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SHINGLE SPRINGS BAND OF MIWOK INDIANS RESPONDS TO LAWSUIT FILED BY SHARP IMAGE GAMING

SACRAMENTO, Calif. – April 14, 2010 – Three years ago, Sharp Image Gaming (Sharp) sued the Shingle Springs Band of Miwok Indians (Tribe) in connection with claimed rights to revenues from the Tribe's gaming facility, Red Hawk Casino. Sharp is an early investor that tried but failed to establish a successful gaming facility on the Tribe's lands. When Sharp failed, the Tribe found another investor that succeeded and helped the Tribe construct Red Hawk Casino.

Despite Sharp's failure to establish a successful gaming facility on the Tribe's lands, Sharp claims the right to revenues from Red Hawk Casino, a facility in which Sharp had no involvement. Sharp seeks over \$100 million in gaming revenues, despite its lack of involvement in Red Hawk Casino. The Tribe continues to defend this lawsuit.

Since the lawsuit's filing in March 2007, the Tribe has worked to secure a ruling from the El Dorado County Superior Court on jurisdictional grounds, and specifically, with respect to whether the Court has the power to decide the case at all. The Tribe asserted that (1) if Sharp's lawsuit was to be litigated, it had to be litigated in federal court (not state court); and (2) that the case had to be dismissed in any event, since the Tribe was immune to suit, having not waived its sovereign immunity to Sharp's claims.

While the state court was deciding the Tribe's jurisdictional defenses, the federal agency charged with implementing federal law and regulating Indian gaming (the National Indian Gaming Commission or NIGC) found that Sharp's contracts violated the Indian Gaming Regulatory Act. Specifically, the NIGC found the contracts were illegal under federal law — a finding that, under existing law, meant the case could only be litigated in federal court, not state court. Nonetheless, the El Dorado County Superior Court ignored the NIGC's binding determination. In addition, the state court declined to resolve the Tribe's sovereign immunity defense, ruling that a jury must decide whether the Tribe waived its immunity, even though established law requires courts to resolve this jurisdictional defense at the outset of the case.

Although the Tribe has a right to challenge these rulings *after* trial, it tried to obtain “extraordinary relief” by asking the Court of Appeal and the California Supreme Court to review the judge's jurisdictional rulings now — before the case was fully litigated. That extraordinary relief — which is rarely granted — was not granted here. “It is always difficult to get appellate review of a lower court decision before a case has been tried,” said Paula Yost, one of the attorneys representing the Tribe. “So while we are not surprised by the Supreme Court's ruling, we are disappointed, particularly since there was amicus support for granting the Petition for Review, and since the Supreme Court had issued a stay of the proceedings while it considered whether to grant Review now.”

While both the Court of Appeal and Supreme Court declined to grant immediate appellate review, neither decided the merits of the legal issues raised by the Tribe's defenses. “The Court's denial of the Petition does not mean the Tribe's jurisdictional defenses are not valid, only that the Court will not consider them now,” said Tribal Chairman Nicholas Fonseca. “So we will continue to pursue these defenses, even if it means we have to

wait until we get our absolute right to an appeal after trial. We believe we are right about the absence of jurisdiction, and that we will win these defenses.”

In the meantime, the Tribe will get ready for trial and will vigorously defend itself against Sharp’s overreaching claims. Specifically, the Tribe has numerous defenses that will prove Sharp’s claims lack merit. These include defenses that could result in dismissal of all or part of the case before trial.

“The Tribe will continue to vigorously defend this outrageous lawsuit,” added Chairman Fonseca. “We have every expectation that truth and justice will carry the day, and that we will prevail in the end, whether it is by judge or by jury.”

About the Shingle Springs Band of Miwok Indians

The Shingle Springs Band of Miwok Indians is a federally recognized Tribe located in El Dorado County, Calif. The Tribe, whose members consist of Miwok, Maidu and Nisenan Indians, governs the Shingle Springs Rancheria, a 160-acre Indian reservation in Shingle Springs, Calif. The Tribe seeks to honor and protect its territory and cultural heritage to benefit future generations. The Tribe owns and operates its Red Hawk Casino, providing employment to its members and surrounding communities. Its revenue enhances the Tribal Government’s ability to meet the essential needs of its membership. More information is available at www.shinglespringsrancheria.com.

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