

February 6, 2003

Honorable Richard Milanovich
Chairman
Tribal Council
Agua Caliente Band of Cahuilla Indians
600 E. Tahquitz Canyon Way
Palm Springs, CA 92262

Via facsimile and FedEx

Dear Mr. Chairman and Council Members:

As you know, the post card mailer, the content of which you reviewed last week, is being readied for distribution. However, prior to its release we want to bring to your attention a potentially important issue. Specifically, mailings such as this may be covered by California campaign finance and lobby disclosure law. Generally, entities spending more than \$5,000 to influence legislative or administrative action, may have to comply with certain registration and disclosure requirements. As you know, this mailer will cost far in excess of \$5,000.

While we are not experts in California law, we are very aware of the ongoing legal battle that the Tribe is currently waging regarding California's campaign finance law. Therefore, before this mailer is shipped, we thought you might wish to review this matter with your legal counsel to determine 1) whether you would be required to comply with these registration and disclosure requirements, and 2) whether any actions taken with regard to this mailer will in some way affect or influence your litigation strategy.

We will pause our production efforts on this mailer until you are able to review the law and determine what, if any, registration requirements you might have and what effect this might have on the campaign finance litigation. Please note that this issue should not affect any other effort we have employed to successfully renegotiate your compact, and will in no way impact our timetable we have outlined for you in recent days. As always, please do not hesitate to contact me or Chris Cathcart directly with any questions at 202-547-3600.

Sincerely,



Mike Scanlon

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