, we held an interior design summit in September 2007 to coordinate grassroots efforts among individuals, activists and industry members. We then followed up with successful media and strategic research campaigns that included an April Fool's Day op-ed in *The Wall Street Journal* that poked fun at the laughable regulations, a withering column by George F. Will, and the publication of three separate strategic research studies systematically demolishing the other side's arguments and documenting the true costs of interior design regulation.

New Mexico was the first state we sued, and it surrendered immediately by amending the law to eliminate the constitutional defect. Next came Texas, which put up a spirited fight until IJ's one-two punch of relentless fact discovery and appellate litigation (which included persuading the Fifth Circuit to order a preliminary injunction) prompted another legislative capitulation. Oklahoma followed suit in spring 2009, leaving Connecticut as the last state with a law that regulated only the speech—but not the work—of interior designers.

After months of resistance, Connecticut's Department of Consumer Protection (which enforces the interior design law) finally saw the handwriting on the wall and attempted a legislative fix. But it was too late: The session ended in June before the law could be changed, and the court handed down its ruling less than one month later, striking down Connecticut's interior design law on free speech grounds. Our clients—three wonderfully spirited entrepreneurs who were not about to be muzzled by a bunch of bureaucrats—were ecstatic. As lead plaintiff Susan Roberts declared, "I am thrilled that I can now tell the world that I am what I have always been since I started doing this work—an interior designer."

The interior design cartel is reeling from the combination of courtroom losses, grassroots opposition and media coverage. Liberty lovers should take a moment to enjoy this promising trend.◆

**Clark Neily** is an Institute senior attorney.



## IJ Earns Charity Navigator's Highest 4-Star Rating For 8th Consecutive Year

Your investment in the Institute for Justice continues to be a sound one: In July—for the eighth consecutive year—the Institute for Justice earned Charity Navigator's highest "4-star rating." Charity Navigator ranks 5,400 nonprofits every year, and this distinction puts IJ in the company of *less than one percent*—one of 33 nonprofits nationwide.

Founded in 2001, Charity Navigator helps millions of donors make informed decisions on where to invest their charitable dollars. Each year, the company's analysts examine thousands of financial forms to rate two broad areas of a charity's financial health: "how responsibly it functions day to day as well as how well positioned it is to sustain its programs over time."

We are grateful to everyone who makes our work possible and thus shares in this recognition. We will continue to strive each day to maintain this high standard of effectiveness. For more information, visit [www.CharityNavigator.org](http://www.CharityNavigator.org).◆





## In Court with Strategic Research

By Lisa Knepper

Institute for Justice cases, by design, address issues of broad public importance, from whether government can squash competition in an industry to whether citizens still enjoy the unfettered right to free speech, especially when it comes to politics.

Naturally, such cases raise questions about the real-world, systemic effects of the laws we challenge. Surprisingly, there is often little existing social science or policy research that addresses these effects.

Enter IJ's strategic research program.

In just three years, this groundbreaking effort has begun to fill the gaps in scholarship about the issues we litigate with rigorous original research. Better still, several of our reports have proved integral to putting forward

the strongest case possible in the courtroom, with expert testimony submitted as part of the official record in four cases and counting. (To see results of our strategic research so far, visit [www.ij.org/strategicresearch](http://www.ij.org/strategicresearch).)

Most recently, research demonstrated how Arizona's so-called "Clean Elections" system of taxpayer-funding for political campaigns violates the First Amendment.

IJ argues that Arizona's system unconstitutionally discourages speech by candidates who refuse government handouts because whenever they raise funds for their speech beyond a set amount, the government delivers "matching funds," or additional government checks, to publicly funded opponents.

Strategic research demonstrated that this is not merely our assertion or the experience of only our clients. In the most rigorous investigation to date, political scientist David Primo of the University of Rochester analyzed six years of Clean Elections data and found that privately funded candidates hold off spending until the final weeks of a campaign, and even after an election, to avoid triggering matching funds to government-funded opponents.

In IJ's federal challenge to Colorado's campaign finance laws, expert testimony based on strategic research debunked the common assumption that disclosure regulations are a harmless way to provide valuable information to voters.

Economist and campaign-finance expert Jeffrey Milyo of the University of Missouri submitted testimony demonstrating that disclosure regulations

are not harmless. They drown ordinary citizens like our clients in Parker North, Colo., in red tape simply for speaking out about a ballot issue. And IJ's Director of Strategic Research Dick Carpenter found that the information produced by disclosure likely has little value to voters. Few media outlets report it, and voters rarely seek it out.

Milyo also offered expert testimony in IJ's SpeechNow.org case. Analyzing federal election data and studying independent political groups, he concluded that the contribution limits imposed on SpeechNow.org's potential members reduce the amount and effectiveness of political speech and are particularly harmful for new groups and political outsiders.

Finally, in IJ's successful challenge to Texas' interior design law, Dick Carpenter demonstrated through a carefully designed survey that consumers think interior designers are people who do interior design work, not people who have the credentials Texas required just to use the name "interior designer." Remarkably, the state had disputed this common-sense finding, claiming that our clients and others without those arbitrary credentials were "misleading" the public by accurately describing their work.

Dick's research not only put the lie to Texas' ridiculous claim, but his expertise in research methods also helped impeach a faulty expert report the state submitted in defense of the law.

Critics, of course, charge that IJ's work is just "advocacy research," designed to reach a predetermined conclusion. We welcome scrutiny and ask only that critics debate our findings on their merits. This very skepticism—and, even more, the adversarial process of litigation—demands the highest possible quality of IJ research. Dick's exacting standards for accuracy and sound methods ensure that we meet and exceed those demands every time.

In the courtroom, this high-quality work has substantiated legal claims, deflated flawed evidence from our adversaries and discredited assumptions underlying bad laws. That is research with real results. ♦

**“Several of our reports have proved integral to putting forward the strongest case possible in the courtroom, with expert testimony submitted as part of the official record in four cases and counting.”**

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Lisa Knepper is IJ's director of communications.



## Victory Highlights Strength of Minnesota's Eminent Domain Reforms

By Lee McGrath

In the first test of the 2006 eminent domain reforms that Minnesota enacted after the infamous *Kelo* decision, the Institute for Justice Minnesota Chapter and its client, Advance Shoring Company, beat back efforts by the St. Paul Port Authority to condemn Advance's property for private economic development.

After extensive advocacy in the court of public opinion by IJ-MN defending Advance's property rights, the Port Authority—a municipal development agency whose mandate has grown well beyond regulating ports—announced on June 8 that it would not condemn 10 acres owned by Advance, a family-owned leasing company that has operated in St. Paul for nearly 50 years. The cranes, scaffolding and concrete-forming equipment that Advance leases have helped construct or restore such landmarks as the Cathedral of St. Paul. As IJ Staff Attorney and St. Paul resident Jason Adkins observed, "You cannot look at St. Paul's skyline without seeing the contribution that this family business has made."

The Port Authority's decision not to condemn Advance's property signals that the state's 2006 reforms to its eminent domain laws have the strength to stop takings for economic development.

The U.S. Supreme Court's 2005 *Kelo* decision upheld governmental power to take non-blighted property from owners and sell it

to a private developer for so-called "economic development" under the federal Constitution. In the majority opinion, however, Justice John Paul Stevens emphasized "nothing in our opinion precludes any State from placing further restrictions on its exercise of the takings power."

Responding to public outrage at the *Kelo* decision and lobbying by IJ and a broad coalition seeking reform, Minnesota accepted Justice Stevens' invitation. Less than one year after the Court's ruling, Gov. Tim Pawlenty signed reforms that included prohibiting takings for "economic development."

In September 2008, seeking to test the limits of the new law, the Port Authority advised Advance that it planned to take Advance's property so that the agency could redevelop it for an unspecified use. The Port Authority claimed that it was taking the land under one of the new permissible public uses—remediation of environmental contamination—but these environmental claims were clearly a pretext for prohibited economic development; Advance has long met all of the Minnesota Pollution Control Agency's environmental directives.

Worse yet for the Port Authority, the evidence of pretext was made clear by the fact that Advance's property has been part of a Port Authority redevelopment district for almost 20 years. The Port Authority's own public statements stressed the project's potential to create jobs and increase the city's tax base. Its "jobs" mantra revealed the illegality



**Karen Haug**, CEO of Advance Shoring Co., is no longer under threat from the St. Paul Port Authority, which tried to take her property through eminent domain for private gain.

of the taking.

Facing condemnation, Advance's owners, employees and union representatives fought back. Working with the Institute for Justice, Advance fought the taking in the court of public opinion and before the city council, emphasizing, among other points, that the state's reforms made the taking illegal. The positive media coverage and testimony contributed significantly to the Port Authority abandoning its condemnation plans.

IJ's post-*Kelo* victory on behalf of Advance makes clear to every government entity and agency across the state, including the Port Authority, that the days when the government could threaten or actually use eminent domain for "economic development" are over. Property rights are no longer a small and threatened island in the Land of 10,000 Lakes; now they are terra firma for every property owner in the state. ♦

**Lee McGrath** is the executive director of IJ's Minnesota Chapter.



**"Working with the Institute for Justice, Advance fought the taking in the court of public opinion and before the city council emphasizing, among other points, that the state's reforms made the taking illegal. The positive media coverage and testimony contributed significantly to the Port Authority abandoning its condemnation plans."**

# Slaughter-House on the Chopping Block

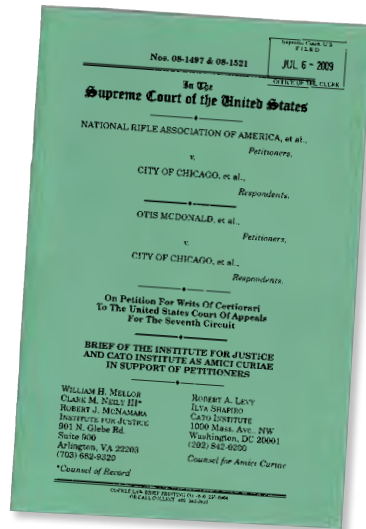
By Clark Neily

IJ is poised to help undo one of the worst U.S. Supreme Court decisions of all time and, in so doing, achieve a goal we have worked for every day since we opened our doors in 1991.

First a bit of history: The 14th Amendment was added to the Constitution in 1868 for the specific purpose of forcing Southern states to respect the basic civil rights of all citizens, white and black. At the heart of the Amendment was its command, “No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States.”

Just five years later, the Supreme Court all but read that language out of the 14th Amendment in the *Slaughter-House Cases*, where the question was whether butchers had the right to earn a living free from government-sponsored monopolies. The Supreme Court not only rejected that claim but went out of its way to render the Privileges or Immunities Clause a practical nullity by construing it as protecting only a relatively trivial set of “national” rights like access to navigable waterways.

In the face of subsequent outrages like Jim Crow, however, the idea that states would be the protectors—rather than the primary violators—of people’s basic civil rights



became increasingly absurd. But instead of revisiting its earlier misinterpretation of the Privileges or Immunities Clause, the Supreme Court invented the doctrine of substantive due process and used it to protect a shifting set of rights it deemed “fundamental.”

Fast forward to the present. Today, virtually everyone agrees that *Slaughter-House* misinterpreted the Privileges or Immunities Clause, and the historical evidence continues to mount. Several U.S. Supreme Court justices have expressed a willingness to revisit the issue “in an appropriate case.” The ideal setting would involve a right that is indisputably fundamental but had somehow lain dormant for so long that the Court would have an essentially blank slate to write upon. The right to keep and bear arms fits the bill perfectly.

As readers of *Liberty & Law* are well aware, the Supreme Court struck down Washington D.C.’s gun ban last year on Second Amendment grounds in a case conceived within the very halls of the Institute for Justice. But because it involved a federal jurisdiction, *Heller* left open the question whether the Constitution also protects a right to keep and bear arms against state and local governments. That issue reached the Supreme Court this summer in a pair of cases challenging Chicago’s handgun ban.

Together with the Cato Institute, IJ filed an amicus brief in July urging the Court to take up those cases for the express purpose of overturning *Slaughter-House* and revisiting the Privileges or Immunities Clause. The history of that provision makes clear that it was intended and understood to prevent states from marginalizing and terrorizing newly freed African-Americans (and their white supporters) by silencing and disarming them, taking away their property, and smothering their economic opportunities. Properly understood, the Privileges or Immunities Clause protects those very rights against violation by state and local governments.

We here at IJ will not rest until the Supreme Court finally honors that purpose. ♦

**Clark Neily** is an Institute senior attorney.







IJ clients **Frank Taucher**, left, and **Carmen Vendetti** helped set important precedents for free speech and property rights before their passing.

## IJ Clients Leave Their Mark

### By Scott Bullock

June saw the passing of two IJ clients who made courageous stands for the protection of essential constitutional liberties.

A decade ago, IJ challenged an attempt by the Commodity Futures Trading Commission to license those who merely offered advice about commodity trading through books, newsletters, websites and computer software. We secured a victory in that case, setting an important early precedent extending free speech guarantees to Internet and software publishers. Indeed, when we conducted the trial, ours was the first courtroom to have live Internet access. (The infamous Microsoft antitrust trial, which was going on right down the hallway at the time, was not yet wired.)

Frank Taucher, the lead plaintiff in our case, passed away unexpectedly at the too-young age of 60 while taking a walk. We have used the landmark *Taucher* precedent in our other work challenging “speech licensing,” including our successful cases curtailing state efforts to require websites such as ForSaleByOwner.com to become licensed real estate brokers. We are grateful for Mr. Taucher’s courage.

The Vendetti family has been a leading voice in our case challenging the taking of homes along the Atlantic Coast in Long Branch, N.J. Carmen Vendetti worked as a truck driver in Newark for 45 years and dreamed of owning a home for his family near the ocean. He realized that dream in the 1960s and, in 1989, upon retirement, moved to his red brick sanctuary full-time with his wife, Fifi. His daughter, who spent her childhood summers there, loved the neighborhood so much she bought a home right across the street from her parents.

Mr. Vendetti, at 82, recently lost his battle with cancer. He was a kind gentleman, always smiling and genial, but totally determined to hold on to his house and stop eminent domain abuse. After our appellate court victory in the Long Branch case last year, we hope we are close to seeing Mr. Vendetti’s goal realized. ♦

**Scott Bullock** is an Institute senior attorney.





Entrepreneur **Erroll Tyler**, left, and IJ President **Chip Mellor** kick off Tyler's fight for economic liberty in Boston.

## First Round Victory For Boston-Area Entrepreneur

In June, would-be entrepreneur Erroll Tyler won the first round of his legal fight to launch Nautical Tours—an amphibious vehicle tour service—in Boston after a federal trial judge denied Boston's motion to dismiss the case. Tyler filed suit in February to challenge Boston's sightseeing license regime, which created a local cartel of tourism companies. In rejecting Boston's effort to throw out Tyler's case, the court recognized that Tyler has important constitutional claims against the city that deserve to be heard.

Like other entrepreneurs across the country, Tyler's American Dream of small-business ownership has been on hold for years because unfair and needless licensing regulations prevent him from earning an honest living and putting others to work. In fighting for his economic liberty, Tyler intends not only to get Nautical Tours on the water, but also to establish legal precedent that will protect every entrepreneur. ♦

## Make a Tax-Free IRA Gift to IJ

Congress has extended through 2009 the legislation that allows donors to make tax-free gifts from both traditional and Roth individual retirement accounts. Between now and December 31, 2009, you have a unique opportunity to help IJ and make a gift from what can be one of your most tax-burdensome assets. Here's how:

- IRA owners **age 70½ and older** can transfer up to \$100,000 tax-free to charitable organizations like the Institute for Justice.
- If you and your spouse each have an IRA, you can donate up to **\$100,000 each** in gifts.
- Distributions must be made directly from a traditional or Roth IRA to a **qualified charity** and must be for **outright gifts**; trusts and other planned gifts do not qualify.
- Although you cannot claim a charitable deduction for IRA gifts, you will not be required to pay income tax on any amounts you distribute to qualified charities.

If you would like to make such a gift, simply contact your IRA provider and instruct them to make a direct charitable contribution from your account.

Please note that IRA administrators do not always include the donor's name on distribution checks. If you decide to make a gift to IJ from your IRA, please let us know so that we can identify your gift and thank you properly.

If you have questions about gifts of retirement assets, or any other planned gifts, please feel free to contact IJ's Four Pillars Society Director Melanie Hildreth at [mhildreth@ij.org](mailto:mhildreth@ij.org) or (703) 682-9320 ext. 222, or by mail at 901 North Glebe Road, Suite 900, Arlington, VA 22203. ♦

# Quotable Quotes

## About the publication

*Liberty & Law* is published bimonthly by the Institute for Justice, which, through strategic litigation, training, communication and outreach, advances a rule of law under which individuals can control their destinies as free and responsible members of society. IJ litigates to secure economic liberty, school choice, private property rights, freedom of speech and other vital individual liberties, and to restore constitutional limits on the power of government. In addition, IJ trains law students, lawyers and policy activists in the tactics of public interest litigation.

Through these activities, IJ challenges the ideology of the welfare state and illustrates and extends the benefits of freedom to those whose full enjoyment of liberty is denied by government.

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## Las Vegas Review-Journal

“Over the years, the Institute for Justice, a libertarian public interest law firm, has not only shined a light on laws and licensure cabals established to eliminate competition in certain fields, it has fought to kill them in court.”

## The Economist

“America is supposed to be the land of laissez-faire, but it doesn’t seem that way to Erroll Tyler. He wants to run tours of Cambridge and Boston, cities that nestle on opposite banks of the Charles River. He would pick up punters in an amphibious vehicle, show them the sights and give them a pleasant cruise. But Boston will not let him. Officials say he needs a sightseeing licence. Alas, there is a moratorium on such licences. It was imposed for fear that Boston would get congested during the Big Dig, a construction project. But the Big Dig ended three years ago. Mr. Tyler thinks the real reason he cannot get a licence is that someone is protecting a cartel of local tour operators. He is suing the city authorities.”

## San Diego Union-Tribune

**IJ client Victor Nunez:** “These are at-risk kids. We use boxing as a hook to bring kids in, and I’d say we have 50 kids a day, five days a week. On weekends, we take kids out to tournaments. We require them to bring in their report cards. We have a computer room. We keep in touch with their teachers. We’ve had several success stories come out of Community Youth Athletic Center, police officers and teachers. We’ve changed a lot of kids. We’re grateful for the Institute for Justice not allowing the city to roll over us [by abusing its power of eminent domain].”

## The Wall Street Journal

**IJ senior attorneys Bert Gall and Steve Simpson:** “The press remains one of the most important bulwarks against tyranny. The solution is to protect free speech on principle, regardless of the identity of the speaker. Banning a corporation from spending its own money for political advocacy is censorship, plain and simple. The sooner the press understands this, the safer its rights—and ours—will be.”

## Washington Post

**IJ client Mercedes Clemens:** “Here we are in the middle of a recession. I’m not asking for a bailout, I’m not asking for monetary damages. All I want is the right to work. I’m a hardworking gal; that’s all I want to do. The chiropractic board is supposed to be serving the state of Maryland, the general public and the massage profession, and they’re not doing any of that by continuing with this outrageous position.”

**“The Institute  
for Justice is the  
nation’s leading  
legal advocacy  
group for economic  
liberty—the right to  
earn an honest living  
free from excessive  
and arbitrary  
regulation.”**

*—Reason*



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*Eva Locke and Pat Levenson  
Tallahassee, FL*

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