

Kewadin Casinos Gaming Authority Statement on Settlement

FOR IMMEDIATE RELEASE:

April 6, 2023

Kewadin Casinos Announce Settlement with Former Development Partner

SAULT STE. MARIE, Mich. – After several years of legal disputes, the Kewadin Casinos Gaming Authority announced today that it has reached a settlement agreement with its former development partner.

Under the agreement, Kewadin Casinos will pay its former partners JLLJ Development and Lansing Future Development II a total of \$25 million by April 12, 2023. The agreement also stipulates that Kewadin will also pay up to \$10 million from the proceeds of its malpractice claim against its former legal counsel, Patterson, Earnhart, Real Bird & Wilson LLP. If Kewadin is unsuccessful in its suit against Patterson, Kewadin will pay its former development partners an additional \$5 million in place of the \$10 million described earlier.

The Patterson law firm had served as the Kewadin Casinos and Sault Tribe general counsel since June 2020. The firm had previously indicated to casino leadership that it was qualified to handle this case. The malpractice suit against the firm focuses on its failing to properly defend Kewadin in the litigation, resulting in a default judgement.

“The default judgment caused by the Patterson firm has severely impacted the reputation of both Kewadin Casinos and Sault Tribe, and it’s important that they are held into account for the \$88 million in damages against us,” Kewadin Casinos General Counsel Aaron Schlehuber said.

Schlehuber explained that the settlement agreement Kewadin reached with its former development partners represents nearly a 75% reduction from the \$88 million in damages Ingham County Judge Joyce Draganchuk had previously ordered. It also avoids a lengthy appeals process to fight the ruling, the significant legal expenses that would have been incurred, and millions of dollars in interest that would otherwise pile on each year.

“This agreement allows Kewadin to move forward and now focus 100% of its efforts on providing the best entertainment services possible to the areas we serve,” Schlehuber said. “Casino revenues contribute significantly toward the services the Sault Tribe provides to its members, including health care and cultural programs, so this settlement ensures that the casino will continue to have the resources to maximize our operations and continue serving the community.”

###