MOTION TO RE-OPEN CASE

\$\psi\$ase 3:09-cv-02330-WQH-JLB \text{ Document 93 \text{ Filed 07/10/17 \text{ PageID.4917 \text{ Page 1 of 13}}

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Defendants Bo Mazzetti, John Currier, Vernon Wright, Gilbert Parada, Stephanie Spencer, Charlie Kolb, Dick Watenpaugh, Doe Co., and Doe I and Doe II (hereinafter collectively referred to as "Rincon" or the "Rincon Band") file this Response in Opposition to Plaintiff Rincon Mushroom Corporation of America's ("RMCA")¹ Second Motion to Reopen Case (Docs. 92, 92-1, 92-2 and 92-3) as both parties proceed to resolution of the matter pending before the Rincon Tribal Court of the Intertribal Court of Southern California, ICSC (the "Tribal Court").

INTRODUCTION

The Second Motion to Reopen Case comes on the heels of a May 18, 2017 Opinion issued by the Tribal Court on the threshold question of whether the Rincon Band has established jurisdiction over the activities that occur on the Subject Property² under the Rincon Environmental Enforcement Ordinance, which Ordinance only provides for such jurisdiction when the conditions required by Montana v. United States, 450 U.S. 544 (1981) ("Montana") and its progeny³, are established. After ten court days, with thousands of pages of exhibits, with full due process being afforded the zealous prosecution and defense of RMCA, the Tribal Court issued a thorough and well-reasoned opinion that the Rincon Band has established such jurisdiction ("May 18, 2017 Opinion," attached to Doc. 92-2 as Exhibit 19). Trial came after completion of comprehensive discovery including written discovery and oral depositions of 12 witnesses, including three expert witnesses, over 14 days. The parties in the Tribal Court action,

¹ The Second Motion to Reopen appears to be on behalf of both RMCA and Marvin Donius, but Marvin Donius is not a party to this case and he failed to prosecute the appeal of this Court's dismissal of his separate lawsuit against the same Defendants. The Rincon Band would oppose any motion for Donius to be added to the instant litigation.

² The "Subject Property" is generally used to refer to that land located within the external boundaries of the Rincon Reservation, owned in fee simple by Donius and/or RMCA. Donius is a non-Indian and RMCA is a California corporation.

The progeny was very recently reaffirmed and extended by the Ninth Circuit in *Window Rock* School District v. Nez, 2017 WL 2784165 (9th Cir. June 28, 2017).

question and then proceed. The Tribal Court's May 18, 2017 Opinion embraces the parties' stipulation that they now proceed to a second phase of the Tribal Court litigation to resolve remaining issues, namely the issue of remedies.

including RMCA, all stipulated to bifurcate the trial to first address the threshold jurisdictional

RMCA has options at this juncture regarding its exhaustion of tribal remedies, but the premature effort embraced by the Second Motion to Reopen Case is not among them. RMCA may proceed with stage two of the bifurcated trial and attempt to establish that the decision(s) of the Rincon Environmental Department are arbitrary or capricious. RMCA may also stipulate to judgment preserving the threshold jurisdictional question for appeal to the Tribal Court of Appeals. Regardless of which option RMCA elects to pursue, RMCA is required to exhaust its tribal remedies. Instead, RMCA abuses the limited resources of this Court and the parties by repeatedly seeking interlocutory pleas to this Court and portraying litigation setbacks and losses as some tragic injustice to RMCA, when the reality is that RMCA has been afforded full due process, and its losses on the merits are based on the facts and the law.

Rincon noted in its Opposition (Doc. 84) to the (first) Motion to Reopen Case (Doc. 83) that RMCA's claim that it has exhausted tribal remedies lacks any merit whatsoever, and is directly contradicted by RMCA's own actions in the Tribal Court. There, RMCA took the reasonable interlocutory decisions made by the Tribal Court with respect to preliminary injunctive relief, and with respect to RMCA's (and Donius') motions for summary judgment, attempted to distort those decisions to meet the specific exceptions to the requirement that a party exhaust tribal remedies. The fact that the Tribal Court proceeded with ten days of trial, allowing for complete exhaustion of questioning 12 witnesses (including three expert witnesses) and the submission of 205 exhibits establishes that RMCA's specious speculation was false. The

reasons asserted in the Second Motion to Reopen Case are equally unavailing. Two of those "reasons" asserted in the (first) Motion to Reopen Case, the Tribal Court's reaffirming of the preliminary injunction issued in this case, and the applicability of the Ninth Circuit's case in *Evans v. Shoshone-Bannock Land Use Policy Com'n*, 736 F.3d 1298 (9th Cir. 2013) were thoroughly addressed in the Rincon Band's Opposition to (first) Motion to Reopen Case (Doc. 84). Rather than repeat that opposition here, the Rincon Band refers this Court to the Rincon Band's prior pleading, and devotes this Opposition to addressing the new arguments raised in the Second Motion to Reopen Case.

II. ARGUMENT: RMCA HAS NOT EXHAUSTED TRIBAL REMEDIES

A. The Status of Tribal Court Proceedings:

The parties, including RMCA, stipulated to bifurcate the Tribal Court proceedings to first address the threshold jurisdictional issue, and then proceed with remaining matters, namely remedies, in a second phase. The trial for the first phase included nine days of testimony between January 31, 2017 and March 9, 2017, and a tenth day of closing arguments on April 5, 2017. On May 18, 2017, the Tribal Court issued its Opinion and Order concluding that the Rincon Band has established jurisdiction under *Montana* and its progeny.

On August 1, 2012, this Court spread the mandate per direction of the Ninth Circuit and stayed this action pending RMCA's exhaustion of tribal remedies (Doc. 66). On June 25, 2015, this Court noted RMCA's efforts to pursue tribal remedies, and closed the case subject to motions that the case be reopened after RMCA's exhaustion of tribal remedies (Doc. 82).

On August 25, 2015, RMCA (together with Marvin Donius) filed a new action in Tribal Court (while reserving the objection regarding *Montana* jurisdiction), challenging the decision of the Rincon Environmental Department (hereinafter referred to as "RED") to deny a request for a

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determination that a proposal by Marvin Donius for activities on the Subject Property did not trigger tribal jurisdiction under *Montana*, and seeking a Declaratory Judgment that the Rincon Band lacks jurisdiction under *Montana*. The Rincon Band, with RMCA's consent, moved to consolidate this action with the older lawsuit, *Rincon Band v. Donius*, *et al.*, Rincon – 02972009, which litigation has been pending since 2009. The Rincon Band also counter-claimed, seeking to enforce the then-most recent Notice of Violation, issued September 23, 2015, regarding activities occurring on the Subject Property.

RMCA may now proceed with stage two before the Tribal Court and attempt to establish that the decision(s) of the RED are arbitrary or capricious. Alternatively, RMCA may stipulate to judgment while preserving the threshold jurisdictional question for appeal to the Tribal Court of Appeals.

B. Tribal Court of Appeals.

Once RMCA advances the Tribal Court matter to a final judgment, it may appeal the final judgment to the Tribal Court of Appeals:

The jurisdiction of the Court of Appeals shall extend to all appeals from final orders and judgments of the ICSC Trial Court. The Court of Appeals shall review all determinations of the ICSC Trial Court on matters of law, but shall not set aside any factual determinations of the Trial Court if such determinations are supported by substantial evidence.

Intergovernmental Agreement, Intertribal Court of Southern California⁴, § 202.

Any party aggrieved by a final order or judgment of the ICSC Trial Court may file a petition requesting the ICSC Court of Appeals review the order or judgment.

Id., § 205(A).

RMCA's current motion is premature. The United States Supreme Court stated in clear terms: "[A]t a minimum, the requirement of exhaustion of tribal remedies means that tribal

⁴ The Intergovernmental Agreement is available along with Court rules, on the official website of the Intertribal Court of Southern California, sciljc.org.

appellate courts must have the opportunity to review lower tribal court determinations." *Iowa Mut. Ins. Co. v. LaPlante*, 480 U.S. 9, 17 (1987)(emphasis added). The requirement that tribal appeals be exhausted has since been frequently acknowledged and embraced by the Ninth Circuit. *Alverez v. Tracy*, 773 F.3d 1011, 1017 (9th Cir. 2014); *Water Wheel Camp Recreational Area, Inc. v. LaRance*, 642 F.3d 802, 808 (9th Cir. 2011); *Elliott v. White Mountain Apache Tribal Court*, 566 F.3d 842, 846 (9th Cir. 2009); *Boozer v. Wilder*, 381 F.3d 931, 935 (9th Cir. 2004); *Selam v. Warm Springs Tribal Corr. Facility*, 134 F.3d. 948, 953 (9th Cir. 1998). The Ninth Circuit has further explained in *Selam*:

The Supreme Court's policy of nurturing tribal self-government strongly discourages federal courts from assuming jurisdiction over unexhausted claims. Additionally, "[a] federal court's exercise of jurisdiction over matters relating to reservation affairs can ... impair the authority of tribal courts." Considerations of comity, along with the desire to avoid procedural nightmares, have prompted the Supreme Court to insist that "the federal court stay[] its hand until after the Tribal Court has had a full opportunity ... to rectify any errors it may have made." The Supreme Court specifically has instructed us to require exhaustion of tribal appellate court remedies in situations like this one because "[t]he federal policy of promoting tribal self-government encompasses the development of the entire tribal court system, including appellate courts."

Id. at 953 (internal citations omitted). See also Knighton v. Cedarviille Rancheria of Northern Paiute Indians, 2017 WL 616465 at *6 (E.D. Cal. 2017); Cantrell v. Jackson, 2016 WL 4537942 (D. Mont. 2016); Takeda Pharmaceuticals America Inc. v. Connelly, 2015 WL 10985374 at *2 (D. Mont. 2015); French v. Starr, 2015 WL 12592104 at *3 (D. Ariz. 2015); Jones v. Lummi Tribal Court, 2012 WL 6149666 at *5 (W.D. Wash. 2012); Wilber v. Makah Tribal Court, 2012 WL 4795667 (W.D. Wash. 2012); Fred v. Washoe Tribe of Nevada, 2011 WL 23649553 at *6 (E.D. Cal. 2011); Lanphere v. Wright, 2009 WL 3617752 at *2 (W.D. Wash. 2009); Eaton v. Mail, 2008 WL 4534367 at *4 (W.D. Wash. 2008); Fry v. Colville Tribal Court, 2007 WL

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2405002 at *2 (E.D. Wash. 2007); Ford Motor Co. v. Todecheene, 221 F. Supp. 2d 1070, 1079 (D. Ariz. 2002).

RMCA argues that the May 18, 2017 Opinion and the preliminary injunction are interlocutory and not appealable. No position is taken by the Rincon Band at this juncture regarding the viability of an interlocutory appeal to the Tribal Court of Appeals, other than to note that RMCA has not sought such interlocutory appellate review. *See Smith v. Salish Kootenai College*, 2003 WL 24868920 at *1 (D. Mont. 2003) (*National Farmers* appeal only allowed because Tribal Appellate Court had issued interlocutory ruling on *Montana* jurisdictional issue). The interlocutory nature of the May 18, 2017 Opinion is based in large part on RMCA's stipulation to conduct the litigation in two phases—and now RMCA seeks to avoid its own stipulation. RMCA is fully capable, as has been demonstrated by its zealous counsel in this matter, to reduce the May 18, 2017 Opinion to final judgment, preserving its objections to the finding on *Montana* jurisdiction, and pursuing its appeal to the Tribal Court of Appeals. Appeals have not been initiated, much less exhausted. Accordingly, the Second Motion to Reopen Case should be denied.

III. RMCA'S NEW ANALYSIS THAT TRIBAL REMEDIES HAVE BEEN EXHAUSTED IS WHOLLY WITHOUT MERIT.

It appears that RMCA is arguing that the May 18, 2017 Opinion demonstrates that the Tribal Court is a sham such that further exhaustion of tribal remedies is futile. The spread of the mandate in this matter does not provide for pleas to the exceptions for requiring exhaustion of tribal remedies. Rather, it requires exhaustion, which has not occurred. That point alone should result in denial of the Second Motion to Reopen Case.

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RMCA does not address whether the spread of the mandate allows for a National Farmers⁵ appeal without exhaustion of tribal remedies, and instead asserts:

The entire trial was an exercise in futility, since the Tribal Court was predisposed to rule in favor of the Tribe, even if the Tribe had no evidence to meet its burden under Montana

(Doc. 92-1 at 5);

(Rincon) relied completely on the Tribal Court's deep-seated bias toward the Tribe, as demonstrated by the history of the litigation between the parties"

(Doc. 92-1 at 6). Of course, RMCA provides no evidence of bias on the part of the Tribal Court other than the fact that after ten full days of presenting all the evidence RMCA sought to present, and providing live testimony from all the witnesses RMCA sought to call, the Tribal Court ruled against RMCA on the threshold jurisdictional question. There is no evidence proffered to suggest any "predisposition," "bias," or "sham." The Rincon Band is exercising restraint at this juncture not to delve into a full defense of the correctness of the May 18, 2017 Opinion. That analysis, however, should properly first be heard by the Tribal Court of Appeals, and in the event RMCA is not satisfied with the decision of the Tribal Court of Appeals, RMCA may then seek to reopen this case under National Farmers.

The Rincon Band does take this opportunity, however, to briefly discuss RMCA's challenges to the correctness of the May 18, 2017 Opinion, in order to further reveal that RMCA's accusations are disingenuous⁶. Both RMCA's characterization of the Tribal Court's legal analysis and of the facts presented are incomplete and spurious.

⁵ National Farmers Union Insurance Cos. v. Crow Tribe of Indians, 471 U.S. 845 (1985),

⁶ The Second Motion to Reopen Case is full of other misstatements and misrepresentations, such as the misrepresentation that RMCA co-owns the Subject Property with Mr. Donius. Both RMCA and Donius testified in open court that only Donius has owned the Subject Property, to the exclusion of RMCA, since 1999, or the misrepresentation that this Court ordered that RMCA could reopen the case if it is "not happy" with the result in the Tribal Court. Those misstatements and misrepresentations are not germane to the instant Motion, but further demonstrate a pattern

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RMCA, throughout its Second Motion to Reopen Case asserts that the May 18, 2017 Opinion does not address *Montana* jurisdiction, but rather addresses whether RMCA and Donius treated the Subject Property as an "unlawful enclave". RMCA has asserted throughout this litigation that neither San Diego County nor the federal government have jurisdiction over the property, and then claim without evidence that the Rincon Band argues that it should have jurisdiction "by default" solely because San Diego County and the federal government do not exercise jurisdiction (Doc. 92-1 at 11). The Rincon Band makes no such argument. The May 18, 2017 Opinion (and the entire trial) is entirely devoted to the establishment of Montana jurisdiction. The May 18, 2017 Opinion notes the significance of *Montana* at page 2, and cites to Montana thirteen times in its ten-page opinion. The "unlawful enclave" term employed is a reference to the fact established at trial that RMCA cannot identify any governmental jurisdiction with authority to govern the activities on the Subject Property, and that Mr. Donius makes decisions regarding activities on the Subject Property at his sole and absolute discretion, subject to no law or regulation of any governmental jurisdiction, except the United States Environmental Protection Agency in very limited circumstances. The term is also used to reference that San Diego County does not assert any civil/regulatory jurisdiction over the Subject Property. The Rincon Band did establish these facts at trial, and the terms "lawless enclave" and "bad stewards" were used by the Rincon Band to describe such facts, but those facts were presented to the Tribal Court and addressed in the May 18, 2017 Opinion as evidence contributing to the totality of circumstances the Court examined in determining that *Montana* jurisdiction exists.

in this litigation that is better addressed in a motion for sanctions if not corrected by RMCA or its legal counsel after service, rather than in opposition to the Second Motion to Reopen Case.

To give proper credit, the term was first used to describe the Subject Property in correspondence, submitted into evidence before the Tribal Court of David Robbins, an inspector of United States Department of Health and Human Services, after his onsite inspection of the property.

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The Tribal Court did not find jurisdiction "despite" *Montana*. To the contrary, the Tribal Court found jurisdiction because of *Montana*.

RMCA engages in an attack of the evidence submitted over the nine days of trial by suggesting that the only evidence to be properly considered was its own proffer that there are no risks of catastrophic consequences to the Rincon Band's interests. RMCA devotes five pages to a section regarding "Material Facts" that is nothing but a self-serving, one-sided summary of the testimony provided at trial, ignoring the Rincon Band's proffer of uncontroverted expert testimony and expert report as to catastrophic fire hazards, and expert testimony and reports regarding potential catastrophic consequences to water quality. That testimony and those reports took direct issue with the analysis and conclusions of RMCA's proffered water quality expert. Further, the Rincon Band, utilizing the live testimony of Mr. Donius as well as RMCA's only corporate officer, established that decisions regarding activities on the Subject Property which lead to the pollution of the water table and contributed to the damage caused by a horrendous wildfire, were made without any consideration or regard to the interests of the Rincon Band. Moreover, the testimony presented at trial revealed that RMCA would simply defer to Mr. Donius on future decisions regarding activities on the Subject Property, and that the only activity on the Subject Property that Mr. Donius would absolutely rule out was a nuclear waste facility. The May 18, 2017 Opinion acknowledges the testimony presented by both the Rincon Band and RMCA. Nothing in the Second Motion to Reopen Case identifies error regarding the Tribal Court's consideration of the facts, and the Tribal Court's conclusion that in the "totality of the circumstances" *Montana* jurisdiction exists.

The record at the Tribal Court, including complete transcription of the Tribal Court proceedings and all evidence submitted by all parties is preserved at the Tribal Court. The

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proceedings regarding any future phase two of the matter before the Tribal Court, and any appeal to the Tribal Court of Appeals, will also be preserved. At the proper juncture of a ripe National Farmer's appeal, this Court will be expected to review the record and determine whether comity should be afforded the decision of the Tribal Court, but such a determination would not be appropriate at this juncture.

IV. **CONCLUSION**

The latest Second Motion to Reopen Case lacks credulity. The material change in circumstances from the spread of the mandate and since the (first) Motion to Reopen Case is that the after being afforded full due process regarding extensive discovery, after ten days of trial, 12 witnesses (including three expert witnesses) and 205 exhibits, the Tribal Court ruled on the threshold question on *Montana* jurisdiction. The exhaustion of remedies is not complete. Per RMCA's own stipulation, further proceedings at the trial court may now be pursued to obtain final judgment, and an appeal may be pursued before the Tribal Court of Appeals. RMCA can only establish that it is unhappy and dissatisfied that the Tribal Court ruled against RMCA, which ruling occurred and thorough legal briefing and legal argument. Such dissatisfaction is not sufficient to remove this case from the Tribal Court before exhaustion of the second phase of trial, and an appropriate appeal to the Tribal Court of Appeals. The Second Motion to Reopen Case should be denied.

Respectfully submitted this 10th day of July, 2017.

s/ Scott Crowell SCOTT CROWELL (pro hac vice) Crowell Law Office – Tribal Advocacy Group LLP 1487 W. State Route 89A, Ste. 8 Sedona, Arizona 86336 Telephone: (425) 802-5369

Fax: (509) 235-5017

Case 3:09-cv-02330-WQH-JLB Document 93 Filed 07/10/17 PageID.4928 Page 12 of 13

CERTIFICATE OF SERVICE 1 I, Scott Crowell, hereby certify that the RESPONSE IN OPPOSITION TO 2 3 PLAINTIFF'S SECOND MOTION TO REOPEN CASE was filed through the ECF System and 4 therefore copies will be sent electronically to the registered participants as identified on the 5 Notice of Electronic Filing (NEF): 6 mannycorrales@yahoo.com 7 dwalsh@rincontribe.org 8 scottcrowell@hotmail.com 10 As of today there are no non-registered participants identified on the Notice of 11 Electronic Filing (NEF) Manual Mailing Notice List requiring paper copies to be 12 mailed. 13 14 15 Dated: July 10, 2017 s/ Scott Crowell 16 SCOTT CROWELL Email: scottcrowell@hotmail.com 17 18 19 20 21 23 24 25 26 27 28