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                       UNITED STATES DISTRICT COURT
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                     EASTERN DISTRICT OF WASHINGTON
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   PAUL GRONDAL, a Washington
                                       ) NO. 09-CV-00018-JLQ
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   resident; and THE MILL BAY
   MEMBERS ASSOCIATION, INC., a
                                        ) PLAINTIFFS' RESPONSE TO
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   Washington Non-Profit Corporation,
                                         DEFENDANT COLVILLE TRIBES'
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                                          MOTION TO DISMISS
        Plaintiffs,
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        VS.
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   UNITED STATES OF AMERICA;
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   UNITED STATES DEPARTMENT OF
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   THE INTERIOR; THE BUREAU OF
   INDIAN AFFAIRS, and FRANCIS
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   ABRAHAM, CATHERINE GARRISON,
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   MAUREEN MARCELLAY, MIKE
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   PALMER, JAMES ABRAHAM, NAOMI)
   DICK, ANNIE WAPATO, ENID
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   MARCHAND, GARY REYES, PAUL
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   WAPATO, JR., LYNN BENSON,
22
   DARLENE HYLAND, RANDY
   MARCELLAY, FRANCIS REYES,
23
   LYDIA W. ARMEECHER, MARY JO
   GARRISON, MARLENE MARCELLAY, )
   LUCINDA O'DELL. MOSE SAM.
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    PLAINTIFFS' RESPONSE TO DEFENDANT COLVILLE
                                                        Jeffers, Danielson, Sonn & Aylward, P.S.
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TRIBES' MOTION TO DISMISS

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I. INTRODUCTION

Plaintiffs seek an adjudication of their rights to the possession and use of a portion of Moses Agreement Allotment No. 8 ("MA-8") known as the Mill Bay RV Resort ("Resort"). This Court has broad equitable powers to determine the rights of parties to use and possession of land within its jurisdiction. Plaintiffs ask this Court to exercise *in rem* jurisdiction over these proceedings and deny Defendant Confederated Tribes of the Colville Reservation's ("Colville Tribes") Motion to Dismiss.

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II. FACTS

The facts pertaining to this case can be found in ECF No. 88. Other facts pertinent to this response are set forth in the corresponding sections below.

III. LAW AND ARGUMENT

A. This motion is not ripe for determination.

1. Further discovery is necessary to determine this issue.

Unlike other beneficial landowners of MA-8, the Colville Tribes purchased most of its interest in MA-8 and did not begin acquiring interest in MA-8 until after Plaintiffs' members purchased their memberships to the Mill Bay Resort ("Resort"). Because the parties in this case have not yet conducted discovery, Plaintiffs are unable to determine exactly when and how the Colville Tribes began purchasing interests in MA-8. Documents provided pursuant to Defendant Wapato Heritage, LLC's Freedom of Information Act request demonstrate that, as of August 14, 1991, the Colville Tribes was not a beneficial landowner of MA-8. (Kristin Ferrera Decl. Ex. A.) Because Plaintiffs' members purchased their membership interests in the Resort from 1984 to 1994 (ECF No. 88 at 26, ¶ 111), it is likely that further discovery will demonstrate that the Colville Tribes purchased its interests in MA-8 subject to Plaintiffs' rights to

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discovery to determine the terms and conditions the Colville Tribes purchased its interest in MA-8 or whether any such purchase contained a waiver of sovereign immunity that would be applicable to Plaintiffs' claims here. Plaintiffs must have an opportunity to conduct discovery before the Court determines whether Colville Tribes has waived sovereign immunity. Additionally, as stated below, the trust status of MA-8 may significantly impact issues of jurisdiction in this case. The Colville Tribes' Motion to Dismiss, therefore, is not ripe for review at this time.

occupy and use the Resort until 2034. Plaintiffs have had no opportunity to conduct

The Court must determine whether the MA-8 landowners own MA-8 in 2. trust or fee simple before dismissing the Colville Tribes from this case.

As the Court has previously noted, MA-8 may have been improperly characterized as restricted property held in trust by the United States. This issue directly impacts whether sovereign immunity protects the Colville Tribes from suit.

The history of MA-8 and the other Moses Agreement allotments is discussed in detail in United States v. La Chappelle, 81 F. 152, 153 (C.C.D. Wash. 1897), United States v. Moore, 161 F. 513 (9th Cir. 1908), and Starr v. Long Jim, 227 U.S. 613 (1913). Prior to 1884, a large Indian reservation called the Columbia Reservation

existed on the shores of Lake Chelan. In 1884, the officers of the Indian Department (now the Bureau of Indian Affairs, hereinafter the "BIA") reached an agreement with Chief Moses. Under the agreement, the United States would provide the Columbia Indians a large sum of money if they removed to the Colville Reservation and relinquished their rights to the Columbia Reservation. The agreement allowed Columbia Indians who chose to remain on the lands within the Columbia Reservation and not remove to the Colville Reservation to select 640 acres for each head of the family as an allotment. An act of Congress ratified and approved that agreement on July 4, 1884 (23 stat. 79, 80).

In *Starr v. Long Jim*, 227 U.S. 613 (1913), the Supreme Court of the United States accurately summarized the various statutes and agreements surrounding ownership and patents of the Moses Agreement allotments:

By the act of March 8, 1906, chap. 629, 34 Stat. at L. 55, a general provision was made for the issuance of patents for the lands allotted to Indians under the Moses agreement and the act ratifying it, the patents to 'be of legal effect and declare that the United States does and will hold the lands thus allotted for the period of ten years from the date of the approval of this act, in trust for the sole use and benefit of the Indian to whom such allotment was made, or, in case of his decease either prior or subsequent to the issuance of such

patent, of his heirs, according to the laws of the state of Washington, and that at the expiration of said period the United States will convey the same by patent to the said Indian, or his heirs, as aforesaid, in fee, discharged of said trust, and free of all charge or encumbrance whatsoever.' The same act provided that an allottee holding such a trust patent might sell the lands covered thereby, except 80 acres, under rules and regulations prescribed by the Secretary of the Interior; and provided that any conveyance or contract of sale made within the trust period, except as provided by the act, should be absolutely null and void.

Starr, 227 U.S. at 621-624 (emphasis added).

Under the statute of 1906, the United States was to issue trust patents to the Moses Agreement allottees, including Wapato John, and issue fee patents for those allottees ten years from the date that the United States issued a trust patent to the allottee for that same land.

The General Allotment Act (*Statutes at Large* XXIV, 388-391) Section 5 provided that allotments were to be entered to individual Indians under that act for a period of 25 years in trust at which time the United States would convey the land allotted in fee simple "provided, that the President of the United States may in any case in his discretion extend the period." Because of this provision, the President and Congress continued to extend the trust periods of certain allotments and by 1934

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passed the Burke Act which extended the trust period of allotments indefinitely. The validity of this extension has been upheld in higher courts because Congress expressly reserved the right to extend the trust period.

MA-8 was to pass in fee simple absolute to the heirs of Wapato John no later than 1924. (ECF No. 175-1 at 32.) Contrary to the parties' belief when filing this lawsuit, the Moses Agreement allotments were not conveyed under the General Allotment Act and therefore this act does not apply to MA-8. Furthermore, nothing in the Moses Agreement, the subsequent acts of Congress, or the trust patents issued to the Moses Agreement allottees provided the President or Congress with authority to extend the trust period for these allotments. On May 20, 1924, in 43 Stat., 133, Congress released the restrictions on alienation for the lands covered by the Moses Agreement stating, "That any allottee to whom a trust patent has heretofore been or shall hereafter be issued by virtue of the agreement concluded on July 7, 1883 with Chief Moses and other Indians of the Columbia and Colville Reservations . . . may sell and convey any or all the land covered by such patents . . ." Despite this act and the MA-8 trust patent language promising that the United States would issue Wapato John or his heirs a fee patent in 1917, the United States did not provide these patents to the

PLAINTIFFS' RESPONSE TO DEFENDANT COLVILLE TRIBES' MOTION TO DISMISS Page 8

majority of the heirs. Inexplicably, the United States did issue certain MA-8 heirs a fee interest in the land (K. Ferrera Decl. Ex. B) and other Moses Agreement allottees also received a stamp on their trust patent evidencing the patent's transition into a fee patent (K. Ferrera Decl. Ex. C.)

The above history raises a serious question as to the nature of the property and its qualification as trust land. This issue directly implicates the application of the Colville Tribes' sovereign immunity in this action and other jurisdictional issues and, therefore, the Colville Tribes' Motion to Dismiss is not ripe for review until the Court determines MA-8's status as trust or fee land.

B. Sovereign immunity does not preclude adjudication of Plaintiffs' claims.

1. This Court has in rem jurisdiction over this action.

Plaintiffs have filed this declaratory judgment action to determine their rights to use and possess a portion of MA-8. Plaintiffs do not seek money damages or any other personal judgment against the MA-8 landowners and, therefore, this action is an *in rem* proceeding.

Washington State maintains civil jurisdiction over Indian allotments outside an established Indian reservation. RCW 37.12.010. MA-8 is outside of the boundaries of

the Colville reservation. RCW 37.12.010 thereby requires application of Washington State law in determining the Plaintiffs' rights to use and occupy the Resort.

In Washington, *in rem* proceedings do not implicate the doctrine of sovereign immunity. Therefore, if a court has *in rem* jurisdiction over the property, then the tribe's sovereign immunity is not an obstacle to judgment. *Smale v. Noretep*, 150 Wash.App. 476 (2009). *See also Anderson & Middleton Lumber Co. v. Quinault Indian Nation*, 130 Wash.2d 862 (1996).

Plaintiffs seek to determine their rights to possession and use of the Resort until 2034. Plaintiffs have a property interest in their rights to use and possession of the Resort. *Dep't of Hous. & Urban Dev. v. Rucker*, 535 U.S. 125, 135 (2002). The United States, as the original owner and trustee of the land, bound the beneficial landowners to the Plaintiffs' tenancies. Additionally, William Evans, Jr., as a tenant-in-common, bound his co-owners to the terms of Plaintiffs' membership agreements. *McGill v. Shugarts*, 58 Wash.2d 203, 204 (1961). Because the Court's determination in this action will affect all owners of MA-8, including future owners, this proceeding is *in rem. See Tyler v. Judges of the Court of Registration*, 175 Mass. 71, 76, 55 N.E. 812, 814 (1900)("If...the object is to bar indifferently all who might be minded to

make an objection of any sort against the right sought to be established...the proceeding is *in rem*."); *Greene v. Lindsey*, 456 U.S. 444, 450-51 (1982) (*citing Tyler v. Judges of the Court of Registration* and holding that continued residence of a leasehold property is a valid property interest).

In Washington, tribal sovereign immunity is not a basis for dismissing a tribe from an *in rem* proceeding:

It is not disputed that the trial court had proper jurisdiction over this action when it was filed. The subsequent sale of an interest in the property to an entity enjoying sovereign immunity (Quinault Nation) is of no consequence in this case because the trial court's assertion of jurisdiction is not over the entity *in personam*, but over the property or the "res" *in rem*...

Anderson, 130 Wash. 2d at 873-74.

Plaintiffs request the Court to determine the parties' respective rights to use and possession of MA-8. The Colville Tribes purchased its interest in MA-8 after Plaintiffs purchased their memberships agreements. This action does not seek to deprive the Colville Tribes of a property interest it rightfully owns, but seeks to determine what rights in the land the owners acquired. Tribal sovereign immunity does not prevent Plaintiffs' action against the Colville Tribes here:

But unlike the foreclosure action in *Oneida*, a successful adverse possession action here would not deprive the Tribe of its land. If the Smales adversely possessed the portion of the disputed property that originally fell within their fence line, their possession ripened into original title after 10 years of possession. And if the Smales acquired title before the suit was filed and Noretep attempted to convey the land, Noretep had no title to convey. Thus, the Tribe never had any property to lose.

Smale, 150 Wash. App. at 480-81 (footnotes omitted).

Plaintiffs seek the same remedy as the Plaintiffs in *Anderson*:

...A & M's action in this case involves no taking of property. It merely seeks a judicial determination of the cotenants' relative interests in real property and a division of that property according to those interests. The Quinault Nation would lose no property or interest for which it holds legal title.

Anderson, 130 Wash. 2d at 872-73 (footnotes omitted).

Because this action is an *in rem* proceeding, Plaintiffs are not asserting claims against the Colville Tribes' sovereignty and, therefore, the Colville Tribes' Motion to Dismiss should be denied:

Instead, *Anderson* holds that the in rem nature of partition meant that Anderson & Middleton Lumber was not asserting claims against the Quinault Nation's sovereignty. The quiet title action in *Anderson* is similar to the quiet title action here

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in two crucial ways: both are proceedings in rem to determine rights in the property at issue and neither has the potential to deprive any party of land they rightfully own.

Smale, 150 Wash. App. at 483 (footnotes omitted).

This is the second lawsuit that Plaintiffs have been forced to bring to assert their rights to the Resort. In 2004, Plaintiffs rightfully believed these issues had been resolved. Now, again, Plaintiffs face ejectment by the BIA, despite the BIA's involvement in the settlement discussions in 2004. In order to prevent further litigation on this issue, Plaintiffs request this Court exercise its equitable powers and bind all MA-8 landowners to its decision here. A declaratory judgment is necessary to eliminate the possibility of future lawsuits and the expenses Plaintiffs will incur in defending their rights to the Resort.

Because Plaintiffs seek a determination regarding all parties' respective rights to the possession and use of MA-8, the Colville Tribes' sovereign immunity does not deprive this Court of jurisdiction over the Colville Tribes in this case. In the interests of judicial economy, the Court should exercise its *in rem* jurisdiction over these proceedings and deny the Colville Tribes' Motion to Dismiss.

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PLAINTIFFS' RESPONSE TO DEFENDANT COLVILLE TRIBES' MOTION TO DISMISS Page 13

2. Sovereign Immunity does not preclude the Court from determining claims for prospective equitable relief against the Tribe.

The United States Supreme Court has indicated that sovereign immunity will not protect a tribe from a plaintiff's claims similar to those of Plaintiffs in this case:

Nevertheless, I am not sure that the rule of tribal sovereign immunity extends to cases arising from a tribe's conduct of commercial activity outside its own territory, cf. 28 U.S.C. § 1605(a) ("A foreign state shall not be immune from the jurisdiction of courts of the United States or of the States in any case ... (2) in which the action is based upon a commercial activity carried on in the United States by a foreign state ..."), or that it applies to claims for prospective equitable relief against a tribe, cf. *Edelman v. Jordan*, 415 U.S. 651, 664-665, 94 S.Ct. 1347, 1356-1357, 39 L.Ed.2d 662 (1974) (Eleventh Amendment bars suits against States for retroactive monetary relief, but not for prospective injunctive relief).

Oklahoma Tax Comm'n v. Citizen Band Potawatomi Indian Tribe of Oklahoma, 498 U.S. 505, 515 (1991).

Plaintiffs seek a declaratory judgment that all defendants are estopped from ejecting them from the Resort prior to 2034. These circumstances are precisely those which the Supreme Court has indicated would preclude a tribe's dismissal from suit based upon sovereign immunity.

PLAINTIFFS' RESPONSE TO DEFENDANT COLVILLE TRIBES' MOTION TO DISMISS Page 14

C. Even if the Court dismisses the Colville Tribes from this case, the Tribes' rights can be represented by the United States.

Although Plaintiffs assert that this action does not implicate the Colville Tribes' sovereign immunity, Plaintiffs request this Court hold that any determination in this action will bind the Colville Tribes due to the United States' involvement in this case. The United States may bring and defend claims on behalf of individual Indians and Indian tribes, binding tribes and individuals to the results of that litigation:

As a fiduciary, the United States had full authority to bring the *Winters* rights claims for the Indians and bind them in the litigation. *Heckman v. United States*, 224 U.S. 413, 32 S.Ct. 424, 56 L.Ed. 820 (1912).

Arizona v. California, 460 U.S. 605, 626-27 (1983) decision supplemented, 466 U.S. 144 (1984).

The United States, as trustee of MA-8 and a fiduciary of the MA-8 landowners, has authority to bind the landowners to the Court's rulings in this case. *Heckman v. U.S.*, 224 U.S. 413, 444-445 (1912). If the Court grants the Colville Tribes' Motion to Dismiss, this case may move forward and the Court may bind the Colville Tribes to its orders.

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The Colville Tribes claims that Plaintiffs have not provided the required FRCP

Plaintiffs properly pled the bases for this Court's jurisdiction over these

8(a)(1) jurisdictional statement. Plaintiffs' jurisdictional statement can be found in paragraphs 16 through 24 of their Complaint. (ECF No. 1 at 8-9.) Furthermore, this Court has already determined that it has jurisdiction over Defendant United States' claims for trespass and ejectment and Plaintiffs' defenses against those claims. Additionally, as stated above, this Court has *in rem* jurisdiction over these proceedings and Plaintiffs have requested declaratory judgment to determine the parties' rights to MA-8 pursuant to 28 U.S.C. § 2201.

IV. CONCLUSION

This case is as unique as the land in dispute. Although sovereign immunity is generally the rule, not the exception, that protects tribes from suit, sovereign immunity does not apply here. Furthermore, the Colville Tribes' Motion is premature and not ripe for review. For these reasons and the reasons stated above, Plaintiffs respectfully request this Court deny the Colville Tribes' Motion to Dismiss.

1 DATED this 7th day of October, 2011. 2 3 s/KRISTIN M. FERRERA 4 WSBA No. 40508 Attorney for Plaintiffs 5 JEFFERS, DANIELSON, SONN & AYLWARD, P.S. 6 2600 Chester Kimm Road 7 P.O. Box 1688 Wenatchee, WA 98807-1688 8 Telephone: 509-662-3685 9 Fax: 509-662-2452 Email: kristinf@jdsalaw.com 10 11 s/JAMES M. DANIELSON WSBA No. 01629 12 Attorney for Plaintiffs 13 JEFFERS, DANIELSON, SONN & AYLWARD, P.S. 14 2600 Chester Kimm Road P.O. Box 1688 15 Wenatchee, WA 98807-1688 16 Telephone: 509-662-3685 17 Fax: 509-662-2452 Email: jimd@jdsalaw.com 18 19 20 22 23 24 25 26

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CERTIFICATE OF SERVICE

I hereby certify that on October 7, 2011, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF System. Notice of this filing will be sent to the parties listed below by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

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DATED at Wenatchee, Washington this 7th day of October, 2011.

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