



FREDERICKS PEEBLES & MORGAN LLP

ATTORNEYS AT LAW

SUCCESSFUL APPEAL COMPLETED FOR CHUKCHANSI CASINO SOVEREIGN IMMUNITY

Fredericks Peebles & Morgan LLP a national law firm serving American Indian Tribes has won an appeal before the U.S. Court of Appeals for the Tenth Circuit on behalf of their clients, the Chukchansi Gold Casino and Resort (the Casino) and the Chukchansi Economic Development Authority (the Authority).

The 10th Circuit ruling reverses an order by the United States District Court for the District of Colorado denying the Authority and the Casino's motions to dismiss federal and state lawsuits brought by Breakthrough Management Group, Inc. (BMG) a provider of business management training and consulting services. The Court of Appeals remanded the matter to the lower court for further proceedings consistent with the appellate court decision.

BMG is a Colorado Corporation that provides online business management training and consulting services. A dispute on licensing arose between the Casino and BMG. BMG brought suit against the Tribe, the Authority, and the Casino.

All of the defendants filed motions in the District Court to dismiss, arguing that the court should dismiss the complaint for lack of subject matter jurisdiction because they were protected from BMG's suit by the doctrine of tribal sovereign immunity. The Casino is operated by the Picayune Rancheria of the Chukchansi Indians, a federally recognized Indian Tribe.

The District Court granted the Tribe's motion to dismiss in September 2007; holding that the Tribe was entitled to sovereign immunity and had not clearly waived that immunity by entering into license agreements with BMG. However, after a hearing in October 2007 the District Court denied the Authority and Casino's motion to dismiss, concluding they were not entitled to share in the Tribe's sovereign immunity.

Michael A. Robinson of Fredericks Peebles & Morgan acted as counsel for the Authority and Casino in bringing the appeal which asked the circuit court to explore the relationship between an Indian Tribe and the economic entities created by the Tribe and to determine how close that relationship must be in order for those entities to share in the Tribe's sovereign immunity.

In making its ruling the circuit court found that the Authority and the Casino are so closely related to the Tribe that they should share in the Tribe's sovereign immunity. The appeals court concluded that the district court clearly erred in finding that the Authority and the Casino were not subordinate economic entities entitled to tribal sovereign immunity.

Consequently the circuit court reversed the district court's denial of the motion to dismiss; ruling that the Authority and the Casino are protected from suit by tribal sovereign immunity and unless they have waived their immunity the complaint against the Authority and the Casino should be dismissed for lack of subject matter jurisdiction.