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Form 990

Department of the Treasury  
Internal Revenue Service

## Return of Organization Exempt From Income Tax

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

OMB No 1545-0047

2010

Open to Public  
Inspection

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

A For the 2010 calendar year, or tax year beginning JUL 1, 2010 and ending JUN 30, 2011

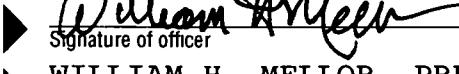
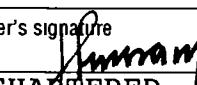
<input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization <b>INSTITUTE FOR JUSTICE</b>		D Employer identification number <b>52-1744337</b>		
	Doing Business As		E Telephone number <b>703-682-9320</b>		
	Number and street (or P O box if mail is not delivered to street address) <b>901 NORTH GLEBE ROAD</b>		Room/suite <b>900</b>	G Gross receipts \$ <b>19,506,903.</b>	
	City or town, state or country, and ZIP + 4 <b>ARLINGTON, VA 22203</b>		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	F Name and address of principal officer: <b>WILLIAM H. MELLOR</b> <b>SAME AS C ABOVE</b>		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If 'No,' attach a list. (see instructions)		
	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ►		
	J Website: ► <b>WWW.IJ.ORG</b>		K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►		
		L Year of formation <b>1991</b> M State of legal domicile <b>DC</b>			

## Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <b>TO PROTECT THE CONSTITUTIONAL RIGHTS OF AMERICANS.</b>	
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3 Number of voting members of the governing body (Part VI, line 1a)	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	
	6 Total number of volunteers (estimate if necessary)	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	
Revenue	b Net unrelated business taxable income from Form 990-T, line 34	
	8 Contributions and grants (Part VIII, line 1h)	3 <b>10</b>
	9 Program service revenue (Part VIII, line 2g)	4 <b>9</b>
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5 <b>85</b>
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6 <b>25</b>
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7a <b>0.</b>
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	7b <b>0.</b>
Expenses	14 Benefits paid to or for members (Part IX, column (A), line 4)	Prior Year <b>12,109,095.</b> Current Year <b>18,305,447.</b>
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	820,003. <b>455,078.</b>
	16a Professional fundraising fees (Part IX, column (A), line 11e)	49,786. <b>50,190.</b>
	b Total fundraising expenses (Part IX, column (D), line 25) ► <b>923,562.</b>	-22,352. <b>0.</b>
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	12,956,532. <b>18,810,715.</b>
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	6,100,673. <b>6,773,449.</b>
	19 Revenue less expenses. Subtract line 18 from line 12	0. <b>14,568.</b>
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	3,205,727. <b>4,131,802.</b>
	21 Total liabilities (Part X, line 26)	9,306,400. <b>10,919,819.</b>
	22 Net assets or fund balances. Subtract line 21 from line 20	3,650,132. <b>7,890,896.</b>
		Beginning of Current Year <b>20,942,921.</b> End of Year <b>28,922,117.</b>
		527,371. <b>534,917.</b>
		20,415,550. <b>28,387,200.</b>

## Part II Signature Block

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.

Sign Here	►  Signature of officer <b>WILLIAM H. MELLOR, PRESIDENT</b>	Date <b>1/30/2012</b>
	► Type or print name and title	
Paid Preparer	Print/Type preparer's name <b>JENNY E. HERRERA, CPA</b>	Preparer's signature 
Use Only	Firm's name ► <b>RUBINO &amp; MCGEEHIN, CHARTERED</b>	Date <b>1/30/2012</b> Check <input type="checkbox"/> if self-employed
	Firm's address ► <b>6903 ROCKLEDGE DRIVE, SUITE 1200 BETHESDA, MD 20817</b>	Firm's EIN ►
		Phone no <b>301-564-3636</b>

May the IRS discuss this return with the preparer shown above? (see instructions)

 Yes  No

032001 02-22-11 LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2010)



**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III 1 Briefly describe the organization's mission:

THROUGH STRATEGIC LITIGATION, TRAINING, COMMUNICATION, ACTIVISM AND RESEARCH, THE INSTITUTE FOR JUSTICE 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

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O.4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses.

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: \_\_\_\_\_) (Expenses \$ 8,883,717. including grants of \$ \_\_\_\_\_) (Revenue \$ 455,078. )  
TO PROTECT THE CONSTITUTIONAL RIGHTS OF AMERICANS THROUGH LITIGATION; EDUCATE THE PUBLIC ABOUT ISSUES VITAL TO LIBERTY THROUGH MEDIA RELATIONS AND OUTREACH EVENTS; TRAIN LAWYERS AND STUDENTS TO PRESERVE CIVIL LIBERTIES.4b (Code: \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)4c (Code: \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)4d Other program services. (Describe in Schedule O.)

(Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

4e Total program service expenses ► 8,883,717.

**Part IV Checklist of Required Schedules**

- 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?  
*If "Yes," complete Schedule A.*
- 2 Is the organization required to complete Schedule B, Schedule of Contributors?
- 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*
- 4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*
- 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*
- 6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*
- 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*
- 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*
- 9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*
- 10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*
- 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.
  - a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*
  - b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*
  - c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*
  - d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*
  - e Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*
  - f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*
- 12a Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*
  - b Was the organization included in consolidated, independent audited financial statements for the tax year?  
*If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*
- 13 Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*
- 14a Did the organization maintain an office, employees, or agents outside of the United States?
  - b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*
- 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*
- 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*
- 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*
- 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*
- 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*
- 20a Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*
  - b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)

**Part IV Checklist of Required Schedules (continued)**

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b	X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):	28a	X
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28c	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	29	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	30	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	31	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	32	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	33	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	34	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	35	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	36	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	37	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	38	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O		

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response to any question in this Part V 

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	36
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	85
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)</i>	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	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)?	4a	X
b	If "Yes," enter the name of the foreign country: ►  See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	5a	X
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5b	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5c	
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	6a	X
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6b	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	7a	X
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>	7b	
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7c	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7d	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7e	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7f	X
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7g	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7h	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	8	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	9a	
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9b	
9	<b>Sponsoring organizations maintaining donor advised funds.</b>		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	<b>Section 501(c)(7) organizations.</b> Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	<b>Section 501(c)(12) organizations.</b> Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
a	Is the organization licensed to issue qualified health plans in more than one state? <i>Note. See the instructions for additional information the organization must report on Schedule O.</i>	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

### Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	10
b	Enter the number of voting members included in line 1a, above, who are independent	1b	9
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6	Does the organization have members or stockholders?	6	X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	X
b	Each committee with authority to act on behalf of the governing body?	8b	X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

### Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No	
10a	Does the organization have local chapters, branches, or affiliates?	10a	X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	X
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.	12a	X
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12b	X
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12c	X
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	13	X
13	Does the organization have a written whistleblower policy?	14	X
14	Does the organization have a written document retention and destruction policy?		
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	X
b	Other officers or key employees of the organization	15b	X
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

### Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **AL, AK, AZ, CO, CT, FL, KS, KY, ME, MD, MA, MI**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

Own website  Another's website  Upon request

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **STEVEN ANDERSON – 703-682-9320**

**901 NORTH GLEBE RD, SUITE 900, ARLINGTON, VA 22203**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

 Check if Schedule O contains a response to any question in this Part VII 
**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors, institutional trustees; officers; key employees; highest compensated employees; and former such persons.

 Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
WILLIAM H. MELLOR PRES. & GENERAL COUNSEL	40.00	X		X			434,518.	0.	62,598.
DAVID B. KENNEDY DIRECTOR & CHAIRMAN	1.00	X					0.	0.	0.
ROBERT A. LEVY DIRECTOR	1.00	X					0.	0.	0.
JAMES LINTOTT DIRECTOR	1.00	X					0.	0.	0.
ABIGAIL THERNSTROM DIRECTOR	1.00	X					0.	0.	0.
ARTHUR DANTCHIK DIRECTOR	1.00	X					0.	0.	0.
MARK BABUNOVIC DIRECTOR (TERM ENDED 11/2010)	1.00	X					0.	0.	0.
STEPHEN W. MODZELEWSKI DIRECTOR	1.00	X					0.	0.	0.
ROBERT GELFOND DIRECTOR	1.00	X					0.	0.	0.
WILLIAM DUNN DIRECTOR	1.00	X					0.	0.	0.
KEN LEVY DIRECTOR (TERM START 02/2011)	1.00	X					0.	0.	0.
DEBORAH SIMPSON MANAGING VP & SECRETARY	40.00			X			178,670.	0.	25,305.
STEVEN ANDERSON CFO & TREASURER	40.00			X			129,674.	0.	23,034.
JOHN KRAMER VP FOR COMMUNICATIONS	40.00				X		221,872.	0.	44,760.
BETH STEVENS VP FOR DEVELOPMENT	40.00				X		156,895.	0.	27,154.
SCOTT BULLOCK SR. ATTORNEY	40.00					X	186,110.	0.	30,991.
DANA BERLINER SR. ATTORNEY	40.00					X	191,393.	0.	32,071.

**Part VII** **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ►

15

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. **NONE**

## Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns b Membership dues c Fundraising events d Related organizations e Government grants (contributions) f All other contributions, gifts, grants, and similar amounts not included above g Noncash contributions included in lines 1a-1f \$ h Total. Add lines 1a-1f ►	1a 1b 1c 1d 1e 1f 18,305,447. 527,642. 18,305,447.			
Program Service Revenue	2 a ATTORNEY FEES b MISCELLANEOUS c HONORARIA d e f All other program service revenue g Total. Add lines 2a-2f ►	Business Code: 541100 425,000. 541900 16,078. 541900 14,000. 455,078.	425,000. 16,078. 14,000. 455,078.		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ► 4 Income from investment of tax-exempt bond proceeds ► 5 Royalties ► 6 a Gross Rents b Less: rental expenses c Rental income or (loss) d Net rental income or (loss) ► 7 a Gross amount from sales of assets other than inventory b Less: cost or other basis and sales expenses c Gain or (loss) d Net gain or (loss) ► 8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 b Less: direct expenses c Net income or (loss) from fundraising events ► 9 a Gross income from gaming activities. See Part IV, line 19 b Less: direct expenses c Net income or (loss) from gaming activities ► 10 a Gross sales of inventory, less returns and allowances b Less: cost of goods sold c Net income or (loss) from sales of inventory ► 11 a b c d All other revenue e Total. Add lines 11a-11d ► 12 Total revenue. See instructions ►	(i) Real (ii) Personal (i) Securities (ii) Other 615750. 76,602. 615333. 80,855. 417. -4,253. -3,836.	54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026. 54,026.		

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,342,909.	1,032,396.	123,277.	187,236.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	4,442,388.	3,944,485.	314,694.	183,209.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	333,795.	292,197.	30,941.	10,657.
9 Other employee benefits	291,969.	246,717.	28,298.	16,954.
10 Payroll taxes	362,388.	308,922.	30,726.	22,740.
11 Fees for services (non-employees):				
a Management				
b Legal	218,849.	198,428.		20,421.
c Accounting	57,972.		57,972.	
d Lobbying				
e Professional fundraising services See Part IV, line 17	14,568.			14,568.
f Investment management fees				
g Other	676,799.	499,397.	121,369.	56,033.
12 Advertising and promotion	30,891.	30,231.		660.
13 Office expenses	1,048,628.	599,622.	152,922.	296,084.
14 Information technology	33,383.	22,607.	3,980.	6,796.
15 Royalties				
16 Occupancy	1,026,492.	860,297.	95,199.	70,996.
17 Travel	454,167.	435,668.	11,509.	6,990.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	98,029.	93,301.	2,688.	2,040.
20 Interest	4,392.		4,392.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	319,308.	260,109.	32,025.	27,174.
23 Insurance	109,392.	59,340.	49,048.	1,004.
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f if line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a <b>ALLOW. FOR UNCOLLECTIBL</b>	53,500.		53,500.	
b _____				
c _____				
d _____				
e _____				
f All other expenses _____				
25 Total functional expenses. Add lines 1 through 24f	10,919,819.	8,883,717.	1,112,540.	923,562.
26 Joint costs. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

## Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	2,671.	1	2,671.
	2 Savings and temporary cash investments	6,267,612.	2	8,422,975.
	3 Pledges and grants receivable, net	3,066,919.	3	6,497,701.
	4 Accounts receivable, net	23,957.	4	10,577.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	164,179.	9	164,356.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	2,728,914.		
	10b Less: accumulated depreciation	1,778,381.	10c	950,533.
	11 Investments - publicly traded securities	10,897,025.	11	12,796,013.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	25,554.	15	77,291.
	16 Total assets. Add lines 1 through 15 (must equal line 34)	20,942,921.	16	28,922,117.
Liabilities	17 Accounts payable and accrued expenses	263,641.	17	298,012.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	263,730.	25	236,905.
	26 Total liabilities. Add lines 17 through 25	527,371.	26	534,917.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	15,276,961.	27	20,131,411.
	28 Temporarily restricted net assets	5,138,589.	28	8,255,789.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	20,415,550.	33	28,387,200.
	34 Total liabilities and net assets/fund balances	20,942,921.	34	28,922,117.

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI 

1 Total revenue (must equal Part VIII, column (A), line 12)	1	18,810,715.
2 Total expenses (must equal Part IX, column (A), line 25)	2	10,919,819.
3 Revenue less expenses. Subtract line 2 from line 1	3	7,890,896.
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	20,415,550.
5 Other changes in net assets or fund balances (explain in Schedule O)	5	80,754.
6 Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	28,387,200.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII 

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X
b Were the organization's financial statements audited by an independent accountant?	2b	X
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
2d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:		
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	3a	X
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3b	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

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

## Public Charity Status and Public Support

OMB No 1545-0047

2010

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

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**Name of the organization**

**Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.**

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

**Employer identification number**  
52-1744337

**Name of the organization** **INSTITUTE FOR JUSTICE** **Employer identification number** **52-1744337**

**Part I** **Reason for Public Charity Status** (All organizations must complete this part.) See Instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.

2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)

3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.

4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_

5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)

6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.

7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)

8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)

9  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 exempt 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)**. (Complete Part III.)

10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.

11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

**Schedule A (Form 990 or 990-EZ) 2010**

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	8,481,530.	8,986,386.	15,666,509.	12,109,095.	18,305,447.	63,548,967.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 <b>Total.</b> Add lines 1 through 3	8,481,530.	8,986,386.	15,666,509.	12,109,095.	18,305,447.	63,548,967.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						11,868,073.
<b>6 Public support.</b> Subtract line 5 from line 4						51,680,894.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4	8,481,530.	8,986,386.	15,666,509.	12,109,095.	18,305,447.	63,548,967.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	397,121.	482,173.	385,623.	181,289.	54,026.	1,500,232.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						65,049,199.
<b>12 Gross receipts from related activities, etc. (see instructions)</b>				12		2,787,777.

**13 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	79.45	%
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	84.40	%
<b>16a 33 1/3% support test - 2010.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		► <input checked="" type="checkbox"/>	
<b>b 33 1/3% support test - 2009.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		► <input type="checkbox"/>	
<b>17a 10% -facts-and-circumstances test - 2010.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>	
<b>b 10% -facts-and-circumstances test - 2009.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>	
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		► <input type="checkbox"/>	

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11, and 12)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	%

**19a 33 1/3% support tests - 2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ►

**b 33 1/3% support tests - 2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ►

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

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

## Political Campaign and Lobbying Activities

OMB No 1545-0047

2010

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

► Complete if the organization is described below. ► Attach to Form 990 or Form 990-EZ.  
► See separate instructions.

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations. Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35a (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

## INSTITUTE FOR JUSTICE

**Employer identification number**

52-1744337

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization

- 1** Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2** Political expenditures
- 3** Volunteer hours

**Part I-B** Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ► \$ \_\_\_\_\_  
2 Enter the amount of any excise tax incurred by organization managers under section 4955 ► \$ \_\_\_\_\_  
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  Yes  No  
4a Was a correction made?  Yes  No  
b If "Yes," describe in Part IV

**Part I-C** Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ► \$ \_\_\_\_\_

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► \$ \_\_\_\_\_

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ► \$ \_\_\_\_\_

4 Did the filing organization file **Form 1120-POL** for this year?  Yes  No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

**For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

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Schedule C (Form 890 or 890-EZ) 2010

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**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768  
 (election under section 501(h)).

**A** Check ►  if the filing organization belongs to an affiliated group.

**B** Check ►  if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals											
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)	10,693.												
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	42,183.												
c	Total lobbying expenditures (add lines 1a and 1b)	52,876.												
d	Other exempt purpose expenditures	10866943.												
e	Total exempt purpose expenditures (add lines 1c and 1d)	10919819.												
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	695,991.												
<table border="1"> <tr> <td>If the amount on line 1e, column (a) or (b) is:</td> <td>The lobbying nontaxable amount is:</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.	
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g	Grassroots nontaxable amount (enter 25% of line 1f)	173,998.												
h	Subtract line 1g from line 1a. If zero or less, enter -0.	0.												
i	Subtract line 1f from line 1c. If zero or less, enter -0.	0.												
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No											

## 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 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying nontaxable amount	597,302.	633,515.	623,427.	695,991.	2,550,235.
b Lobbying ceiling amount (150% of line 2a, column(e))					3,825,353.
c Total lobbying expenditures	37,102.	66,099.	39,007.	52,876.	195,084.
d Grassroots nontaxable amount	149,326.	158,379.	155,857.	173,998.	637,560.
e Grassroots ceiling amount (150% of line 2d, column (e))					956,340.
f Grassroots lobbying expenditures	5,335.	30,753.	7,840.	10,693.	54,621.

**Part II-B** Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
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 similar means?			
i Other activities? If "Yes," describe in Part IV			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

**Part III-B** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	
a Current year	2b	
b Carryover from last year	2c	
c Total	3	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	5	
5 Taxable amount of lobbying and political expenditures (see instructions)		

**Part IV** Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

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**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,

Part IV, line 6, 7, 8, 9, 10, 11, or 12.

► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

**2010**

Open to Public  
Inspection

Name of the organization

INSTITUTE FOR JUSTICE

Employer identification number  
52-1744337

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  Yes  No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?  Yes  No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)  Preservation of an historically important land area  
 Protection of natural habitat  Preservation of a certified historic structure  
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

a Total number of conservation easements  
b Total acreage restricted by conservation easements  
c Number of conservation easements on a certified historic structure included in (a)  
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

	Held at the End of the Tax Year
2a	
2b	
2c	
2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_  
(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_  
b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a  Public exhibition  
 b  Scholarly research  
 c  Preservation for future generations

d  Loan or exchange programs  
 e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection?

 Yes  No**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

 Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

c Beginning balance  
 d Additions during the year  
 e Distributions during the year  
 f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21?

 Yes  No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

1a Beginning of year balance  
 b Contributions  
 c Net investment earnings, gains, and losses  
 d Grants or scholarships  
 e Other expenditures for facilities and programs  
 f Administrative expenses  
 g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
1b					
1c					
1d					
1e					
1f					
1g					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ► %

b Permanent endowment ► %

c Term endowment ► %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization

by:

(i) unrelated organizations  
 (ii) related organizations

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

	Yes	No
3a(i)		
3a(ii)		
3b		

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of Investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
1b Buildings				
1c Leasehold improvements		1,216,514.	844,414.	372,100.
1d Equipment		1,512,400.	933,967.	578,433.
1e Other				0.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)			►	950,533.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12) ►		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13) ►		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ►	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) DEFERRED RENT	216,475.
(3) CAPITAL LEASE LIABILITY	20,430.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ►	236,905.

FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under

2. FIN 48 (ASC 740)

**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1 Total revenue (Form 990, Part VIII, column (A), line 12)	1	18,810,715.
2 Total expenses (Form 990, Part IX, column (A), line 25)	2	10,919,819.
3 Excess or (deficit) for the year. Subtract line 2 from line 1	3	7,890,896.
4 Net unrealized gains (losses) on investments	4	80,754.
5 Donated services and use of facilities	5	
6 Investment expenses	6	
7 Prior period adjustments	7	
8 Other (Describe in Part XIV.)	8	
9 Total adjustments (net). Add lines 4 through 8	9	80,754.
10 Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	7,971,650.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1 Total revenue, gains, and other support per audited financial statements	1	18,891,469.
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a Net unrealized gains on investments	2a	80,754.
b Donated services and use of facilities	2b	
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIV.)	2d	
e Add lines 2a through 2d	2e	80,754.
3 Subtract line 2e from line 1	3	18,810,715.
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIV.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	18,810,715.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1 Total expenses and losses per audited financial statements	1	10,919,819.
2 Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a Donated services and use of facilities	2a	
b Prior year adjustments	2b	
c Other losses	2c	
d Other (Describe in Part XIV.)	2d	
e Add lines 2a through 2d	2e	0.
3 Subtract line 2e from line 1	3	10,919,819.
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIV.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	10,919,819.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

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**SCHEDULE J**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

► Complete if the organization answered "Yes" to Form 990,

Part IV, line 23.

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2010**

Open to Public  
Inspection

Name of the organization

**INSTITUTE FOR JUSTICE**

Employer identification number  
**52-1744337**

**Part I Questions Regarding Compensation**

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment from the organization or a related organization?  
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?  
c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a	X	
4b	X	
4c	X	
5a	X	
5b	X	
6a	X	
6b	X	
7	X	
8	X	
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2010

## INSTITUTE FOR JUSTICE

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 WILLIAM H. MELLOR	(\$ 367,018.)	67,500.	0.	49,000.	13,598.	497,116.	0.
2 DEBORAH SIMPSON	(\$ 163,670.)	15,000.	0.	24,970.	0.	0.	0.
3 STEVEN ANDERSON	(\$ 129,674.)	0.	0.	0.	335.	203,975.	0.
4 JOHN KRAMER	(\$ 206,872.)	15,000.	0.	31,162.	13,598.	266,632.	0.
5 BETH STEVENS	(\$ 155,895.)	1,000.	0.	0.	0.	0.	0.
6 SCOTT BULLOCK	(\$ 178,610.)	7,500.	0.	22,027.	5,127.	184,049.	0.
7 DANA BERLINER	(\$ 181,393.)	10,000.	0.	0.	0.	0.	0.
8 CLARK NEILY	(\$ 169,383.)	2,500.	0.	25,864.	5,127.	217,101.	0.
9 STEVEN SIMPSON	(\$ 175,248.)	10,000.	0.	24,024.	13,535.	222,807.	0.
10 JEFFREY ROWES	(\$ 139,320.)	2,000.	0.	0.	0.	164,882.	0.
11				0.	0.	0.	0.
12							
13							
14							
15							
16							

**Part III** **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

**PART I, LINE 7: THE COMPENSATION COMMITTEE DETERMINES, ON AN ANNUAL**

**BASIS, THE BONUS TO BE AWARDED TO THE PRESIDENT OF THE INSTITUTE. FOR ALL OTHERS, BONUSES ARE DETERMINED BY THE PRESIDENT OF THE INSTITUTE ON AN ANNUAL BASIS. ALL BONUSES ARE BASED UPON A BOARD APPROVED BUDGET.**

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

Department of the Treasury  
Internal Revenue Service

## **Transactions With Interested Persons**

- Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
- Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2010

**Open To Public  
Inspection**

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**Name of the organization**

**Employer identification number**  
**52-1744337**

## INSTITUTE FOR JUSTICE

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization

► \$  
► \$

**Part II**      **Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

Total **\$1,000.00**

### **Part III Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

**Schedule L (Form 990 or 990-EZ) 2010**

## INSTITUTE FOR JUSTICE

52-1744337

**Schedule L (Form 990 or 990-EZ) 2010**

Page 2

## Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

**Part V Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: STEVEN SIMPSON

**(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:**

**HUSBAND OF DEBORAH SIMPSON, MANAGING VP & SECRETARY**

(D) DESCRIPTION OF TRANSACTION: REGULAR EMPLOYEE OF THE INSTITUTE

**SCHEDULE M  
(Form 990)**Department of the Treasury  
Internal Revenue Service**Noncash Contributions**

OMB No 1545-0047

**2010**Open to Public  
Inspection

Name of the organization

**INSTITUTE FOR JUSTICE**Employer identification number  
**52-1744337****Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	25	527,642.	FMV
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ( _____ )				
26 Other ► ( _____ )				
27 Other ► ( _____ )				
28 Other ► ( _____ )				

29 Number of Forms 8283 received by the organization during the tax year for contributions  
for which the organization completed Form 8283, Part IV, Donee Acknowledgement**29**

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

b If "Yes," describe in Part II.

33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.

	Yes	No
30a		X
31	X	
32a	X	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2010)

## Part II

**Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

SCHEDULE M, LINE 32B: THE INSTITUTE USES BROKERAGE ACCOUNTS TO  
FACILITATE THE SALE OF DONATED SECURITIES.

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
► Attach to Form 990 or 990-EZ.

OMB No 1545-0047

**2010**

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FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

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.

FORM 990, PART VI, SECTION A, LINE 1: WILLIAM H. MELLOR SERVES AS  
PRESIDENT & GENERAL COUNSEL AND IS EMPLOYED BY THE ORGANIZATION.

FORM 990, PART VI, SECTION B, LINE 11: THE FORM 990 WAS REVIEWED BY THE  
INSTITUTE'S AUDIT COMMITTEE IN CONSULTATION WITH THE INSTITUTE'S  
INDEPENDENT AUDITORS. AFTER REVIEW BY THE AUDIT COMMITTEE, THE FORM 990 WAS  
REVIEWED BY THE FULL BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION B, LINE 12C: ON AN ANNUAL BASIS BOTH THE BOARD  
OF DIRECTORS AND EVERY EMPLOYEE REVIEW THE CONFLICT OF INTEREST POLICY AND  
MUST DISCLOSE ANY CONFLICTS WITH THE INSTITUTE. THE BOARD OF DIRECTORS  
REVIEWS THE POLICY AT OR AROUND ITS FINAL MEETING OF THE FISCAL YEAR AND  
EACH MEMBER PROVIDES WRITTEN ACKNOWLEDGEMENT. EVERY EMPLOYEE RECEIVES AN  
ELECTRONIC COPY OF THE POLICY. ANY CONFLICTS OR POTENTIAL CONFLICTS ARE  
RESOLVED BY THE PRESIDENT OR OTHERWISE REPORTED BY THE PRESIDENT AND  
REVIEWED AND RESOLVED BY THE BOARD OF DIRECTORS, LESS ANY MEMBER THAT MAY  
HAVE A CONFLICT OR POTENTIAL CONFLICT.

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FORM 990, PART VI, SECTION B, LINE 15: THE PRESIDENT/GENERAL COUNSEL'S COMPENSATION IS SET BY THE BOARD OF DIRECTORS AT THE FALL BOARD MEETING.

THE CHIEF FINANCIAL OFFICER PROVIDES THE BOARD'S COMPENSATION COMMITTEE WITH PRESENT AND PAST COMPENSATION AMOUNTS FOR THE PRESIDENT/GENERAL COUNSEL, AS WELL AS COMPARABLE DATA FROM THE MOST RECENTLY AVAILABLE FORM 990 FOR SIMILARLY SITUATED NON-PROFIT ORGANIZATIONS. THE CFO ALSO ANNUALLY ENGAGES AN OUTSIDE VENDOR TO PROVIDE AN INDEPENDENT COMPENSATION SURVEY.

THE FULL BOARD (EXCEPT FOR THE PRESIDENT/GENERAL COUNSEL, WHO IS RECUSED) THEN VOTES TO DETERMINE COMPENSATION AND THE DECISION IS CONTEMPORANEOUSLY RECORDED AND COMMUNICATED TO THE CFO BY THE CHAIRMAN AND PLACED IN THE PRESIDENT/GENERAL COUNSEL'S CONFIDENTIAL EMPLOYMENT FILE.

DURING THE SUMMER BOARD MEETING, THE BOARD OF DIRECTORS AUTHORIZES FORECASTED COMPENSATION INCREASES FOR OTHER OFFICERS AND KEY EMPLOYEES THROUGH ITS APPROVAL OF THE NEXT FISCAL YEAR'S BUDGET. IN DETERMINING THE FISCAL YEAR BUDGET, THE COMPENSATION AMOUNTS OF OTHER OFFICERS AND KEY EMPLOYEES ARE DETERMINED IN COMPARISON TO SIMILARLY SITUATED OFFICERS AND KEY EMPLOYEES AT SIMILARLY SITUATED NON-PROFIT ORGANIZATIONS. SUCH DETERMINATION IS CONTEMPORANEOUSLY SUBSTANTIATED THROUGH RECORDATION OF THE PASSAGE OF THE BUDGET. THE COMPENSATION DETERMINATION IS PLACED IN THE OFFICER OR OTHER KEY EMPLOYEE'S CONFIDENTIAL EMPLOYMENT FILE.

FORM 990, PART VI, LINE 17, LIST OF STATES RECEIVING COPY OF FORM 990:

AL, AK, AZ, CO, CT, FL, KS, KY, ME, MD, MA, MI, MN, MS, NH, NJ, NM, NC, ND, OH, OK, OR, PA, RI, IN, UT, WA, WV, WI, NY, SC, VA, IL, MO

FORM 990, PART VI, SECTION C, LINE 19: THE INSTITUTE'S 990 IS AVAILABLE ON ITS AND OTHER WEBSITES. THE INSTITUTE'S 990, FINANCIAL STATEMENTS, AND

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OTHER IRS DOCUMENTATION, GOVERNING DOCUMENTS AND CERTAIN OTHER POLICIES ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS: 80,754.

FORM 990, PART XII, LINE 2C:

THE INSTITUTE HAS AN AUDIT COMMITTEE THAT ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT AUDITOR. THE PROCESS HAS NOT CHANGED SINCE THE PRIOR YEAR.

CASE UPDATE

ARIZONA FREEDOM CLUB PAC V. BENNETT

THE INSTITUTE FOR JUSTICE IN JUNE WON OUR SECOND U.S. SUPREME COURT CASE OF THE TERM, AND OUR FOURTH IN NINE YEARS, WHEN THE JUSTICES STRUCK DOWN THE MATCHING FUNDS PROVISION OF ARIZONA'S "CLEAN ELECTIONS" ACT. ARIZONA'S SCHEME MANIPULATED ELECTION SPEECH BY FAVORING CANDIDATES WHO PARTICIPATED IN THE PUBLIC FUNDING SYSTEM OVER THOSE WHO CHOSE TO FOREGO TAXPAYER DOLLARS AND INSTEAD RAISE FUNDS THROUGH VOLUNTARY CONTRIBUTIONS. FOR EVERY DOLLAR A PRIVATELY FUNDED CANDIDATE SPENT ABOVE A GOVERNMENT-DICTATED AMOUNT, THE GOVERNMENT GAVE ADDITIONAL FUNDS TO HIS OPPONENT. UNDER OUR CONSTITUTION, THE GOVERNMENT HAS NO PLACE IN PUNISHING THOSE IT BELIEVES ARE SPEAKING TOO MUCH OR SUBSIDIZING THOSE IT BELIEVES ARE SPEAKING TOO LITTLE. THE COURT'S RULING WILL HAVE SIGNIFICANT IMPLICATIONS BEYOND CAMPAIGN FINANCE LAW. WE WILL USE THE CASE AS A NATIONAL PRECEDENT TO URGE

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COURTS TO TAKE CONSTITUTIONALLY ENSHRINED INDIVIDUAL RIGHTS MORE SERIOUSLY, NOT ONLY IN THE AREA OF FREE SPEECH, BUT ALSO ACROSS IJ'S OTHER PILLARS OF LITIGATION-PROPERTY RIGHTS, ECONOMIC LIBERTY, AND EDUCATIONAL CHOICE.

COMMUNITY YOUTH CENTER V. CITY OF NATIONAL CITY, ET AL.

AFTER FOUR YEARS OF HARD-FOUGHT LITIGATION, IN APRIL A CALIFORNIA SUPERIOR COURT RULED AGAINST NATIONAL CITY, CALIFORNIA, IN ITS ATTEMPTS TO SEIZE OUR CLIENTS' PROPERTY VIA THE ABUSE OF EMINENT DOMAIN LAWS.  
OUR CLIENTS ARE FATHER AND SON TEAM CARLOS AND JR BARRAGAN AND THE COMMUNITY YOUTH ATHLETIC CENTER, AN AFTER-SCHOOL BOXING GYM THAT MENTORS AT-RISK KIDS. THE BARRAGANS STARTED THE CYAC IN 1991, AFTER SEEING TOO MANY KIDS LOST FIRST TO THE STREETS AND THEN TO PRISON.  
THEY DECIDED TO OPEN THE CYAC IN THEIR BACKYARD WITH A SINGLE PUNCHING BAG HUNG FROM A TREE. IT WAS NOT LONG BEFORE THEIR BOXING PROGRAM OUTGREW THE BACKYARD, AND IN 2000, THROUGH PRIVATE DONATIONS, THEY WERE ABLE TO BUY A 3,700 SQUARE-FOOT BUILDING FOR THEIR GYM IN DOWNTOWN NATIONAL CITY. IT DIDN'T TAKE LONG, HOWEVER, FOR THE GOVERNMENT OF NATIONAL CITY TO COME UP WITH OTHER PLANS FOR THE LAND. IN ORDER TO INCREASE THE CITY'S TAX BASE, OFFICIALS PLANNED TO SEIZE THE PROPERTY VIA EMINENT DOMAIN AND HAND THE LAND OVER TO A PRIVATE DEVELOPER SO HE COULD BUILD A HIGH-RISE CONDO BUILDING. BUT THANKS TO THE COURT'S RULING, THE GYM'S PROPERTY IS SAFE, AND CYAC CAN CONTINUE TO SAVE THE CITY'S MOST VULNERABLE YOUTH.

ST. JOSEPH ABBEY V. CASTILLE

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THIS CASE IS PART OF IJ'S CAMPAIGN FOR ECONOMIC LIBERTY, A MULTI-YEAR, MULTI-MILLION DOLLAR INITIATIVE TO VINDICATE THE RIGHT TO EARN AN HONEST LIVING FREE FROM UNNECESSARY GOVERNMENT INTERFERENCE. WE REPRESENT THE MONKS OF SAINT JOSEPH ABBEY IN COVINGTON, LA., IN THEIR EFFORT TO SUPPORT THEMSELVES AND THEIR CALLING BY SELLING HANDMADE CASKETS TO HELP PAY FOR FOOD, HEALTH CARE, AND EDUCATION. UNDER STATE LAW, THE MONKS FACE CRIPPLING FINES AND EVEN JAIL TIME FOR SELLING "FUNERAL MERCHANDISE," WHICH INCLUDES CASKETS, WITHOUT FIRST OBTAINING A FUNERAL DIRECTOR'S LICENSE EVEN THOUGH THERE IS NO PUBLIC HEALTH AND SAFETY REASON TO REGULATE WHO CAN SELL CASKETS. A CASKET IS JUST A BOX AND IS NOT EVEN NECESSARY FOR BURIAL. THE LAW IS IN PLACE FOR ONE SIMPLE REASON: THE CARTEL OF LICENSED FUNERAL DIRECTORS SIMPLY WANTS THE LUCRATIVE FUNERAL MARKET TO ITSELF. WE FILED SUIT CHALLENGING THE LAW IN AUGUST 2010, AND THE CASE WENT TO TRIAL IN JUNE 2011. WE EXPECT A DECISION THIS SUMMER. A VICTORY WILL MEAN OUR CLIENTS, AND ANY OTHER ENTREPRENEUR IN LOUISIANA, WILL BE ABLE TO SELL CASKETS WITHOUT FEAR OF REPRISAL BY THE STATE.

WINN V. GARRIOTT

IN APRIL, IJ SCORED ITS FIRST OF TWO SUPREME COURT VICTORIES OF THE 2010-11 TERM WHEN THE JUSTICES DISMISSED A CHALLENGE TO ARIZONA'S INDIVIDUAL SCHOLARSHIP TAX CREDIT. AT ISSUE IN THE CASE WAS A LONGSTANDING INDIVIDUAL TAX-CREDIT PROGRAM THAT ENCOURAGES INDIVIDUALS TO DONATE TO ORGANIZATIONS THAT PROVIDE PRIVATE-SCHOOL SCHOLARSHIPS TO LOW- AND MODERATE-INCOME CHILDREN TO ENABLE THEM TO ESCAPE THE SCHOOLS THEY'VE BEEN RELEGATED TO BY THE GOVERNMENT AND ATTEND THE SCHOOLS THEIR PARENTS HAVE CHOSEN FOR THEM. IJ INTERVENED IN THE CASE TO

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DEFEND PARENTS AND CHILDREN WHO BENEFIT FROM THE SCHOLARSHIPS, AS WELL AS THE ARIZONA SCHOOL CHOICE TRUST, A SCHOLARSHIP-GRANTING ORGANIZATION. THE COURT CONCLUDED THAT THE PLAINTIFF IN THE CASE-THE ACLU OF ARIZONA-LACKED STANDING BECAUSE THE PROGRAM IS FUNDED BY PRIVATE CONTRIBUTIONS, NOT TAX DOLLARS. AS A RESULT, THE TENS OF THOUSANDS OF ARIZONA CHILDREN RELYING ON THE TAX CREDIT SCHOLARSHIP PROGRAM CONTINUE TO ATTEND THE SCHOOLS THEIR PARENTS HAVE CHOSEN FORM THEM, NOT THE FAILING ONES THEY WERE RELEGATED TO BY GOVERNMENT.

#### OTHER FIRST AMENDMENT CASES

##### SAMPSON V. BUESCHER

IN ANOTHER VICTORY FOR POLITICAL SPEECH, A FEDERAL COURT IN NOVEMBER RULED IN FAVOR OF OUR CLIENTS, RESIDENTS OF PARKER NORTH, COLORADO, SAYING THEY SHOULD NOT HAVE BEEN FORCED TO REGISTER WITH THE GOVERNMENT AND COMPLY WITH BURDENOME CAMPAIGN FINANCE LAWS SIMPLY FOR OPPOSING A BALLOT ISSUE INVOLVING THE ANNEXATION OF THEIR NEIGHBORHOOD. THE RULING MEANS THAT GRASSROOTS POLITICAL ACTIVISTS IN COLORADO AND THE OTHER STATES THAT COMPOSE THE TENTH U.S. CIRCUIT COURT OF APPEALS CAN SPEAK FREELY WITHOUT FEAR OF BEING SUED BY THEIR POLITICAL OPPONENTS. THE STATE DID NOT APPEAL THE CASE TO THE U.S. SUPREME COURT. BOTH THE DISTRICT COURT AND THE TENTH CIRCUIT RULED THAT WE WERE ENTITLED TO ATTORNEYS FEES, WHICH WE RECOVERED IN THE AMOUNT OF \$425,000. THE RULING IN THIS CASE IS YET ANOTHER IMPORTANT VICTORY IN IJ'S EFFORTS TO PROTECT FREE SPEECH FROM GOVERNMENT-IMPOSED RESTRICTIONS IN THE GUISE OF SO-CALLED CAMPAIGN FINANCE "REFORMS."

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SPEECHNOW.ORG V. FEC

IN MARCH 2010, THE COURT OF APPEALS FOR THE D.C. CIRCUIT STRUCK DOWN GOVERNMENT-IMPOSED RESTRICTIONS ON PARTICIPATION IN POLITICAL CAMPAIGNS, AND RULED-UNANIMOUSLY-THAT LIMITING THE AMOUNT OF MONEY OUR CLIENT, SPEECHNOW.ORG, COULD RAISE FROM ITS DONORS VIOLATED THE FIRST AMENDMENT. UNFORTUNATELY, THE COURT ALSO UPHELD THE FEDERAL REQUIREMENT THAT SPEECHNOW.ORG BECOME A PAC IN ORDER TO OPERATE AND MAKE INDEPENDENT EXPENDITURES. IN JULY 2010, WE FILED A PETITION FOR REVIEW BY THE U.S. SUPREME COURT ON THE PORTION OF THE CASE THAT WE LOST. THE COURT DENIED OUR PETITION, SO THE D.C. CIRCUIT'S DECISION STRIKING DOWN CONTRIBUTION LIMITS, BUT UPHOLDING THE PAC REQUIREMENT, STANDS. IN TERMS OF REAL-WORLD IMPACT, IT IS DIFFICULT TO OVERSTATE THE IMPORTANCE OF THIS CASE. THE CONGRESSIONAL RESEARCH SERVICE CALLED SPEECHNOW ONE OF THE TWO MOST IMPORTANT CAMPAIGN FINANCE CASES OF THE LAST 30 YEARS-THE OTHER BEING THE SUPREME COURT'S LANDMARK RULING IN CITIZENS UNITED V. FEC. SINCE THE D.C. CIRCUIT'S RULING, MORE THAN 70 SIMILAR GROUPS HAVE SPRUNG UP, WHICH COLLECTIVELY SPENT MORE THAN \$80 MILLION SPEAKING TO VOTERS IN THE HISTORIC 2010 ELECTIONS.

NEIGHBORHOOD ENTERPRISES V. CITY OF ST. LOUIS

IN A DOUBLE BLOW TO FREE SPEECH AND PROPERTY RIGHTS, THE CITY OF ST. LOUIS IS NOT ONLY THREATENING TO TAKE AN ENTIRE NEIGHBORHOOD FOR PRIVATE DEVELOPMENT, BUT IT WANTS TO CENSOR A POWERFUL AND HIGHLY VISIBLE MURAL THAT WAS PUT UP TO PROTEST THE CITY'S EMINENT DOMAIN ABUSE AND BUILD SUPPORT FOR REFORM. FED UP WITH EMINENT DOMAIN ABUSE ACROSS MISSOURI-AND AGAINST RENTAL PROPERTIES HE OWNS AND MANAGES-JIM

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ROOS FOUGHT BACK. HE HAD A LARGE MURAL PAINTED ON HIS BUILDING AT 1806 S. 13TH STREET, IN A NEIGHBORHOOD TARGETED FOR REDEVELOPMENT. THE MURAL PROTESTS THE CITY'S ABUSE AND ADVOCATES FOR STATEWIDE EMINENT DOMAIN REFORM. BUT THE CITY OF ST. LOUIS WANTS THE MURAL TAKEN DOWN. IJ ARGUES THAT IF THE FIRST AMENDMENT MEANS ANYTHING, IT MUST MEAN THAT CITIZENS LIKE JIM ROOS HAVE THE RIGHT TO EFFECTIVELY PROTEST GOVERNMENT ABUSE AND BUILD SUPPORT FOR MEANINGFUL REFORM—WITHOUT HAVING TO GET GOVERNMENT APPROVAL. ORAL ARGUMENT BEFORE THE EIGHTH U.S. CIRCUIT COURT OF APPEALS WAS HELD IN FEBRUARY 2011 AND WE AWAIT A DECISION.

ROYALL V. MAIN, ET AL.

THE INSTITUTE FOR JUSTICE REPRESENTS AUTHOR CARLA MAIN AND PUBLISHER ENCOUNTER FOR CULTURE AND EDUCATION IN THEIR DEFENSE OF A DEFAMATION ACTION FILED BY DALLAS-BASED DEVELOPER H. WALKER ROYALL OVER THE CONTENTS OF MAIN'S BOOK, BULLDOZED: "KELO," EMINENT DOMAIN, AND THE AMERICAN LUST FOR LAND. MAIN WROTE BULLDOZED TO DOCUMENT A CASE OF EMINENT DOMAIN ABUSE IN FREEPORT, TEXAS. ROYALL WAS INVOLVED IN A DEAL WITH THE CITY TO TAKE LAND FROM THE GORE FAMILY, WHICH HAS OWNED A SHRIMP AND MARINE SUPPLY BUSINESS IN THE TOWN FOR GENERATIONS, AND GIVE IT TO ROYALL FOR A LUXURY MARINA DEVELOPMENT PROJECT. ROYALL RESPONDED TO MAIN'S BOOK BY SUING HER AND HER PUBLISHER. HE ALSO SUED LAW PROFESSOR RICHARD EPSTEIN OVER A BLURB ON THE BACK COVER. IN MARCH 2009 WE WON THE DISMISSAL OF PROFESSOR EPSTEIN FROM THE LAWSUIT. THE CASE WAS ARGUED IN SEPTEMBER 2010, AND WE AWAIT A DECISION.

EDWARDS V. DISTRICT OF COLUMBIA

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IJ CLIENTS TONIA EDWARDS AND BILL MAIN OWN SEGS IN THE CITY, WHICH PROVIDES FUN AND EDUCATIONAL SEGWAY TOURS OF OUR NATION'S CAPITAL. HOWEVER, BECAUSE THE DISTRICT MAKES IT ILLEGAL FOR ANYONE TO "GUIDE OR ESCORT" ANYONE ELSE FOR HIRE WITHOUT FIRST PASSING A TEST AND OBTAINING A SPECIAL LICENSE, TONIA AND BILL ARE CRIMINALS SUBJECT TO UP TO THREE MONTHS IN JAIL FOR MERELY TELLING THEIR CUSTOMERS THE BILL OF RIGHTS IS HOUSED AT THE NATIONAL ARCHIVES. ALL BECAUSE OF CITY BUREAUCRACY, THEY DON'T HAVE THE FREEDOM TO DESCRIBE OUR NATION'S CHARTERS OF FREEDOM WITHOUT GOVERNMENT PERMISSION. IN SEPTEMBER 2010, WE FILED A FEDERAL CHALLENGE TO THE CITY'S TOUR-GUIDE LICENSING SCHEME ON THEIR BEHALF. THE CASE CURRENTLY IS PENDING IN TRIAL COURT IN WASHINGTON, D.C. AND SEEKS TO ADVANCE THE SAME FIRST AMENDMENT THEORY IJ HAS BEEN PURSUING IN ITS SPEECH-LICENSING CASES DATING BACK TO THE LATE 1990S WITH TAUCHER V. BORN, OUR SUCCESSFUL CHALLENGE TO THE COMMODITIES FUTURES TRADING COMMISSION'S ATTEMPT TO REQUIRE OUR CLIENTS TO OBTAIN A LICENSE BEFORE PUBLISHING GUIDES TO COMMODITIES TRADING. SIMPLY PUT, GOVERNMENT MAY NOT USE THE GUISE OF OCCUPATIONAL LICENSING TO IMPOSE BURDENS ON PEOPLE-LIKE INTERNET PUBLISHERS OR TOUR GUIDES-WHO EARN THEIR LIVING BY COMMUNICATING.

MANY CULTURES, ONE MESSAGE V. CLEMENTS

IN WASHINGTON STATE, WE REPRESENT TWO ORGANIZATIONS WITH DIVERSE POLICY CONCERNS-MANY CULTURES, ONE MESSAGE AND CONSERVATIVE ENTHUSIASTS-EACH FACING THE DILEMMA OF REGISTERING WITH THE GOVERNMENT OR HALTING THEIR EFFORTS TO URGE THEIR FELLOW WASHINGTONIANS INTO POLITICAL ACTION. IF ONE OF OUR CLIENTS, PAT MURAKAMI, SPENDS ABOVE A SMALL, STATE-IMPOSED CAP TO URGE HER FELLOW CITIZENS TO CONTACT GOVERNMENT OFFICIALS, SHE IS

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FORCED TO REGISTER WITH THE GOVERNMENT AND REPORT DETAILED PERSONAL INFORMATION ABOUT HERSELF, HER GROUP, AND THE PEOPLE WHO SUPPORT HER. IN OTHER WORDS, IF OUR CLIENTS SPEAK TOO MUCH ABOUT POLITICS, THE GOVERNMENT WANTS TO KNOW ABOUT IT. MOREOVER, THE STATE DOES NOT MERELY COLLECT THIS INFORMATION-IT MAKES IT AVAILABLE TO ANYONE WITH ACCESS TO THE INTERNET. PEOPLE'S NAMES, ADDRESSES, BUSINESSES, AND OCCUPATIONS ARE PROVIDED TO THE WORLD BECAUSE THEY DARED TO EXERCISE THEIR FUNDAMENTAL FIRST AMENDMENT RIGHTS. INCREASINGLY, AMERICANS IN THE 36 STATES THAT HAVE SIMILAR RULES DECIDE THE RISK AND BURDEN ARE TOO GREAT, AND THE SAFER THING TO DO IS AVOID SPEAKING ALTOGETHER. THAT IS WHY PAT AND THE REST OF OUR CLIENTS JOINED WITH THE INSTITUTE FOR JUSTICE TO FILE THIS LEGAL CHALLENGE IN APRIL 2010. BRIEFING ON OUR MOTION FOR SUMMARY JUDGMENT WAS COMPLETED IN MAY 2011 AND WE EXPECT A RULING FROM THE JUDGE SHORTLY.

WORLEY V. ROBERTS

THIS IS THE LEAD CASE IN IJ'S NEW CITIZEN SPEECH INITIATIVE, WHICH SEEKS TO EXPAND UPON OUR PREVIOUS LITIGATION AND THE U.S. SUPREME COURT'S RULING IN CITIZENS UNITED V. FEC TO CREATE A RULE OF LAW UNDER WHICH INDEPENDENT GROUPS OF CITIZENS CAN SPEAK FREELY ABOUT POLITICAL CANDIDATES AND BALLOT ISSUES WITHOUT HAVING TO REGISTER WITH THE STATE AND DEAL WITH ALL OF THE REGULATIONS THAT APPLY TO "POLITICAL COMMITTEES." OUR CLIENTS ARE A GROUP OF THREE FLORIDA RESIDENTS WHO WANTED TO URGE THE PUBLIC TO VOTE AGAINST PROPOSED AMENDMENT 4 TO THE FLORIDA CONSTITUTION. IN DOING SO, THEY WANTED TO RUN A SIMPLE RADIO AD. BUT UNDER FLORIDA LAW, IF THEY RAISED OR SPENT MORE THAN \$500 FOR THEIR EFFORT, THEY WOULD BECOME A "POLITICAL COMMITTEE." THAT MEANS

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THEY MUST REGISTER WITH THE STATE, APPOINT A TREASURER, ESTABLISH A SEPARATE BANK ACCOUNT, AND REPORT TO THE STATE ALL ACTIVITY, INCLUDING NAMES AND ADDRESSES OF CONTRIBUTORS. IF OUR CLIENTS DON'T OBEY THE RULES, OR IF THEY MAKE A MISTAKE, THEY FACE FINES OF UP TO \$1,000 OR EVEN A YEAR IN JAIL. WE FILED SUIT IN SEPTEMBER 2010 AND EXPECT ORAL ARGUMENT THIS SUMMER.

FARRIS V. SEABROOK

IN WASHINGTON STATE, THE GOVERNMENT LIMITS TO \$800 CONTRIBUTIONS TO CAMPAIGNS TO RECALL ELECTED OFFICIALS. THE RECALL DALE WASHAM CAMPAIGN COMMITTEE FORMED TO SEEK A RECALL ELECTION FOR THE PIERCE COUNTY AUDITOR, WHO IS SEVERELY ABUSING HIS STAFF AND OFFICE. THE STATE CAMPAIGN ENFORCEMENT AGENCY THREATENED THE CAMPAIGN WITH PROSECUTION FOR ACCEPTING MORE THAN \$800 WORTH OF PRO BONO LEGAL ASSISTANCE IN ITS EFFORT TO SATISFY THE STATUTORY REQUIREMENT THAT THE SPONSOR OF A RECALL PROVE ADEQUATE GROUNDS IN COURT THAT A RECALL VOTE IS WARRANTED. WHILE THE STATE DID NOT ULTIMATELY PROSECUTE THE CAMPAIGN, IT WARNED THE CAMPAIGN THAT IT MUST COMPLY WITH THE CONTRIBUTION LIMIT. BECAUSE RECALL CAMPAIGNS DO NOT IMPLICATE CORRUPTION OR THE THREAT OF CORRUPTION, THERE IS NO GOVERNMENTAL JUSTIFICATION IN LIMITING CONTRIBUTIONS TO THEM. WE FILED THE CASE IN JUNE 2011 AND WILL IMMEDIATELY SEEK AN INJUNCTION PREVENTING THE STATE FROM GOING AFTER OUR CLIENTS WHILE THE CASE IS PENDING.

GILLILAND, ET AL. V. CITY OF DALLAS

THIS WAS A CHALLENGE TO THE CITY OF DALLAS' BAN ON VIRTUALLY ALL

032212  
01-24-11

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COMMERCIAL WINDOW SIGNAGE. ANY SIGNS IN THE UPPER TWO-THIRDS OF ANY WINDOW, AND ALL SIGNS THAT COVER MORE THAN 15 PERCENT OF ANY WINDOW ARE FORBIDDEN. THIS RESTRICTION HAS NO HEALTH OR SAFETY JUSTIFICATION, BUT UNNECESSARILY STIFLES THE ABILITY OF MANY SMALL BUSINESSES TO ATTRACT NEW AND EVEN RETURNING CUSTOMERS. THIS CENSORSHIP FALLS HARDEST ON SMALL BUSINESSES FOR WHOM RETAIL SIGNS ARE THE MOST COST-EFFECTIVE WAY-AND OFTEN THE ONLY WAY-TO REACH CUSTOMERS WITH NEWS ABOUT PRODUCTS, SERVICES, AND SPECIALS. THE COURT DENIED OUR MOTION FOR PRELIMINARY INJUNCTION AND ALLOWED THE CITY TO PROCEED WITH \$300,000 IN COUNTERCLAIMS AGAINST OUR CLIENTS, ALLEGEDLY FOR \$1,000/DAY IN NUISANCE VIOLATIONS DUE TO OUR CLIENTS' SIGNS REMAINING UP WHILE THE MOTION FOR PRELIMINARY INJUNCTION WAS PENDING. THE THREAT OF THESE CRIPPLING PENALTIES CAUSED OUR CLIENTS TO WANT TO SETTLE THE LAWSUIT, WHICH WE DID. WE DROPPED THE CASE ON JUNE 7.

TAIT V. CITY OF PHILADELPHIA

THANKS TO THIS IJ LAWSUIT, TOUR GUIDES IN PHILADELPHIA ARE FREE TO SPEAK WITHOUT FIRST HAVING TO GET THE GOVERNMENT'S PERMISSION. OUR CLIENTS WERE THREE PHILADELPHIA TOUR GUIDES CHALLENGING A CITY ORDINANCE THAT MADE IT ILLEGAL TO GIVE TOURS OF THE CITY WITHOUT FIRST PASSING A TEST AND OBTAINING A LICENSE. AT TRIAL, THE CITY MADE A STRENUOUS EFFORT TO PERSUADE THE JUDGE TO DISMISS THE CASE AS NO LONGER "RIPE" FOR ADJUDICATION, ON THE GROUNDS THAT THE CITY'S FINANCIAL-CRISIS-DRIVEN BUDGET PROBLEMS MEANT THAT IT WOULD NOT BE ABLE TO ENFORCE THE LAW ANYTIME IN THE NEAR FUTURE (EVEN THOUGH IT ABSOLUTELY INTENDS TO ENFORCE THE LAW AT SOME POINT). THE JUDGE AGREED WITH THEM, DISMISSING THE CASE IN AUGUST 2009. THE THIRD U.S. CIRCUIT

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COURT OF APPEALS UPHELD THAT RULING IN EARLY 2011, SO THE CASE IS NOW OVER. WHILE THE CITY'S SURRENDER PREVENTED US FROM OBTAINING THE FIRST AMENDMENT PRECEDENT WE HAD SOUGHT, OUR LITIGATION ENSURED THAT OUR CLIENTS AND OTHER TOUR GUIDES IN PHILADELPHIA REMAIN FREE FOR NOW TO SPEAK ABOUT SITES LIKE THE LIBERTY BELL AND INDEPENDENCE HALL WITHOUT FIRST HAVING TO GET PERMISSION FROM THE GOVERNMENT.

WAG MORE DOGS V. ARTMAN

IJ REPRESENTS A NEW PET BOARDING AND GROOMING BUSINESS NAMED WAG MORE DOGS IN ARLINGTON COUNTY, VA. AS PART OF ITS PLANNED OPENING, WAG MORE DOGS COMMISSIONED A PAINTING TO BEAUTIFY THE NEIGHBORING DOG PARK AND TO ENGENDER GOODWILL WITH THE PARK'S PATRONS. BUT THE COUNTY STATED THAT THE PAINTING WAS AN ILLEGAL SIGN BECAUSE IT "DIRECTED" PEOPLE TO WAG MORE DOGS' DOOR AND HAD A "RELATIONSHIP" WITH THE BUSINESS. AS A RESULT, THE COUNTY DELAYED WAG MORE DOGS' OPENING, FORCED IT TO COVER THE PAINTING WITH A TARP, AND TOLD IT TO EITHER PAINT OVER THE MURAL OR CHANGE ITS MESSAGE. WE TEAMED UP WITH WAG MORE DOGS' OWNER KIM HOUGHTON TO FILE SUIT IN DECEMBER 2010 ARGUING THAT THE COUNTY'S DEFINITION FOR WHAT IS A SIGN IS A VAGUE AND CONTENT-BASED RESTRICTION ON SPEECH IN VIOLATION OF THE FIRST AMENDMENT. THE CASE IS ON APPEAL TO THE U.S. COURT OF APPEALS FOR THE FOURTH CIRCUIT, AND WE CURRENTLY ARE IN COURT-ORDERED MEDIATION, WITH NO BRIEFING SCHEDULE SET AS YET. WITH THIS CASE, KIM IS WAGING A FIGHT TO VINDICATE NOT ONLY HER OWN RIGHT TO FREE EXPRESSION, BUT ALSO THE RIGHTS OF OTHER SMALL BUSINESSES WHO MUST CONTINUALLY FACE SEEMINGLY ALL-POWERFUL GOVERNMENT REGULATORS WHO ARBITRARILY AND ABUSIVELY WIELD THEIR AUTHORITY.

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OTHER PROPERTY RIGHTS CASESSTATE OF TEXAS V. ONE 2004 CHEVROLET SILVERADO

CIVIL FORFEITURE IS A GROWING THREAT TO THE PROPERTY RIGHTS OF ALL AMERICANS. UNDER CIVIL FORFEITURE, POLICE CAN SEIZE YOUR HOME, CAR, CASH, OR OTHER PROPERTY UPON THE MERE SUSPICION THAT IT HAS BEEN USED OR INVOLVED IN CRIMINAL ACTIVITY-NO ARREST OR CONVICTION REQUIRED. OUR FIRST LAWSUIT TO ADDRESS THIS ABUSE IS IN TEXAS, WHERE WE REPRESENT HOUSTON SMALL BUSINESSMAN ZAHER EL-ALI, WHO SOLD A TRUCK TO A MAN WHO PAID HIM ON CREDIT, BUT ALI HELD THE TITLE TO THE CAR UNTIL HE WAS PAID IN FULL. THE PURCHASER WAS FOUND GUILTY IN JULY 2009 OF DRIVING WHILE INTOXICATED, AND TEXAS POLICE SEIZED THE CAR AND FILED A CIVIL FORFEITURE ACTION: STATE OF TEXAS V. ONE 2004 CHEVROLET SILVERADO. EVEN THOUGH ALI STILL HOLDS THE TITLE TO THE CAR AND HAS NEVER BEEN ACCUSED OF BREAKING ANY LAWS, HE IS REQUIRED TO PETITION THE COURT TO GET HIS TRUCK BACK. IN THE COURT PROCEEDINGS, THE BURDEN IS ON HIM, NOT THE GOVERNMENT, TO TRY TO GET HIS RIGHTFULLY OWNED PROPERTY BACK, BECAUSE WITH CIVIL FORFEITURE, YOUR PROPERTY IS GUILTY UNTIL YOU CAN PROVE IT INNOCENT. WE FILED OUR LEGAL CHALLENGE IN APRIL 2010 AND CURRENTLY ARE PREPARING AN APPEAL TO THE 14TH COURT OF APPEALS IN HOUSTON.

VAN METER V. TURNER

IN GEORGIA, LIKE MANY OTHER STATES, ABUSE OF CIVIL FORFEITURE LAWS IS RAMPANT. BUT AT LEAST GEORGIA HAS A LAW IN PLACE THAT REQUIRES LOCAL LAW ENFORCEMENT AGENCIES TO ANNUALLY ITEMIZE AND REPORT TO THEIR LOCAL

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GOVERNING AUTHORITIES ALL PROPERTY OBTAINED THROUGH FORFEITURE AND WHAT THEY DID WITH IT. AMAZINGLY, HOWEVER, MANY-PERHAPS MOST-LOCAL LAW ENFORCEMENT AGENCIES FAIL TO ISSUE THESE REPORTS. THAT'S WHY THE INSTITUTE FOR JUSTICE TEAMED UP IN MARCH WITH FIVE GEORGIA CITIZENS TO FILE A LAWSUIT TO FORCE THE HEAD OFFICERS FROM THREE LOCAL LAW ENFORCEMENT AGENCIES-THE ATLANTA POLICE DEPARTMENT, FULTON COUNTY POLICE DEPARTMENT, AND FULTON COUNTY SHERIFF-TO COMPLY WITH THE LAW. WE WON A QUICK VICTORY WHEN ALL THREE DEFENDANTS AGREED TO DISCLOSE THEIR TAKINGS. AS THE JUDGE IN THE CASE SAID, "THE BOTTOM LINE IS YOU GOT THEIR ATTENTION AND THEY'RE GOING TO START ACCOUNTING." WHILE OUR VICTORY IS IMMEDIATELY LIMITED TO THE THREE LAW ENFORCEMENT AGENCIES WE BROUGHT SUIT AGAINST, NEWS OF THE CASE IS SPREADING TO OTHER AGENCIES RESPONSIBLE FOR REPORTING FORFEITURES AND WILL PLAY A MAJOR ROLE IN FORCING THEM TO RESPECT THE PROPERTY RIGHTS OF INNOCENT CITIZENS.

MCCAUGHTRY V. CITY OF RED WING (FORMERLY STEWART, ET AL. V. CITY OF RED WING)

IN DECEMBER 2010, THE MINNESOTA SUPREME COURT AGREED TO HEAR AN IMPORTANT IJ CASE THAT EXAMINES WHEN CITIZENS MAY CHALLENGE RENTAL INSPECTION LAWS THAT CITIES ARE ACTIVELY ENFORCING AGAINST THEM. THE CASE ARISES OUT OF RED WING, MINNESOTA, WHERE THE CITY IS ENFORCING A RENTAL PROPERTY INSPECTION LAW THAT REQUIRES LANDLORDS AND TENANTS TO OPEN THEIR DOORS AND SUBMIT TO INSPECTIONS OF THEIR PRIVATE PROPERTY IN ORDER FOR THE LANDLORD TO RECEIVE A LICENSE TO RENT THE PROPERTY. IN 2009, THE CASE WAS DISMISSED ON STANDING. THE LOWER COURTS CONCLUDED-IMPLAUSIBLY-THAT NEITHER THE LANDLORDS NOR TENANTS WERE IN IMMINENT DANGER OF HAVING THEIR RIGHTS VIOLATED BY THE CITY, GIVING

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THEM NO "STANDING" TO SUE. BUT THANKS TO IJ, LANDLORDS AND TENANTS HAVE A CHANCE TO FIGHT AGAINST THESE UNREASONABLE SEARCHES. THE HEARING WILL HAVE STATEWIDE IMPLICATIONS AND IS EXPECTED TO DETERMINE IF TENANTS AND LANDLORDS MUST WAIT UNTIL A GOVERNMENT OFFICIAL IS LITERALLY KNOCKING AT THEIR DOOR BEFORE THEY MAY CHALLENGE THE CONSTITUTIONALITY OF INSPECTION LAWS. ORAL ARGUMENT WAS HELD ON MAY 3, 2011, AND WE EXPECT A DECISION BY THE END OF AUGUST.

#### OTHER ECONOMIC LIBERTY CASES

##### GUTIERREZ V. AUNE

WE FILED OUR LATEST CASE IN IJ'S CAMPAIGN TO RESTORE ECONOMIC LIBERTY AS A FUNDAMENTAL CONSTITUTIONAL RIGHT IN JUNE 2011 ON BEHALF OF EYEBROW THREADERS IN ARIZONA. THREADING IS A NATURAL AND SAFE METHOD OF HAIR REMOVAL THAT USES A SINGLE STRAND OF COTTON THREAD TO REMOVE UNWANTED HAIR, MOST COMMONLY FROM THE EYEBROWS, WITH NO CHEMICALS, DYES, HOT WAX OR SHARP OBJECTS. BUT STATE OFFICIALS NOW REQUIRE THREADERS TO OBTAIN AN AESTHETICIAN LICENSE, WHICH REQUIRES AT LEAST 600 HOURS OF CLASSROOM INSTRUCTION-NOT ONE HOUR OF WHICH TEACHES OR TESTS THREADING-AND THAT CAN COST OVER \$10,000. THREADERS DO NOT NEED FULL-BLOWN COSMETOLOGY TRAINING. THE COSMETOLOGY BOARD'S IRRATIONAL APPLICATION OF ARIZONA'S LICENSING SCHEME DOES NOTHING TO PROTECT CONSUMERS. INSTEAD, IT PROTECTS LICENSED COSMETOLOGISTS FROM COMPETITION AND PUTS MORE MONEY IN THE COFFERS OF THE COSMETOLOGY SCHOOLS. A VICTORY WILL PUT OTHER STATES ON NOTICE THAT THEY CAN'T USE THE COERCIVE POWER OF GOVERNMENT TO KEEP OUT COMPETITION FOR FAVORED INDUSTRY INSIDERS.

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LOCKE V. SHORE

AFTER SUCCESSFUL LAWSUITS CHALLENGING OCCUPATIONAL LICENSING OF  
INTERIOR DESIGNERS IN NEW MEXICO, TEXAS, CONNECTICUT, AND OKLAHOMA, THE  
INSTITUTE FOR JUSTICE FILED SUIT IN FLORIDA, THE STATE WITH BY FAR THE  
MOST RESTRICTIVE AND AGGRESSIVELY ENFORCED LAW IN THE COUNTRY. ONLY  
THREE OTHER STATES REGULATE THE ACTUAL PRACTICE OF INTERIOR DESIGN (AS  
OPPOSED TO SIMPLY REGULATING WHO CAN CALL THEMSELVES INTERIOR  
DESIGNERS). WE CHALLENGE LAWS LIKE THESE BECAUSE, AS INDICATED ABOVE,  
RATHER THAN PROTECTING PUBLIC HEALTH AND SAFETY-AS SUCH LAWS ARE  
SUPPOSED TO DO-THEY SIMPLY PROTECT INDUSTRY INSIDERS FROM COMPETITION.  
THE RESULT IS HIGHER PRICES AND LESS CHOICE FOR CONSUMERS, WHILE  
KEEPING NEWCOMERS OUT. USING OUR STRATEGIC COMBINATION OF LITIGATION,  
MEDIA, ACTIVISM, AND STRATEGIC RESEARCH, WE WON A PARTIAL VICTORY IN  
FEBRUARY 2010, FOR WHICH WE SOUGHT AND RECOVERED \$50,000 IN ATTORNEYS'  
FEES. FOR THE PART OF THE CASE THAT WE LOST, WE APPEALED TO THE 11TH  
U.S. CIRCUIT COURT OF APPEALS, WHICH ALSO RULED AGAINST US. WE WILL  
FILE OUR PETITION FOR REVIEW WITH THE U.S. SUPREME COURT LATER THIS  
SUMMER.

CHAUVIN V. STRAIN

IN PERHAPS THE MOST ARBITRARY EXAMPLE OF OCCUPATIONAL LICENSING, THE  
INSTITUTE FOR JUSTICE THIS YEAR DISMANTLED LOUISIANA'S  
ONLY-IN-THE-NATION LAW REQUIRING LICENSURE OF FLORISTS. PRIOR TO IJ'S  
INVOLVEMENT, THE STATE REQUIRED ASPIRING FLORISTS TO PASS BOTH A  
WRITTEN EXAM AND A HIGHLY SUBJECTIVE DEMONSTRATION EXAM GRADED BY THE  
APPLICANTS' FUTURE COMPETITION. THE LAW NOT ONLY MADE IT DIFFICULT FOR

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NEW ENTREPRENEURS TO WORK AS RETAIL FLORISTS, IT ALSO GAVE EXISTING FLORISTS THE POWER TO PROTECT THEMSELVES FROM NEW COMPETITION. THERE WERE NO PUBLIC HEALTH AND SAFETY JUSTIFICATIONS FOR TESTING FLORISTS. THERE ALSO WERE NO VALID "CONSUMER PROTECTION" OR "INDUSTRY ENHANCEMENT" RATIONALES. LOUISIANA'S FLORAL LICENSING REGIME WAS ECONOMIC PROTECTIONISM FOR EXISTING FLORISTS, PLAIN AND SIMPLE. SO WE FILED A LAWSUIT IN MARCH 2010 TO STRIKE DOWN THE LAW. THE FOLLOWING WEEK, OUR CLIENTS WERE ON JOHN STOSSEL'S PROGRAM ON FOX BUSINESS CHANNEL AND ALSO WERE PROFILED IN A FEATURE PIECE IN USA TODAY. THANKS TO THE PRESSURE IJ EXERTED IN COURT AND THE COURT OF PUBLIC OPINION, THE LOUISIANA LEGISLATURE PASSED A LAW THAT ENSURES THAT BUREAUCRATS NO LONGER HAVE THE POWER TO ARBITRARILY CHOOSE WHO MAY OR MAY NOT BECOME A FLORIST. THE GOVERNOR SIGNED THE BILL INTO LAW IN JULY 2010 SO THE CASE IS NOW CLOSED.

BOKHARI V. METRO. GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

ANOTHER RECENT FIGHT TO PROTECT ECONOMIC LIBERTY TAKES US TO NASHVILLE, TENNESSEE, WHERE LOCAL GOVERNMENT-SUPPORTED BY ESTABLISHED LIMOUSINE COMPANIES-RECENTLY PASSED A SERIES OF ANTI-COMPETITIVE REGULATIONS AIMED AT INDEPENDENT LIMO AND SEDAN COMPANIES. UNTIL 2010, SEDAN AND INDEPENDENT LIMO SERVICES WERE AN AFFORDABLE ALTERNATIVE TO TAXICABS. BUT THESE NEW LAWS FORCE SEDAN AND INDEPENDENT LIMO COMPANIES TO INCREASE THEIR FARE MINIMUM, PROHIBIT THEM FROM USING LEASED VEHICLES, AND FORBID THEM FROM WAITING FOR CUSTOMERS AT PUBLIC PLACES, AMONG OTHER RESTRICTIONS. AS A RESULT, A NUMBER OF SMALL TRANSPORTATION BUSINESSES HAVE ALREADY GONE OUT OF BUSINESS, WHILE MANY OTHERS ARE UNDER A CONSTANT THREAT OF BEING RUN OFF THE ROAD. LUCKILY, IN APRIL,

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THE INSTITUTE FOR JUSTICE TEAMED UP WITH THREE NASHVILLE ENTREPRENEURS TO FILE A FEDERAL LAWSUIT TO VINDICATE THE RIGHT OF NASHVILLE'S LIMO AND SEDAN OPERATORS TO EARN AN HONEST LIVING FREE FROM EXCESSIVE GOVERNMENT INTERFERENCE. THE LAWSUIT WILL ILLUSTRATE HOW THESE NEW REGULATIONS DO NOTHING BUT PROTECT A GROUP OF POLITICALLY FAVORED INSIDERS FROM COMPETITION.

CASTENEDA V. CITY OF EL PASO

IN JANUARY, IJ LAUNCHED A NEW NATIONWIDE LITIGATION AND ACTIVISM EFFORT TO VINDICATE THE RIGHT OF STREET VENDORS TO EARN AN HONEST LIVING, WHICH IS ALREADY EXPERIENCING ENORMOUS SUCCESS. STREET VENDING IS A CLASSIC ENTRYWAY TO ENTREPRENEURSHIP AND IS MORE POPULAR THAN EVER, BUT MANY CITIES ARE ERECTING BARRIERS THAT MAKE IT DIFFICULT, IF NOT IMPOSSIBLE, TO SET UP SHOP. EL PASO, TEXAS, BECAME THE LATEST CITY TO DO THAT WHEN IT MADE IT ILLEGAL FOR MOBILE FOOD VENDORS TO OPERATE WITHIN 1,000-FEET OF ANY RESTAURANT, CONVENIENCE STORE, OR GROCER. THE CITY EVEN PROHIBITED VENDORS FROM PARKING TO AWAIT CUSTOMERS, WHICH FORCED VENDORS TO CONSTANTLY DRIVE AROUND TOWN UNTIL A CUSTOMER SUCCESSFULLY FLAGGED THEM DOWN-AND THEN BE ON THE MOVE AGAIN AS SOON AS THE CUSTOMER WALKED AWAY. EL PASO'S NO-VENDING ZONE SCHEME WAS IN PLACE FOR ONE REASON: TO PROTECT BRICK-AND-MORTAR RESTAURANTS FROM HONEST COMPETITION. THAT IS WHY FOUR MOBILE VENDORS TEAMED UP WITH IJ TO FILE THIS FEDERAL LAWSUIT AGAINST THE CITY OF EL PASO CHALLENGING THE CONSTITUTIONALITY OF ITS ECONOMIC PROTECTIONISM AND TO FIGHT FOR THEIR RIGHT TO EARN AN HONEST LIVING. IN RESPONSE TO THE SUIT, THE EL PASO CITY COUNCIL QUICKLY PASSED A NEW ORDINANCE ELIMINATING ITS REGULATIONS, THEREBY SECURING THE RIGHTS OF OUR CLIENTS AND MANY OTHER

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ENTREPRENEURS LIKE THEM. WE VOLUNTARILY DISMISSED THE LAWSUIT.

BHANDARI V. NILSESTUEN

IJ SEEKS TO VINDICATE THE RIGHTS OF RAJ BHANDARI, A GAS STATION OWNER IN MERRILL, WISCONSIN, WHO FOUND HIMSELF FACING POSSIBLY THOUSANDS OF DOLLARS IN FINES FOR THE CRIME OF OFFERING DISCOUNTS ON GASOLINE-A VIOLATION OF THE STATE'S MINIMUM-MARKUP LAW, WHICH REQUIRES THAT RETAIL GASOLINE BE SOLD FOR AT LEAST 9.18 PERCENT OVER THE LOCAL AVERAGE WHOLESALE COST. NOT LONG AFTER AN UNFAVORABLE DECISION FROM THE TRIAL COURT, A FEDERAL TRIAL COURT IN ANOTHER CASE ISSUED A VERY WELL-REASONED OPINION ENJOINING THE STATE FROM ENFORCING THE RELEVANT PROVISIONS OF THE LAW ON FEDERAL ANTITRUST GROUNDS. THE SEVENTH U.S. CIRCUIT COURT OF APPEALS RECENTLY DISSOLVED THE FEDERAL INJUNCTION, WHICH MEANS OUR CASE (WHICH HAD BEEN STAYED DUE TO THE PENDING FEDERAL LITIGATION) IS ONCE AGAIN LIVE. THE APPEAL CURRENTLY IS BEING BRIEFED, AND WE EXPECT A DECISION IN LATE 2011 OR EARLY 2012.

PATEL V. TEXAS DEPARTMENT OF LICENSING AND REGULATION

SIMILAR TO THE ARIZONA EYEBROW THREADING CASE MENTIONED ABOVE, IN DECEMBER 2009, WE FILED SUIT AGAINST TEXAS' ATTEMPTS TO REGULATE AS COSMETOLOGY THE PRACTICE OF EYEBROW THREADING. THE GOVERNMENT'S POSITION WOULD REQUIRE EYEBROW THREADERS, PREDOMINANTLY INDIAN IMMIGRANTS, TO OBTAIN BETWEEN 750 AND 1,500 HOURS OF WESTERN-STYLE COSMETOLOGY TRAINING (NONE OF IT RELEVANT TO THREADING) AT A COST OF APPROXIMATELY \$15,000. AS WITH MOST LICENSING LAWS, THIS ONE HAS NOTHING TO DO WITH PUBLIC HEALTH AND SAFETY AND EVERYTHING TO DO WITH

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PROTECTING INSIDERS FROM COMPETITION. OUR CLIENTS INCLUDE SMALL BUSINESS OWNERS AND EYEBROW THREADERS WHO HAVE BEEN FINED \$2,000 AND TOLD THAT THEY MUST STOP WORKING UNTIL THEY OBTAIN COSMETOLOGY LICENSES. THE CASE CURRENTLY IS ON APPEAL IN STATE COURT.

CLAYTON V. STEINAGEL

IN UTAH, IF YOU WANT TO BRAID HAIR FOR A LIVING, YOU MUST SUBMIT YOURSELF TO A COMPLETELY IRRATIONAL LICENSING SCHEME TO GET PERMISSION FROM THE GOVERNMENT BEFORE YOU ARE ALLOWED TO WORK. OUR CLIENT, JESTINA CLAYTON, A COLLEGE GRADUATE, WIFE, MOTHER OF TWO AND REFUGEE FROM SIERRA LEONE'S CIVIL WAR HAS BEEN BRAIDING HAIR FOR MOST OF HER LIFE. NOW SHE WANTS TO USE HER CONSIDERABLE SKILLS TO HELP PROVIDE FOR HER FAMILY WHILE HER HUSBAND FINISHES HIS EDUCATION. BUT THE STATE OF UTAH SAYS SHE MAY NOT BE PAID TO BRAID UNLESS SHE FIRST SPENDS THOUSANDS OF DOLLARS ON 2,000 HOURS OF GOVERNMENT-MANDATED COSMETOLOGY TRAINING-NOT ONE HOUR OF WHICH ACTUALLY TEACHES HER HOW TO BRAID HAIR. JESTINA PLED HER CASE TO UTAH'S LICENSING BOARD AND TO UTAH LEGISLATORS TO NO AVAIL. NO ONE SHOULD HAVE TO HIRE A LAWYER OR LOBBYIST JUST TO BRAID HAIR. THAT IS WHY, IN APRIL 2011, IJ FILED A LAWSUIT IN FEDERAL COURT TO VINDICATE THE RIGHT TO EARN AN HONEST LIVING AS AN ESSENTIAL PART OF OUR NATION'S PROMISE OF OPPORTUNITY.

BERGMANN V. CITY OF LAKE ELMO

THE INSTITUTE FOR JUSTICE CHALLENGED A BAN PREVENTING FARMERS IN LAKE ELMO, MINNESOTA, FROM SELLING AGRICULTURAL PRODUCTS THAT ARE NOT GROWN IN LAKE ELMO. IT HAS LONG BEEN UNDERSTOOD THAT A STATE OR LOCAL LAW

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THAT ALLOWS SALES OF LOCAL GOODS BUT FORBIDS OUT-OF-STATE OR OUT-OF-TOWN GOODS IS UNCONSTITUTIONAL. THE CITY JUSTIFIED THE RESTRICTION BY ARGUING THAT THIS IS A LAND-USE ISSUE, NOT A CONSTITUTIONAL ISSUE. OUR RESPONSE IS THAT DISCRIMINATION IS DISCRIMINATION, EVEN IF THE GOVERNMENT ATTEMPTS TO WRAP IT INSIDE A ZONING LAW. OUR CLIENTS WERE THE BERGMANN FAMILY AND THREE OUT-OF-STATE FARMERS. THE BERGMANNS HAVE SOLD NON-LAKE ELMO PUMPKINS AND CHRISTMAS TREES, INCLUDING PUMPKINS THEY GROW ON LAND THEY OWN IN WISCONSIN, FROM THEIR FARM FOR OVER 25 YEARS. THE OUT-OF-STATE FARMERS ARE FROM NORTH CAROLINA, NEBRASKA, AND WISCONSIN. THEY SELL THE BERGMANNS PUMPKINS AND CHRISTMAS TREES, WHICH ARE THEN RESOLD TO THE PUBLIC. FOLLOWING OUR INITIAL VICTORY BEFORE THE MAGISTRATE JUDGE, THE CITY ADOPTED AN ORDINANCE TO ALLOW FARMERS TO SELL GOODS NOT GROWN ON THE PREMISES VIA A PERMIT. ALL INDICATIONS ARE THAT OUR CLIENTS WOULD QUALIFY FOR SUCH A PERMIT, SO WE DISMISSED THE CASE AND DECLARED YET ANOTHER VICTORY FOR ENTREPRENEURS AND CONSUMERS AGAINST OVERWEENING GOVERNMENT.

FRANCO V. SAN JUAN COUNTY

THIS WAS A WASHINGTON STATE CONSTITUTIONAL CHALLENGE TO A SAN JUAN COUNTY VENDING ORDINANCE ON BEHALF OF GARY FRANCO, A LONGTIME PRODUCE VENDOR. THE ORDINANCE, PASSED AT THE BEHEST OF POLITICALLY CONNECTED BRICK-AND-MORTAR BUSINESSES, REQUIRED VENDORS TO OBTAIN A GOVERNMENT PERMIT AND PAY \$50 PER DAY FOR THE RIGHT TO EARN THEIR LIVING AND RECEIVE THE CONSENT OF COMPETING BRICK-AND-MORTAR BUSINESSES. WHILE THE COUNTY MAINTAINED THAT REQUIRING A PERMIT TO VEND WAS NECESSARY TO PROTECT PUBLIC HEALTH AND SAFETY, IT DIDN'T FORCE ALL VENDORS TO OBTAIN

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A PERMIT. RATHER, IT CARVED OUT EXEMPTIONS FOR ITS OWN FAVORED CATEGORIES OF VENDORS-FOR EXAMPLE, FARMERS WHO SOLD THEIR OWN PRODUCE; ICE CREAM TRUCKS; AND NONPROFIT AND CHARITABLE GROUPS, SUCH AS THE LIONS CLUB OR KIWANIS. VENDORS LIKE GARY POSED NO MORE OF A PROBLEM THAN THESE FAVORED, EXEMPT VENDORS, YET THEY WERE STILL REQUIRED TO PAY THE GOVERNMENT AND OBTAIN THE BLESSING OF THEIR COMPETITORS IN ORDER TO EARN AN HONEST LIVING. DURING THE COURSE OF THE LITIGATION, THE COUNTY ADOPTED A NEW ORDINANCE WHICH, IN SOME RESPECTS, WAS EVEN WORSE THAN THE ORIGINAL. FRUSTRATED BY HIS INABILITY TO EARN AN HONEST LIVING IN HIS OWN COUNTRY, GARY MOVED TO EUROPE, WHERE, IRONICALLY, HE HAS FOUND GREATER ECONOMIC OPPORTUNITY. IN LIGHT OF THE ORDINANCE AND GARY'S MOVING OVERSEAS, IJ-WA VOLUNTARILY DISMISSED THE CASE IN SEPTEMBER 2010.

#### MITZ V. TEXAS STATE BOARD OF VETERINARY MEDICAL EXAMINERS

THIS IS A CHALLENGE TO A DECISION BY THE TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS TO OUTLAW HORSE TEETH FLOATING BY NON-VETERINARIANS IN TEXAS, DESPITE HAVING SPECIFICALLY RECOGNIZED AND APPROVED THE PRACTICE FOR MANY YEARS. "FLOATING" IS THE TERM FOR FILING HORSES' TEETH TO ENSURE PROPER LENGTH AND ALIGNMENT. UNLIKE MOST ANIMALS, HORSES' TEETH GROW THROUGHOUT THEIR LIVES. THEIR TEETH MUST BE FILED DOWN EVERY 6-12 MONTHS TO PREVENT THEIR MOLARS FROM DEVELOPING LONG ENAMEL "POINTS" THAT CAN PREVENT THEM FROM CHEWING FOOD PROPERLY. FOR CENTURIES, THE PRACTICE HAS BEEN PERFORMED BY SPECIALIZED "TEETH FLOATERS," WHOSE KNOWLEDGE OF EQUINE DENTISTRY OFTEN FAR EXCEEDS THAT OF VETERINARIANS. THE COURT ULTIMATELY HELD THAT THE VET BOARD VIOLATED THE RULEMAKING PROCESS OF THE ADMINISTRATIVE PROCEDURE ACT,

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RESULTING IN A VICTORY FOR OUR CLIENTS.

RIFE V. TEXAS PRIVATE SECURITY BOARD

IN THIS CASE WE ELIMINATED TEXAS' REQUIREMENT THAT COMPUTER REPAIR  
TECHNICIANS BECOME LICENSED PRIVATE INVESTIGATORS. BEFORE IJ GOT  
INVOLVED, STATE LAW DICTATED THAT IF YOU PERFORM CERTAIN REPAIRS  
WITHOUT A PRIVATE INVESTIGATOR'S LICENSE, OR IF YOU AS A CONSUMER HAVE  
YOUR COMPUTER REPAIRED BY SOMEONE WITHOUT A LICENSE, YOU CAN BE  
PUNISHED BY A \$4,000 FINE AND ONE YEAR IN JAIL AS WELL AS A \$10,000  
CIVIL PENALTY. TO OBTAIN AN INVESTIGATOR'S LICENSE, AN INDIVIDUAL MUST  
COMPLETE EITHER A CRIMINAL JUSTICE DEGREE OR A THREE-YEAR  
APPRENTICESHIP UNDER A LICENSED INVESTIGATOR. THEREFORE, COMPUTER  
REPAIR COMPANIES WOULD HAVE HAD TO EITHER CLOSE FOR THREE YEARS TO  
COMPLETE THE APPRENTICESHIP, OR RISK SEVERE CRIMINAL AND CIVIL  
SANCTIONS IF THEY CONTINUED WORKING. WHILE THE LAWSUIT WAS PENDING,  
THE TEXAS LEGISLATURE AMENDED THE LAW TO EXEMPT OUR CLIENTS AND OTHER  
COMPUTER REPAIR COMPANIES, SO WE DISMISSED THE CASE. WE SOUGHT \$33,076  
IN FEES, BUT OUR MOTION WAS DENIED.

OTHER SCHOOL CHOICE CASES

LARUE V. COLORADO BOARD OF EDUCATION

THE DOUGLAS COUNTY, COLORADO, BOARD OF EDUCATION RECENTLY ENACTED A  
PILOT SCHOOL CHOICE PROGRAM TO DETERMINE WHETHER PROVIDING GREATER  
CHOICE TO PARENTS YIELDS BENEFITS FOR STUDENTS. THE SCHOOL DISTRICT  
OFFERS MODEST SCHOLARSHIPS TO UP TO 500 STUDENTS THAT ENABLE THEIR

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PARENTS TO SEND THEM TO PRIVATE SCHOOLS AT A FRACTION OF THE COST OF EDUCATING THEM IN THE DOUGLAS COUNTY PUBLIC SCHOOLS. ON JUNE 28, THE ACLU, AMERICANS UNITED FOR SEPARATION OF CHURCH AND STATE, AND SEVERAL COLORADO ORGANIZATIONS AND TAXPAYERS SUED THE SCHOOL BOARD, SCHOOL DISTRICT, COLORADO DEPARTMENT OF EDUCATION, AND THE STATE SCHOOL BOARD IN TWO SEPARATE LAWSUITS TO STOP THE PROGRAM. IJ INTERVENED TWO DAYS LATER REPRESENTING FOUR FAMILIES WHO INTEND TO USE THE SCHOLARSHIPS FOR THEIR CHILDREN. NOT ONLY IS THE DOUGLAS COUNTY SCHOOL CHOICE PROGRAM CONSTITUTIONAL, AS CASE LAW MAKES CLEAR, IT ALSO MAKES FISCAL SENSE, SAVING TAXPAYERS MONEY THEY WOULD OTHERWISE HAVE TO SPEND TO EDUCATE EACH CHILD IN THE PROGRAM.

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#### OTHER CASES

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#### FLYNN V. HOLDER

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IN A CASE DEALING WITH LIFE AND DEATH, WE REPRESENT DOREEN FLYNN WHO HAS THREE DAUGHTERS WITH A DEADLY BLOOD DISEASE WHO WILL MOST LIKELY NEED BONE MARROW TRANSPLANTS IN THEIR TEENS. LIKE COUNTLESS THOUSANDS OF OTHERS, DOREEN'S KIDS' LIVES DEPEND ON FINDING A COMPATIBLE BONE-MARROW DONOR-A ONE-IN-A-MILLION GENETIC MATCH. MORE THAN A THOUSAND PEOPLE DIE EACH YEAR BECAUSE THEY CAN'T FIND A MATCHED DONOR, BUT, INCREDIBLY, UNDER THE NATIONAL ORGAN TRANSPLANT ACT OF 1984, FEDERAL LAW MAKES IT ILLEGAL TO DO THE ONE THING THAT WOULD MAKE IT EASIER TO RECRUIT DONORS: COMPENSATE THEM. FLYNN, ALONG WITH CANCER PATIENTS AND THEIR FAMILIES, A RENOWNED BONE MARROW DOCTOR, AND THE CALIFORNIA NONPROFIT MOREMARROWDONORS.ORG, JOINED WITH THE INSTITUTE FOR JUSTICE IN OCTOBER 2009 TO SUE THE U.S. ATTORNEY GENERAL TO STRIKE

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DOWN THE LAW. WE CURRENTLY ARE ON APPEAL TO THE NINTH U.S. CIRCUIT COURT OF APPEALS. A VICTORY WILL PUSH COURTS TO LOOK AT LAWS WITH A PRESUMPTION IN FAVOR OF INDIVIDUAL LIBERTY, WHICH IS RELEVANT TO CASES IN ALL OF IJ'S FOUR PILLARS OF LITIGATION.

AMICUS

IN ADDITION TO THE ABOVE-DESCRIBED CASES, THE INSTITUTE FOR JUSTICE ALSO FILED AMICUS BRIEFS IN THE FOLLOWING CASES BETWEEN JULY 1, 2010 AND JUNE 30, 2011:

CUSHING V. MCKEE

FAMILY PAC V. MCKEE

FOX V. VICE

IN THE MATTER OF OPENING A PRIVATE ROAD FOR THE BENEFIT OF TIMOTHY P. O'REILLY

STATE OF WASHINGTON V. McCLEARY

WISCONSIN PROSPERITY NETWORK, INC. V MYSE

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	FURNITURE AND EQUIPMENT AND COMPUTERS AND SOFTWARE	VARIESSL	.000	16	809,194.				809,194.	572,672.		0.
2	LEASEHOLD	VARIESSL	.000	16	313,551.				313,551.	247,026.		0.
3	IMPROVEMENTS CONSTRUCTION IN PROGRESS	VARIESSL	.000	16	830,525.				830,525.	715,376.		0.
4	* TOTAL 990 PAGE 10 DEPR	VARIESSL	.000	16	76,808.				76,808.	0.		0.
					2,030,078.				2,030,078.	1,535,074.		0.

Application for Extension of Time To File an  
Exempt Organization Return

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete **only Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete **only Part II** (on page 2 of this form).

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

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only 

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

Type or print	Name of exempt organization	Employer identification number
File by the due date for filing your return. See instructions	INSTITUTE FOR JUSTICE	52-1744337
	Number, street, and room or suite no. If a P.O. box, see instructions. 901 NORTH GLEBE ROAD, NO. 900	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ARLINGTON, VA 22203	

Enter the Return code for the return that this application is for (file a separate application for each return)

0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STEVEN ANDERSON

- The books are in the care of ► 901 NORTH GLEBE RD, SUITE 900 – ARLINGTON, VA 22203  
Telephone No. ► 703-682-9320 FAX No. ►
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ► . If it is for part of the group, check this box ►  and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until FEBRUARY 15, 2012, to file the exempt organization return for the organization named above. The extension

is for the organization's return for:

►  calendar year  or  
►  tax year beginning JUL 1, 2010, and ending JUN 30, 2011.

2 If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 1-2011)