

THE SACRAMENTO BEE sacbee.com
News Archives

Gaming firm sues Miwok tribe, saying it owes millions for site

March 28, 2007
Section: METRO
Page: B2

By Cathy Locke

Bee Staff Writer

--The Shingle Springs Band of Miwok Indians has cleared several legal hurdles in its quest to open a casino off Highway 50 in El Dorado County, only to be hit with a lawsuit from a former ally.

Sharp Image Gaming Inc. assisted the tribe's efforts to open a casino on the Shingle Springs Rancheria in the late 1990s. But the company filed suit in El Dorado County Superior Court earlier this month, alleging breach of contract and claiming it is owed several million dollars plus a share of the proceeds from the future casino.

Matthew Jacobs, a Sacramento attorney representing Chatsworth-based Sharp Image Gaming, said the firm in 1996 financed construction of a 20,000-square-foot tent that was to house a casino and provided the gaming machines.

Issues surrounding the legality of the games in California at the time, as well as road access problems, scuttled the casino and a subsequent bingo parlor.

Jacobs said Sharp Image Gaming helped cover the payroll for several months while the tribe sought to reopen the casino. The firm also purchased neighboring properties in an effort to resolve the access issue.

Jacobs said the company advanced the tribe about \$14 million over several years.

In exchange for the firm's financial support, the suit says, "the tribe agreed that after opening a casino ... it would pay back the advances and remit to Sharp Image Gaming a percentage of the casino's revenues for a number of years."

But when initial efforts to open the casino were unsuccessful, the suit says, "the tribe turned its back on Sharp Image" and since has refused to discuss reimbursement or resolution of the contract issues.

Tribal Chairman Nick Fonseca said in an e-mail Tuesday that attorneys were reviewing the lawsuit and he could not comment on the litigation.

In recent years, the tribe has partnered with Lakes Entertainment Inc. on plans for an 85,000-square-foot casino and a Highway 50 interchange to serve the casino and rancheria.

The tribe overcame a major legal hurdle last fall when El Dorado County agreed to drop its opposition to the casino in exchange for at least \$190 million in payments to the county over 20 years. Fonseca said the casino is scheduled to open in October 2008.

The Bee's Cathy Locke can be reached at (916) 608-7451 or clocke@sacbee.com.

All content © The Sacramento Bee and may not be republished without permission.
Send comments or questions to NewsLibrary

[America's "I Love Lucy" Superstore](#)
New Mattel Doll Set in stock now, plus
largest inventory, great sales.
www.lucystore.com

[The Lucy Show on DVD](#)
All 6 Seasons - Complete TV Series 31
DVD's - Christmas Sale 70% OFF.
www.TVDVDMania.com

[Family Law Attorney](#)
Call MacWilliam McCain & Hill for your
divorce related legal matters.
macwilliam.localplacement.com