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Friday, June 10, 2005

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## **GUN LAKE CASINO VENDORS BEWARE!**

### *Tribe Has Record of Breaking Agreements, Promises*

Grand Rapids, Mich. – 23 is Enough issued a warning today to all vendors who may be considering doing business with the Gun Lake Tribe citing multiple lawsuits and broken promises as evidence for caution.

“In the case of the Gun Lake Tribe, there are multiple examples where the Tribe made promises and entered into formal contracts with businesses, and in the end chose not to honor the agreements using the cloak of sovereign immunity to avoid enforcement of the contracts,” said John Helmholdt, spokesperson for 23 is Enough. “This should serve as a warning for vendors not to be blinded by the bright lights and big money promises of the Tribe and their billionaire Las Vegas partners who are promoting these premature job fairs and vendor meetings.”

The following are four examples cited by 23 is Enough:

1. Gun Lake Tribe sued by Sungold Entertainment. In 1999, Sungold Entertainment filed a lawsuit seeking \$447 million in damages from the Gun Lake Tribe’s repudiation of its contractual agreements that granted Sungold exclusive rights to casino management and a percentage of casino revenues in exchange for upfront financial assistance to assist the Tribe in obtaining the necessary acknowledgment of tribal status by the United States Department of Interior. However, based on the Tribe’s claims of sovereign governmental immunity from lawsuits, the case was dismissed.
2. Gun Lake Tribe sued by Kean-Argovitz Resorts of Michigan. In 2002, Kean- Argovitz Resorts of Michigan filed suit against the Gun Lake Tribe for renegeing on its promises and contractual agreements to pay Kean-Argovitz to manage its planned casino. Kean-Argovitz advanced the Tribe close to \$1.1 million, mostly in monthly advances around \$80,000, for administrative and legal costs, and agreed to pay as much as \$100 million more to buy a site and build a facility. In return, the Tribe agreed to give Kean-Argovitz exclusive rights to manage the casino and hotel for five years, receive a percentage of net revenue and repay loans at market value. Once again, the Tribe claimed sovereign immunity and the case was dismissed.
3. Gun Lake Promises No Casino in Pursuit of Federal Acknowledgement. In 1993, Gun Lake Band leadership, in a letter to the Assistant Secretary of Indian Affairs, admitted that the tribal council had agreed to pursue federal acknowledgement for the Gun Lake Band only on the condition that "there would never be casinos in our Tribe" (*See Exhibit, BIA, Historical Technical Report on the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians of Michigan, Inc.*, at 79).

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4. Gun Lake tribal council agreed to pursue federal acknowledgement only by including the following prohibition on gambling in the tribe's constitution: "The Gun Lake Band . . . is the only Indian Tribe in the State of Michigan which has decided not to sacrifice the future of its membership to gaming interests and the changes to traditions in the community that gaming could bring." *See id.*

"Just like Sungold and Kean-Argovitz, Station Casino is fronting millions of dollars and bankrolling the Tribe's legal, political, and public relations efforts," said Helmholdt. "Frankly, the Las Vegas billionaires at Station Casino Inc. and their shareholders should be concerned about the Tribe's track record on breaking contracts with casino management companies."

"First, the Tribe says 'there would never be casinos in our Tribe' upon applying for recognition, then they get recognized and apply for a casino. Then, the Tribe says there'll be glamorous hotels and convention halls on the casino site, now conveniently they say there won't be after business groups objected and they wanted their endorsement. It just goes to show that the Tribe will say and promise whatever they can to get what they want and upstanding, taxpaying business have no legal resource because the Tribe can hide behind sovereign immunity," said Helmholdt.

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