

## **National Indian Gaming Commission**

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IN THE MATTER OF:  
CHICKASAW NATION

Ref: NOV-02-01

### **SETTLEMENT AGREEMENT**

This agreement is entered into by and between the Chickasaw Nation (Nation) through its duly authorized representative and the Chairman of the National Indian Gaming Commission (NIGC) to resolve various matters in dispute between the Nation and NIGC's Chairman regarding the play of certain games in the Nation's gaming facilities.

#### **Findings**

1. The Nation operates tribal gaming facilities at 16 locations in the State of Oklahoma, including facilities at Goldsby and Newcastle, Oklahoma. The Nation does not have a compact with the State of Oklahoma authorizing Class III gaming activity in its facilities except for a compact that authorizes off-track pari-mutuel wagering.
2. On June 14, 2002, the NIGC Tulsa, Oklahoma, Regional Office, relying on an advisory game opinion from the NIGC Deputy General Counsel, faxed to Oklahoma gaming tribes, including the Chickasaw Nation, a memorandum advising that the disputed games were considered to be class III and that all tribes in the state were immediately to cease operation of the games.
3. On June 16, 2002, a NIGC Field Investigator visited the Nation's Goldsby Gaming Center and Newcastle Gaming Center. She observed approximately 60 (sixty) MegaNanza machines ("Disputed Games") in play at the Goldsby facility and 100 (one hundred) Disputed Games in play at the Newcastle facility. The Nation admits that the Disputed Games were being operated at other of its gaming facilities as well.
4. On June 17, 2002, the Chairman issued a Notice of Violation to the Nation for play of the Disputed Games. In issuing the Notice of Violation, the Chairman notified the Nation that he had determined that play of the Disputed Games was Class III gaming, which required a Tribal-State compact.

5. Within 24 hours after receiving the Notice of Violation, the Nation stopped play of the Disputed Games in all of its gaming facilities.
6. A dispute exists between the Nation and the NIGC in that the Nation contends that the Disputed Games constitute class II gaming under IGRA, whereas the NIGC contends that such gaming falls within class III of IGRA.
7. The Nation timely filed a Notice of Appeal of the Chairman's Notice of Violation, asserting that the games at issue were Class II and that during the play of the games the Nation in good faith had believed that the games were Class II.
8. In addition to a dispute as to the classification of the Disputed Games, a dispute exists as to whether or not the Nation's action suspending and removing the Disputed Games from its premises should conclude this matter. The Nation contends that it should, whereas the NIGC contends that despite the Nation's discontinuance and removal of the Disputed Games the Chairman may issue a Civil Fine Assessment under these facts.
9. The Chairman has not issued a Civil Fine Assessment in this matter but contends that he has retained the option to do so after further consideration of this matter. The Nation disputes that contention.
10. The Nation and Chairman wish to resolve their disputes and avoid further litigation regarding the Notice of Violation and potential Civil Fine Assessment. The NIGC agrees to the terms of this settlement in lieu of any further proceedings.

#### **Terms of Settlement**

11. The Nation is aware of its right to a hearing under 25 C.F.R. Part 577. In consideration for this Settlement Agreement (Agreement) and in order to resolve this dispute, the Nation, without admitting that there was just cause to issue the Notice of Violation or the validity of anything alleged therein, hereby waives its right to appeal and agrees to withdraw its appeal of the Notice of Violation and hereby enters into this Settlement Agreement.
12. Without admitting that such action itself constitutes an admission of any kind, the Nation stipulates that the Notice of Violation shall be deemed a final order of the Commission and a final agency action pursuant to 25 C.F.R. § 577.9(d). This Agreement is intended to resolve and end all matters in dispute.
13. Without admitting any wrongdoing or classification of the Disputed Games, the Nation agrees that it will not in the future play the Disputed Games, unless and until there is a final determination by a court that is binding on the NIGC, or a final determination by the NIGC itself, that the Disputed Games are within class II of IGRA, or the Nation enters into a compact with the State of Oklahoma that includes play of the games as class III gaming.

14. The Nation hereby waives all further procedural steps before the Commission and any right to challenge or contest the validity of the order and decision entered into in accordance with this Agreement.

15. The parties agree this Agreement will be submitted to the Presiding Official in this matter for her certification under 25 C.F.R. § 577.9(c).

16. This Agreement may be executed in one or more counterparts and each shall constitute an original. A signature produced by facsimile shall be deemed to be an original signature and shall be effective and binding for the purposes of this Agreement.

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For the Chickasaw Nation of Oklahoma

Date 1-10-03

Bill Annoatubby  
Bill Annoatubby, Governor

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For the National Indian Gaming Commission

Date 1/7/03

Philip N. Hogen, Chairman