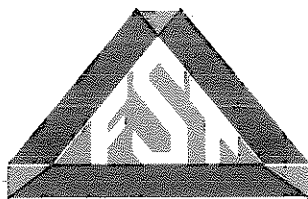


A 1328



Fairhope Single Tax Corporation

EST. 1894

September 18, 1987

Mr. Robert Clancy, Chairman
COUNCIL OF GEORGIST ORGANIZATIONS
5 East 44th Street
New York, New York 10017

Dear Mr. Clancy:

Once again the Supreme Court of Alabama has ruled in favor of the Fairhope Single Tax Corporation. It has remanded the Circuit Courts decree to Judge Pearson with instructions. No justice dissented.

The ruling states the corporation is not a charitable trust, may select members as it sees fit, may operate with management rules internally established and may set rents without reference to the Circuit Court. These items are all crucial to corporation existence and the decision will allow pursuit of the purpose for which it was incorporated.

The victory was not total - there are compensatory damages still levied, the Arbitration Act of 1976 was held to be constitutional and fees to be paid to the plaintiffs attorneys are to be adjusted not eliminated.

Compensatory damages were affirmed in that the Court held that rent monies were misused. We are advised by Counsels that the "Rent" fund can be reimbursed from the Mineral or Land Fund so the named defendants are not liable.

The Arbitration Act of 1976 was held to be constitutional because of a procedural rule - the Attorney General has to be made a party (he was not) in a proceeding to determine constitutionality of an Act.

Since the Supreme Court reversed so many of the Circuit Courts rulings it has ordered Judge Pearson to recalculate the fees due the plaintiffs attorneys; of course our counsels will argue for the minimum.

We are also advised the plaintiffs will file an application for a rehearing which in view of no dissenting opinions maybe fruitless.

If you desire a copy of the Supreme Court ruling please let the office know.

Sincerely,

Charles B. Ingersoll

President

/as

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