



APR 12 2011

By First Class Mail

Lester J. Marston, Esq.
Law Offices of Rapport and Marston
P.O. Box 488
Ukiah, CA 95482

Re: Chicken Ranch Rancheria amended gaming ordinance

Dear Mr. Marston:

This letter responds to your request on behalf of your client the Chicken Ranch Rancheria for the National Indian Gaming Commission to review and approve an amended tribal gaming ordinance. Gaming Ordinance 99-721-01-A was approved by the Tribal Council on October 6, 2010. It adopts minimum internal control standards that equal or exceed those contained in 25 C.F.R. part 542 and provides the Tribal Gaming Commission and the NIGC with authority to monitor and enforce the standards.

This letter constitutes approval of the amendment. Nothing in the ordinance conflicts with IGRA's ordinance requirements as set forth in 25 U.S.C. § 2710 or NIGC's implementing regulations. If you have any questions, please feel free to contact Senior Attorney John R. Hay at 202-632-7003.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tracie L. Stevens".

Tracie L. Stevens
Chairwoman

MAR -7 2011

ORDINANCE NO. 99-721-01-A

AN ORDINANCE OF THE TRIBAL COUNCIL OF CHICKEN RANCH RANCHERIA OF ME-WUK INDIANS AMENDING SECTION 4(j) OF ORDINANCE NO. 99-721-01, AN ORDINANCE OF THE CHICKEN RANCH RANCHERIA AUTHORIZING AND REGULATING GAMING ON THE CHICKEN RANCH RANCHERIA.

The Tribal Council of the Chicken Ranch Rancheria of Me-Wuk Indians ("Tribe") does hereby ordain as follows:

Section 1. Findings and Declarations. The Tribal Council ("Council") for the Tribe finds and declares that:

1. In *Colorado River Indian Tribes v. NIGC*, 466 F.3d 134 (D.C. Cir. 2006), the U.S. Court of Appeals for the District of Columbia Circuit upheld a lower court decision holding that the Indian Gaming Regulatory Act ("IGRA") did not authorize the National Indian Gaming Commission ("NIGC") to establish minimum internal control standards ("MICS") (25 C.F.R. Part 542) for the regulation of Class III gaming conducted by the Tribes.

2. Following that decision, the State of California, through the California Gambling Control Commission ("CGCC"), moved to establish and enforce MICS. After two years of discussion and meetings with the Tribal-State Association created under the CIT's Tribal-State Compact ("Compact"), and creation of an Association Regulatory Standards Task Force, the CGCC forwarded a proposed regulation ("Regulation 8") to the Association. Although the Tribal representatives to the Task Force did not agree with the CGCC that Regulation 8 was necessary because most Tribes were already using the MICS promulgated by the NIGC, the CGCC nevertheless promulgated Regulation 8 on September 24, 2009.

3. Regulation 8 offered Tribes alternative means of insuring compliance with the MICS. One alternative offered was for the Tribe to accept compliance inspections by the CGCC. A second alternative was to submit an "Agreed-Upon Procedures Report," under which the Tribe would be required to conduct an annual audit by a Certified Public Accountant to determine whether a gaming operation was in compliance with MICS. The completed audit report would be submitted to the NIGC and to the CGCC and there would be inspections by the CGCC.

4. Under a third alternative, the Tribe could agree to NIGC monitoring, inspection and enforcement of the MICS. This alternative requires amending the Tribe's gaming ordinance to specifically include a provision for such NIGC monitoring and enforcement. Language for such amendment was provided by the NIGC and was attached as Exhibit B to a memorandum dated November 23, 2009 to the Tribe's attorney, Lester J. Marston. The subject of the November 23rd memorandum was "California Gambling Control Commission Regulation 8."

5. Included in the third alternative is the requirement that documents received from the NIGC, or submitted to it, be forwarded to the CGCC. Additionally, the Chicken Ranch

Rancheria Gaming Commission would be required to make itself available upon written notice by the CGCC to answer questions arising out of any NIGC documents in connection with its monitoring and enforcement.

6. At its regularly scheduled meeting in October of 2010, the Council voted to adopt the third alternative to amend the Tribe's gaming ordinance to provide for NIGC monitoring and enforcement.

7. The enactment of this Ordinance is necessary to comply with CGCC Regulation 8 without the expense of challenging the CGCC's authority to promulgate Regulation 8.

8. The Gaming Commission and the Chicken Ranch Bingo and Casino, having recognized the benefits of the MICS to protect the integrity of the Tribe's gaming revenues, The Tribal Council finds it is in the Tribe's best interest to adopt this amendment to its Gaming Ordinance.

Section 2. Amendment of Section 4(j) of Ordinance No. 99-721-01 Authorizing and Regulating Gaming on the Chemehuevi Indian Reservation. Section 4(j) of Ordinance No. 99-721-01 Authorizing and Regulating Gaming on the Chicken Ranch Rancheria ("Reservation") is hereby amended by adding a new paragraph (16) to Section 4(j) as follows:

"(16) Minimum Internal Control Standards ("MICS").

- A. Applicable Standards. The Gaming Commission shall comply with 25 C.F.R. Part 542 by formally adopting and making applicable to the Chicken Ranch Rancheria's gaming operations internal control standards that:
 - 1. Provide a level of control that equals or exceeds those set forth in 25 C.F.R. Part 542, as published or as revised by mutual agreement between the National Indian Gaming Commission ("NIGC") and the Chicken Ranch Rancheria ("Tribe").
 - 2. Contain standards for currency transaction reporting that comply with 31 C.F.R. Part 103; and
 - 3. Establish internal control standards for Class II and Class III games that are not addressed in the MICS, if any.
- B. Annual CPA Testing of Compliance. In order to verify that the gaming operation is in compliance with the internal control standards adopted pursuant to paragraph A, an independent

certified public accountant ("CPA") shall be engaged annually to perform "Agreed Upon Procedures" in the manner provided for in 25 C.F.R. 542.3(f).

C. Compliance. The Chicken Ranch Rancheria Gaming Commission and the NIGC shall monitor and enforce compliance with the internal control standards adopted pursuant to paragraph A in the manner provided for in 25 C.F.R. 542.3(g). In addition, the National Indian Gaming Commission shall, for the purpose of enforcing compliance with the internal control standards, have the power to:

1. Monitor all Class II and Class III gaming on a continuing basis;
2. Inspect and examine all premises on which Class II or Class III gaming is conducted; and
3. Demand access to and inspect, examine, photocopy, and audit all papers, books, and records respecting gross revenues of all Class II and Class III gaming or any other matters necessary to ensure and enforce compliance with the MICS.

D. Enforcement. Any failure to adopt internal control standards pursuant to paragraph A, to perform Agreed-Upon Procedures pursuant to paragraph B, to prevent or obstruct the exercise of any of the National Indian Gaming Commission's powers under paragraph C, or to comply with the internal control standards once adopted is a violation of this Ordinance. The Chairman of the National Indian Gaming Commission shall have the authority to remedy violations of this Ordinance under 25 U.S.C. § 2713 and its implementing regulations, and the Tribe shall have all rights and remedies available thereunder."

Section 3. Severability. In the event that any section or provision of this amendment, is held invalid, it is the intent of the Council that the remaining sections or provisions of this amendment shall continue in full force and effect.

Section 4. Repeal. All other Ordinances previously enacted by the Council that are inconsistent with the provisions of this Ordinance are hereby repealed.

Section 5. Effective Date. This Ordinance shall take effect upon review and approval by the

Chairman of the National Indian Gaming Commission.

CERTIFICATION

The foregoing Ordinance was adopted at a duly convened meeting of the Chicken Ranch Rancheria Tribal Council, with a quorum present, held on the 6th day of October, 2010, by the following vote:

AYES: 4


NOES: 0

ABSENT: 1

ABSTAIN: 0


L. Richard Mathiesen, Vice-Chair

ATTEST:


Cindy Smith, Secretary