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FOR IMMEDIATE RELEASE

FROM THE LAW OFFICES OF RICHIE, RICHIE & OBERLE, L.L.P., MICHAEL H. WAINWRIGHT, ATTORNEY AT LAW, AND RICHARD HILLER, ATTORNEY AT LAW

A class action lawsuit against the City of Shreveport and the Parish of Caddo was filed today in the First Judicial District Court. That lawsuit seeks damages and other relief related to the actions of these governments in including adjudicated property within mineral leases executed by those governments.

Since the beginning of leasing activity related to the Haynesville Shale, the City and the Parish have executed many mineral leases on their own property. They also included within those mineral leases certain property that they did not own; that is, properties that had previously been “adjudicated” to the City or the Parish, meaning that the properties were levied by the City or Parish governments when the taxpayers failed to pay their taxes. Adjudication gives a government certain rights and powers over the property, but not ownership and not the power to keep the money earned through leasing the property.

Once adjudicated, if the government chooses to lease the property to others, Louisiana law requires that the government credit any income from that lease – such as bonus money and royalty payments – towards the outstanding tax debt owed by the property owner. Once the tax debt is paid in full by this income, then the adjudication is cancelled and full ownership is redeemed to the rightful owner. The property owner is also entitled to receive any money left over after the taxes are paid and would be entitled to the future revenue generated under the lease.

Unfortunately, the City of Shreveport and Caddo Parish have not followed the law. After entering into the mineral leases they kept the money for themselves and did not apply it to the benefit of the property owners, as required by law. The failure to properly credit this income has severe consequences. Not only have the City and Parish maintained adjudications that should have been released several years ago, they have continued to levy interest and penalties on tax deficiencies that should have been paid with the mineral revenue. Worse, in many cases the City and Parish have **sold** the property to innocent third parties to satisfy tax liabilities which, by law, no longer existed.

This class action lawsuit seeks redress for the failure of the City and the Parish to properly credit the bonus and royalty payments they received from leasing the plaintiffs' properties. The suit is brought on behalf of citizens who had property adjudicated to one or both of the two governments and seeks damages and other relief for those citizens who were deprived of their property rights without due process of law.

It may be tempting to fault the delinquent taxpayers for putting themselves in a circumstance where their property could be taken without compensation. However, in many cases, the failure of these citizens to pay their taxes was through no fault of their own – many lost their property to taxes when the economy collapsed, while others were disabled by illness or accidental injuries and were unable to make timely payment of their taxes. And, frequently, the fractionalization of ownership that occurs when family homes are passed from generation to generation creates confusion and other issues that leave taxes unpaid. The Haynesville Shale leasing boom was a godsend for governments, creating new revenues so desperately needed to patch holes in stretched budgets. That leasing boom should also have been a godsend for those citizens whose property was adjudicated for unpaid taxes. The law of Louisiana provides a way for those unexpected revenues to satisfy those unpaid tax liabilities. Unfortunately, the protection of law was

not afforded these citizens by their governments leaving them little choice but to seek the protection of the judicial system.

Serving as trial counsel for the plaintiffs will be the attorneys of Richie, Richie and Oberle, LLP, of Shreveport. The plaintiffs will also be represented by Michael H. Wainwright, formerly of Shreveport but now residing in North Carolina, and Richard E. Hiller of Shreveport. As we begin this journey, Michael H. Wainwright offers a sobering thought: "The sad irony of all this is that the adjudication laws were designed to help get abandoned, vacated property back into the market place. Had the City and Parish followed the law, many of these properties would have been back in the hands of their rightful owners and fully marketable. The repercussions of this negligent or callous disregard for due process and the rule of law by both the City and Parish governments are unnecessary, unfortunate, and extraordinarily damaging. An incredible injustice has been done to folks who were the most vulnerable to such treatment. The law was there and they simply ignored it to the detriment of their own citizens."

Byron A. Richie, Attorney at Law, will serve as spokesman for the group and any media questions should be directed to him. Any person who feels that they have been damaged or impacted by these events and believes that they might benefit from this Class Action Lawsuit should contact counsel as follows:

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