

January 29, 2003

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

via facsimile and Federal Express

Dear Mr. Chairman:

I am writing today to explain in detail the progress we have made on your campaign. More specifically, I am writing in an attempt to further answer several of the questions you raised in our conference call late last month and provide you with additional copies of the work product we were contracted to deliver in the event that previous materials that were sent were overlooked or misplaced.

I hope this letter and the accompanying package will help answer your questions in more detail, and reinforce the fact that we have been very successful thus far in reaching the objectives and deadlines set forward in our original agreement. Of course we still have some time to go and several hurdles to cross before reaching our overall objective of a new and expanded compact, but please rest assured that we will continue to provide ongoing updates throughout the process.

To briefly re-cap the entire effort we would like to remind you that the process we were contracted to complete is a stepwise procedure that started by building your grassroots support network by developing a usable infrastructure and database. The next step was to identify and develop the most effective messages or arguments for your campaign for a new and expanded compact, and then finally mobilizing your supporters to help persuade the governor and gather support from the public at large.

As for the first step in the process, your political database which was constructed to include not only your natural resources, employees, members and vendors, but also previously unidentified supporters of your position was to be completed by September 15, 2002. We successfully met that deadline and reported to you on this part of the project on September 12, 2002. We have included in this package several data pages for your files. In addition, your database is always available to you on line.

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The second step in the process was to use our system to go outside the natural resources of the tribe and identify average citizens who support the tribe's position on expanded gaming. This was classified as the "Identification" stage of the program and was to be concluded on September 15, 2002, as well. In other words, it was our responsibility to independently identify supporters of your position from among the electorate at large and make them active records in your database. Per our proposal, these supporters were to be identified using a survey technique that pre-qualifies eligible and likely voters and further filters people who will actively work on your behalf. That is, we identify everyday citizens who will call and write when they are asked to do so when we need a grassroots push to help us in our negotiations. As we reported last year, this phase was completed successfully and delivered on September 12, 2002. All of these records are easily accessible in your database and available for your review at anytime, or if you prefer, please feel free to contact us and we will give you a hard copy of each "Identified Supporter" record.

The next phase of the program was the "Messaging and Research" phase. Under our agreement we were given a deadline of October 15, 2002 to deliver this work product. As you know, we sent the comprehensive messaging and research package to you and the other members of the council prior to October 15, 2002. We have included an additional copy of this report in this package for your review. If you have any questions about any part of this report, please feel free to call anytime.

In addition to the polling work, another important component of the research and messaging phase was opposition research. You will recall that our research team put together an expansive opposition research package that can be used by our lobby team in Sacramento. That data has been sorted by subject matter so that this information can then be instantly disseminated to any audience we choose such as our universe of supporters, the press, third party interest groups or our lobby team in Sacramento.

The final phase of the campaign is the "Execution /Advocacy" phase of our plan that is currently underway. As you know this phase is scheduled to run through March of 2003, and at this point we feel that we are on schedule to complete this part of the program on time, as well.

To briefly review this part of the program, we are currently running additional polling, we have hired a full time lobby team (under our cost umbrella which was approved by the council) to conduct the full time face-to-face lobbying effort, we are waging several letter writing campaigns, conducting phone campaigns, as well as executing other tactics.

One example of a successful effort within this phase that is already completed is the employee letter writing campaign. This part of the campaign was completed on January 16, 2003 and as projected we were able to generate over 750 letters to Governor Gray Davis regarding the expansion of slots at your facilities. A copy of each letter has been included for your records (this is the first time we have provided you with a copy of this report). If you were not aware of how we completed this effort, we had a full time staff on the ground in Palm Springs on Monday, January 13th to make preparations for the campaign. After securing locations at both casinos, our team was set up to begin taking letters during three 12-hour shifts over three days. As a result, the Governor and his staff will be receiving nearly 800 letters, all personally signed by employees. In the coming days and weeks we will be waging similar efforts among your vendors, business leaders, and the general public, and we will report those results on an ongoing basis.

An additional effort that is on-going is a database-wide postcard campaign. Upon receipt of the Council's approval, we will send the enclosed mailer to your entire political database asking them to respond by sending in the attached postcard. The postcard campaign will generate thousands of responses sent to the Governor asking him to renegotiate the compact and increase the number of slots at your facilities. It will also further demonstrate the kind of reach and influence the Tribe has in the state of California. Please find enclosed a copy of the mailer.

Mr. Chairman, I hope this letter and the accompanying package helps answer some of the questions you raised in the last conference call, and helps to explain the process in greater detail. I look forward to providing you with regular updates in the coming weeks, but feel free to contact me with any additional questions.

Very sincerely yours,



Mike Scanlon

Cc: Agua Caliente Tribal Council

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