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Mr. George Collins  
Henry George School  
121 East 30th Street  
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Dear George:

I would like to amplify my comments on the Lincoln Institute, in view of the great amount of money involved.

As to violation of the mandatory purposes of a charitable foundation, the general rule is that such action must be taken by the Attorney General's office. See, 45 American Jurisprudence 2d, Charities #144-146, pp. 169-174. However, if the Attorney General refuses to act, a taxpayer may bring the action. See, for example, In Re Veterans Industries, (1970) 8 Cal. App.3d 902,904,88 Cal.Rptr. 303, and authorities there cited.

In the past it was held that even potential donees had no standing in court to challenge misconduct by trustees of a charitable trust. However, recent cases have indicated that persons with a "special interest" in the trust distinct from the general interests of the public may sue, even in the absence of action by the Attorney General. See Hooker v. The Edes Home(1990) 579 Atlantic 2d 608, 611 et seq. The Henry George School might well argue that contrary to the Lincoln Institute and the LILP status, it not only propogates the ideas of Henry George, but is the only educational organization with a regularly constituted faculty and curriculum and student enrollment in the country which does, and therefore has the special interest referred to in Edes.

There are no Arizona cases reported on this subject.

The logical way to proceed is the following: 1) That the demands now being made on Lincoln be continued, and that I be given the right to state that I represent the Henry George School, Schalkenbach Foundation, Center for Study of Economics, and all other important Georgist organizations as to negotiating the matter; (2) If efforts to obtain a settlement fail, that a demand be made on the Arizona Attorney General to take action, which demand would be made by Arizona residents such as the Gimmis and also by the H.G.School and similar organizations; (3) If the Attorney General refuses to act an action be filed by Arizona residents and Georgist organizations under the rule set out in the Veterans Industries rule, and also under the Edes rule.

Any first year law student knows that the trustees of a charitable trust do not have the right to change the purposes of the trust without judicial intervention.

That naive letter sent to me by Ronald Smith, Vice President and Executive Director of the Lincoln Institute of Land Policy puts them in a bad hole, unless the Georgist organizations are so stupid as to allow the Lincoln Foundation to crawl out of that hole. Inasmuch as David Lincoln stated that the Foundation has around \$100,000,000 in assets, this is a prize worth working for.

Not only was the purported change of purposes invalid in the absence of a court order, but the change was so ineptly written that all the actions taken pursuant to it are illegal. It refers to all Lincoln Foundation funds being spent only and paid only to organizations with a regular faculty and curriculum and regularly enrolled student body, naming the Lincoln Institute and the LILP. Neither of those organizations have a regular faculty and curriculum and neither has a regularly enrolled student body. The mere holding of conventions and symposia is not sufficient.

Even more important is the fact that section III (a) of the present Articles of the Foundation is controlled by section III (b) which specifically states that all payments be made to propagate the ideas of Henry George. Not only do the Lincoln Institute and LILP not promote the ideas of Henry George, but their attitude has been hostile towards those ideas. I have been at a conference in Los Angeles put on by the LILP in which the LILP representative made a negative and degrading reference to Henry George ideas. And Mason Gaffney and Ted Gwartney tell me that they have also been present at Lincoln conferences in which land value taxation was criticized. Further, Smith admitted that LILP could not legally promote the ideas of Henry George.

If the Henry George School only got 1% of the Lincoln money this would be an opportunity that should not be missed. And even if it did not get one cent for itself, the use of Lincoln money to promote the ideas of Henry George is something that the School should enthusiastically support. Our purpose is to establish the ideas of Henry George, not to run a school or to file a lawsuit.

I apologize if I seem too aggressive on this point. But any failure to seize this tremendous opportunity would be much more than mere negligence. It would be a tragedy.

If any member of the Board, or attorney, wishes information on this matter, have them call me collect. Remember, the School will probably not have to spend a penny on this matter. And it may be in a position to receive a great amount. I am amazed that the School would even hesitate to cooperate with me, rather than to look so hard to place stones in the road.

Sincerely,



P.S. In the event that there is any misunderstanding on this point, my own services are donated without charge and