

EXHIBIT “17”



STATE OF CALIFORNIA

Arnold Schwarzenegger, Governor

GAMBLING CONTROL COMMISSION

DEAN SHELTON, CHAIRMAN
SHERYL SCHMIDT
STEPHANIE SHIMAZU
ALEXANDRA VUKSICH

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January 3, 2008

Via Facsimile and U.S. Mail

Mr. Manuel Corrales, Jr.
Attorney at Law
11753 Avenida Sivrita
San Diego, California 92128

Re: California Valley Miwok Tribe – Revenue Sharing Trust Fund Payments

Dear Mr. Corrales:

I am in receipt of your letter of December 21, 2007, regarding the above matter.

I have enclosed copies of a letter dated June 26, 2007, to Karla D. Bell, then counsel for Ms. Burley; a letter dated September 24, 2007, to Ms. Burley; and a letter dated December 14, 2007, from the Bureau of Indian Affairs (BIA) to Ms. Burley.

The letter of June 26, 2007, in particular, outlines the basis for the Commission withholding Revenue Sharing Trust Fund (RSTF) funds. In short, the Tribe has no recognized government or tribal leadership, nor does the BIA recognize Ms. Burley as “an authorized official” of the tribe. Further, as explained in our letter of June 26, 2007, there is every reason to believe, based on the position of the BIA and the U.S. District Court (*California Valley Miwok Tribe v. United States*, 424 F.Supp.2d 197, 202; 203, fn. 7. (D.D.C. 2006)), that those individuals aligned with Ms. Burley do not constitute the full membership of the tribe. These are not matters that the California Gambling Control Commission (Commission) has taken upon itself to determine. The determinations have been made by the BIA and the Federal court. Further, the BIA has recently indicated its unwillingness to continue funding under P.L. 93-638 because the Tribe does not have a recognized governing body.

Therefore, under these circumstances, the Commission has no basis to conclude that should RSTF money be sent to the Tribe at Ms. Burley’s address, it will be used for the benefit of all tribal members. The Commission would be derelict in its duties as a trustee under Compact Section 4.3.2.1(b) if it knowingly distributed RSTF funds to a group of individuals that did not comprise the tribal membership.

Mr. Manuel Corrales, Jr.
January 3, 2008
Page 2

As we have reiterated on numerous occasions, the Commission does not assert that it has the authority to grant recognition to a tribal government or to determine tribal leadership or membership. However, while the Compact states that the Commission has "no discretion with respect to the use or disbursement of trust funds," it also states that the Commission "shall serve as trustee of the fund." (Section 4.3.2.1(b).) Until such time as the BIA/Department of Interior or a court of competent jurisdiction determines that there is a recognized tribal membership or government or a person of authority who represents a legitimate tribal membership, we feel we have no choice but to withhold the funds.

As you may be aware, we sought judicial determination with regard to the distribution (*California Gambling Control Commission v. Sylvia Burley, et al.*, Sacramento County Superior Court, No. 05SA05386) and deposited the withheld funds with the court, pending resolution. However, Ms. Burley successfully opposed that lawsuit, and the amount withheld has since increased four-fold. In that regard, the total amount withheld (as of September 30, 2007) is \$3,121, 397.76. This amount is held in the State's Surplus Money Investment Fund (SMIF), which draws interest. The SMIF interest rate adjusts quarterly.

Sincerely,

A handwritten signature in cursive script that reads "Dean Shelton".

DEAN SHELTON
Chairman

Mr. Manuel Corrales, Jr.
January 3, 2008
Page 3

cc: Silvia Burley
1061 Escondido Place
Stockton, CA 95212

Chadd Everone
2140 Shattuck Ave., #602
Berkeley, CA 94704

Yakima Dixie
11178 Sheep Ranch Road
P.O. Box 41
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Superintendent, Central California Agency
Bureau of Indian Affairs
650 Capital Mall 8-500
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Regional Director
Pacific Regional Office
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2800 Cottage Way
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Pete Melnicoe
5660 Valley Oaks Ct.
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DEAN SHELTON, CHAIRMAN
JOHN CRUZ
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June 26, 2007

Via Facsimile and U.S. Mail

Ms. Karla D. Bell
Sanders Bell LLP
4712 Admiralty Way, Suite 580
Marina del Rey, CA 90292

Re: California Valley Miwok Tribe

Dear Ms. Bell:

Since we last wrote on June 4, 2007, the Commission staff (Commission) has had a chance to carefully review the District Court decision in *California Valley Miwok Tribe v. United States*, 424 F.Supp.2d 197 (D.D.C. 2006). As a result of this review, in particular the factual recitations regarding the status of the Tribe, we have come to the conclusion that our decision to distribute Revenue Sharing Trust Funds (RSTF) as articulated in the June 4, 2007 letter must be reconsidered.

In the above matter, the California Valley Miwok Tribe (the Tribe) filed suit against the federal government, alleging that the Bureau of Indian Affairs (BIA) violated the Indian Reorganization Act by not recognizing a proposed Tribal constitution. The court granted the government's motion to dismiss finding that the Tribe failed to state a claim upon which relief could be granted. The matter is on appeal to the Court of Appeals for the District of Columbia Circuit.

In our June 4, 2007 correspondence, we indicated that we would make distributions to the tribe if there were a person recognized by the BIA as an "authorized representative of the Tribe with whom government-to-government business is conducted." We have pointed to documents that indicate that Silvia Burley is such a person. Notwithstanding our past position, what gives us concern and what gave the trial court concern in the above case is that not only is there no recognized Tribal constitution, and hence no tribal leadership recognized by the BIA, but that the Tribe as claimed by Ms. Burley to be constituted fails to include or protect the interests of a significant number of potential members. The BIA has asserted in the above litigation that its refusal to recognize the tribal government is based on the ground

that the Tribe has failed to take necessary steps to protect the interests of its potential members. (See 424 F.Supp.2d at 202.) Further, this concern was shared by the court which pointed out: "At the inception of this suit, Ms. Burley and her two daughters were seeking approval of a tribal constitution that conferred tribal membership upon only them and their descendants. . . . The Tribe now proposes a revised constitution that includes non-Burley descendants, and it has submitted a list of 29 possible members, but the government estimates that the greater tribal community which should be included in the reorganization process may exceed 250 members." (424 F. Supp.2d 197 at 203, fn 7.) Thus it is clear that not only the BIA and the District Court, but also Ms. Burley herself, have concluded that the present Tribal membership is not representative of the potential membership.

We reiterate that we have no authority to determine the "appropriate" Tribal membership. We do not by this letter endorse or dispute Ms. Burley's right of membership or claim of Tribal leadership, nor do we endorse or dispute that of Mr. Yakima Dixie. In fact, the legitimacy or lack thereof of those respective positions has no direct bearing on our decision. As we have made clear in past correspondence, the Commission has absolutely no authority to determine the appropriate leadership or membership of the Tribe and takes no position on these matters. However, it is clear from the factual recitations contained in the District Court decision that not only is there no recognized Tribal government, there is no basis upon which to conclude that should RSTF money be sent to the Tribe its use will be determined by a Tribal government recognized by the BIA in carrying out its statutory responsibility that can "ensure that the interests of all tribe members are protected during organization and that governing documents reflect the will of a majority of the Tribe's members." (424 F.Supp.2d 197 at 202.)

The Commission would be derelict in its trust responsibilities under Section 4.3.2.1(b) of the Tribal-State Gaming Compact if it knowingly distributed the money to a group of individuals, however eligible, which did not comprise a representative Tribal membership. Withholding of the funds will not cause them to be dissipated. Once the BIA has recognized a Tribal government and Tribal leadership, the Commission will take immediate steps to distribute the funds.

Thank you for your patience in this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,



DEAN SHELTON
Chairman

Ms. Karla D. Bell
June 26, 2007
Page 3

Cc: Silvia Burley
1061 Escondido Place
Stockton, CA 95212

Chadd Everone
2140 Shattuck Ave., #602
Berkeley, CA 94704

Yakima Dixie
11178 Sheep Ranch Road
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September 24, 2007

Ms. Sylvia Burley
California Valley Miwok Tribe
10601 Escondido Place
Stockton, California 95833

Re: Revenue Sharing Trust Fund Monies; Request for Meeting

Dear Ms. Burley:

This is in response to your letter of August 28, 2007, addressed to Executive Director Steven V. Giorgi.

I must say at the outset that I am surprised and dismayed at your request to meet with Mr. Giorgi and/or commission members and to exclude Chief Counsel Cyrus Rickards and myself, "due to the continued disrespect our officials have received from the aforementioned." Neither Mr. Rickards nor I have acted toward you or any individual representing you in other than a respectful and professional manner and I must respectfully, but unequivocally reject that allegation. The fact that we have not granted your continued requests to release Revenue Sharing Trust Fund (RSTF) monies does not constitute disrespect, but a difference of opinion. Further, the allegation that we have not been willing to inform you how much money is being withheld is simply not true. We have not denied such a request and will not deny such a request in the future. Currently that amount is \$2,810,954.80.

You are in receipt of our letter of June 26, 2007, which outlines in detail the reasons we continue to hold in trust, the RSTF monies. It was based not on "manipulation" by the Bureau of Indian Affairs (BIA), as your letter states, but because there is no tribal government or leadership recognized by the BIA and due to the concerns expressed by the U.S. District Court in the case, *California Valley Miwok Tribe v. United States*, 424 F. Supp.2d 197 (D.D.C. 2006), as outlined in our June 26, 2007, letter. Therefore, unless there is a change in situation regarding recognition of a tribal government and/or leadership, we will continue to withhold the RSTF Funds.

Ms. Sylvia Burley
September 24, 2007
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Despite what you may believe, we have no interest in the composition of the membership or leadership of the CVMT tribe. We have always regarded that as a tribal matter. However, both the court and the BIA have expressed concerns in that regard and resolution of those concerns would seem to be in the best interest of all the tribal members. Further, we have no desire to hold the RSTF monies. In that regard, I would remind you that in December 2005, we instituted a lawsuit specifically designed to allow a court of law to determine if we should continue to withhold the RSTF funds. (*California Gambling Control Commission v. Sylvia Burley, et al.*, Sacramento County Superior Court, No. 05AS05386.) We deposited all withheld funds with court pending resolution. At that time, the withheld RSTF monies deposited with the court totaled \$788,001.99. You vigorously and successfully opposed that lawsuit, the question whether we should continue to withhold the monies was not resolved, and since that time the amount withheld has more than tripled.

If you have new information that would bear on this situation, we are more than willing to review it. However, at this time, I see no reason to set a meeting with Mr. Giorgi or to put the matter on the Commission agenda. Nothing in your most recent letter suggests that the situation has changed.

In closing, I want to re-affirm that the Commission would like nothing more than to release the withheld funds; however, as we have explained, we do not believe that we can do so, consistent with our duties under the Tribal-State Gaming Compact.

Sincerely,

A handwritten signature in cursive script that reads "Dean Shelton".

DEAN SHELTON
Chairman

Ms. Sylvia Burley
September 24, 2007
Page 3

cc: Chadd Everone
2140 Shattuck Avenue, #602
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Yakima Dixie
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United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

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650 Capitol Mall, Suite 8-500
Sacramento, CA 95814-4710

IN REPLY REFER TO

DEC 14 2007

CERTIFIED MAIL NO. 7001 2510 0009 4494 1906
RETURN RECEIPT REQUESTED

Silvia Burley
10601 Escondido Place
Stockton, California 95212

Dear Ms. Burley:

In accordance with 25 CFR Part 900.6, Subpart B, Definitions, we are returning your application to contract FY 2008 funding from the Bureau of Indian Affairs, under P.L. 93-638, as amended as it does not meet the definition stated below:

"Tribal Organization means the recognized governing body of any Indian tribe; any legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body or which is democratically elected by the adult members of the Indian community to be served by such organization and which included the maximum participation of Indians in all phases of its activities; provided, that, in any case where a contract is let or a grant made to an organization to perform services benefiting more than one Indian tribe, the approval of each such Indian tribe shall be a prerequisite to the letting or making of such contract of grant."

Under this Part, consideration to contract federal funds to operate Bureau of Indian authorized programs will only be given to an application submitted by federally recognized tribe with a recognized governing body. The Department of the Interior does not recognize that the California Valley Miwok Tribe has a governing body. The District Court for the District of Columbia has upheld that determination, California Valley Miwok Tribe v. United States, 424 F Supp. 2d 197 (D.C.D.C. 2006). That decision is now on appeal.

Because we do not recognize any current governing body for the California Valley Miwok Tribe, we are unable to accept the proposal for the above stated reason. We are hereby returning the proposal.

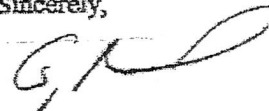
Should you wish to appeal any portion of this letter, you are advised that you may do so by complying with the following:

This decision may be appealed to the Regional Director, Pacific Regional Office, Bureau of Indian Affairs, 2800 Cottage Way, W-2820, Sacramento, California 95825. In accordance with the regulations in 25 CFR Part 2 (copy enclosed), your notice of appeal must be filed in this office within 30 days of the date you receive this decision. The date of filing your notice of appeal is the date it is postmarked or the date it is personally delivered to this office. Your notice of appeal must include your name, address and telephone number. It should clearly identify the decision to be appealed. If possible attach a copy of the decision. The notice of appeal and the envelope which it is mailed, should be clearly labeled "NOTICE OF APPEAL." The notice of appeal must list the names and addresses of the interested parties known to you and certify that you have sent them copies of the notice.

You must also send a copy of your notice to the Regional Director, at the address given above.

If no timely appeal is filed, this decision will become final for the Department of the Interior at the expiration of the appeal period. No extension of time may be granted for filing a notice of appeal.

Sincerely,



Troy Burdick
Superintendent

Enclosure