

THE HONORABLE RICHARD A. JONES

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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

THE STILLAGUAMISH TRIBE OF INDIANS, a )  
federally-recognized Indian tribe, )

Plaintiff, )

v. )

DAVID L. NELSON and MICHELE NELSON, as )  
individuals and their marital community; )  
NATHAN W. CHAPMAN and LAURA )  
CHAPMAN, as individuals and their marital )  
community; EDWARD L. GOODRIDGE, SR. and )  
LINDA GOODRIDGE, as individuals and their )  
marital community; EDWARD L. GOODRIDGE, )  
JR. and JULIA GOODRIDGE, as individuals and )  
their marital community; and SARA M. )  
~~SHROEDL~~ SCHROEDL as an individual and her )  
marital community; THOMAS E. ASHLEY and )  
HELEN M. ASHLEY, as individuals and their )  
marital community; DARCY M. DREGER, an )  
~~individual; ROBERT STUBER and KARI~~ )  
~~STUBER, as individuals and their marital~~ )  
~~community; MATTHEW M. CUNNINGHAM,~~ )  
~~and JANE DOE CUNNINGHAM, as individuals~~ )  
~~and their marital community; RICK CONN and~~ )  
~~JANE DOE CONN, as individuals and their~~ )  
~~marital community; JAY D. SILVERMAN and~~ )  
~~CAROLE M. SILVERMAN, as individuals and~~ )  
~~their marital community; R. DREGER, as an~~ )  
~~individual; TOWNE OR COUNTRY SMOKEY~~ )  
POINT, INC., a Washington corporation; DEAN )  
L. GOODRIDGE, as an individual and his marital )  
community, )

Defendants. )

No. 2:10-cv-00327 RAJ

FIRSTTHIRD AMENDED  
COMPLAINT FOR DECLARATORY  
AND INJUNCTIVE RELIEF AND  
FOR MONEY DAMAGES

FIRSTTHIRD AMENDED COMPLAINT FOR  
DECLARATORY AND INJUNCTIVE RELIEF AND  
MONEY  
DAMAGES - 1

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COMES NOW Plaintiff The Stillaguamish Tribe of Indians (the "Tribe"), pursuant to the Court's Order of February 10, 2012 (Dkt. 188), and submits the following Third Amended Complaint<sup>1</sup>:

The Tribe alleges that Defendants David L. Nelson and Michele Nelson ("Nelson"), Nathan W. Chapman and Laura Chapman ("Chapman"), Edward L. Goodridge Sr., Linda Goodridge, Edward L. Goodridge Jr. and Julia Goodridge, Sara M. Schroedl, Thomas E. Ashley and Helen M. Ashley, Darcy MR. Dreger, ~~Robert Stuber and Kari Stuber, Matthew Cunningham and Jane Doe Cunningham, Rick Conn and Jane Doe Conn, and Jay D. Silverman and Carole M. Silverman,~~ Towne or Country Smokey Point, Inc. and Dean Goodridge (collectively the "Defendants") have violated the Racketeer Influenced and Corrupt Organizations Act ("RICO") and conspired to violate RICO, causing injury to the Tribe's business and property; embezzled and/or converted funds, money and/or other property from the Tribe; breached fiduciary and contractual obligations to the Tribe; and unjustly enriched themselves at the Tribe's expense in connection with a series of business and real estate transactions, as follows: The Tribe further alleges that Edward L. Goodridge, Sr., Edward L. Goodridge, Jr., Sara M. Schroedl, Thomas E. Ashley and Darcy R. Dreger (collectively the "Director and Officer Defendants") usurped economic opportunities which rightly belonged to the Tribe.

#### I. PARTIES, JURISDICTION AND VENUE

<sup>1</sup> For references purposes, a redlined version of this Third Amended Complaint showing the revisions from the previous complaint is attached hereto as Exhibit A.

FIRSTTHIRD AMENDED COMPLAINT FOR  
DECLARATORY AND INJUNCTIVE RELIEF AND  
MONEY  
DAMAGES - 2

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1.1 Plaintiff. Plaintiff Stillaguamish Tribe of Indians is a federally-recognized sovereign Indian tribe with offices at 3310 Smokey Point in Arlington, Washington 98223. The Tribe operates pursuant to the Constitution of the Stillaguamish Tribe of Indians of Washington State and exercises all the inherent powers of a sovereign government, including but not limited to pursuing land transactions, regulating the conduct of business on the Tribe's land, and imposing Tribal taxes on those doing business on lands within the Tribe's jurisdiction to protect and preserve the political integrity, economic security, and health and welfare of the Tribe and its members. The Tribe also does business directly, and through its wholly-owned Stillaguamish Tribal Enterprise Corporation. As used herein, the term "Tribe" refers to the Stillaguamish Tribe, as well as the Stillaguamish Tribal Enterprise Corporation. The Tribe expressly reserves its inherent sovereign immunity.

1.2 Defendants David and Michele Nelson. On information and belief, David L. Nelson and Michele Nelson (collectively "Nelson") are and were at all times material hereto husband and wife, and, on information and belief, residents of Stanwood, Washington. All the acts or omissions alleged to have been taken by David L. or Michele Nelson were undertaken on behalf of themselves individually and their marital community.

1.3 Defendants Nathan and Laura Chapman. On information and belief, Nathan W. Chapman and Laura Chapman (collectively "Chapman") are husband and wife, and, on information and belief, residents of Mill Creek, Washington. All the acts or omissions alleged to have been taken by Nathan W. or Laura Chapman were undertaken on behalf of themselves individually and their marital community.

1.4 Defendants Edward L. Goodridge, Sr. and Linda L. Goodridge. On information and belief, Edward L. Goodridge, Sr. and Linda L. Goodridge are and were at all times material hereto husband and wife, and, on information and belief, residents of Arlington, Washington. All of the acts or omissions alleged to have been taken by Edward L.

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1 Goodridge, Sr. or Linda L. Goodridge were undertaken on behalf of themselves individually  
2 and their marital community.

3 1.5 Defendants Edward L. Goodridge, Jr. and Julia Goodridge. On information  
4 and belief, Edward L. Goodridge, Jr. and Julia Goodridge are and were at all times material  
5 hereto husband and wife, and, on information and belief, residents of Arlington, Washington.  
6 All of the acts or omissions alleged to have been taken by Edward L. Goodridge, Jr. or Julia  
7 Goodridge were undertaken on behalf of themselves individually and their marital  
8 community.

9 1.6 ~~Defendants~~ Defendant Sara M. Schroedl. On information and belief, Sara M.  
10 Schroedl is and was at all times material hereto a resident of the State of Washington and  
11 Arizona. All of the acts or omissions alleged to have been taken by Sara M. Schroedl were  
12 undertaken on behalf of herself individually and her marital community.

13 1.7 Defendants Thomas E. Ashley and Helen M. Ashley. On information and  
14 belief, Thomas E. Ashley and Helen M. Ashley are and were at all times material hereto  
15 husband and wife, and, on information and belief, residents of Marysville, Washington. All  
16 of the acts or omissions alleged to have been taken by Thomas E. Ashley and Helen M.  
17 Ashley were undertaken on behalf of themselves individually and their marital community.

18 1.8 Defendant Darcy MR. Dreger. On information and belief, Darcy MR. Dreger  
19 is a resident of Arlington, Washington, and is sued herein in her individual capacity.

20 1.9 ~~Defendants Robert Stuber and Kari Stuber.~~ On information and belief, Robert  
21 Stuber and Kari Stuber are and were at all times material hereto husband and wife, and, on  
22 information and belief, residents of Longview, Washington and/or Lake Havasu, Arizona. All  
23 of the acts or omissions alleged to have been taken by Robert Stuber and Kari Stuber were  
24 undertaken on behalf of themselves individually and their marital community.

25 ~~1.10 Defendants Matthew M. Cunningham and Jane Doe Cunningham.~~ On  
26 information and belief, Matthew M. Cunningham and Jane Doe Cunningham are and were at

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1 ~~all times material hereto husband and wife, and, on information and belief, residents of~~  
 2 ~~Albuquerque, New Mexico. All of the acts or omissions alleged to have been taken by~~  
 3 ~~Matthew M. Cunningham and Jane Doe Cunningham were undertaken on behalf of~~  
 4 ~~themselves individually and their marital community.~~

5 ~~1.11 Defendants Rick Conn and Jane Doe Conn. On information and belief, Rick~~  
 6 ~~Conn and Jane Doe Conn are and were at all times material hereto husband and wife, and, on~~  
 7 ~~information and belief, residents of the State of California. All of the acts or omissions~~  
 8 ~~alleged to have been taken by Rick Conn and Jane Doe Conn were undertaken on behalf of~~  
 9 ~~themselves individually and their marital community.~~

10 ~~1.12 Defendants Jay D. Silverman and Carole M. Silverman. On information and~~  
 11 ~~belief, Jay D. Silverman and Carole M. Silverman are and were at all times material hereto~~  
 12 ~~husband and wife, and, on information and belief, residents of the State of California. All of~~  
 13 ~~the acts or omissions alleged to have been taken by Jay D. Silverman and Carole M.~~  
 14 ~~Silverman were undertaken on behalf of themselves individually and their marital community.~~

15 ~~1.13 Defendant Towne or Country Smokey Point, Inc. On information and belief,~~  
 16 ~~Towne or Country Smokey Point, Inc. is and at all times material hereto has been, a~~  
 17 ~~corporation registered to do business in the State of Washington, and has been a real estate~~  
 18 ~~firm licensed by the State of Washington.~~

19 1.410 Defendant Dean Goodridge. On information and belief, Dean Goodridge is  
 20 and was at all times material hereto a resident of the State of Washington. All of the acts or  
 21 omissions alleged to have been taken by Dean Goodridge were undertaken on behalf of  
 22 himself individually and his marital community.

## 23 II. JURISDICTION AND VENUE

24 2.1 Plaintiff realleges paragraphs 1.1 through 1.410 of this Complaint as though  
 25 fully set forth herein.

26 2.2 Jurisdiction.

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1           a.     This court has jurisdiction over the subject matter pursuant to 18 U.S.C.  
2     § 1964, and 28 U.S.C. §§ 1331, 1362, 1367, 2201 and 2202 as the causes of action arise under  
3     the laws of the United States or are state law claims cognizable under this Court's  
4     supplemental jurisdiction.

5           b.     This Court has personal jurisdiction over each defendant for reasons  
6     including but not limited to: each defendant resides and/or conducts business in the State of  
7     Washington, the underlying facts arose from actions occurring in the Western District of  
8     Washington, and the property transactions at issue involved property located in Western  
9     Washington.

10          2.3    Venue. Venue is proper in the United States District Court, District of Western  
11     Washington ("District") pursuant to 28 U.S.C. § 1391 because each defendant is subject to  
12     personal jurisdiction here, and a substantial part of the events giving rise to this action  
13     occurred here. Venue is also appropriate because the real property at issue in this case is located  
14     within this district.

### 15                               III.    FACTUAL ALLEGATIONS

16          3.1    Plaintiff realleges paragraphs 1.1 through 2.3 of this Complaint as though fully  
17     set forth herein.

### 18                               INTRODUCTION

19          3.2    This is a case in which non-Native real estate developers, investors, business  
20     owners, Tribal employees and other persons conspired with the leadership of an Indian Tribe to:  
21     (a) defraud the Tribe of the honest services of its tribal leaders and those with fiduciary duties to  
22     the Tribe, (b) defraud the Tribe of millions of dollars in money and other assets, and ~~(c) usurp~~  
23     economic opportunities of the Tribe, and (d) personally enrich themselves through a web of real  
24     property transactions, investment deals and business entities, all at the expense of the Tribe.

25  
26  
FIRSTTHIRD AMENDED COMPLAINT FOR  
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1           3.3     The Tribe's Constitution provides that the Tribe is governed by a six-member  
2 Board of Directors, comprised of a Chairman, Vice-Chairman, Secretary, Treasurer and 2  
3 members. The Tribe also employs an Executive Director.

4           3.4     Between 2000 and 2008, members of the Goodridge family were part of the  
5 leadership of the Tribe, as follows:

6           a.     Edward L. Goodridge, Jr. ("Goodridge Jr."), who was elected to the  
7 Tribe's Board of Directors in May of 1999, served as its Secretary between 1999 and 2004, its  
8 Vice-Chairman between 2004 and 2008, and an Executive Director of the Tribe between 2000  
9 and 2008.

10          b.     Edward L. Goodridge, Sr. ("Goodridge Sr."), was elected to the Tribe's  
11 Board of Directors in May of 1997 where he served as Chairman until May of 2004. In 1999  
12 Goodridge Sr. also served briefly as an Acting Executive Director for the Tribe, and in November  
13 of 2002 became the Chief Executive Officer ("CEO") of the Stillaguamish Tribal Enterprise  
14 Corporation, a position he held through much of 2008.

15          c.     Sara M. Schroedl ("Schroedl") served on the Board of Directors of the  
16 Tribe between May of 1999 and May of 2005 and also served as one of the Tribe's Executive  
17 Directors between 2002 and 2005 and as a Deputy CEO of the Stillaguamish Tribal Enterprise  
18 Corporation between 2002 and 2005.

19          d.     Darcy MR. Dreger ("Dreger") served on the Tribe's Board of Directors  
20 between May of 2004 and February of 2009, during which time she served as Secretary for the  
21 Board. Dreger was also employed in the Tax Stamp Room for the Blue Stilly smoke shop  
22 between May and November of 2002, as an Executive Assistant to Goodridge Jr. between  
23 February of 2003 and February of 2005, and as a Deputy Executive Director for the Tribe from  
24 February of 2005 until late 2008. Dreger served as Acting Executive Director for the Tribe  
25 between late 2008 and February of 2009.  
26

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1 e. Thomas E. Ashley ("Ashley") was employed in various capacities by the  
2 Tribe, including as Director of the Tribe's Department of Social and Health Services until 2009.

3 3.5 During the time he served as Executive Director for the Tribe, Goodridge Jr. had  
4 authority over the Tribe's accounts, facilities, property and employees. During the time he  
5 served as Chairman of the Stillaguamish Tribal Enterprise Corporation, Goodridge Sr. had  
6 authority over the Corporation's accounts.

7 3.6 On or around 2001, Nelson and Chapman developed a relationship with the  
8 Goodridge family and began to explore economic opportunities with them designed to take  
9 advantage of the Tribe's status as a sovereign nation. In 2001, the Goodridges signed a one-  
10 year agreement by which Nelson and Chapman became the Tribe's exclusive real estate agents  
11 for the Tribe's commercial and residential leasing and purchase and sale transactions. Nelson  
12 and Chapman also began pursuing other money-making opportunities with the Goodridge family  
13 and other Defendants.

14 3.7 Between 2001 and 2009, Nelson and Chapman engaged in conspiracies with  
15 Goodridge Sr. and Goodridge Jr., and other Defendants, the objects of which were to personally  
16 enrich Nelson, Chapman and the Goodridges at the expense of, and to the injury of, the Tribe.  
17 The means by which Nelson, Chapman, the Goodridges and the other Defendants did so was by  
18 involving the Tribe in business and real property transactions that affected interstate commerce  
19 and included, but were not limited, to: (a) violations of federal criminal laws (including, but not  
20 limited to violations of the Cigarette Contraband Trafficking Act and mail fraud, wire fraud and  
21 money laundering statutes); (b) defrauding the Tribe of the honest services of its leaders and  
22 those with fiduciary obligations to the Tribe; and (c) fraud, misrepresentations and/or by failing  
23 to disclose essential facts (including, but not limited to conflicts of interest) to the Tribe's Board  
24 of Directors.

25 3.8 The conspiracies included, but may not be limited to the following:  
26

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**THE SMOKE SHOP -- THE NATIVE AMERICAN VENTURES LLC. ("NAV") RICO CONSPIRACY**

**The RICO Enterprise - NAV**

3.9 Historically the State of Washington and tribes within the State have disagreed about the State's ability to enforce state taxation of cigarettes sold to non-Indians on tribal land. The State imposes significant excise and retail sales taxes on the retail sale of cigarettes, which taxes are intended to discourage smoking and to collect tax revenues to help pay for the adverse health effects to Washington residents from smoking. The State passed a law that was intended to provide a mutually-beneficial resolution to the dispute, which allowed the State to enter into compacts with tribes under which the tribes impose a tribal tax on cigarettes in lieu of the State tax, but in an amount equal to the State cigarette and retail taxes. The law and the compacts require tribes to expend the tribal cigarette and retail tax revenues on essential governmental services.

3.10 In 2001, a smoke shop operated on the Tribe's trust land in Arlington, Washington. The shop was operated by non-Tribal member Stormmy Paul, under a lease between the Tribe, Mr. Paul and non-Tribal member Roy Hatch. In early 2002, the State of Washington, through a May 24, 2002 letter from then-Governor Gary Locke to Goodridge Sr. (in his capacity as Chairman of the Tribe), invited and encouraged the Tribe to enter into a cigarette tax compact with the State to resolve any uncertainties about whether the tribe had an obligation to collect state cigarette taxes from non-Indians purchasing cigarettes at the smoke shop on the Tribe's land. Goodridge Sr. and Goodridge Jr. dismissed the idea of entering into a compact with the State. Reasons Goodridge Jr. gave for the refusal to compact included his belief that it would cause the store to lose sales and it would erode Tribal sovereignty. Goodridge Sr. signed a letter to State enforcement authorities warning them not to come onto Tribal land to investigate cigarette sales.

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1           3.11 Governor Locke's letter was not provided to the Tribe's Board of Directors. In  
2 2008, the letter containing Governor Locke's original signature was found in a box containing  
3 loose documents inside the Tribe's fireworks stand.

4           3.12 In and around 2001 and 2002, Goodridge Sr. and/or Goodridge Jr. received by  
5 fax information from cigarette wholesalers, including a company called Harbor Wholesale  
6 Grocery, Inc., containing price lists for cigarettes. On information and belief, ~~the Tribal Leader~~  
7 ~~Defendants~~ Goodridge Sr. and/or Goodridge Jr. requested the information as part of a plan to  
8 take over the smoke shop's operation from Mr. Paul and Mr. Hatch.

9           3.13 In March of 2003, Goodridge Sr., Goodridge Jr. and Sara Schroedl were  
10 members of the Stillaguamish Board of Directors, thereby constituting one-half of the six-  
11 member Board. During their tenure, the Board voted to terminate the lease with Stormmy Paul  
12 and Roy Hatch, remove them as operators of the smoke shop, and to exclude Mr. Paul from land  
13 under the Tribe's jurisdiction. On March 28, 2003, Goodridge Sr. and Goodridge Jr. (in their  
14 capacities as Chairman and Secretary of the Tribe, respectively) signed a resolution excluding  
15 Mr. Paul from the Tribe's land.

16           3.14 At the same time the Board was in the process of removing Mr. Paul as operator  
17 of the smoke shop, Defendants Goodridge Sr., Goodridge Jr. and Schroedl (~~collectively Tribal~~  
18 ~~Leader Defendants~~) formed and financed Native American Ventures L.L.C. ("NAV") to take  
19 over the smoke shop's operation under a new name: Blue Stilly. Goodridge Sr., Goodridge Jr.  
20 and Schroedl each took a 33% interest in NAV. Nelson and Chapman loaned ~~the Tribal Leader~~  
21 ~~Defendants~~ Goodridge Sr. and Goodridge Jr. money to finance NAV and its operation of Blue  
22 Stilly.

23           3.15 ~~Goodridge Sr., Goodridge Jr., 3.15 The Tribal Leader Defendants and~~  
24 ~~Schroedl~~ did not inform the Tribal membership that they were operating the smoke shop as their  
25 private business. ~~Goodridge Sr., Goodridge Jr. The Tribal Leader Defendants and Schroedl~~  
26 falsely represented on a Master Business Application with the State of Washington (signed by

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Goodridge Jr.) that NAV was a Tribally-owned business, rather than a privately-owned one. Formatted: Condensed by 0.15 pt  
~~Goodridge Sr., Goodridge Jr. The Tribal Leader Defendants and Schroedl~~ notified members of  
the Tribe's Board that NAV was a privately-owned business, and also represented to the Board  
members that they did not try to re-open the smoke shop as a Tribally-owned business because  
they believed the Tribe would not have been able to get the financing necessary to open and  
operate the shop.

3.16 The lease NAV entered into with the Tribe was signed by Goodridge Jr. and  
Goodridge Sr., but the Tribal Resolution recording the Board's approval of the lease indicates  
the lease was approved by only two of the four Board members present at the meeting during  
which the NAV lease was considered.

#### **Predicate Acts of Racketeering Activity**

3.17 ~~Goodridge Sr., Goodridge Jr. Tribal Leader Defendants' and Schroedl's~~  
Violations of the Contraband Cigarette Trafficking Act: Blue Stilly opened under NAV's  
management in March of 2003, with Defendant Linda Goodridge managing its day-to-day  
operations. This included the "ordering and purchasing of contraband cigarettes." See Plea  
Agreements entered in *U.S. v. E. Goodridge, Sr., E. Goodridge, Jr., L. Goodridge and S.*  
*Schroedl*, Case No. CR08-0363JLR (U. S. District Court, Western District of Washington), at 7,  
¶ 13(c). On information and belief, Nathan Chapman also managed aspects of Blue Stilly and  
NAV's day-to-day operations.

3.18 "Contraband cigarettes" are defined under the governing law as "a quantity of  
cigarettes in excess of 60,000 (10,000 after March 6, 2006), which bear no evidence of the  
payment of applicable Washington cigarette taxes and which are in possession of any person  
other than one specifically exempted by law." *Id.* at ¶ 7(d). ~~The Tribal Leader~~  
~~Defendants~~ Goodridge Sr., Goodridge Jr. and Schroedl "are not such persons exempted by law."  
*Id.* Between March of 2003 and November of 2008, the Washington State cigarette taxes that

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1 Blue Stilly and/or NAV failed to pay and/or collect ranged between \$0.825 per pack to \$2.025  
2 per pack.

3 3.19 On May 15, 2007, federal law enforcement authorities executed warrants to  
4 search the Blue Stilly smoke shop and the residence of Goodridge Sr. and Linda Goodridge.  
5 During the search, the authorities located, "among other items, substantial cartons of contraband  
6 cigarettes, bulk cash, and documentary evidence." *Id.* at ¶ 7(g). Federal law enforcement  
7 authorities also executed search warrants on suppliers of contraband cigarettes to the Blue Stilly  
8 smoke shop. Those searches resulted in additional evidence of "Blue Stilly's and/or NAV's  
9 purchases of contraband cigarettes." *Id.* at ¶ 7(h).

10 3.20 Federal authorities obtained evidence that between March of 2003 and May of  
11 2007, Blue Stilly and/or NAV purchased "at least 1,813,004 cartons of contraband cigarettes  
12 (362,600,800 cigarettes) from certain wholesalers," and "[n]one of these cigarettes bore  
13 evidence . . . that the Washington cigarette tax had ever been paid." *Id.* at ¶ 7(i). ~~The Tribal~~  
14 ~~Leader Defendants~~ Goodridge Sr., Goodridge Jr. and Schroedl sold the cigarettes to the public at  
15 large knowing there were no Washington cigarette tax stamps on the cigarettes and knowing that  
16 neither Blue Stilly nor NAV were collecting or paying the applicable Washington state cigarette  
17 tax. These purchases include, but were not limited to, the following transactions in violation of  
18 18 U.S.C. §§ 2342(a) and 371:

19 a. On or about May 19, 2003, the purchase of 3,440 cartons of contraband  
20 cigarettes (approximately 688,000 cigarettes) from a wholesaler for \$60,752;

21 b. On or about November 9, 2004, the purchase of 4,400 cartons of  
22 contraband cigarettes (approximately 880,000 cigarettes) from a wholesaler for \$48,106;

23 c. On or about November 15, 2005, the purchase of 1,238 cartons of  
24 contraband cigarettes (approximately 247,600 cigarettes) from a wholesaler for \$14,265;

25 d. On or about August 29, 2006, the purchase of 11,540 cartons of  
26 contraband cigarettes (approximately 2,308,000 cigarettes) from a wholesaler for \$225,153; and

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e. On or about April 24, 2007, the purchase of 9,520 cartons of contraband cigarettes (approximately 1,904,000 cigarettes) from a wholesaler for \$194,144.

3.21 ~~Tribal Leader Defendants~~ Goodridge Sr., Goodridge Jr. and Schroedl's Wire Fraud: NAV purchased some of the contraband cigarettes from Cowlitz Candy & Tobacco Co., Inc. ("CCT"), a company owned and operated by Robert Stuber ("Stuber"). A California distributor named Rick Conn ("Conn") brokered a deal whereby Stuber and CCT agreed to wholesale contraband cigarettes to NAV/Blue Stilly. CCT received Blue Stilly's orders from Conn, who received them from Blue Stilly by facsimile. CCT delivered the cigarettes to Blue Stilly and Conn received a commission on the sales. CCT was told by ~~the Tribal Leader Defendants~~ Goodridge Sr., Goodridge Jr. and Schroedl that Blue Stilly was a tribal retailer, was stamping cigarettes with a tribal stamp and paying the tribal tax on its sales. CCT told authorities it was unaware that the Tribe had not entered into a compact with the State.

3.22 NAV paid CCT for contraband cigarettes by sending wire transfers from its bank account at Frontier Bank to CCT's bank account at Columbia State Bank. The total amount of money wired from NAV's account at Frontier Bank to CCT's account at Columbia State Bank was at least \$11,916,454.47.

3.23 Violations of the Cigarette Contraband Trafficking Act and Wire Fraud by the Tribal Leader Defendants, Stuber, Cunningham, Conn and Silverman Goodridge Sr., Goodridge Jr. and Schroedl. Matthew M. Cunningham ("Cunningham") was the owner and operator of MRC Enterprises ("MRC"), based in Albuquerque, New Mexico. MRC was a wholesaler of cigarettes and tobacco products, but was not licensed in Washington State. In December of 2005, Stuber was contacted by the Washington State Liquor Control Board and notified that CCT's sales to Blue Stilly violated state law because the Stillaguamish Tribe did not have a compact with the State and state taxes were not being collected on the cigarettes CCT sold to NAV/Blue Stilly. NAV, CCT and Conn then arranged with three others: Cunningham, and Jay

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1 D. and Carole M. Silverman (collectively "the Silvermans"), to continue CCT's unlawful sales  
2 of contraband cigarettes to NAV by routing them through Oregon.

3 3.24 The scheme involved CCT routing the contraband cigarettes to a warehouse in  
4 Clackamas, Oregon, which was leased by Cunningham and controlled by the Silvermans,  
5 beginning on or around February, 2006. The contraband cigarettes were then transferred to a  
6 different vehicle and transported to Blue Stilly. Invoices were created that falsely represented  
7 that Blue Stilly purchased the cigarettes from Cunningham's company, MRC. MRC received  
8 compensation for providing the misleading invoices and for utilizing MRC's account with a  
9 commercial carrier. Shipments using false and misleading invoices included, but were not  
10 limited to: (a) a February 13, 2006 shipment of 7,695 cartons for \$151,778.45; (b) a May 23,  
11 2006 shipment of 11,824 cartons for \$234,357.20; (c) a January 16, 2007 shipment of 10,833  
12 cartons for \$221,761.65; and (d) a May 1, 2007 shipment of 8,160 for \$163,208.40.

13 3.25 Such transactions also involved NAV/Blue Stilly wiring money in payment for  
14 contraband cigarettes. For example, in March of 2006, NAV/Blue Stilly made two wire transfers  
15 to MRC, totaling \$152,252.85 for 7,876 cartons of contraband cigarettes. NAV also wired  
16 money directly to CCT in payment for the cigarettes, including two transfers in May of 2006  
17 totaling \$185,558.61 for 9,328 cartons of contraband cigarettes. The arrangement routing  
18 shipments and payment through MRC lasted until Blue Stilly was raided by federal officials in  
19 May of 2007.

20 3.26 Even after the federal raid in May of 2007, NAV reopened Blue Stilly and  
21 arranged with Conn and Cunningham to continue purchasing contraband cigarettes through  
22 MRC. NAV continued to traffic in contraband cigarettes and sell contraband cigarettes at Blue  
23 Stilly until March of 2008.

24 3.27 Between January 2005 and March 2008, NAV/Blue Stilly invoices related to  
25 MRC and CCT totaled approximately \$22,574,568 for contraband cigarettes. Federal  
26 authorities also determined from their review of documents obtained in their searches, that

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1 “from March of 2003 through May 15, 2007, Blue Stilly and/or NAV generated at least  
2 \$55,000,000 in revenues based on sales of contraband cigarettes.” *Id.* at ¶ 7(l).

3 3.28 ~~Money Laundering by the Tribal Leader Defendants~~ Goodridge Sr., Goodridge Jr.  
4 ~~and StuberSchroedl~~: During this time period, Goodridge Sr. and Linda Goodridge established  
5 and owned a corporation called Automotive Management, Inc., Goodridge Jr. established and  
6 owned a corporation called Fathem Investments, Inc., and Schroedl established and owned a  
7 corporation called SLM Investments, Inc. NAV laundered the profits from sales of contraband  
8 cigarettes at Blue Stilly via checks issued to Automotive Management, Inc., Fathem  
9 Investments, Inc. and SLM Investments, Inc. *Id.* at ¶ 7(o).

10 3.29 Between May 28, 2003 and April 20, 2007, NAV issued checks worth more than  
11 \$15,000,000 to Automotive Management, Inc., Fathem Investments, Inc., and SLM  
12 Investments, Inc., as follows: (1) NAV issued 137 checks to Automotive Management, Inc.  
13 totaling approximately \$5,101,000; (2) NAV issued 136 checks to Fathem Investments, Inc.,  
14 totaling approximately \$5,100,000; and (3) NAV issued 136 checks to SLM Investments, Inc.,  
15 totaling approximately \$5,095,000. *Id.* at ¶¶ 7(o), (p). The majority of these checks were  
16 deposited in each corporation’s bank account at Frontier Bank. Goodridge Sr. and Linda  
17 Goodridge had signatory authority over Automotive Management, Inc.’s account; Goodridge Jr.  
18 had signatory authority over Fathem Investment Inc.’s account, and Schroedl had signatory  
19 authority over the account of SLM Investments, Inc.

20 ~~3.30 The Tribal Leader Defendants~~ 3.30 Goodridge Sr., Goodridge Jr. and  
21 ~~Schroedl~~ converted the money in these corporate accounts to their own purposes. This  
22 conversion included, but was not limited, to: Schroedl using \$300,000 of the money SLM  
23 Investments, Inc. received from the sale of contraband cigarettes to purchase property in  
24 Hawaii; Goodridge Jr. using funds from the Fathem Investments, Inc.’s account to purchase over  
25 \$21,000 worth of items at Cycle Barn; Linda L. Goodridge transferring \$14,000 from the  
26 Automotive Management, Inc. account to Goodridge Sr.; and Linda L. Goodridge writing a

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1 check to "cash" from the Automotive Management, Inc. account in the amount of \$27,619.88.

2 *Id.* at 7(q).

3 ~~3.31 CCT and Stuber laundered the proceeds from its sale of contraband cigarettes to~~  
 4 ~~Blue Stilly by sharing the profits from the sales with Conn, and the Silvermans. CCT issued 80~~  
 5 ~~checks to Conn totaling \$553,740 and issued 33 checks to the Silvermans, totaling \$276,646.~~

6 ~~**The Tribal Leader Defendants', Stuber's, Cunningham's, Conn's and Carole M.**~~  
 7 ~~**Silverman's Guilty Pleas**~~

8 ~~3.32~~  
 9 ~~**Goodridge Sr., Goodridge Jr. and Schroedl's Guilty Pleas**~~

10 ~~3.31~~ On November 20, 2008, each of the Tribal Leader Defendants Goodridge Sr.,  
 11 Goodridge Jr. and Schroedl pled guilty to (1) one count of Conspiracy to Traffic in Contraband  
 12 Cigarettes, in violation of 18 U.S.C. §§ 2342(a) and 371; and (2) one count of Engaging in a  
 13 Monetary Transaction in Property Derived from Specified Unlawful Activity (money  
 14 laundering), in violation of 18 U.S.C. § 1957. See Plea Agreements entered in *U.S. v. E.*  
 15 *Goodridge, Sr., E. Goodridge, Jr., L. Goodridge and S. Schroedl*, Case No. CR08-0363JLR (U.  
 16 S. District Court, Western District of Washington). As part of the guilty pleas, the Tribal Leader  
 17 Defendants Goodridge Sr., Goodridge Jr. and Schroedl agreed that if their criminal cases had  
 18 gone to trial, the United States would be able to prove the facts underlying the charges to which  
 19 they pled guilty.

20 ~~3.33~~<sup>32</sup> Following entry of their plea agreements, the Tribal Leader Defendants Goodridge  
 21 Sr., Goodridge Jr., Linda Goodridge and Schroedl were sentenced as follows: (a) Goodridge Jr.  
 22 was sentenced to 14 months in prison, 200 hours of community service and 2 years of supervised  
 23 release, in addition to an obligation to pay the State of Washington restitution for the State's lost  
 24 cigarette tax revenues; (b) Goodridge Sr. was sentenced to 14 months in prison, 2 years of  
 25 supervised release and an obligation to pay restitution to the State; (c) Linda Goodridge was  
 26 sentenced to 120 days home confinement with electronic monitoring, two years of supervised  
 release, and 200 hours of community service, in addition to a restitution obligation to the State;

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1 and (d) Schroedl was sentenced to 8 months in prison, 200 hours of community service, 2 years  
 2 of supervised release, and an obligation to pay restitution to the State. ~~The Tribal Leader~~  
 3 ~~Defendants~~ Goodridge Sr., Goodridge Jr. and Schroedl were found jointly and severally liable  
 4 with Stuber.

5 ~~3.34 On February 18, 2009, Stuber pled guilty to one count of Conspiracy to Traffic in~~  
 6 ~~Contraband Cigarettes, in violation of 18 U.S.C. §§ 2342(a) and 371; and one count of~~  
 7 ~~Conspiracy to Launder Monetary Instruments, in violation of 18 U.S.C. § 1956(h). See Plea~~  
 8 ~~Agreement, at ¶ 2, United States v. Stuber, Case No. CR09-00044JCC (U.S. District Court,~~  
 9 ~~Western District of Washington). As part of his guilty plea, Stuber agreed that if his criminal~~  
 10 ~~cases had gone to trial, the United States would be able to prove the facts underlying the charges~~  
 11 ~~to which he pled guilty. Stuber was sentenced to nine months in prison, two years supervised~~  
 12 ~~release, and an obligation to pay restitution to the State. Stuber was found jointly and severally~~  
 13 ~~liable with the Tribal Leader Defendants.~~

14 ~~3.35 On January 5, 2010, Cunningham pled guilty to one count of Conspiracy to~~  
 15 ~~Traffic in Contraband Cigarettes, in violation of 18 U.S.C. §§ 2342(a) and 371; and one count of~~  
 16 ~~Conspiracy to Launder Monetary Instruments, in violation of 18 U.S.C. § 1956(h). See Plea~~  
 17 ~~Agreement, at ¶ 2, United States v. Cunningham, Case No. CR09-299JCC (U.S. District Court,~~  
 18 ~~Western District of Washington). As part of his guilty plea, Cunningham agreed that if his~~  
 19 ~~criminal cases had gone to trial, the United States would be able to prove the facts underlying the~~  
 20 ~~charges to which he pled guilty. Cunningham will be sentenced on April 16, 2010.~~

21 ~~3.36 On January 15, 2010, Conn pled guilty to one count of Conspiracy to Traffic in~~  
 22 ~~Contraband Cigarettes, in violation of 18 U.S.C. §§ 2342(a) and 371; and one count of~~  
 23 ~~Conspiracy to Launder Monetary Instruments, in violation of 18 U.S.C. § 1956(h). See Plea~~  
 24 ~~Agreement, at ¶ 1, United States v. Conn, Case No. CR09-299JCC (U.S. District Court, Western~~  
 25 ~~District of Washington). As part of his guilty plea, Conn agreed that if his criminal cases had~~  
 26

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1 gone to trial, the United States would be able to prove the facts underlying the charges to which  
 2 he pled guilty. Conn will be sentenced on April 16, 2010.

3 ~~3.37~~ On October 28, 2009 Carole M. Silverman pled guilty to one count of Conspiracy  
 4 to Traffic in Contraband Cigarettes, in violation of 18 U.S.C. §§ 2342(a) and 371; and one count  
 5 of Conspiracy to Launder Monetary Instruments, in violation of 18 U.S.C. § 1956(h). See Plea  
 6 Agreement, at ¶ 1, *United States v. Silverman*, Case No. CR09-299JCC (U.S. District Court,  
 7 Western District of Washington). As part of her guilty plea, Mrs. Silverman agreed that if her  
 8 criminal cases had gone to trial, the United States would be able to prove the facts underlying the  
 9 charges to which she pled guilty. Mrs. Silverman will be sentenced on April 16, 2010.

10 ~~3.38~~ Although not charged by the government as of the date of the filing of this  
 11 Complaint, Nelson, Chapman and Dreger conspired with the Tribal Leader  
 12 Defendants Goodridge Sr., Goodridge Jr. and Schroedl by assisting the Tribal Leader  
 13 Defendants Goodridge Sr., Goodridge Jr. and Schroedl with their control and operation of the  
 14 Tribal Tax Stamp Room, the formation of NAV, its leasing of trust land from the Tribe, its  
 15 purchase of property around the smoke shop, and by providing the funding that allowed the  
 16 Tribal Leader Defendants Goodridge Sr., Goodridge Jr. and Schroedl to engage in the unlawful  
 17 activities to which they pled guilty.

18 3.39 Defendant Chapman facilitated the formation of NAV by filing NAV's certificate  
 19 of incorporation with the State of Washington. Chapman also negotiated and/or facilitated  
 20 NAV's lease of trust land from the Tribe. This was done using e-mail communication and the  
 21 interstate wires and included, but was not limited to, an e-mail communication by and between  
 22 Chapman and Goodridge Jr. on November 13, 2003, and a facsimile transmission from Dreger to  
 23 Chapman on February 26, 2004. Nelson and Chapman also facilitated NAV's purchase of  
 24 property in the proximity of Blue Stilly. Chapman also did work for or at Blue Stilly, including,  
 25 but not limited to, working in the stamping room which was under the control of Goodridge Jr.

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1           3.4035 Defendants Nelson and Chapman also provided capital ~~the Tribal Leader~~  
2 ~~Defendants~~ Goodridge Sr., Goodridge Jr. and Schroedl needed to purchase inventory and open  
3 Blue Stilly under NAV's ownership and/or operation. Some or all of the money Nelson and  
4 Chapman loaned to one or more of ~~the Tribal Leader~~ Defendants Goodridge Sr., Goodridge Jr.  
5 and Schroedl went to purchase contraband cigarettes, as that term is defined in Paragraph 3.18  
6 above. ~~The Tribal Leader~~ Defendants Goodridge Sr., Goodridge Jr. and Schroedl paid Nelson  
7 and Chapman back for that initial investment in the smokeshop, and continued to pay Nelson and  
8 Chapman a portion of NAV's profits over time, some or all of which came from the sale of  
9 contraband cigarettes, as that term is defined in Paragraph 3.18 above. Goodridge Sr. paid  
10 Nelson approximately \$2,500,000 as a return on his investment, which money came from smoke  
11 shop profits; and Goodridge, Jr. paid Chapman more than \$2,000,000 as a return on his \$40,000  
12 investment, which money came from smoke shop profits. Nelson and Chapman knew that,  
13 through NAV, ~~the Tribal Leader~~ Defendants Goodridge Sr., Goodridge Jr. and Schroedl were  
14 purchasing contraband cigarettes and reselling them at Blue Stilly to retail customers,  
15 wholesaling them to other smokeshops, and reaping significant profits ~~there from~~ therefrom.  
16 After the smokeshop was raided by federal authorities in May of 2007, Nelson and Chapman  
17 provided ~~the Tribal Leader~~ Defendants Goodridge Sr., Goodridge Jr. and Schroedl with additional  
18 funds that allowed them to re-open the smoke shop and continue selling contraband cigarettes  
19 and laundering money.

20           3.4136 Defendant Dreger also conspired with ~~the Tribal Leader~~ Defendants Goodridge  
21 Sr., Goodridge Jr. and Schroedl, by working in the Stamp Room in which Tribal Tax Stamps  
22 were affixed to the contraband cigarettes sold by NAV at Blue Stilly, and by taking actions in her  
23 role as Board Secretary, Executive Assistant to Goodridge Jr., and Deputy Executive Director  
24 that facilitated Goodridge Jr.'s violations of the CCTA and money laundering statutes. In return  
25 for her assistance in furtherance of the conspiracy, Dreger received gifts, employment at a salary  
26 higher than her background and experience justified, and monetary and non-monetary

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1 compensation from Goodridge Jr., including, but not limited to a house worth more than  
2 \$500,000.

3 ——— 3.4237 Defendant Dean Goodridge also conspired with the Tribal Leader  
4 Defendants Goodridge Sr., Goodridge Jr. and Schroedl, by working in the Stamp Room in which  
5 Tribal Tax Stamps were affixed to the contraband cigarettes sold by NAV at Blue Stilly, and by  
6 working at the Blue Stilly smoke shop. On information and belief, Dean Goodridge was a  
7 primary ordering and delivery contact for many of the companies that sold contraband cigarettes  
8 to NAV and knowingly facilitated NAV's retail sale of contraband cigarettes. On information  
9 and belief, Dean Goodridge also conspired with Linda Goodridge, Matthew Cunningham and  
10 MRC Enterprises, Inc. ("MRC") to arrange to receive a kickback of twenty-five cents per carton  
11 Blue Stilly ordered from MRC, which resulted in Dean Goodridge receiving thousands of dollars  
12 in kickbacks directly from MRC.

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**Injury to the Tribe's Business or Property**

~~3.43 Beginning in March of 2002, the Tribe maintained a cigarette tax, which was imposed on packs of cigarettes sold on land within the Tribe's jurisdiction. The Tribal cigarette tax ranged from 50¢ a carton in 2001 to \$2.00 a carton through April of 2008, when the Tribe entered into a cigarette tax compact with the State and imposed retail and excise taxes equivalent to the State's taxes.~~

~~3.44 The Tribal Leader Defendants discouraged Tribal Board members from considering entering into a cigarette tax compact with the State. The Tribal Leader Defendants told Tribal Board members that state law merely prohibited the sale of unstamped cigarettes, and as long as the cigarettes NAV sold had a Tribal Tax Stamp on them, the smoke shop would be in compliance with state law. As early as 2002, the Tribal Leader Defendants caused a Stillaguamish Tribal Tax Stamp to be created and arranged for the leasing of equipment from Meyereord Revenue Company necessary to affix such stamps to packs of cigarettes. The Tribal Leader Defendants had sole control over the Stillaguamish Tribal Tax Stamps and their placement on packages of cigarettes. Yet, the Tribe, rather than NAV, paid Meyereord Revenue Company's bills for leasing the stamping equipment and for the rolls of Stillaguamish Tribal Tax Stamps over which the Tribal Leader Defendants exercised exclusive control.~~

~~3.45 On information and belief, packs of cigarettes with the Stillaguamish Tribal Tax Stamp have been discovered at smoke shops elsewhere in Washington State, including the smoke shop located on trust land on the Swinomish Indian Tribe's reservation, indicating the Tribal Leader Defendants were wholesaling cigarettes to other smokeshops.~~

~~3.46 Once a stamp was affixed to a pack of cigarettes, it constituted a representation that the applicable Tribal cigarette tax had been collected and had been, or would be, remitted to the Tribe. On information and belief, the Tribal Leader Defendants did not remit to the Tribe all the cigarette taxes they collected, or should have collected, from NAV's retail and wholesale sales of cigarettes. The Tribal Leader Defendants knew such representations were false when~~

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1 made, intended that the Tribe rely on the representations and the Tribe did rely on the  
2 representations to its detriment.

3 ~~3.47 As a practical matter and under the Stillaguamish Tribal Tax Code, the Tribal~~  
4 ~~Leader Defendants had authority and control over the Stillaguamish Tribal Tax Stamps, each of~~  
5 ~~which represented a specific tax due and owing to the Tribe. The Tribal Leader Defendants had a~~  
6 ~~fiduciary duty to the Tribe to handle, utilize and otherwise manage the Stillaguamish Tribal Tax~~  
7 ~~Stamps for the benefit of the Tribe. The Tribal Leader Defendants are accountable to the Tribe~~  
8 ~~for each Stillaguamish Tribal Tax Stamp the Tribe purchased and entrusted to the Tribal Leader~~  
9 ~~Defendants.~~

10 ~~3.48 The Tribal Leader Defendants were also part of discussions that the Tribe's Board~~  
11 ~~of Directors had on whether and when to increase the amount of the Tribe's cigarette tax to help~~  
12 ~~support essential governmental services. The Tribal Leader Defendants had a fiduciary~~  
13 ~~obligation to the Tribe to act in the Tribe's best interests. Yet, the Tribal Leader Defendants~~  
14 ~~actively opposed and impeded efforts to raise the Tribe's cigarette tax, which would have~~  
15 ~~provided needed revenues to the Tribe for essential services to Tribal members.~~

16 ~~3.49 The Tribal Leader Defendants were aware as early as 2002 of the State's~~  
17 ~~invitation to enter into a compact, but discouraged the Tribe's Board from considering the idea of~~  
18 ~~compacting, failed to bring Governor Locke's letter requesting that the Tribe enter into a compact~~  
19 ~~to the Board's attention, and actively discouraged the Board from compacting with the State as~~  
20 ~~other tribes had done. The Tribal Leader Defendants therefore deprived the Tribe of an~~  
21 ~~opportunity to enter into a cigarette tax compact and raise needed revenue for the Tribe's~~  
22 ~~essential governmental services. The Tribal Leader Defendants further misrepresented to Board~~  
23 ~~members that Blue Stilly was in compliance with state law by simply affixing Stillaguamish~~  
24 ~~Tribal Tax Stamps to packs of cigarettes, and therefore did not need to enter into a compact with~~  
25 ~~the State in order to comply with state law. Had the Tribal Leader Defendants entered into a~~  
26 ~~compact with the State in 2001, the Tribe would have received at least \$26 million in revenues~~

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1 for essential governmental services, far in excess of the amount of Tribal cigarette tax revenues  
 2 they received from NAV. Instead, the more than \$55 million dollars in revenues made from the  
 3 sale of contraband cigarettes personally enriched the Tribal Leader Defendants, Linda  
 4 Goodridge, Stuber, Cunningham, Conn, the Silvermans, Nelson, Chapman and Dreger while the  
 5 Tribe's essential governmental programs often operated at a deficit.

6 — 3.50 — In 2007, after federal officials raided Blue Stilly and NAV's operations, the Tribe  
 7 was served with a federal subpoena seeking information in the Tribe's possession related to the  
 8 Tribal Leader Defendants, NAV and the operation of the smoke shop. The Tribe was  
 9 subsequently served with a second subpoena that sought additional information about money-  
 10 making opportunities and business relationships the Tribal Leader Defendants had cultivated.  
 11 The Tribe has expended significant resources responding to the two subpoenas and remedying  
 12 the harm caused to the Tribe, its goodwill and business opportunities by the Tribal Leader  
 13 Defendants' unlawful operation of the smoke shop and related unlawful financial transactions.  
 14 The Tribe also expended considerable time and expense negotiating a cigarette tax compact with  
 15 the State of Washington and working to ensure the smoke shop on the Tribe's trust land is  
 16 operating in full compliance with all applicable laws.

17 3.38 The Tribe suffered injury to its business and property as a direct result of the  
 18 pattern of smoke shop racketeering activities described in Paragraphs 3.1 through 3.16, and  
 19 implemented via the predicate acts described in Paragraphs 3.17 through 3.37. The Tribe was the  
 20 intended target of the pattern of smoke shop racketeering activities.

21 3.39 Specifically, as a direct and foreseeable consequence of the wire fraud, mail  
 22 fraud, money laundering, and contraband cigarette trafficking acts associated with the operation  
 23 of the Blue Stilly smoke shop, the Tribe was deprived by the Director and Officer Defendants  
 24 (other than Thomas Ashley) of the opportunity to profitably (and legally) operate the smoke shop  
 25 from 2003 through 2008 and to utilize and/or invest the funds generated therefrom.

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**THE REAL PROPERTY AND ECONOMIC OPPORTUNITY RICO CONSPIRACY**

3.5140 Between 2001 and 2009, Nelson, Chapman, Goodridge Sr. and Goodridge Jr. knowingly and unlawfully conspired together and with others to devise schemes to defraud the Tribe and its members of money and property, and to deprive the Tribe and its members of their intangible right to the honest services of their Tribal leadership and those who owed fiduciary duties to the Tribe. In furtherance of the schemes, Nelson, Chapman, Goodridge Sr. and Goodridge Jr. knowingly transmitted and caused to be transmitted writing and sounds by communications in interstate commerce by means of wire, and to knowingly send and cause to be sent communications in the United States mails, in violation of 18 U.S.C. §§ 1341, 1343 and 1346.

**Manner and Means of the Conspiracy:**

3.5241 During all times relevant to the allegations in this Complaint, Nelson and/or Chapman acted as real estate salespersons, agents and/or brokers on behalf of the Tribe in real estate transactions.

3.5342 Nelson was licensed by the State of Washington as a real estate salesperson (License No. 27003-13262) between February 14, 1998 and December 12, 2007; and licensed as a real estate broker and as a managing broker by the State of Washington (License No. 27001-20089) from December 12, 2007 to the present. As of the date of filing of this Amended Complaint, Nelson's real estate managing broker's license was listed as "inactive" by the State of Washington Department of Licensing.

3.5443 Chapman was licensed by the State of Washington as a real estate salesperson and/or broker (License No. 27003-3368) between June 19, 2001 and May 26, 2009. As of the date of the filing of this Amended Complaint, Chapman's real estate salesperson license was listed as "Cancelled" by the State of Washington Department of Licensing.

3.5544 Towne or Country Smokey Point, Inc. ("Towne or Country") is a licensed real estate firm (Washington License No. 2951), which has at all times material been a licensed

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1 real estate firm in Washington. On information and belief, Bill D. Lindell is the licensed  
 2 Designated Broker for Towne or Country and Ronald N. Coster is the licensed Managing  
 3 Broker for Towne or Country.

4 3.5645 Towne or Country is the licensed real estate firm for whom Nelson and  
 5 Chapman worked as real estate salespersons and/or brokers between January, 2001 and  
 6 December 12, 2007. Towne or Country shared in commissions from real estate transactions  
 7 Nelson and Chapman closed while working for Towne or Country and while they acted as  
 8 exclusive real estate agents for the Tribe. Towne or Country, its Designated Broker and/or its  
 9 Managing Broker were responsible for supervising and overseeing the activities of Nelson  
 10 and Chapman while Nelson and Chapman worked for or were affiliated with Towne or  
 11 Country.

12 3.5746 As licensed real estate salespersons and brokers, Nelson, Chapman and Towne  
 13 or Country owed a duty of full disclosure to the Tribe, a duty to exercise the utmost good faith  
 14 and a duty to avoid representing any interests antagonistic to the Tribe.

15 3.5847 Nelson and Chapman also represented themselves as real estate salespersons,  
 16 agents and/or brokers with companies that included, but may not have been limited to DNRE,  
 17 Inc., Northwood Development LLC, the Northwood Group, and/or Preview Properties.

18 3.5948 During the relevant time periods, Nelson and Chapman were also shareholders  
 19 and/or managers and/or members of certain companies and corporations in addition to those  
 20 identified above, that transacted business with the Tribe, purported to transact business on  
 21 behalf of the Tribe, or were created with members of the Tribe including, but not limited to,  
 22 the following:

23 a. Northwood Development L.L.C., established April 5, 2006 with  
 24 Chapman as Member and Registered Agent;

25 b. IC Holdings L.L.C., established March 10, 2003 with Nelson and  
 26 Chapman as Members and Chapman as Registered Agent;

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1 c. Native Health Systems L.L.C., established September 16, 2004 with  
2 Nelson and Chapman as Members and Nelson as Registered Agent;

3 d. Native Health Systems II L.L.C., established August 18, 2005 with  
4 Nelson and Chapman as Members and Nelson as Registered Agent;

5 e. Indian Country Ventures L.L.C., established August 4, 2005 with  
6 Nelson and Chapman as Members and Nelson as Registered Agent;

7 f. Peel-It Raceway and Hobbies L.L.C., established January 27, 2005,  
8 with Chapman and Goodridge Jr. as Managers and Goodridge Jr. as Registered Agent;

9 g. J.T.L.T. L.L.C., established June 13, 2003, with Nelson and his wife as  
10 Managers and Nelson as Registered Agent.

11 3.6049 In such transactions with, or on behalf of the Tribe, Goodridge Sr. and  
12 Goodridge Jr., Nelson and Chapman schemed to defraud the Tribe and its members of  
13 money, property and their intangible right to the honest services of the Tribal Leader  
14 Defendants Goodridge Sr., Goodridge Jr. and Schroedl and those who owed a fiduciary duty to  
15 the Tribe, breached contractual and fiduciary duties and unjustly enriched themselves at the  
16 expense of the Tribe in ways that include, but are not limited to, the following:

17  
18 **Exclusive Real Estate Agency**

19 3.6150 In December of 2001, Nelson and Chapman, as real estate agents and/or  
20 brokers for Towne or Country, signed an agreement to be the exclusive real estate agents for  
21 the Tribe. The agreement was signed by Goodridge Sr. on behalf of the Tribe.

22 3.6251 On August 23, 2002, Goodridge Sr. and Goodridge Jr. signed a letter to  
23 Chicago Title to "confirm" that Goodridge Sr. has the authority to sign real estate contracts on  
24 behalf of the Tribe on the basis that "[h]e is currently the Chairman who has the authority  
25 under our written constitution to handle business affairs on behalf of the Tribe." However,  
26 the Stillaguamish Constitution vests the authority to handle business affairs of the Tribe in the

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MONEY  
DAMAGES - 26

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1 Board of Directors, and, on information and belief if any such authority was delegated by the  
2 Tribe's Board to Goodridge Sr., it was procured by fraud and/or misrepresentations about how  
3 Goodridge Sr. would exercise such authority. Goodridge Sr. and/or Goodridge Jr. sent the  
4 letter containing this misrepresentation through the U.S. Mails or by facsimile to Chicago  
5 Title.

6 3.63-52 The real property transactions Nelson and Chapman orchestrated on behalf of  
7 the Tribe included:  
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FIRSTTHIRD AMENDED COMPLAINT FOR  
DECLARATORY AND INJUNCTIVE RELIEF AND  
MONEY  
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1 ~~—— Tribal Housing~~

2 ~~—— 3.64 In 2001 and/or 2002 Goodridge Jr. and Goodridge Sr. wanted the Tribe to~~  
 3 ~~build a casino (what is now the Angel of the Winds Casino). At the time, Goodridge Jr. was~~  
 4 ~~serving as Executive Director of the Tribe and Goodridge Sr. was Chairman of the~~  
 5 ~~Stillaguamish Tribal Enterprise Corporation ("STECO"). STECO is the economic~~  
 6 ~~development arm of the Tribe.~~

7 ~~—— 3.65 The only land on which a casino could be built on the quick time line~~  
 8 ~~Goodridge Jr. and Goodridge Sr. wanted was a 20-acre parcel of land the United States held in~~  
 9 ~~trust for the Tribe, a parcel that was the site of the Tribe's housing development.~~

10 ~~—— 3.66 In order to develop the casino, 28 Tribal households needed to relocate. To~~  
 11 ~~facilitate this relocation, the Tribe offered Tribal members residing in the existing housing the~~  
 12 ~~option of either accepting \$90,000 in cash and finding their own alternative housing, or~~  
 13 ~~replacement housing in the amount of up to \$215,000. Of the 28 households, 19 chose the~~  
 14 ~~replacement housing option.~~

15 ~~—— 3.67 Tribal members were told they had to work with Nelson as their realtor to find~~  
 16 ~~replacement housing, which was purchased by the Stillaguamish Tribal Housing Authority~~  
 17 ~~(the "Housing Authority"). Tribal members worked with Nelson to find replacement housing~~  
 18 ~~in locations scattered throughout Snohomish County.~~

19 ~~—— 3.68 Nelson used coercive means to convince prospective sellers to sell to the Tribe,~~  
 20 ~~advised the Tribe and/or Tribal members not to obtain or request inspections of the property, and~~  
 21 ~~failed to secure the lowest possible purchase prices for the properties the Tribe bought.~~

22 ~~—— 3.69 Nelson billed the Tribe for inspections for most of the properties purchased as~~  
 23 ~~alternative housing, which bills the Tribe timely paid. On information and belief, Nelson did not~~  
 24 ~~obtain inspections for these properties, or if any were obtained, Nelson did not share them with~~  
 25 ~~the Tribe or the Tribal members who were to live in the affected houses.~~

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~~3.70 Nelson's bill to the Tribe for the inspections constituted a representation to the Tribe that the referenced inspections had been completed. On information and belief, this representation was false when made, Nelson knew it to be false when made, and Nelson made it intending for the Tribe to rely on it. The Tribe and its Housing Authority reasonably relied on Nelson's representation in going forward with purchases of the replacement housing.~~

~~3.71 The Tribe and its members later learned of material defects in the properties and have spent significant sums to remedy the defects. The Tribe would have discovered the defects (e.g. leaky roofs, failing septic systems and leaking pipes) had inspections of the properties been done prior to purchase. The Tribe suffered injury as a result of these materials defects. Because of the undiscovered defects, the houses were worth less than the Tribe paid for them, and some of the needed repairs were paid for by the Tribe.~~

#### ~~Commercial Property Transactions~~

~~3.7253 Closed Property Transactions: The properties that Nelson and Chapman arranged for the Tribe to purchase were sold to the Tribe at prices inflated well above market values, thereby increasing the cost of the property to the Tribe and increasing the real estate commission due to Nelson and Chapman. Such completed real property purchases included, but were not limited to, the following:~~

~~a. **Barlond Property:** In December of 2002, Nelson and Chapman orchestrated the Tribe's purchase of Snohomish County Tax Parcels 32053100300400 and -500 for \$215,000, which is more than \$190,000 over the market value Snohomish County listed for the property at the time of the sale.~~

~~b. **Oberg Property:** In September of 2005, Nelson and Chapman orchestrated the Tribe's purchase of Snohomish County Tax Parcels 32053100300100, -200, -300 and -600 for \$1,050,000, which is more than \$775,000 over the market value Snohomish County listed for the property at the time of the sale.~~

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1           c.     **Herd Property:** In May of 2006, Nelson and Chapman orchestrated the  
 2 Tribe's purchase of Snohomish County Tax Parcel 31052800200200 for \$895,000, which is  
 3 more than \$300,000 over the market value Snohomish County listed for the property at the time  
 4 of the sale.

5           d.     **MacWhyte Property:** In August of 2006, Nelson and Chapman  
 6 orchestrated the Tribe's purchase of Snohomish County Tax Parcels 32053200402000, and -1800  
 7 for \$667,005, which is more than \$375,000 over the market value Snohomish County listed for  
 8 the property at the time of the sale.

9           e.     **McCormack Property:** In September of 2006, Nelson and Chapman  
 10 orchestrated the Tribe's purchase of Snohomish County Tax Parcel 32053200401500 for  
 11 \$600,000, which is more than \$345,000 over the market value Snohomish County listed for the  
 12 property at the time of the sale.

13           f.     **Leder Property:** In September of 2006, Nelson and Chapman  
 14 orchestrated the Tribe's purchase of Snohomish County Tax Parcel 32053200400300 for  
 15 \$863,348, which is more than \$630,000 over the market value Snohomish County listed for the  
 16 property at the time of the sale.

17           g.     **Dreyer Property:** In September of 2006, Nelson and Chapman  
 18 orchestrated the Tribe's purchase of Snohomish County Tax Parcels 32053200100300, and -900  
 19 for \$1,250,000, which is more than \$650,000 over the market value Snohomish County listed for  
 20 the property at the time of the sale.

21           h.     **Second McCormack Property:** In October of 2006, Nelson and  
 22 Chapman orchestrated the Tribe's purchase of Snohomish County Tax Parcels 32053200401600  
 23 and -1700, 00640600000200, -201 and -101 for \$575,000, which is more than \$300,000 over the  
 24 market value Snohomish County listed for the property at the time of the sale.

25           i.     **White Property:** In November of 2006, Nelson and Chapman  
 26 orchestrated the Tribe's purchase of Snohomish County Tax Parcel 31050500100100 for

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1 \$507,000, which is more than \$250,000 over the market value Snohomish County listed for the  
2 property at the time of the sale.

3 j. **Starkovich Property:** In November of 2006, Nelson and Chapman  
4 orchestrated the Tribe's purchase of Snohomish County Tax Parcel 32053200401300 for  
5 \$515,000, which is more than \$350,000 over the market value Snohomish County listed for the  
6 property at the time of the sale.

7 k. **Henken Property:** In March of 2007, Nelson and Chapman orchestrated  
8 the Tribe's purchase of Snohomish County Tax Parcel 31050800400400 for \$737,500, which is  
9 more than \$550,000 over the market value Snohomish County listed for the property at the time  
10 of the sale.

11 l. **Leatherman Property:** In May of 2007, Nelson and Chapman  
12 orchestrated the Tribe's purchase of Snohomish County Tax Parcel 31050500202800 for  
13 \$507,500, which is more than \$260,000 over the market value Snohomish County listed for the  
14 property at the time of the sale.

15 m. **Henault Property:** In June of 2007, Nelson and Chapman orchestrated  
16 the Tribe's purchase of Snohomish County Tax Parcel 32053200402700 for \$330,000, which is  
17 more than \$150,000 over the market value Snohomish County listed for the property at the time  
18 of the sale.

19 n. **Hinds Property:** In August of 2007, Nelson and Chapman orchestrated  
20 the Tribe's purchase of Snohomish County Tax Parcel 32053200101500 for \$900,000, which is  
21 more than \$525,000 over the market value Snohomish County listed for the property at the time  
22 of the sale.

23 o. **Tuggle Property:** In October of 2007, Nelson and Chapman orchestrated  
24 the Tribe's purchase of Snohomish County Tax Parcel 32053200103000 for \$900,000, which is  
25 more than \$660,000 over the market value Snohomish County listed for the property at the time  
26 of the sale.

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1           p.     **RAD Development Property:** In October of 2007, Nelson and  
2 Chapman orchestrated the Tribe's purchase of Snohomish County Tax Parcel 32042400301300  
3 for \$275,000, which is more than \$250,000 over the market value Snohomish County listed for  
4 the property at the time of the sale.

5           q.     **Purdy (Buffalo Farm) Property:** In November of 2007, Nelson and  
6 Chapman orchestrated the Tribe's purchase of Snohomish County Tax Parcels 31051800300200  
7 and -500, 31051800201400, -1500 and -1800 for \$1,800,000, which is more than \$1,300,000  
8 over the market value Snohomish County listed for the property at the time of the sale.

9           r.     **Noret Property:** In December of 2007, Nelson and Chapman  
10 orchestrated the Tribe's purchase of Snohomish County Tax Parcels 31051700402600, -2700 and  
11 -4200 for \$2,568,000, which is more than \$1,350,000 over the market value Snohomish County  
12 listed for the property at the time of the sale.

13           s.     **Strotz Property:** In June of 2008, Nelson and Chapman orchestrated the  
14 Tribe's purchase of Snohomish County Tax Parcel 31050800100300 for \$550,000, which is  
15 more than \$500,000 over the market value Snohomish County listed for the property at the time  
16 of the sale.

17           t.     **Lind Property:** In August of 2008, Nelson and Chapman orchestrated  
18 the Tribe's purchase of Snohomish County Tax Parcels 32043600100400 and -800 for  
19 \$1,300,000, which is more than \$775,000 over the market value Snohomish County listed for the  
20 property at the time of the sale.

21           u.     **Brenner Property:** In September of 2008, Nelson and Chapman  
22 orchestrated the Tribe's purchase of Snohomish County Tax Parcel 30061100301500 for  
23 \$675,000, which is more than \$450,000 over the market value Snohomish County listed for the  
24 property at the time of the sale.

25           v.     **Victoria Ranch Property:** In October of 2008, Nelson and Chapman  
26 orchestrated the Tribe's purchase of Snohomish County Tax Parcel 32040100300500 for

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1 \$3,800,000, which is more than \$1,900,000 over the market value Snohomish County listed for  
2 the property at the time of the sale.

3 w. **Togstad Property:** In October of 2008, Nelson and Chapman  
4 orchestrated the Tribe's purchase of Snohomish County Tax Parcel 00461801001200 for  
5 \$1,000,000, which is more than \$535,000 over the market value Snohomish County listed for the  
6 property at the time of the sale.

7 3.7354 Nelson and/or Chapman either failed to disclose the purchase price, or  
8 misrepresented to the Tribe the fair market value of these (and other properties), at the time they  
9 (with the assistance of Goodridge Sr. and Goodridge Jr.) influenced the Tribe to complete these  
10 real property transactions. On information and belief, any such representations were false when  
11 made, Nelson and/or Chapman knew them to be false when made, and made them with the intent  
12 that the Tribe rely on it. The Tribe reasonably relied on Nelson's and/or Chapman's  
13 representations.

14 3.7455 After the Information was filed charging the Goodridges and Schroedl with  
15 violations of the CCTA and money laundering, the Tribe began to investigate dealings Goodridge  
16 Sr. and Goodridge Jr. had been involved in. Through this, the Tribe learned of the true nature of  
17 the Goodridges' relationship with Nelson and Chapman and began to investigate the proposed  
18 transactions. The Tribe decided not to close any further property transactions until it had time to  
19 fully evaluate them.

20 3.7556 Uncompleted Property Transactions: When the Tribe decided to put a halt to  
21 property acquisitions in late 2008, there were several pending real property deals that Nelson and  
22 Chapman had orchestrated. For these deals, Nelson, Chapman, Goodridge Sr. and/or Goodridge  
23 Jr. had arranged for the Tribe to sign agreements providing monthly option payments towards  
24 certain properties and/or providing sizeable non-refundable earnest money payments towards the  
25 purchase of specific properties.

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1        3.7657 These property transactions included ones in which Nelson and/or Chapman had  
 2 preemptively purchased property at fair market value in their own names, or in the name of  
 3 relatives, acquaintances or business partners/investors, and attempted to resell (i.e., flipped) those  
 4 properties to the Tribe at significantly higher prices. This increased the profits to themselves  
 5 and/or their relatives, acquaintances, and/or business partners/investors; and increased the  
 6 commission Nelson and/or Chapman received in the transactions. Such real property purchases  
 7 included, but were not limited to the following:

8            a.        **Schmidt Property:** Nelson and/or Chapman arranged for the Tribe's  
 9 purchase of Snohomish County Tax Parcel 32042500401600 from Nelson's son and daughter-in-  
 10 law to the Tribe. Nelson's son and daughter-in-law purchased the property on December 8, 2006  
 11 for \$421,450 and Nelson and/or Chapman arranged for it to be sold to the Tribe in 2008 (in a  
 12 down real estate market) for \$650,000, which is more than \$330,000 over the market value  
 13 Snohomish County listed for the property at the time of the sale. The Tribe paid \$32,000 (\$4,000  
 14 per month for 8 months) on an option contract for this property.

15            b.        **Nelson Property:** Nelson and/or Chapman arranged for the Tribe's  
 16 purchase of Snohomish County Tax Parcel 32043600100100 from Nelson and his wife. The  
 17 Nelsons purchased the property in 2006 for \$500,000 and arranged to sell it to the Tribe in 2008  
 18 (in a down real estate market) for \$700,000, which is more than \$200,000 over the market value  
 19 Snohomish County listed for the property at the time of the proposed sale. The Tribe paid  
 20 \$32,000 (\$4,000 per month for 8 months) on an option contract for this property.

21            c.        **Pilchuck Group II Property:** Nelson and/or Chapman arranged for the  
 22 Tribe's purchase of Snohomish County Tax Parcel No. 32053100200300 from Pilchuck Group II  
 23 LLC, a company for which Nelson and Chapman were managing members. Pilchuck Group II  
 24 bought the property on December 12, 2006 for \$700,000 and arranged to sell it to the Tribe in  
 25 2008 (in a down real estate market) for \$1,300,000, which is more than \$925,000 over the  
 26

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1 market value Snohomish County listed for the property at the time of the proposed sale. The  
 2 Tribe paid a \$50,000 earnest money deposit on this property.

3 3.7758 Nelson and/or Chapman either intentionally or negligently failed to disclose to  
 4 the Tribe the owners of these properties and/or their connection to Nelson and/or Chapman.  
 5 Nelson and/or Chapman intended for the Tribe to rely on these material omissions and the Tribe  
 6 reasonably relied on them to its detriment. In addition, Nelson and/or Chapman intentionally or  
 7 negligently failed to disclose or misrepresented to the Tribe the fair market value of these  
 8 properties at the time they (with the assistance of Goodridge Sr. and Goodridge Jr.) influenced  
 9 the Tribe to complete these real property transactions. On information and belief, these  
 10 representations were false when made, Nelson and/or Chapman knew them to be false when  
 11 made, and made them intending for the Tribe rely to on them. The Tribe reasonably relied on  
 12 Nelson's and/or Chapman's representations.

13 3.7859 Other pending transactions included:

14 ~~\_\_\_\_\_ a. **Dabestani Property:** Nelson and/or Chapman arranged for the Tribe's~~  
 15 ~~purchase of Snohomish County Tax Parcels 31053200102500 and 0900 for \$3,788,360, which~~  
 16 ~~is more than \$2,500,000 over the market value Snohomish County listed for the property at the~~  
 17 ~~time of the proposed sale.~~

18 ~~\_\_\_\_\_ b. \_\_\_\_\_ a. **Mountain Ram Property:** Nelson and/or Chapman~~  
 19 ~~arranged for the Tribe's purchase of Snohomish County Tax Parcels 10080000000200 through~~  
 20 ~~0100 and -0130, and 10090000000100 for \$2,500,000, which is more than \$2,400,000 over the~~  
 21 ~~market value Snohomish County listed for the property at the time of the proposed sale. The~~  
 22 ~~Tribe paid \$20,000 in earnest money towards the purchase of this property.~~

23 ~~\_\_\_\_\_ c. **Verbandarese Property:** Nelson and/or Chapman arranged for the~~  
 24 ~~Tribe's purchase of Snohomish County Tax Parcels 32041500100300 and 100 for \$1,800,000,~~  
 25 ~~which is more than \$1,240,000 over the market value Snohomish County listed for the property~~

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1 ~~at the time of the proposed sale. The Tribe pledged \$50,000 in earnest money towards the~~  
 2 ~~property.~~

3 ~~d. NCF Land Development Co. Property: Nelson and/or Chapman~~  
 4 ~~arranged for the Tribe's purchase of Snohomish County Tax Parcel 32043600400100 for~~  
 5 ~~\$1,600,000, which is more than \$1,500,000 over the market value Snohomish County listed for~~  
 6 ~~the property at the time of the proposed sale, and more than \$1,200,000 over the amount the~~  
 7 ~~property sold for in October of 2005. The Tribe pledged \$100,000 in earnest money towards the~~  
 8 ~~property.~~

9 ~~e. b. SeaReal Property: Nelson and/or Chapman arranged for~~  
 10 ~~the Tribe's purchase of Snohomish County Tax Parcel 32053100200600 for \$1,350,000, which is~~  
 11 ~~more than \$1,300,000 over the market value Snohomish County listed for the property at the~~  
 12 ~~time of the proposed sale and more than \$1,100,000 over the amount the property sold for in~~  
 13 ~~2002. A Nelson/Chapman company, Pilchuck Group II, contracted to purchase the property from~~  
 14 ~~SeaReal and then to resell it to the Tribe. The Tribe agreed to pay \$50,000 in earnest money~~  
 15 ~~towards the property, and \$70,000 in option payments.~~

16 ~~fc. BHB Construction Group Property: Nelson and/or Chapman arranged~~  
 17 ~~for the Tribe's purchase of Snohomish County Tax Parcels 01108700000100 and -200 for~~  
 18 ~~\$2,750,000, which is more than \$850,000 over the market value Snohomish County listed for the~~  
 19 ~~property at the time of the proposed sale. The Tribe pledged \$50,000 in earnest money towards~~  
 20 ~~the property.~~

21 ~~3.7960 Nelson and Chapman also often represented both buyer and seller in the real~~  
 22 ~~property transactions involving the Tribe, even when the seller was a business partner,~~  
 23 ~~acquaintance, or relative of Nelson and/or Chapman.~~

24 ~~3.8061 Nelson and Chapman also billed the Tribe for commissions far in excess of the 5-~~  
 25 ~~7% industry standard. These included, but were not limited to:~~

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1 a. Nelson and Chapman (on Towne or Country letterhead) billing the Tribe  
 2 \$52,950, the commission they asserted was due for the Tribe's purchase of the **MacWhyte**  
 3 **Property** for a price of \$407,000. This represents a commission of more than 13%.

4 b. Nelson and Chapman (on Towne or Country letterhead) billing the Tribe  
 5 \$35,000, the commission they asserted was due for the Tribe's purchase of the **Morehouse**  
 6 **Property** for a price of \$250,000. This represents a commission of more than 13%.

7 3.8462 Commercial Lease Transactions: Nelson and/or Chapman also represented the  
 8 Tribe in leasing property. In these transactions Nelson and/or Chapman also breached their  
 9 fiduciary obligations to the Tribe in ways that include, but are not limited to, providing the lessor  
 10 with a complex triple-net lease form to use with the Tribe that required the Tribe to pay a portion  
 11 of the building's operating expenses, in addition to rent, thereby increasing the cost to the Tribe  
 12 to rent the space. Nelson and/or Chapman also told lessors they could charge Nelson's and/or  
 13 Chapman's commission back to the Tribe as part of the monthly rental when the lease  
 14 specifically prohibited such a charge.

15 3.8263 On information and belief, Goodridge Jr. and/or Goodridge Sr. received payments  
 16 of money or other compensation, either directly or indirectly, from the various real property  
 17 transactions Nelson and Chapman orchestrated, in return for Goodridge Jr. and Goodridge Sr.  
 18 using their leadership positions with the Tribe to influence the Tribe to go forward with the  
 19 transactions.

20 3.8364 When the Tribe recently asked Nelson and/or Chapman for copies of records  
 21 related to property transactions for which they acted as agents, salespersons and/or brokers for  
 22 the Tribe, and other records related to business opportunities pursued on behalf of the Tribe,  
 23 Nelson and/or Chapman refused to provide such records.

24 3.8465 In total, between 2002 and 2008, Nelson and/or Chapman orchestrated completed  
 25 property transactions on behalf of the Tribe totaling more than 677 acres, for a total purchase  
 26 price exceeding \$32,900,000. The market and/or assessed values of the properties was closer to

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1 \$22,000,000, meaning the prices the Tribe paid for the properties were inflated by at least \$10  
 2 million. The inflated prices constitute a loss to the Tribe, and unjustly enriched Nelson and/or  
 3 Chapman in the form of inflated real estate commissions. In addition, the Tribe lost hundreds of  
 4 thousands of dollars in option payments and/or earnest monies on those transactions it did not  
 5 proceed with after discovering the true nature of the transactions, representing another loss to the  
 6 Tribe's business or property caused by Nelson's, Chapman's, Goodridge Sr.'s and Goodridge Jr.'s  
 7 conspiracy to defraud the Tribe.

8 **3.8566 Asset Transfer -- River Access Property:** In April of 2009, one month after the  
 9 ~~Tribal Leader Defendants~~ Goodridge Sr., Goodridge Jr. and Schroedl were sentenced for  
 10 violations of the Contraband Cigarette Trafficking Act and money laundering statutes and  
 11 ordered to pay over \$25 million in restitution, NAV sold a parcel of property (Snohomish County  
 12 Tax Parcel 31050600400600) to J.T.L.T., L.L.C., a company for whom Nelson and his wife are  
 13 identified as Managers.

14 \_\_\_\_\_  
 15  
 16 **\_\_\_\_\_ Pursuit of Money-Making Opportunities**

17 **3.8667** Nelson and Chapman also pursued several money-making opportunities  
 18 ostensibly on behalf of, in the name of, or for the benefit of, the Tribe including, but not limited  
 19 to:

20 **Methadone Clinics -- IC Holdings, Indian Country Ventures, Native Health  
 Systems and Native Health Systems II**

21 **3.8768** In February of 2003, the Tribe went forward with plans to open a drug and  
 22 alcohol treatment clinic, with a focus on methadone treatment for Tribal members facing  
 23 heroin addiction.

24 **3.8869** Nelson and/or Chapman proposed financing for such a clinic. In March of  
 25 2003, Nelson and/or Chapman created a company called IC Holdings LLC and solicited  
 26 investors. IC Holdings LLC obtained investment funding of \$350,000. Nelson and/or

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1 Chapman, together with Goodridge Sr. and Goodridge Jr. negotiated an agreement that  
 2 provided for payment to Nelson, Chapman and the other IC Holdings LLC investors \$1.7  
 3 million in return for their \$350,000 investment, a profit of over \$1.35 million. Nelson and/or  
 4 Chapman, together with Goodridge Sr. and/or Goodridge Jr. influenced the Tribe's Board of  
 5 Directors to agree to the deal by representing that it was a "high risk" investment that could  
 6 not be completed with more conventional financing, when, on information and belief, more  
 7 conventional financing was available to the Tribe.

8 3.8970 On information and belief, Nelson and Chapman knew or should have known  
 9 these representations were false when made, intended that the Tribe rely on them. The Tribe  
 10 reasonably relied on them to its detriment. Due to Nelson's and Chapman's fraud and/or  
 11 negligent misrepresentations, the Tribe lost revenues that otherwise would have gone to  
 12 operate the clinic or towards other governmental services.

13 3.9071 Ashley oversaw operations at the Methadone clinic. He arranged for a  
 14 software consultant named Jason Lee to provide the clinic's software that would track  
 15 patients, patient treatment and payments.

16 3.9472 The system Ashley and Lee put in place included a kiosk (similar to an ATM  
 17 machine) called a "Welcome Station." The kiosk allowed patients to check in for their  
 18 appointment, and also pay on their account with cash. Patients fed cash into the kiosk and the  
 19 payment was automatically credited to their clinic account. On a daily basis, clinic employees  
 20 would remove the cash from the machine, place it in a lock box, and then deposit the cash into  
 21 a bank.

22 3.9273 Between 2004 and 2008, Ashley began coming into the clinic periodically,  
 23 removing the cash from the kiosk and then taking the cash to the office of the employee who  
 24 maintained the lock box. Ashley did not, however, place all the cash he removed from the  
 25 kiosk into the lock box. Instead, he kept some of the cash, and then logged onto the clinic's  
 26

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1 computer system and overwrote entries reflecting patients' cash payments at the kiosk,  
2 identifying them as "pro bono" services donated to the patient by the clinic.

3 3.9374 The clinic did not provide pro bono services to the clinic patients whose  
4 accounts Ashley modified.

5 3.9475 Through this scheme, Ashley converted approximately \$77,350 of the clinic's  
6 proceeds to his own use, which constitutes theft within the meaning of RCW 9A.56.020.

7 3.9576 In 2004 and 2005, respectively, Nelson and Chapman formed companies called  
8 Indian Country Ventures LLC, Native Health Systems LLC and Native Health Systems II  
9 LLC to provide consulting services to other tribes around the county that were interested in  
10 opening medical and/or substance abuse clinics similar to the one the Tribe had opened.

11 3.9677 In 2004, Nelson and Chapman, together with Goodridge Sr. and Goodridge Jr.  
12 influenced the Tribe's Board of Directors to sign a Memorandum of Understanding with  
13 Native Health Systems LLC ("NHS") that allowed Ashley to "provide services to NHS for  
14 research, negotiating, implementing and managing" methadone clinics for other tribes around  
15 the country. In return for allowing Ashley to work for NHS (in addition to and not to interfere  
16 with his full-time work for the Tribe), the Tribe was to receive 5% of the net income from any  
17 Methadone clinics NHS helped open.

18 3.9778 To date, NHS and Ashley have assisted the Quapaw Tribe of Oklahoma and  
19 the United Band of Keetowah Cherokees (also in Oklahoma) open Methadone clinics in 2006  
20 and 2007. NHS and Ashley used the Tribe's good name and goodwill to develop  
21 relationships with the Oklahoma Tribes. To date, the Tribe has not been paid any money  
22 pursuant to its agreement with NHS.

23 3.9879 On information and belief, NHS, and Ashley, ~~and/or~~ Lee misappropriated  
24 property, belonging to the Tribe (including the Tribe's good name and goodwill) and have  
25 used such property without the Tribe's permission for the clinics NHS operates and/or  
26

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manages in Oklahoma. Such misappropriation constitutes theft within the meaning of RCW 9A.56.020.

3.9980 As a result of NHS', Nelson's, Chapman's, and Ashley's ~~and/or Lee's~~ conversion of the Tribe's property for their own use and failure to comply with their contractual obligations, the Tribe has suffered damages to its business and property in an amount to be proven at trial.

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3.81 The damage to the Tribe's business and property resulting from the real property and economic opportunity RICO conspiracy includes, but is not limited to, the Tribe's lost opportunity to profit from the real estate transactions and methadone clinic operations and to utilize and/or invest the funds generated therefrom, as well as the loss of use of the funds invested by the Tribe therein, to the extent such damage resulted from the Director and Officer Defendants' usurpation of economic opportunities which rightfully belonged to the Tribe.

**IV. FIRST CAUSE OF ACTION – VIOLATION OF THE RACKETEER CORRUPT AND INFLUENCED ORGANIZATIONS ACT BY THE TRIBAL LEADER DEFENDANTS AND LINDA GOODRIDGE SR., GOODRIDGE JR., AND SCHROEDL**

4.1 The Tribe realleges paragraphs 1.1 through 3.9681 of this Complaint as though fully set forth herein.

4.2 The Tribe is a "person" under 18 U.S.C. §§ 1961(3) and 1962(c).

4.3 ~~Each Tribal Leader Defendant identified above and Linda Goodridge is Sr.~~ Goodridge Jr. and Schroedl are each a "person" within the meaning of 18 U.S.C. §§ 1961(3) and 1962(c).

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1           4.4     Native American Ventures L.L.C. ("NAV") constitutes an enterprise within the  
2 meaning of 18 U.S.C. §§ 1961(4) and 1962(c). At all times relevant, NAV engaged in  
3 activities that affected interstate commerce.

4           4.5     At all times relevant, ~~the Tribal Leader Defendants and Linda Goodridge Sr.,~~  
5 Goodridge Jr. and Schroedl conducted or participated, directly or indirectly, in the  
6 management and operation of the affairs of NAV through a pattern of racketeering activity  
7 within the meaning of 18 U.S.C. §§ 1961(1)(B) and 1961(5) and 1962(c), through violations  
8 of the Cigarette Contraband Trafficking Act, 18 U.S.C. §§ 2342(a) and 371, money  
9 laundering in violation of 18 U.S.C. § 1957, and mail and wire fraud in violation of 18 U.S.C.  
10 §§ 1341, 1343 and 1346.

11           4.6     The predicate acts of trafficking in contraband cigarettes, money laundering,  
12 and mail and wire fraud constitute a pattern of unlawful activity within the meaning of 18  
13 U.S.C. § 1961(1)(B). ~~The Tribal Leader Defendants and Linda Goodridge Sr., Goodridge Jr.~~  
14 and Schroedl trafficked in contraband cigarettes in violation of 18 U.S.C. §§ 2342(a) and 371  
15 multiple times over the preceding ten years, and committed money laundering in violation of  
16 18 U.S.C. § 1957 multiple times over the preceding ten years and committed mail and wire  
17 fraud multiple times in violation of 18 U.S.C. §§ 1341, 1343 and 1346 over the preceding ten  
18 years including, but not limited to, the following:

19           a.     On or about May 19, 2003, the purchase of 3,440 cartons of contraband  
20 cigarettes (approximately 688,000 cigarettes) from a wholesaler for \$60,752;

21           b.     On or about November 9, 2004, the purchase of 4,400 cartons of  
22 contraband cigarettes (approximately 880,000 cigarettes) from a wholesaler for \$48,106;

23           c.     On or about November 15, 2005, the purchase of 1,238 cartons of  
24 contraband cigarettes (approximately 247,600 cigarettes) from a wholesaler for \$14,265;

25           d.     On or about August 29, 2006, the purchase of 11,540 cartons of  
26 contraband cigarettes (approximately 2,308,000 cigarettes) from a wholesaler for \$225,153; and

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e. On or about April 24, 2007, the purchase of 9,520 cartons of contraband cigarettes (approximately 1,904,000 cigarettes) from a wholesaler for \$194,144.

f. Between 2003 and 2008, NAV issued 137 checks to Automotive Management, Inc. totaling approximately \$5,101,000;

g. Between 2003 and 2008, NAV issued 136 checks to Fathem Investments, Inc., totaling approximately \$5,100,000;

h. Between 2003 and 2008, NAV issued 136 checks to SLM Investments, Inc., totaling approximately \$5,095,000;

i. Between 2005 and 2007, on multiple occasions, NAV wired money to Cowlitz Candy & Tobacco Company in payment for contraband cigarettes;

j. Between 2005 and 2007, on multiple occasions, NAV faxed and/or mailed, and/or caused to be faxed and/or mailed false invoices for cigarettes to MRC Enterprises for cigarettes that were actually supplied by Cowlitz Candy & Tobacco; and

~~k. In 2001, the Tribal Leader Defendants and Linda Goodridge used the U.S. Mails as part of their refusal to allow the Tribe to enter into a Compact with the State of Washington.~~

4.7 The predicate acts are both related and continuous. The acts are connected to one another as part of a scheme to accomplish a uniform purpose, which is ~~the Tribal Leader Defendants' and Linda Goodridge's~~ Goodridge Sr., Goodridge Jr. and Schroedl's personal enrichment of themselves in violation of the law and at the expense of the Tribe and its members. The repeated nature of the Defendants' conduct during all times relevant makes the acts continuous.

4.8 The Tribe has suffered injury to its business or property within the meaning of 18 U.S.C. § 1964(c) by reason of Defendants' violation of 18 U.S.C. § 1962(c) because ~~Defendants' trafficking in contraband cigarettes and money laundering deprived the Tribe of the Tribal tax revenues~~ the predicate acts committed by the Director and Officer Defendants

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(other than Thomas Ashley) deprived the Tribe of the opportunity to profit by operating the smoke shop and to utilize and/or invest the funds generated therefrom.

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**V. SECOND CAUSE OF ACTION – ~~THE TRIBAL LEADER DEFENDANTS’, STUBER’S, CUNNINGHAM’S, CONN’S, SILVERMAN’S, GOOD RIDGE SR.’S, GOODRIDGE JR.’S, SCHROEDL’S, NELSON’S, CHAPMAN’S, DEAN GOODRIDGE’S AND DREGER’S CONSPIRACY TO VIOLATE THE RACKETEER CORRUPT AND INFLUENCED ORGANIZATIONS ACT~~**

5.1 The Tribe realleges paragraphs 1.1 through 4.8 –of this Complaint as though fully set forth herein.

5.2 The Tribe is a “person” under 18 U.S.C. §§ 1961(3), 1962(c) and 1962(d).

5.3 ~~The Tribal Leader Defendants identified above~~ Goodridge Sr., Goodridge Jr., Schroedl, Linda Goodridge, Stuber, Cunningham, Conn, Silverman, Nelson, Chapman, Dean Goodridge and Dreger are each “persons” within the meaning of 18 U.S.C. §§ 1961(3) and 1962(c), and 1962(d).

5.4 Native American Ventures L.L.C. (“NAV”) constitutes an enterprise within the meaning of 18 U.S.C. §§ 1961(4) and 1962(c). At all times relevant, NAV engaged in activities that affected interstate commerce.

5.5 At all times relevant, ~~the Tribal Leader Defendants~~ Goodridge Sr., Goodridge Jr., Schroedl, Linda Goodridge, Stuber, Cunningham, Conn, Silverman, Nelson, Chapman, Dean Goodridge and Dreger conducted or participated, directly or indirectly, in the management and operation of the affairs of NAV through a pattern of racketeering activity within the meaning of 18 U.S.C. §§ 1961(1)(B) and 1961(5) and 1962(c), through violations of the Cigarette Contraband Trafficking Act, 18 U.S.C. §§ 2342(a) and 371, money laundering in violation of 18 U.S.C. § 1957, and mail and wire fraud in violation of 18 U.S.C. §§ 1341, 1343 and 1346, as set forth in Paragraph 4.6 above.

5.6 At all times relevant, ~~the Tribal Leader Defendants~~ Goodridge Sr., Goodridge Jr., Schroedl, Linda Goodridge, Stuber, Cunningham, Conn, Silverman, Nelson, Chapman,

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1 Dean Goodridge and Dreger conspired within the meaning of 18 U.S.C. § 1962(d) to violate  
 2 18 U.S.C. § 1962(c). ~~Each Tribal Leader Defendant~~ Goodridge Sr., Goodridge Jr., Schroedl,  
 3 Linda Goodridge, ~~Stuber, Cunningham, Conn, Silverman~~, Nelson, Chapman, Dean Goodridge  
 4 and Dreger agreed and intended to participate in, directly or indirectly, the affairs of NAV by  
 5 furthering or facilitating an endeavor of NAV that, when completed, would satisfy all the  
 6 elements of a criminal offense, specifically violations of the Cigarette Contraband Trafficking  
 7 Act, 18 U.S.C. §§ 2342(a) and 371, money laundering in violation of 18 U.S.C. § 1957, and  
 8 mail and wire fraud in violation of 18 U.S.C. §§ 1341, 1343 and 1346.

9 5.7 With knowledge that NAV engaged in the trafficking of contraband cigarettes  
 10 in violation of 18 U.S.C. §§ 2342(a) and 371, ~~each of the Tribal Leader Defendants~~ Goodridge  
 11 Sr., Goodridge Jr., Schroedl, Linda Goodridge, ~~Stuber, Cunningham, Conn, Silverman~~, Nelson,  
 12 Chapman, Dean Goodridge and Dreger agreed to facilitate the acts necessary to their scheme of  
 13 selling contraband cigarettes and money laundering.

14 5.8 The Tribe has suffered injury to its business or property within the meaning of  
 15 18 U.S.C. 1964(c) by reason of Defendants' conspiracy to violate 18 U.S.C. § 1962(c)  
 16 because the Tribal Leader Defendants', Linda Goodridge's, Stuber's, Cunningham's, Conn's  
 17 Silvermans', Nelson's, Chapman's, Dean Goodridge's and Dreger's conspiracy to traffic in  
 18 contraband cigarettes and launder money deprived the Tribe of the Tribal tax revenues due to  
 19 the Tribe, which damages shall be determined at trial. ~~Director and Officer Defendants (other~~  
 20 ~~than Thomas Ashley) deprived the Tribe of the opportunity to profit by operating the smoke~~  
 21 ~~shop and to utilize and/or invest the funds generated therefrom.~~

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FIRSTTHIRD AMENDED COMPLAINT FOR  
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**VI. THIRD CAUSE OF ACTION – NELSON’S, CHAPMAN’S, ASHLEY’S, GOODRIDGE SR.’S AND GOODRIDGE JR.’S VIOLATION OF THE RACKETEER CORRUPT AND INFLUENCED ORGANIZATIONS ACT SECTION 1962(C)**

6.1 The Tribe realleges paragraphs 1.1 through 5.8 of this Complaint as though fully set forth herein.

6.2 The Tribe is a “person” under 18 U.S.C. §§ 1961(3) and 1962(c).

6.3 Nelson, Chapman, Ashley, Goodridge Sr. and Goodridge Jr. are each a “person” within the meaning of 18 U.S.C. §§ 1961(3) and 1962(c).

6.4 Entities that include, but are not limited to, Towne or Country Smokey Point, Inc.; DNRE, Inc.; Northwood Development LLC; IC Holdings LLC; Native Health Systems LLC; Native Health Systems II LLC; Indian Country Ventures LLC; J.T.L.T. LLC; and Peel-It Raceways LLC are enterprises within the meaning of 18 U.S.C. §§ 1961(4) and 1962(c). At all times relevant, the enterprises engaged in activities that affected interstate commerce.

6.5 Each of the enterprises identified in Paragraph 6.4 above exists separate and apart from the pattern of unlawful activity within the meaning of 18 U.S.C. § 1961(1)(B), because each enterprise engages in other activity beyond the commission of the predicate offenses, and would continue to exist even in the absence of the predicate offenses.

6.6 At all times relevant, Nelson, Chapman, Ashley, Goodridge Sr. and Goodridge Jr. conducted or participated, directly or indirectly, in the management and operation of the affairs of the enterprises identified in Paragraph 6.4 above through a pattern of racketeering activity within the meaning of 18 U.S.C. §§ 1961(1)(B) and 1961(5) and 1962(c), consisting principally of multiple acts indictable as theft under state law over the preceding ten years, and multiple violations of the mail and wire fraud statutes over the past ten years, in violation of 18 U.S.C. §§ 1341, 1343, and 1346, including schemes to defraud the Tribe and its members of their intangible right to the honest services of the Tribal Leader

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1 ~~Defendants~~ Goodridge Sr., Goodridge Jr., Schroedl, and Thomas Ashley free of deceit, self-  
2 dealing, bias and concealment.

3 6.7 The predicate acts include, but are not limited to:

4 a. Ashley's multiple acts of theft from the Tribe's methadone clinic  
5 between 2004 and 2008, which constitute theft as defined in RCW 9A.56.020;

6 b. NHS's acts of theft of the Tribe's intellectual property, good will and  
7 good name, which constitute theft as defined in RCW 9A.56.020;

8 c. Nelson's and Chapman's use of the interstate mails, facsimiles and e-  
9 mails between 2002 and 2008 to propose, further or finalize the real property transactions set  
10 forth in ~~Paragraphs 3.69, 3.73 and 3.75~~ above, as well as in furtherance of the other money-  
11 making opportunities Nelson and Chapman were pursuing with or on behalf of the Tribe.  
12 Such communications were by and between Towne or Country Smokey Point, Inc. and/or  
13 DNRE, Inc., the Northwood Group LLC; the Tribe, Frontier Bank, and/or Chicago Title,  
14 among other recipients. The following specific communications are a small sample:

15 i. A February 26, 2004 facsimile transmission from Dreger to  
16 Chapman forwarding Tribal Resolutions approving an amendment to the agreement between  
17 the Tribe and IC Holdings LLC, approving a business license for Automotive Management,  
18 Inc. and approving the lease from the Tribe to NAV for the smoke shop;

19 ii. ~~An October 15, 2008 facsimile transmission from David Nelson~~  
20 ~~at DNRE, Inc. to Nancy Holiman at Frontier Bank forwarding a purchase and sale agreement~~  
21 ~~for the Tribe's potential purchase of the Verbarendse property.~~

22 ~~iii. An October 6, 2008, 2006~~ facsimile transmission to or from  
23 Nathan Chapman forwarding a purchase and sale agreement for the Tribe's potential purchase  
24 of property from Michael and Judy White;

25  
26  
FIRSTTHIRD AMENDED COMPLAINT FOR  
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1           iviii. An August 29, 2006 facsimile transmission from Towne or  
2 Country Smokey Point to Goodridge Jr. setting forth the schedule for the closing of five  
3 properties.

4           viv. An October 26, 2006 letter agreement mailed to the Tribe  
5 setting forth the Tribe's agreement to pay Towne or County a \$35,000 commission on the  
6 Tribe's purchase of a property for \$250,000, and a \$52,950 commission on the Tribe's  
7 purchase of a property for \$407,000.

8           6.8 The predicate acts of theft, mail and wire fraud, and honest services mail and  
9 wire fraud constitute a pattern of unlawful activity within the meaning of 18 U.S.C. §  
10 1961(1)(B). The predicate acts are both related and continuous. The acts are related to one  
11 another as part of a scheme to accomplish a uniform purpose, which is Nelson's, Chapman's,  
12 Ashley's, Goodridge Sr.'s and Goodridge Jr.'s personal enrichment of themselves at the  
13 expense of the Tribe and its members. The repeated nature of Nelson's, Chapman's,  
14 Ashley's, Goodridge Sr.'s and Goodridge Jr.'s conduct during all times relevant, and the  
15 threat of the conduct continuing into the future, makes the acts continuous.

16           —6.9 The Tribe has suffered injury to its business or property within the  
17 meaning of 18 U.S.C. 1964(c) by reason of Nelson's, Chapman's, Ashley's, Goodridge Sr.'s  
18 and Goodridge Jr.'s violation of 18 U.S.C. § 1962(c) because Nelson's, Chapman's, Ashley's,  
19 Goodridge Sr.'s and Goodridge Jr.'s mail and wire fraud defrauded the Tribe and its members  
20 out of significant sums of money, the precise amount of which shall be determined at trial. \

21           6.10 The damage to the Tribe's business and property includes, but is not limited to,  
22 the Director and Officer Defendants' (other than Sara Schroedl) misappropriation of the  
23 Tribe's opportunity to profit from the real estate transactions and methadone clinic operations  
24 described above and to utilize and/or invest the funds generated therefrom, as well as the loss of  
25 use of funds invested by the Tribe therein

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FIRSTTHIRD AMENDED COMPLAINT FOR  
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**VII. FOURTH CAUSE OF ACTION – NELSON’S, CHAPMAN’S, ASHLEY’S,  
GOODRIDGE SR.’S, GOODRIDGE JR.’S AND DREGER’S CONSPIRACY TO  
VIOLATE THE RACKETEER CORRUPT AND INFLUENCED ORGANIZATIONS  
ACT SECTION 1962(C)**

7.1 The Tribe realleges paragraphs 1.1 through 6.9<sup>10</sup> of this Complaint as though fully set forth herein.

7.2 The Tribe is a “person” under 18 U.S.C. §§ 1961(3) and 1962(c).

7.3 Nelson, Chapman, Ashley, Goodridge Sr., Goodridge Jr. and Dreger are each a “person” within the meaning of 18 U.S.C. §§ 1961(3) and 1962(c).

7.4 Entities that include, but are not limited to, Towne or Country Smokey Point, Inc.; DNRE, Inc.; Northwood Development LLC; IC Holdings LLC; Native Health Systems LLC; Native Health Systems II LLC; Indian Country Ventures LLC; J.T.L.T. LLC; and Peel-It Raceways LLC are enterprises within the meaning of 18 U.S.C. §§ 1961(4) and 1962(c). At all times relevant, the enterprises engaged in activities that affected interstate commerce.

7.5 Each of the enterprises in Paragraph 7.4 above exists separate and apart from the pattern of unlawful activity within the meaning of 18 U.S.C. § 1961(1)(B), because each enterprise engages in other activity beyond the commission of the predicate offenses, and would continue to exist even in the absence of the predicate offenses.

7.6 At all times relevant, Nelson, Chapman, Ashley, Goodridge Sr., Goodridge Jr. and Dreger conspired within the meaning of 18 U.S.C. § 1962(d) to violate 18 U.S.C. § 1962(c). Nelson, Chapman, Ashley, Goodridge Sr., Goodridge Jr. and Dreger agreed and intended to participate in, directly or indirectly, the affairs of the enterprises identified in Paragraph 7.4 above by furthering or facilitating endeavors of the enterprises above that, when completed, would satisfy all the elements of a criminal offense, specifically multiple acts of theft and multiple violations of the mail and wire fraud statutes in violation of 18 U.S.C. §§ 1341, 1343, and 1346 as set forth in Paragraph 6.7 above, including schemes to defraud the Tribe and its members of their intangible right to the honest services of Nelson,

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Chapman, Ashley, Goodridge Sr., Goodridge Jr. and Dreger free of deceit, self-dealing, bias and concealment.

7.7 With knowledge that the enterprises identified in Paragraph 7.4 above were being used to consummate frauds in violation of 18 U.S.C. §§ 1341, 1343, and 1346, Nelson, Chapman, Ashley, Goodridge Sr., Goodridge Jr. and Dreger agreed to facilitate the acts necessary to their schemes to defraud the Tribe and its members of money, property and their intangible right to honest services.

7.8 The Tribe has suffered injury to its business or property within the meaning of 18 U.S.C. 1964(c) by reason of Nelson's, Chapman's, Ashley's Goodridge Sr.'s, Goodridge Jr.'s and Dreger's violation of 18 U.S.C. § 1962(c) because Nelson's, Chapman's, Ashley's Goodridge Sr.'s, Goodridge Jr.'s and Dreger's mail and wire fraud and conspiracy to commit mail and wire fraud defrauded the Tribe and its members out of significant sums of money, the precise amount of which shall be determined at trial.\_\_\_\_

7.9 The damage to the Tribe's business and property includes, but is not limited to, the Director and Officer Defendants' (other than Sara Schroedl) misappropriation of the Tribe's opportunity to profit from the real estate transactions and methadone clinic operations described above and to utilize and/or invest the funds generated therefrom, as well as the loss of use of funds invested by the Tribe therein.

#### VIII. FIFTH CAUSE OF ACTION – NELSON'S, CHAPMAN'S, ASHLEY'S, GOODRIDGE SR.'S, GOODRIDGE JR.'S AND SCHROEDL'S VIOLATION OF THE WASHINGTON CRIMINAL PROFITEERING ACT

8.1 The Tribe realleges paragraphs 1.1 through 7.89 of this Complaint as though fully set forth herein.

8.2 The Tribe is a "person" under RCW 9A.04.110(17).

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1           8.3     Nelson, Chapman, Ashley, Goodridge Sr., Goodridge Jr. and Schroedl are each  
2 a "person" within the meaning of RCW 9A.04.110(17) and RCW 9A.82.100.

3           8.4     Entities that include, but are not limited to, Native American Ventures L.C.C.;  
4 Towne or Country Smokey Point, Inc.; DNRE, Inc.; Northwood Development LLC; IC  
5 Holdings LLC; Native Health Systems LLC; Native Health Systems II LLC; Indian Country  
6 Ventures LLC; J.T.L.T. LLC; and Peel-It Raceways LLC are enterprises within the meaning  
7 of RCW 9A.82.010(8). At all times relevant, the enterprises engaged in activities that  
8 affected commerce.

9           8.5     Each of the enterprises identified in Paragraph 8.4 above exists separate and  
10 apart from the pattern of criminal profiteering activity within the meaning of RCW  
11 9A.82.010(12), because each enterprise engages in other activity beyond the commission of  
12 the predicate offenses, and would continue to exist even in the absence of the predicate  
13 offenses.

14           8.6     At all times relevant, Nelson, Chapman, Ashley, Goodridge Sr., Goodridge Jr.,  
15 and Schroedl conducted or participated, directly or indirectly, in the management and  
16 operation of the affairs of the enterprises identified in Paragraph 8.4 above through a pattern  
17 of criminal profiteering activity within the meaning of RCW 9A.82.010(4) and (12),  
18 consisting principally of more than three anticipatory or completed acts chargeable or  
19 indictable under the laws of Washington and punishable as felonies, the last of which  
20 occurred within the preceding five years.

21           8.7     The predicate acts include, but are not limited to:

22           a.     Ashley's multiple acts of theft from the Tribe's methadone clinic  
23 between 2004 and 2008, which constitute theft as defined in RCW 9A.56.020, and criminal  
24 profiteering under RCW 9A.82.010(4)(e);  
25  
26

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b. NHS's acts of theft of the Tribe's good will and good name, which constitute theft as defined in RCW 9A.56.020 and criminal profiteering under RCW 9A.82.010(4)(e);

c. Goodridge Sr.'s, Goodridge Jr.'s; Linda Goodridge's and Schroedl's acts of conducting, or attempting to conduct financial transactions with the proceeds of unlawful activity, which constitutes money laundering as defined in RCW 9A.83.020 and criminal profiteering under RCW 9A.82.010(f), and included, but were not limited to:

i. Between 2003 and 2008, NAV issued 137 checks to Automotive Management, Inc. totaling approximately \$5,101,000;

ii. Between 2003 and 2008, NAV issued 136 checks to Fathem Investments, Inc., totaling approximately \$5,100,000;

iii. Between 2003 and 2008, NAV issued 136 checks to SLM Investments, Inc., totaling approximately \$5,095,000;

d. Goodridge Sr., Goodridge Jr. and Linda Goodridge received shipments of more than 10,000 unstamped cigarettes, which constitutes a violation of RCW 82.24.110(2) and criminal profiteering under RCW 9A.82.010(mm).

8.8 The Defendants' predicate acts constitute a pattern of criminal profiteering activity within the meaning of RCW 9A.82.010(12), as they had similar intent, results, accomplices, principals, victims, and methods of commission, as they are part of a scheme to accomplish a uniform purpose, which is Nelson's, Chapman's, Ashley's, Goodridge Sr.'s, Goodridge Jr.'s and Schroedl's personal enrichment of themselves at the expense of the Tribe and its members. The repeated nature of Nelson's, Chapman's, Ashley's, Goodridge Sr.'s, Goodridge Jr.'s and Schroedl's conduct during all times relevant, and the threat of the conduct continuing into the future, makes the acts continuous.

8.9 The Tribe has suffered injury to its business or property within the meaning of RCW 9A.82.0100 by reason of Nelson's, Chapman's, Ashley's, Goodridge Sr.'s, Goodridge

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Jr.'s and Schroedl's acts of criminal profiteering, which are part of a pattern of criminal profiteering, in the form of ~~lost cigarette tax revenues and lost profits~~ and monies from Nelson's, Chapman's, Ashley's, Goodridge Sr.'s, Goodridge Jr.'s and Schroedl's theft, bribery, money laundering, securities fraud, and trafficking in unstamped cigarettes, the precise amount of which shall be determined at trial. \_\_\_\_\_

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8.10 In addition, the Tribe has suffered injury to its business or property due to the Director and Officer Defendants' (other than Darcy Dreger) misappropriation of the Tribe's opportunity to profit from the smoke shop, real estate transactions, and methadone clinics and to utilize and/or invest the funds generated therefrom, as well as the loss of use of funds invested by the Tribe therein.

**IX. SIXTH CAUSE OF ACTION – NELSON'S, CHAPMAN'S, GOODRIDGE SR.'S, GOODRIDGE JR.'S, DEAN GOODRIDGE'S AND DREGER'S CONSPIRACY TO VIOLATE THE WASHINGTON CRIMINAL PROFITEERING ACT**

9.1 The Tribe realleges paragraphs 1.1 through 8.910 of this Complaint as though fully set forth herein.

9.2 The Tribe is a "person" under RCW 9A.04.110(17).

9.3 Nelson, Chapman, Ashley, Goodridge Sr., Goodridge Jr., Dean Goodridge and Dreger are each a "person" within the meaning of RCW 9A.04.110(17) and RCW 9A.82.100.

9.4 Entities that include, but are not limited to, Native American Ventures L.C.C.; Towne or Country Smokey Point, Inc.; DNRE, Inc.; Northwood Development LLC; IC Holdings LLC; Native Health Systems LLC; Native Health Systems II LLC; Indian Country Ventures LLC; J.T.L.T. LLC; and Peel-It Raceways LLC are enterprises within the meaning of RCW 9A.82.010(8). At all times relevant, the enterprises engaged in activities that affected commerce.

9.5 Each of the enterprises identified in Paragraph 8.4 above exists separate and apart from the pattern of criminal profiteering activity within the meaning of RCW

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1 9A.82.010(12), because each enterprise engages in other activity beyond the commission of  
 2 the predicate offenses, and would continue to exist even in the absence of the predicate  
 3 offenses.

4 9.6 At all times relevant, Nelson, Chapman, Ashley, Goodridge Sr., Goodridge Jr.,  
 5 Dean Goodridge and Dreger conspired to violate Chapter 9A.82 RCW. Nelson, Chapman,  
 6 Ashley, Goodridge Sr., Goodridge Jr. and Dreger agreed and intended to participate in,  
 7 directly or indirectly, the affairs of the enterprises identified in Paragraph 9.4.

8 9.7 With knowledge that the enterprises identified in Paragraph 9.4 above were  
 9 being used to consummate acts of criminal profiteering, including, but not limited to, the acts  
 10 identified in Paragraph 8.7 above, Nelson, Chapman, Ashley, Goodridge Sr., Goodridge Jr.,  
 11 Dean Goodridge, and Dreger agreed to facilitate the acts necessary to their schemes to deprive  
 12 the Tribe and its members of money, property and their intangible right to honest services.

13 9.8 The Tribe has suffered injury to its business or property within the meaning of  
 14 RCW 9A.82.0100 by reason of Nelson's, Chapman's, Ashley's, Goodridge Sr.'s, Goodridge  
 15 Jr.'s, Dean Goodridge's and Dreger's conspiracy to commit acts of criminal profiteering,  
 16 which are part of a pattern of criminal profiteering, in the form of ~~lost cigarette tax revenues~~  
 17 ~~and lost profits and monies~~ from Nelson's, Chapman's, Ashley's, Goodridge Sr.'s, Goodridge  
 18 Jr.'s, Dean Goodridge's and Dreger's theft, bribery, money laundering, securities fraud, and  
 19 trafficking in unstamped cigarettes, the precise amount of which shall be determined at trial.

20 \_\_\_\_\_  
 21 \_\_\_\_\_ 9.9 In addition, the Tribe has suffered injury to its business or  
 22 property due to the Director and Officer Defendants' misappropriation of the Tribe's  
 23 opportunity to profit from the smoke shop, real estate transactions, and methadone clinics and to  
 24 utilize and/or invest the funds generated therefrom, as well as the loss of use of funds invested by  
 25 the Tribe therein.  
 26

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**X. SEVENTH CAUSE OF ACTION – NELSON'S, CHAPMAN'S AND TOWNE OR COUNTRY'S BREACHES OF FIDUCIARY DUTIES AND VIOLATION OF STATUTORY OBLIGATIONS TO THE TRIBE**

10.1 The Tribe realleges paragraphs 1.1 through 9.89 of this Complaint as though fully set forth herein.

10.2 As licensed real estate firms, brokers and agents, and by Washington statute and the common law, Towne or Country, Nelson and Chapman had fiduciary obligations to their clients, including the Tribe, for whom they contracted to act as exclusive real estate agents and/or brokers. Towne or Country, Nelson and Chapman therefore owed the Tribe the duties of honesty, loyalty, care and compliance with applicable codes of professional conduct.

10.3 As the licensed real estate firm for whom Nelson and Chapman worked as real estate agents, Towne or Country is liable for their breaches of fiduciary duty while they were agents and/or brokers working under Towne or Country's license.

10.4 Towne or Country, Nelson and Chapman violated statutory obligations imposed on real estate professionals in Washington that include, but are not limited to, violations of RCW 18.85.201; 18.85.275; 18.85.361; RCW 18.86.030 and 18.86.050; and breached common law duties to the Tribe through, among other means, repeatedly inflating prices of properties they arranged for the Tribe to purchase, preemptively purchasing and "flipping" properties to the Tribe at greatly inflated prices, failing to place the Tribe's interests above their own, and failing to negotiate in good faith on behalf of the Tribe in leasing transactions and real property purchases, all for the purpose of increasing commissions to themselves or to increase profits to themselves or their relatives and/or business acquaintances.

10.5 As a result of Towne or Country's, Nelson's and Chapman's breaches of fiduciary duty, the Tribe has suffered injury to its business and property in that it has: (a) paid inflated commissions to Towne or Country, Nelson and Chapman, (b) significantly overpaid for properties worth less than the Tribe paid, (c) lost earnest money and/or option payments

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on bad deals the Tribe discovered Towne or Country, Nelson and Chapman had under contract and that the Tribe ultimately decided not to go forward with, and (d) overpaid under leases negotiated by Towne or Country, Nelson and Chapman, all in an amount to be determined at trial.

**XI. EIGHTH CAUSE OF ACTION —GOODRIDGE SR.'S AND GOODRIDGE JR.'S BREACHES OF FIDUCIARY DUTY-- CONVERSION**

11.1 The Tribe realleges paragraphs 1.1 through 10.45 of this Complaint as though fully set forth herein.

~~11.2 As an elected leader of the Tribe and as the Tribe's Executive Director, Goodridge Jr. who had authority over the Tribe's finances and the Stillaguamish Tribal Tax Stamps, Goodridge Jr. had fiduciary obligations to the Tribe. As the Tribe's Chairman and as the Chairman of the Tribe's Enterprise Corporation, Goodridge Sr. also had fiduciary obligations to the Tribe. Goodridge Sr. and Goodridge Jr. therefore owed the Tribe the highest duties of honesty, loyalty, and care.~~

~~11.3 Goodridge Sr. and Goodridge Jr. breached these duties to the Tribe through, among other means:~~

~~a. Discouraging the Tribe from entering into a cigarette tax compact with the State of Washington in 2002, which would have gained the Tribe more than \$26,000,000 in tax revenues for essential Tribal services; and~~

~~b. Failing to properly account for the Stillaguamish Tribal Tax Stamps the Tribe purchased for NAV's use, each of which represented a specific amount of tax due to the Tribe.~~

~~11.4 As a result of Goodridge Sr.'s and Goodridge Jr.'s breaches of fiduciary duty, the Tribe has suffered injury to its business and property in the form of tax revenues it lost by not entering into a cigarette tax compact with the State and from Goodridge Jr.'s failure to~~

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1 account for the Stillaguamish Tribal Tax Stamps entrusted to his care, all in an amount to be  
2 determined at trial.

3 ~~XII. NINTH CAUSE OF ACTION - CONVERSION~~

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4 ~~12.1 The Tribe realleges paragraphs 1.1 through 11.4 of this Complaint as though~~  
5 ~~fully set forth herein.~~

6 ~~12.1.2~~ The Tribe had an ownership and/or property interest in all money paid by  
7 patients at its methadone clinic, including all money patients paid at the clinic's Welcome  
8 Station.

9 ~~12.1.3~~ Ashley wrongfully, willfully and intentionally interfered with the Tribe's  
10 ownership and/or property interest in such money when he appropriated at least \$77,350 of  
11 the money patients paid into the Welcome Stations for himself.

12 ~~12.1.4~~ The Tribe has been injured by Ashley's wrongful interference with its rightful  
13 ownership of that money and is entitled to recover damages for same in an amount to be  
14 proven at trial, but at least \$77,350.

15 ~~XII. TENTH~~~~NINTH~~ CAUSE OF ACTION - NELSON'S CHAPMAN'S  
16 GOODRIDGE SR.'S, AND GOODRIDGE, JR.'S FRAUD AND/OR NEGLIGENT  
17 MISREPRESENTATION

18 ~~13.1 The Tribe realleges paragraphs 1.1 through 12.4 of this Complaint as though~~  
19 ~~fully set forth herein.~~

20 ~~13~~ ~~12.1~~ The Tribe realleges paragraphs 1.1 through 11.4 of this Complaint as  
21 ~~though fully set forth herein.~~

22 ~~12.2~~ To induce the Tribe to pay millions of dollars for real property transactions and  
23 other economic opportunities, Nelson, Chapman, Goodridge Sr. and Goodridge Jr. knowingly  
24 made numerous false and/or negligent misrepresentations of, and intentional omissions of,  
25 material facts to the Tribe and its Board of Directors, including, but not limited to (a)  
26 representing that business ventures like the Methadone Clinic were "high-risk" ventures for

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1 which more conventional financing could not be obtained; (b) misrepresenting the true fair  
 2 market value of numerous properties these Defendants influenced the Tribe to buy; (c) failing  
 3 to disclose personal financial interests and/or conflicts of interest these Defendants had in  
 4 many of the transactions; and (d) misrepresenting the true owners of the properties these  
 5 Defendants influenced the Tribe to buy.

6 ¶12.3 Nelson, Chapman, Goodridge Sr. and Goodridge Jr. each knew or should have  
 7 known that these misrepresentations of material fact were false when made. Nelson,  
 8 Chapman, Goodridge Sr. and Goodridge Jr. made the false and/or negligent  
 9 misrepresentations and/or omissions of material fact with the intention that the Tribe rely on  
 10 them to induce the Tribe to consummate the real property transactions and business ventures.

11 ¶12.4 The Tribe reasonably relied on Nelson's, Chapman's, Goodridge Sr.'s and  
 12 Goodridge Jr.'s false and/or negligent representations and omissions of material fact.

13 ¶12.5 As a result of Nelson's, Chapman's, Goodridge Sr.'s and Goodridge Jr.'s  
 14 fraud and/or negligent misrepresentations, the Tribe has incurred injury to its business and  
 15 property in that it has: (a) paid inflated commissions to Nelson and Chapman, (b) significantly  
 16 overpaid for properties worth less than the Tribe paid, (c) lost earnest money and/or option  
 17 payments on bad deals the Tribe discovered Nelson and Chapman had under contract and that  
 18 the Tribe ultimately decided not to go forward with, and (d) overpaid under leases negotiated  
 19 by Nelson and Chapman, all in an amount to be determined at trial.

### 20 **XIII. ~~ELEVENTH~~TENTH CAUSE OF ACTION – CIVIL CONSPIRACY**

21 ¶13.1 The Tribe realleges paragraphs 1.1 through ¶12.5 of this Complaint as though  
 22 fully set forth herein.

23 ¶13.2 As described more fully above, the Defendants knowingly acted in concert to  
 24 defraud the Tribe of millions of dollars.  
 25  
 26

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1       ~~4~~13.3 In doing so, the Defendants acted with full knowledge and awareness that the  
 2 schemes used were designed to give the false impression that the real property transactions  
 3 and business ventures were financially prudent opportunities for the Tribe to pursue.

4       ~~4~~13.4 The Defendants acted in their respective roles as described above according to  
 5 a predetermined and commonly understood and accepted plan of action, all for the purposes  
 6 of obtaining high purchase prices, high commissions, high profits and/or high returns on  
 7 investment from the Tribe.

8       ~~4~~13.5 Defendants' acts were contrary to numerous provisions of law, as set forth  
 9 above.

10       ~~4~~13.6 As a result of Defendants' conspiracy, the Tribe has suffered injury to its  
 11 business and property in its overpayment for real property, its payment of option and earnest  
 12 money on proposed real property deals, its overpayment on IC Holding's investment, ~~its loss~~  
 13 ~~of tribal tax revenues as a result of NAV's operations~~ and the amounts the Tribe has expended  
 14 to investigate Defendants' wrongdoing.

15       **XIV. ~~TWELF~~THE ELEVENTH CAUSE OF ACTION – UNJUST ENRICHMENT**

16       ~~4~~14.1 The Tribe realleges paragraphs 1.1 through ~~4~~13.6 of this Complaint as though  
 17 fully set forth herein.

18       ~~4~~14.2 All the Defendants named above received benefits that accrued from the sale  
 19 of contraband cigarettes on the Tribe's trust land, or arose from money-making schemes  
 20 involving use of the Tribe's status as a sovereign or use of the Tribe's trust land.

21       ~~4~~14.3 All such benefits gained by the Defendants came at the expense of the Tribe.

22       ~~4~~14.4 The circumstances of this case make it unjust for the Defendants to retain the  
 23 benefits they gained without payment to the Tribe.

24       ~~4~~14.5 The Tribe is therefore entitled to recover the amounts by which each  
 25 Defendant was unjustly enriched at the expense of the Tribe, in an amount to be proven at  
 26 trial.

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**XV. ~~THIRTEENTH~~TWELFTH CAUSE OF ACTION – DECLARATORY RELIEF**

~~16~~15.1 The Tribe realleges paragraphs 1.1 through ~~14~~15 of this Complaint as though fully set forth herein.

~~16~~15.2 A controversy has arisen between the Tribe on the one hand, and Nelson, Chapman and/or Tribal Consulting LLC, Native Health Systems, LLC, Pilchuck Group II LLC on the other, in regards to the ongoing validity of the contracts or agreements between the Tribe and those entities or negotiated by Nelson, Chapman or one of those entities.

~~16~~15.3 Pursuant to RCW 7.24.010, the tribe is entitled to a declaration that the contracts or other agreements the Tribe entered into with Nelson, Chapman and/or Tribal Consulting LLC, Native Health Systems, LLC, Pilchuck Group II LLC are void ab initio.

**XVI. THIRTEENTH CAUSE OF ACTION –  
USURPATION OF CORPORATE OPPORTUNITY**

16.1 The Tribe realleges paragraphs 1.1 through 15.3 of this Complaint as though fully set forth herein.

16.2 The corporate opportunity doctrine prohibits directors or officers from appropriating to themselves business opportunities that rightfully belong to their corporation.

16.3 The Director and Officer Defendants misappropriated business opportunities relating to the smoke shop, real estate transactions and methadone clinics that rightfully belonged to the Tribe for the personal benefit of the Director and Officer Defendants.

16.4 The misappropriated opportunities were within the line of business of the Tribe, as implemented through the Tribe and/or the Tribe's Stillaguamish Tribal Enterprise Corporation ("STECO"), the Tribally-chartered economic development arm of the Tribe, that is wholly owned by the Tribe.

16.5 The Tribe had the financial ability to seize the economic opportunities.

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1 16.6 The misappropriation of opportunity by the Director and Officer Defendants  
 2 deprived the Tribe of revenue and economic opportunities, in an amount to be proven at trial.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, Plaintiff prays for the following relief:

5 1. For a declaration that any non-real estate contract or agreement the Tribe  
 6 entered into with any of the Defendants, or that was negotiated by any of the Defendants are  
 7 void ab initio and the Tribe has no ongoing obligations under any of them;

8 2. For rescission of real property contracts the Tribe entered into that Nelson and  
 9 Chapman negotiated, participated in, or for which Nelson and/or Chapman acted as real estate  
 10 salesperson or broker; and/or for money damages the Tribe incurred caused by Nelson and/or  
 11 Chapman's breach of fiduciary duties to the Tribe related to those real property transactions.

12 3. For rescission of the contract pursuant to which Dreger obtained the house in  
 13 which she currently resides from the Tribe.

14 4. For the Smoke Shop/Native American Ventures RICO Conspiracy: judgment  
 15 against ~~the Tribal Leader Defendants~~ Goodridge Sr., Goodridge Jr., Schroedl, Linda Goodridge,  
 16 Stuber, Cunningham, Nelson, Chapman, Dean Goodridge and Dreger jointly and severally for  
 17 actual damages in an amount to be established at trial, trebled, plus ~~attorneys~~ attorneys' fees  
 18 and costs, for violation of RICO, 18 U.S.C. §§ 1962(c) and 1962(d).

19 5. For the Real Property and Economic Opportunities RICO Conspiracy:  
 20 judgment against Goodridge Sr., Goodridge Jr., Ashley, Nelson, Chapman and Dreger, jointly  
 21 and severally for actual damages in an amount to be established at trial, but believed to be in  
 22 excess of \$10,000,000, trebled to at least \$30,000,000, plus ~~attorneys~~ attorneys' fees and costs,  
 23 for violation of RICO, 18 U.S.C. §§ 1962(c) and 1962(d).

24 6. For judgment against ~~the Tribal Leader Defendants~~ Goodridge Sr., Goodridge  
 25 Jr., Schroedl, Linda Goodridge, Stuber, Cunningham, Ashley, Nelson, Chapman, Dean  
 26 Goodridge and Dreger, jointly and severally for actual damages in an amount to be

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1 established at trial, but believed to be in excess of \$10,000,000, trebled to at least  
 2 \$30,000,000, plus ~~attorneys~~attorneys' fees and costs and investigative costs, for violation of  
 3 the Washington Criminal Profiteering Act, Chapter 9A.82 RCW.

4 7. For judgment against Towne or Country, Nelson and Chapman, jointly and  
 5 severally, for actual damages in an amount to be established at trial, but believed to be in  
 6 excess of \$10,000,000, for ~~breach of fiduciary duty~~, fraud and/or misrepresentation.

7 8. For judgment against Goodridge Sr. and Goodridge Jr., jointly and severally,  
 8 for actual damages in an amount to be established at trial, but believed to be in excess of  
 9 \$20,000,000 for breach of fiduciary duty, fraud and/or misrepresentation.

10 ~~9. For an order of accounting against Goodridge Jr., requiring him to account for~~  
 11 ~~the Stillaguamish Tribal Tax Stamps the Tribe purchased between 2003 and 2008, and~~  
 12 ~~requiring him to account for the amount of tax revenue each stamp represented.~~

13 ~~10.~~ For judgment against Ashley, for actual damages in an amount to be  
 14 established at trial, but believed to be in excess of \$77,350 for conversion of property  
 15 belonging to the Tribe.

16 ~~11.~~ For a writ of prejudgment attachment against all Defendants, attaching their  
 17 bank accounts, real and personal property as security for a future judgment in favor of the  
 18 Tribe.

19 ~~12. For judgment against the Director and Officer Defendants for all damages~~  
 20 ~~resulting from their usurpation of the Tribe's economic opportunities.~~

21 12. For such other relief as the Court deems just, equitable and proper.

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 23  
 24 DATED this 6<sup>th</sup> ~~15<sup>th</sup>~~ day of ~~June, 2011~~ February, 2012

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By: ~~/s/ Alexandra K. Smith~~ ~~Barry N. Mesher~~  
~~Alexandra Smith~~ Barry N. Mesher, WSBA  
 No. 2005807845

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~~LANE POWELL~~ Gabriel Baker, WSBA No. 28473

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Jennifer K. Davis, WSBA No. 41929

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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON

CERTIFICATE OF SERVICE

Pursuant to RCW 9A.72.085, the undersigned certifies under penalty of perjury under the laws of the State of Washington, that on the 6th day of June, 2011, the document attached hereto was presented to the Clerk of the Court for filing and uploading to the CM/ECF system. In accordance with their ECF registration agreement and the Court's rules, the Clerk of the Court will send e-mail notification of such filing to all CM/ECF participants and any non CM/ECF participants will be served in accordance with the Federal Rules of Civil Procedure.

DATED: June 6, 2011

LANE POWELL PC

By /s/ Alexandra K. Smith  
Alexandra K. davisjk@lanepowell.com

ATER WYNNE LLP

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Attorneys for Plaintiff The Stillaguamish Tribe  
of Indians

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