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THE HONORABLE JUSTIN L. QUACKENBUSH

6 UNITED STATES DISTRICT COURT
7 EASTERN DISTRICT OF WASHINGTON

8 PAUL GRONDAL, a Washington
9 resident; and THE MILL BAY
10 MEMBERS ASSOCIATION, INC.,
11 a Washington Non-Profit
12 Corporation,
13 Plaintiffs,

NO. CV-09-18-JLQ

PLAINTIFFS' FIRST SET OF
REQUESTS FOR ADMISSION

11 vs.

AND RESPONSES THERETO

12 UNITED STATES OF AMERICA;
13 UNITED STATES DEPARTMENT
14 OF THE INTERIOR; THE BUREAU
15 OF INDIAN AFFAIRS, and
16 FRANCIS ABRAHAM,
17 CATHERINE GARRISON,
18 MAUREEN MARCELLAY, MIKE
19 PALMER, JAMES ABRAHAM,
20 NAOMI DICK, ANNIE WAPATO,
21 ENID MARCHAND, GARY
22 REYES, PAUL WAPATO, JR.,
23 LYNN BENSON, DARLENE
24 HYLAND, RANDY MARCELLAY,
25 FRANCIS REYES, LYDIA W.
26 ARMEECHER, MARY JO
GARRISON, MARLENE
MARCELLAY, LUCINDA O'DELL,
MOSE SAM, SHERMAN T.
WAPATO, SANDRA COVINGTON,
GABRIEL MARCELLAY, LINDA

1 These requests for admission are directed to the above-named party or parties
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3 and to their attorneys, and extend to all information of said party or parties, their
4 attorneys, their liability insurers and their attorneys' and liability insurers' agent.

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6 "Allottees" refers to the beneficial landowners of Moses Allotment Eight ("MA-
7 8") who are the heirs of the original MA-8 Allottee, John Wapato.

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9 "Mediation" refers to the mediations held on August 12, 2004 and continued on
10 September 9, 2004 with mediator Doug Lawrence at the law of Stokes Lawrence,
11 PLLC, 800 5th Avenue, Seattle, Washington which resulted in settlement of all claims
12 regarding the Mill Bay Members Association lawsuit.

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14 "Settlement" refers to the Settlement Agreement, by and between the Mill Bay
15 Members Association and Chief Evans, Inc., et al., dated September 15, 2004 and
16 subsequent "Order Approving Class Action Settlement" signed by Chelan County
17 Superior Court Judge John Bridges on November 23, 2004, Chelan County Cause Nos.
18 02-2-01100-9 and 04-2-00441-6.
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21 "You" as used herein represents defendant United States of America or any of
22 its agents, including, but not limited to, agents of the Department of the Interior,
23 Bureau of Indian Affairs (the "BIA").
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1 Washington State Campground Act which recited that the length of the membership
2 contracts was until 2034.
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4 **RESPONSE:** Objection. Request for Admission No. 1 combines numerous
5 different facts and conclusions into a single request; it also does not define what it
6 means by Mill Bay Resort “contracts.” Reserving those objections, Federal
7 Defendants admit that prior to the time of the mediation, the BIA was aware of the
8 existence of Mill Bay Recreational Vehicle Resort; denies that the BIA approved any
9 contracts between Members and other entities or persons; and states that it does not
10 know whether the “contracts” were solicited and offered for sale under the term of the
11 Washington State Campground Act and under Public Offering Statements that
12 specifically recited that the length of the Mill Bay Resort contracts was until 2034, and
13 that is does not know whether the Members, in making their decision to purchase,
14 relied upon the Public Offering Statements. BIA cannot know how the contracts were
15 solicited and offered and how the Members made decisions because the BIA did not
16 participate in those actions.
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24 **REQUEST FOR ADMISSION NO. 2:** Prior to the time of the mediation, the BIA was
25 aware of Chelan County Superior Court Judge Bridge’s decision on June 26, 2003
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1 which held, among other things, that the Mill Bay Resort Membership Contracts bound
2 all MA-8 Allottees (also known as “beneficial landowners”) to the provisions and
3 jurisdiction of Washington State Law, and specifically the Washington State
4 Campground Resort Act RCW 19.105 *et seq.*

7 RESPONSE: Objection. This Request for Admission improperly calls for a
8 legal conclusion as to the holding of a court decision and is not calculated to lead to the
9 discovery of admissible evidence; reserving that objection, Federal Defendants admit
10 that prior to the time of the mediation, the BIA was aware of Chelan County Superior
11 Court Judge Bridge’s decision on June 26, 2003; otherwise this request for admission
12 is denied.

17 REQUEST FOR ADMISSION NO. 3: Prior to the time of the mediation, by letter of
18 May 8, 2002, from the Mill Bay Resort Members Committee, the BIA was advised of
19 the Member’s position that the BIA specifically approved all plans for the resort
20 development and its subsequent ownership and operations under the laws of the State
21 of Washington and that membership contracts sold to Members were to last a term of
22 50 years and at no time prior to the mediation did the BIA either orally or in writing
23 respond to the Members’ May 8, 2002 letter or otherwise refute the Members
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1 contention that the BIA specifically approved the Mill Bay Resort membership
2 contracts and the 2034 contract term. (See MA-8 FOIA Document Number 1714,
3 Pages 62-64 attached hereto.)
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5 RESPONSE: Federal Defendants admit that prior to the time of the mediation,
6 BIA received the letter dated May 8, 2002, "MA-8 FOIA Document Number 1714,
7 Pages 62-64" attached to the Requests for Admission in which the Resort Members
8 Committee advised the BIA of its positions; and Federal Defendants further admit that
9 BIA did not respond in writing to the Resort Members Committee; otherwise this
10 request for admission is denied.
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15 REQUEST FOR ADMISSION NO. 4: Representatives of the BIA, including, but not
16 limited to, Superintendent Gene Nicholson, Ricky Joseph and Sharon Redthunder
17 attended one or both mediations in their capacity as owners of MA-8 and in their
18 capacity as trustee on behalf of individual Allottees in MA-8.
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21 RESPONSE: Federal Defendants admit that representatives of the BIA,
22 including Superintendent Gene Nicholson, Ricky Joseph and Sharon Redthunder were
23 present at the location of the mediation one or both times; Federal Defendants admit
24 that they attended in their capacity as employees of the BIA; Federal Defendants deny
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1 that they attended “in their capacity as owners of MA-8 and in their capacity as trustee
2 on behalf of individual Allottees in MA-8”.
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5 REQUEST FOR ADMISSION NO. 5: The BIA was provided notice of the various
6 stages of the RV Park litigation, was requested to intervene in that litigation and also
7 was provided with an opportunity to object, and/or disapprove of the Chelan County
8 Superior Court Order approving the Settlement which allowed the Members to occupy
9 the Mill Bay Resort site until 2034 yet at no time did the BIA intervene in the case or
10 enter any objection or disapproval of the Settlement, or of the Chelan County Superior
11 Court Order approving the Settlement. (See MA-8 FOIA Document Numbers 74,
12 1244, 1248, and 1250 attached hereto.)
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17 RESPONSE: Federal Defendants admit that the BIA was provided notice of
18 various stages of the RV Park litigation, and was requested by parties represented by
19 Michael Arch to intervene in that litigation; admit that pursuant to the State Court's
20 order, Paul Grondal, as a class representative sent to all members of the class notice of
21 the terms of the Settlement Agreement and the opportunity to object or comment on
22 the agreement at the Settlement Approval Hearing scheduled for November 23, 2004;
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1 Federal Defendants admit that the BIA did not file any objections to the Settlement
2 Agreement at the Approval Hearing; otherwise this request for admission is denied.
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5 REQUEST FOR ADMISSION NO. 6: The BIA, as the agent of the United States of
6 America responsible for supervising the management of MA-8 for the benefit of the
7 beneficial landowners/Allottees to whom the United States has a legal and fiduciary
8 obligation as trustee, is authorized to approve or disapprove of all activities, leases,
9 tenancies, liens, easements and any matter that would materially affect MA-8.
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12 RESPONSE: Objection. This Request improperly calls for a legal conclusion
13 and is not calculated to lead to the discovery of admissible evidence. Further, it is
14 written in broad and vague language. Reserving the objection, Federal Defendants
15 admit that the scope of the BIA's authority to act with respect to actions materially
16 affecting MA-8 depends on the precise actions proposed to be taken and by whom they
17 are proposed to be taken, and are set forth in various federal statutes and regulations.
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22 REQUEST FOR ADMISSION NO. 7: Prior to the Settlement, the BIA was aware that
23 Bill Evans 1985 letter exercising the option to renew the Master Lease for the
24 additional 25 years until 2034 was incorporated within the offering Public Offering
25 Statement of the Mill Bay Resort, filed with the Washington State Department of
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1 Licensing and was relied upon by all RV contract purchasers in Mill Bay Resort.

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3 RESPONSE: Denied.

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6 REQUEST FOR ADMISSION NO. 8: As of the time of the mediation, the BIA
7 believed and was of the opinion that the 1985 renewal letter from Bill Evans which
8 was sent to the BIA was invalid as an election to extend the Master Lease until the year
9 2034 yet the BIA did not advise the Members, or Chief Evans, Inc./Wapato Heritage,
10 LLC, of the BIA's opinion that the 1985 renewal was not effective. (See MA-8 FOIA
11 Document Numbers 74, 1039, and 1255 attached hereto.)
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14 RESPONSE: Denied.

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17 REQUEST FOR ADMISSION NO. 9: On behalf of all MA-8 Allottees/land owners,
18 the BIA demanded that all RV Park settlement proceeds of the mediated settlement be
19 paid directly, pro rata to the Allottees, pro rata Settlement monies of approximately
20 \$48,000 were paid to individual Allottees, a portion of which was paid directly to the
21 BIA and the BIA accepted and cashed its portion of the Settlement monies.
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24 RESPONSE: Objection. As written, portions of this Request do not make
25 sense. Reserving that objection, Federal Defendants deny that on behalf of the MA-8
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1 beneficial landowners BIA demanded anything about the RV Park settlement proceeds
2 of the mediated settlement; Federal Defendants admit that numerous checks, drawn
3 upon a North Cascades National Bank account named "Wapato Heritage LLC" and
4 made payable to the individual Indian landowners and the BIA for the Colville
5 Confederated Tribes (totaling approximately \$48,000) were mailed to the BIA; Federal
6 Defendants admit that the BIA forwarded these checks to the individual Indian
7 landowners and the Tribes; otherwise this request for admission is denied.
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12 REQUEST FOR ADMISSION NO. 10 : Prior to distribution of the Settlement monies,
13 the BIA explained to Allottees that Settlement monies and rent schedules lasting until
14 2034 would be paid in exchange for the right of the Association to occupy the Mill
15 Bay Resort site until 2034. (See MA-8 FOIA Document Numbers 1037, 1039, and
16 1080 attached hereto.)
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20 RESPONSE: Federal Defendants admit the authenticity of the cited documents,
21 Numbers 1037, 1039, and 1080 (properly numbered 1085); Federal Defendants admit
22 that portions of these documents include descriptions of the settlement entered into
23 between Mill Bay Resort and Wapato Heritage LLC; otherwise this request for
24 admission is denied.
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3 REQUEST FOR ADMISSION NO. 11: The BIA was aware that the Settlement
4 recognized the existence of the Mill Bay Members Association, incorporated under the
5 Camping Resorts Act on April 16, 2003, as a tenant and/or sublessee with the right to
6 occupy the Mill Bay Resort site on MA-8 until 2034. (See MA-8 FOIA Document
7 Numbers 72, 73, 74, and 78 attached hereto.)
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10 RESPONSE: Federal Defendants admit that the BIA was aware of the
11 Settlement Agreement; Federal Defendants admit that the Settlement Agreement
12 provided that Mill Bay Members Association was to be sent notices on behalf of the
13 Mill Bay Members; deny that the Settlement Agreement recognized that, or when, the
14 Association was incorporated, or that the Agreement recognizes that such an
15 Association was a tenant and/or sublessee; Federal Defendants admit that the
16 Settlement Agreement suggests that the Members can occupy portions of MA-8
17 “through December 31, 2034”; otherwise this request for admission is denied.
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23 REQUEST FOR ADMISSION NO. 12: The BIA was aware that the Settlement
24 payment occurring in the Fall of 2004, and subsequent rental payments to be made
25 under the rental schedule until 2034 were “in addition to the base lease amount under
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1 the original Master Lease.” (See MA-8 FOIA Document Numbers 72, 73, 74, and 78
2 attached hereto.)
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4 RESPONSE: Objection. Federal Defendants are unable to admit or deny the
5 request since the source of the quoted language is not sufficiently identified, does not
6 appear in any of the referenced documents; otherwise this request for admission is
7 denied.
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11 REQUEST FOR ADMISSION NO. 13: The BIA had the authority to modify the
12 terms of the MA-8 Master Lease without the consent of the land owners/Allottees and,
13 prior to the mediation and Settlement, all modifications and assignments regarding the
14 Master Lease were approved by the BIA without the written consent of
15 landowners/Allottees.
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18 RESPONSE: Federal Defendants deny that the BIA had the authority to
19 modify the terms of the MA-8 Master Lease without the consent of landowners, and
20 deny that any modifications to the Master Lease were approved by the BIA; Federal
21 Defendants admit that the BIA approved some subleases in accordance with Paragraph
22 7 of the Master Lease; otherwise this request for admission is denied.
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2 REQUEST FOR ADMISSION NO. 14: The BIA's 1993 approval of the CTEC
3 Sublease allowed the construction and operation of a gaming establishment on the
4 MA-8 property which was a modification of the terms of the Master Lease regarding
5 the "Use of Premises" as described in Paragraph 6 of the Master Lease.
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8 RESPONSE: Federal Defendants admit that the BIA approved a sublease to
9 CTEC; Federal Defendants admit that the purpose of the sublease was to construct and
10 operate a gaming facility; otherwise this request for admission is denied.
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13 REQUEST FOR ADMISSION NO. 15: Prior to the Chelan County Superior Court's
14 order approving the 2004 Settlement Agreement, the BIA, as interested party, was
15 apprised of the litigation between Chief Evans, Inc. (later Wapato Heritage, LLC) and
16 the Members in Tribal, Federal and Chelan County Superior Court regarding the rights
17 of the RV Park Members to occupy the park until the expiration of the Membership
18 Contracts in the year 2034. (See MA-8 FOIA Document Numbers 72, 73, 74, 78,
19 1037, 1039, 1244, and 1248 attached hereto.)
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24 RESPONSE: Federal Defendants admit that prior to the Chelan County
25 Superior Court's order approving the 2004 Settlement Agreement the BIA was aware
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1 that Bill Evans, his estate and/or entities that he controlled and the Members were
2 engaged in litigation in Tribal, Federal and Chelan County Superior Court regarding
3 disputes between them concerning the Members' occupancy rights on MA-8;
4 otherwise this request for admission is denied.
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7 DATED this 31st day of July, 2009.
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10 JEFFERS, DANIELSON, SONN & AYLWARD, P.S.
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12

13 By _____
14 KRISTIN M. FERRERA WSBA No. 40508
15 Attorneys for Plaintiffs
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17 By the signature below, Pamela J. DeRusha, attorney for Federal Defendants,
18 certifies that she has answered and/or objected to these Requests for Admission in
19 compliance with Fed. R. Civ. P. 36(a)(3).
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22 _____
23 Pamela J. DeRusha
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CERTIFICATE OF SERVICE

The undersigned certifies under the penalty of perjury under the laws of the State of Washington that on this date I caused to be served in the manner noted below a copy of this document entitled **PLAINTIFFS' FIRST SET OF REQUESTS FOR ADMISSIONS** via U.S. First Class Mail on July ____, 2009, addressed as follows:

U.S. Department of Justice
Ms. Pamela J. DeRusha
P.O. Box 1494
Spokane, WA 99210

DATED this ____ day of July, 2009.

RENEE LASHUA
Wenatchee, Washington