

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 2, 2012

Alico Inc.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

0-261
(Commission
File Number)

59-0906081
(I.R.S. Employer
Identification No.)

**10070 Daniels Interstate Court Suite 100
Fort Myers, FL 33913**

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (239) 226-2000

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 8 Other Events**Item 8.01 Other Events.**

On April 2, 2012, Alico, Inc., announced the settlement of the shareholder derivative action complaint, which was executed on April 1, 2012. The shareholder derivative action complaint was originally filed by Baxter Troutman against John R. Alexander, Chairman of the Board of Directors and JD Alexander, Vice Chairman of the Board of Directors and Chief Executive Officer, which also named Alico Inc. as a nominal defendant.

Section 9 Financial Statements and Exhibits**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 Alico, Inc. Press Release dated April 2, 2012.

99.2 Settlement Agreement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 2, 2012

ALICO, INC.

By: /s/ W. Mark Humphrey
W. Mark Humphrey
Senior Vice President and Chief Financial Officer

Investor Contact:

JD Alexander
Chief Executive Officer and President
239-226-2000

**Troutman Agrees to Dismiss Shareholder Derivative Lawsuit Against Alexanders**

Fort Myers, FL, April 2, 2012 – Alico, Inc. (NASDAQ: ALCO) (“Alico”), a land management company, today announced the settlement of the shareholder derivative action complaint. The shareholder derivative action complaint was originally filed by Baxter Troutman (“Troutman”) against John R. Alexander, Chairman of the Board of Directors and JD Alexander, Vice Chairman of the Board of Directors and Chief Executive Officer, (the “Alexanders”) which also named Alico as a nominal defendant. The settlement agreement (the “Agreement”) contains the following provisions:

- The Agreement and its terms and conditions are subject to approval by the Circuit Court of the 10th Judicial Circuit in Polk County, FL. A hearing to consider approval is scheduled for May 4, 2012 at 2:45 p.m.
- Troutman shall file a notice of voluntary dismissal of the civil action against the Alexanders with prejudice. There were no inducements, promises or representations.
- Troutman and the Alexanders mutually release and discharge each other from all claims, rights, actions, obligations, liability or responsibility arising out of the commencement and prosecution of the civil action, except for any claims Alico may have against Troutman to be subrogated to the rights of the Alexanders to seek recovery of attorney fees and costs incurred in their defense.

About Alico, Inc.

Alico, headquartered in Fort Myers, FL, is a land management company operating in Central and Southwest Florida. Alico owns approximately 139,600 acres of land located in Collier, Glades, Hendry, Lee and Polk counties, Florida. Alico is involved in citrus, sugarcane, cattle and other agricultural operations and real estate activities. Alico’s mission is to grow its asset values through its agricultural and real estate activities to produce superior long-term returns for its shareholders. For more about Alico, Inc., visit www.alicoinc.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Alico’s current expectations about future events and can be identified by terms such as “expect,” “may,” “anticipate,” “intend,” “should be,” “will be,” “is likely to,” “strive to,” and similar expressions referring to future periods.

Alico believes the expectations reflected in the forward-looking statements are reasonable but cannot guarantee future results, level of activity, performance or achievements. Actual results may differ materially from those expressed or implied in the forward-looking statements. Therefore, Alico cautions you against relying on any of these forward-looking statements. Factors which may cause future outcomes to differ materially from those foreseen in forward-looking statements include, but are not limited to: changes in laws, regulation and rules; weather conditions that affect production, transportation, storage, import and export of fresh product; increased pressure from disease, insects and other pests; disruption of water supplies or changes in water allocations; pricing and supply of raw materials and products; market responses to industry volume pressures; pricing and supply of energy; changes in interest exchange rates; availability of financing for land development activities; political changes and economic crises; international conflict; acts of terrorism; labor disruptions; inability to pay debt obligations; inability to engage in certain transactions due to restrictive covenants in debt instruments; government restrictions on land use; market and pricing risks due to concentrated ownership of stock. Other risks and uncertainties include those that are described in Alico's SEC filings, which are available on the SEC's website at <http://www.sec.gov>. Alico under takes no obligation to subsequently update or revise the forward-looking statements made in this press release, except as required by law.

IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT
IN AND FOR POLK COUNTY, FLORIDA
CIVIL ACTION

BAXTER G. TROUTMAN,
derivatively as Shareholder of and on
behalf of Alico, Inc., a Florida profit
corporation,

Plaintiff,

vs.

Case No.: 08-CA-10178
Division 8

JOHN R. ALEXANDER, individually;
JOHN D. ALEXANDER, individually;

Defendants,

and

ALICO, INC.,

Nominal Defendant.

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SETTLEMENT AGREEMENT

This Settlement Agreement is made as of April 1, 2012, by and between BAXTER G. TROUTMAN, derivatively as shareholder of and on behalf of Alico, Inc., a Florida profit corporation, and individually (hereinafter "Troutman"); JOHN R. ALEXANDER, individually (hereinafter "J.R. Alexander"); and JOHN D. ALEXANDER, individually (hereinafter "J.D. Alexander"). For and in consideration of the mutual covenants and promises contained herein Troutman, J.R. Alexander and J.D. Alexander agree as follows:

1. This Settlement Agreement and its terms and conditions are subject to approval of the Court in this action pursuant to Section 607.17401(4), *Florida Statutes*. Troutman will promptly file a motion seeking such approval by the Court and the parties will cooperate to arrange a hearing on that motion as expeditiously as possible.

2. Troutman shall file a notice of voluntary dismissal with prejudice of the civil action against J.R. Alexander and J.D. Alexander or a notice of voluntary dropping of J.R. Alexander and J.D. Alexander as parties to this action with prejudice.

3. Troutman, J.R. Alexander and J.D. Alexander mutually release and discharge each other from the other from all claims, rights, actions, obligations, liability or responsibility arising out of the commencement and prosecution of the above-referenced civil action WITH THE EXCEPTION OF ALL CLAIMS, RIGHTS, ACTIONS, OBLIGATIONS, LIABILITY OR RESPONSIBILITY THAT J.R. ALEXANDER AND/OR J.D. ALEXANDER HAVE TO ALICO FOR ALICO TO BE SUBROGATED TO THE RIGHTS OF J.R. ALEXANDER AND/OR J.D. ALEXANDER, IF ANY, PURSUANT TO ARTICLE 14(C) OF THE INDEMNIFICATION AGREEMENTS BETWEEN ALICO AND J.R. ALEXANDER AND J.D. ALEXANDER OR OTHERWISE [which Article 14(c) states, "In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights."] AND NOTHING CONTAINED IN THIS MUTUAL RELEASE SHALL BE DEEMED OR CONSTRUED TO EFFECT OR ALTER RIGHTS OF ALICO, IF ANY, FOR SUBROGATION OR TO SEEK THE RECOVERY OF COSTS AND FEES PAID BY ALICO AND NOTHING CONTAINED IN THE MUTUAL RELEASE AND THIS SETTLEMENT AGREEMENT SHALL BE DEEMED OR CONSTRUED THAT TROUTMAN AGREES THAT ALICO OR ITS INSURERS OR ANYBODY HAS ANY RIGHT FOR SUBROGATION, OR ANY RIGHT TO SEEK RECOVERY OF COSTS AND FEES PAID BY INSURANCE OR ALICO OR ANYBODY FOR OR ON BEHALF OF J.R. ALEXANDER AND/OR J.D. ALEXANDER OR ALICO ON ITS OWN. THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE DOES NOT CREATE ANY ADDITIONAL RIGHTS OTHER THAN ARE EXPRESSLY SET FORTH HEREIN. TROUTMAN ASSERTS NOBODY HAS A RIGHT TO ATTORNEYS' FEES AND COSTS IN THIS MATTER.

4. This Settlement Agreement is freely and voluntarily executed by the parties hereto after having been apprised of all relevant information and having obtained the advice of their own respective attorneys. The parties in executing this Settlement Agreement, including the mutual release contained in paragraph 3 above, do not rely on any inducements, promises or representations made by the other party or any of the other parties' representatives. Furthermore, no promise, inducement or agreement not set forth in this Settlement Agreement has been made to either party, and the Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Settlement Agreement are contractual and not merely a recital.

5. The parties agree that in any action to enforce the provisions of this Settlement Agreement or any action arising from violation of the terms of this Settlement Agreement, the prevailing party may be entitled to recovery of reasonable attorney's fees and costs. Venue to enforce this Settlement Agreement shall lie in Polk County, Florida.

6. This Settlement Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Settlement Agreement and all of which, when taken together, will be deemed to constitute one and the same Settlement Agreement. All executed copies are duplicate originals equally admissible into evidence.

IN WITNESS WHEREOF, the parties have caused this Settlement Agreement to be signed as of the day and year first above written.