

The Honorable Brian A. Tsuchida

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON

DAN KWATE, on his own behalf and on
behalf of all others similarly situated,

Plaintiff,

v.

REECE CONSTRUCTION COMPANY, a
for-profit corporation; and STEVEN REECE,
and the marital community thereof,

Defendants.

No. 23-cv-570-BAT

DEFENDANTS REECE
CONSTRUCTION AND STEVEN
REECE’S OPPOSITION TO
PLAINTIFF’S MOTION TO REMAND

ORAL ARGUMENT REQUESTED

DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

	Page
I. INTRODUCTION	1
II. RELEVANT BACKGROUND	2
A. Factual Background	2
B. Procedural Background.....	4
C. Background on the Tulalip Government and Court System.....	6
III. ARGUMENT	8
A. Legal Standard	8
B. The Court Has Federal-Question Jurisdiction Because Plaintiff’s Artful Complaint Raises Substantial Federal Questions Disputed by the Parties	8
1. Do Washington courts lack adjudicatory jurisdiction to resolve state and local law claims against a tribal corporation?.....	10
2. Are wage statutes and ordinances inapplicable to tribal corporations and tribal members operating on tribal land?	14
3. Does tribal or federal law preempt Washington and local law?	16
4. Was Plaintiff first required to exhaust his remedies in the Tulalip Tribal Court?.....	19
C. Plaintiff’s Cursory Assertion that No Federal Questions Exist Should Be Rejected	23
D. Exercising Federal Jurisdiction Will Not Disrupt the Federal-State Balance.....	27
IV. CONCLUSION.....	29

TABLE OF AUTHORITIES

Page(s)

Cases

Brennan v. Sw. Airlines Co.,
134 F.3d 1405 (9th Cir. 1998)2, 9

Bryan v. Itasca County,
426 U.S. 373 (1976).....11, 12, 15, 25

Burrell v. Armijo,
456 F.3d 1159 (10th Cir. 2006)23

California v. Cabazon Band of Mission Indians,
480 U.S. 202 (1987), *abrogated by statute. See Maxa*, 83 Wn. App.....16, 25

Chilkat Indian Village v. Johnson,
870 F.2d 1469 (9th Cir. 1989)13, 16, 18

Drumm v. Brown,
716 A.2d 50 (Conn. 1998)25

Failla v. FixtureOne Corp.,
181 Wn.2d 642, 336 P.3d 1112 (2014).....28, 29

Gaus v. Miles, Inc.,
980 F.2d 564 (9th Cir. 1992)8

Grable & Sons Metal Prods., Inc. v. Darue Eng’g & Mfg.,
545 U.S. 308 (2005).....9, 23, 27, 28

Great W. Casinos, Inc. v. Morongo Band of Mission Indians,
88 Cal. Rptr. 2d 828 (Cal. Ct. App. 1999).....12

Iowa Mut. Ins. Co. v. LaPlante,
480 U.S. 9 (1987).....12, 20

Kiowa Tribe of Oklahoma v. Mfg. Techs., Inc.,
523 U.S. 751 (1998).....12, 13, 14, 24

Leite v. Crane Co.,
749 F.3d 1117 (9th Cir. 2014)8

DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - ii

1 *Luther v. Countrywide Home Loans Servicing LP,*
 2 533 F.3d 1031 (9th Cir. 2008)8

3 *Marceau v. Blackfeet Housing,*
 4 540 F.3d 916 (9th Cir. 2008)20

5 *Maxa v. Yakima Petroleum, Inc.,*
 6 83 Wn. App. 763, 924 P.2d 372 (1996)22, 23, 24, 25

7 *McCrea v. Denison,*
 8 76 Wn. App. 395, 885 P.2d 856 (1994)22

9 *McGirt v. Oklahoma,*
 10 140 S. Ct. 2452 (2020)11, 25, 27

11 *Middletown Rancheria of Pomo Indians v. W.C.A.B.,*
 12 71 Cal. Rptr. 2d 105 (Cal. Ct. App. 1998)15

13 *Morton v. Mancari,*
 14 417 U.S. 535 (1974)11

15 *Nat. Farmers Union Ins. Cos. v. Crow Tribe of Indians,*
 16 471 U.S. 845 (1985) *passim*

17 *New Mexico v. Mescalero Apache Tribe,*
 18 462 U.S. 324 (1983)17

19 *Oklahoma v. Castro-Huerta,*
 20 597 U.S. 629 (2022)11

21 *Parker Drilling Co. v. Metlakatla Indian Community,*
 22 451 F. Supp. 1127 (D. Alaska 1978)12

23 *Santa Rosa Band v. Kings County,*
 24 532 F.2d 655 (9th Cir. 1975)15, 16

25 *Sauk-Suiattle Indian Tribe v. City of Seattle,*
 26 56 F.4th 1179 (9th Cir. 2022)9, 27

Segundo v. City of Rancho Mirage,
 813 F.2d 1387 (9th Cir. 1987)18, 26

DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
 CASE NO. 23-CV-570-BAT - iii

1 *Solis v. Matheson*,
 2 563 F.3d 425 (9th Cir. 2009)18, 19

3 *United States v. 43 Gallons of Whiskey*,
 4 93 U.S. 188 (1876).....17

5 *United States v. Sohappy*,
 6 770 F.2d 816 (9th Cir. 1985)18

7 *White Mountain Apache Tribe v. Bracker*,
 8 448 U.S. 136 (1980).....17, 18

9 *Williams v. Lee*,
 10 358 U.S. 217 (1959).....12, 13, 14, 26

11 *Worcester v. Georgia*,
 12 31 U.S. 515 (1832).....11

13 **Constitutions**

14 U.S. Const. art. I, § 8, cl. 3.....11

15 **Statutes**

16 25 U.S.C. § 1326.....7

17 28 U.S.C. § 1331..... *passim*

18 28 U.S.C. § 1360.....11, 12, 14, 25

19 28 U.S.C. § 1441.....5, 8, 9

20 Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*.....19

21 Indian Reorganization Act7

22 Pub. L. No. 83-280, 67 Stat. 588 (1953)..... *passim*

23 RCW 37.12.01011

24 Chapter 39.12 RCW.....4

25 Chapter 49.12 RCW.....4, 15

26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
 CASE NO. 23-CV-570-BAT - iv

1 Chapter 49.28 RCW4

2 Chapter 49.46 RCW4

3 Chapter 49.48 RCW4

4 Chapter 49.52 RCW4

5 **Court Rules**

6 Fed. R. Civ. P. 12(b)(1).....8

7 **Other Authorities**

8

9 Notice of Acceptance of Retrocession of Jurisdiction for the Tulalip Tribes,
Washington, 65 Fed. Reg. 75948 (Dec. 5, 2000).....7

10 Pete Heidepriem, *Tribal Remedies, Exhaustion, and State Courts*, 44 Am. Indian
11 L. Rev. 241, 258-59 (2020).....22, 25

12 Tulalip Tribal Code 14.05.440..... *passim*

13 Chapter 2.05 TTC7

14 Chapter 296-126 WAC4

15 Chapter 296-127 WAC4

16 Chapter 296-128 WAC4

17 Chapter 14.19 SMC4

18 Chapter 14.20 SMC4

19

20

21

22

23

24

25

26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - v

I. INTRODUCTION

1
2
3 Plaintiff Dan Kwate, who is neither Native American nor a Washington resident, would
4 like to sue his former employer, Defendant Reece Construction, a corporation based on the Tulalip
5 Reservation and incorporated under the Tulalip Tribal Code, and its owner, Defendant Steven
6 Andrew (“Andy”) Reece, who is a member of the Tulalip Tribe, in King County Superior Court.
7 In a blatant attempt to evade federal jurisdiction, Plaintiff artfully crafted his complaint to suggest
8 that he *is* a Washington resident (when he is not), and he has exclusively asserted claims under
9 Washington laws and the Seattle Municipal Code (as opposed to under federal or Tulalip law) for
10 alleged wage-and-hour violations occurring on and off tribal land. Plaintiff also seeks to represent
11 a proposed class of current and former Reece Construction employees (including a Tulalip tribal
12 member) who primarily worked on tribal land (despite Plaintiff’s declaration about his own unique
13 experiences). Despite Plaintiff’s artful attempts, his complaint necessarily raises substantial federal
14 questions that are disputed by the parties and that this Court will need to decide, including:
15

- 16 • whether Congress has delegated to Washington the adjudicatory power to
17 hear civil claims brought against tribal corporations;
- 18 • whether state and local laws, which are regulatory in nature, apply to
19 Defendants;
- 20 • whether Washington law is preempted by Tulalip or federal law; and
- 21 • whether Plaintiff was first required to exhaust his remedies in the Tulalip
22 Tribal Court.

23 Binding federal precedent holds that the answers to these questions depend on the resolution of
24 “federal questions” within the meaning of 28 U.S.C. § 1331. Resolving them will require this Court

25
26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 1

1 to consider a complex body of federal Indian law, and Defendants understandably would like to
 2 avail themselves of the experience and uniformity that the federal forum offers. This is particularly
 3 true where the alternative state forum refuses to follow binding federal precedent seeking to protect
 4 tribal rights—as Plaintiff candidly admits.

5 At a later point in this litigation, the Court will need to address the merits of these complex
 6 federal questions. The issue presented to the Court in this motion, however, is much simpler: has
 7 Plaintiff satisfied his burden to show that the Court lacks jurisdiction over this action under 28
 8 U.S.C. § 1331, thereby justifying Plaintiff’s request to remand this action back to state court?
 9 Plaintiff has not met his burden. As detailed herein, Plaintiff’s complaint presents a series of
 10 important federal questions that are disputed by the parties and will ultimately have to be resolved.
 11 This Court should therefore retain federal-question jurisdiction over this matter and deny
 12 Plaintiff’s motion to remand.
 13
 14

15 II. RELEVANT BACKGROUND

16 A. Factual Background

17 Defendant Reece Construction is a “foreign for-profit corporation[] registered in the State
 18 of Washington.” Dkt. #1-3, ¶2.3 (Am. Compl.).¹ Specifically, Reece Construction is a tribal
 19 corporation incorporated under the Tulalip Tribal Code (“TTC”) 14.05.440.² See Dkt. #2, ¶4
 20
 21

22
 23 ¹ Although Defendants deny many of Plaintiff’s factual allegations, it assumes them as true for purposes of this brief.
 24 See *Brennan v. Sw. Airlines Co.*, 134 F.3d 1405, 1409 (9th Cir. 1998). Still, the Court may look outside the four
 25 corners of the complaint where, as here, a plaintiff “articulates an inherently federal claim in state-law terms.” *Id.*

² The TTC is available online at <https://www.codepublishing.com/WA/Tulalip/#!/TulalipNT.html>.

1 (Reece Decl. dated 4/13/2023).³ Reece Construction’s Certificate of Incorporation, issued by the
2 Tulalip Tribes (“Tulalip” or “Tribe”) on October 23, 2008, states that Reece Construction “is
3 entitled to all the powers and privileges provided by [TTC 14.05.010 *et seq.*].” *Id.*, Ex. C.⁴ Reece
4 Construction’s principal office is located at 1607 114th St. NE, Tulalip, WA 98271, within the
5 boundaries of the Tulalip Reservation. Reece Decl. dated 2/19/2024, Ex. 1 (SOS Business
6 Information); Ex. 2 (DOR Business Information). Today, about 10% of Reece Construction’s
7 workforce is Native American. *Id.*, ¶8.

9 Defendant Andy Reece is a member of the Tribe and is the sole shareholder of Reece
10 Construction. Dkt. #2, ¶2 & Exs. A-C. He is the registered agent of Reece Construction with a
11 registered address of 1525 114th St. NE, Marysville, WA 98271, which is also within the
12 boundaries of the Tulalip Reservation. Reece Decl. dated 2/19/2024, Ex. 1.

13 Plaintiff Dan Kwate, who is not Native American, was at all relevant times a citizen and
14 resident of Idaho. Dkt. #2, ¶7 & Ex. E (Kwate Information Sheet); Dkt. #28, ¶2 (Kwate Decl.).
15 Plaintiff initially represented to the courts, falsely, that he “is a resident of the State of
16 Washington.” Dkt. #1-2, ¶2.6 (Compl.). Plaintiff subsequently amended the complaint, striking
17 that allegation. Dkt. #1-3, ¶2.6 (Am. Compl.). The operative complaint still fails to disclose
18 Plaintiff’s Idaho citizenship and residence. *See* Dkt. #2, ¶7 & Ex. E.
19
20
21
22

23
24 ³ Declarations referenced herein are cited as “[Last Name] Decl. [Date].”

25 ⁴ Before 2015, Reece Construction was organized under the name Reece Trucking and Excavating, Inc. Dkt. #2, ¶5.

1 Plaintiff worked as a “sweeper operator” for Reece Construction on a seasonal, non-
2 continuous basis from April 2021 to October 2022. Reece Decl. dated 2/19/2024, ¶13. A sweeper
3 operator operates equipment that removes dirt and debris during road construction. *Id.* When
4 working for Reece Construction, Plaintiff temporarily resided in his trailer parked on Reece
5 Construction’s property on the Tulalip Reservation. *Id.* ¶14. Plaintiff clearly understood that Reece
6 Construction was a Tulalip corporation based on the Tulalip Reservation when he executed his
7 employment agreement. Dkt. #2, Ex. E (Kwate Information Sheet).
8

9 **B. Procedural Background**

10 Plaintiff filed his initial complaint in King County Superior Court on February 2, 2023.
11 Although he was a sweeper operator, Plaintiff seeks to represent a proposed class of “current and
12 former non-exempt driver employees who have been employed by Defendants in the State of
13 Washington and who have been victimized by the Defendants’ unlawful compensation practices.”
14 Dkt. #1-3, ¶1.7. The proposed class includes non-Indians, like Plaintiff, and at least one tribal
15 member. Reece Decl. dated 2/19/2024, ¶15. Plaintiff asserts that Reece Construction violated
16 multiple wage-and-hour statutes, regulations, and ordinances under Washington law and the
17 Seattle Municipal Code, including: RCW 39.12 *et seq.*; RCW 49.12 *et seq.*; RCW 49.28 *et seq.*;
18 RCW §§ 49.46.090, 49.46.130, 49.48.010, 49.52.050; WAC 296-127 *et seq.*; WAC §§ 296-126-
19 092, 296-126-040, 296-128-010, 296-128-020; SMC 14.19 *et seq.*; and SMC 14.20 *et seq.*). Dkt.
20 #1-3, ¶¶5.1-9.6 (Am. Compl.).
21
22

23 The complaint’s sweeping language asserts class claims for violations of state and local
24 law regardless of location, whether on or off tribal land. For example, Plaintiff alleges that Plaintiff
25

1 and the other class members “performed all relevant work in the State of Washington” and that the
2 “principal injuries resulting from the alleged conduct were incurred in Washington.” *Id.* ¶¶1.2, 2.6-
3 2.7. Plaintiff also alleges that “some of the specific acts alleged occurred in King County, including
4 the City of Seattle,” but he does not limit his individual or class claims to activities in that
5 jurisdiction. *Id.*, ¶2.1 (emphasis added).
6

7 The complaint was served on Defendants on or about March 14, 2023. *See* Dkt. #1, ¶25.

8 On April 13, 2023, Defendants removed this action to the U.S. District Court for the
9 Western District of Washington on the ground that this Court has original jurisdiction to hear
10 actions arising under federal law, *see* 28 U.S.C. § 1331, and removal jurisdiction, *see id.* § 1441(a).
11 Dkt. #1. Because Defendants are a Tulalip corporation and a Tulalip member operating from the
12 Tulalip Reservation, Defendants maintain that Plaintiff’s complaint establishes that his alleged
13 right to relief for himself and the proposed class members necessarily raises substantial questions
14 of federal Indian law. *Id.*, ¶7.
15

16 When Defendants initially removed this putative class action in April 2023, Reece
17 Construction had conducted “approximately 75% of its business” on tribal land in the prior year.
18 Dkt. #2, ¶8; Reece Decl. dated 2/19/2024, ¶12. Plaintiff acknowledges this. Dkt. #26, ¶2 (Lane
19 Decl.) (acknowledging Reece Construction earned 72.54% of its revenues on tribal land in 2022).⁵
20 During the proposed class period, from 2020 to 2023, Reece Construction has earned the majority
21
22

23
24 ⁵ Plaintiff’s assertion that Andy Reece misrepresented that the company earned “approximately 75% of its business”
25 on tribal land when he filed his declaration in early 2023, Dkt. #25 at 3, is false.

1 of its revenue (about 57%) from private and public works projects on tribal land—including
 2 projects for the Tulalip Tribes, the Stillaguamish Tribe, the Swinomish Tribe, the Lummi Nation,
 3 and the Sauk-Suiattle Tribe. Reece Decl. dated 2/19/2024, ¶¶9-10, 12 (revenue for tribal projects
 4 amounted to about 55% in 2020, 27% in 2021, 73% in 2022, and 57% in 2023). Over that same
 5 period, Reece Construction has earned only 1.1% of its revenue from projects in King County and
 6 only 0.3% from projects in the City of Seattle. *Id.*, ¶11.⁶

8 Plaintiff asserts that both he “and other proposed Class members performed most of their
 9 work off reservation.” Dkt. #25 at 4. While Plaintiff submitted a declaration averring that he
 10 worked “on the reservation” just 5% of the time (which Defendants do not dispute for purposes of
 11 this motion), Dkt. #28, ¶¶4-5, he provides no evidence in support of his statement that the other
 12 proposed Class members performed most of their work off reservation; and Defendants’ evidence
 13 demonstrates otherwise. *See* Reece Decl. dated 2/19/2024, ¶¶ 9-12.

15 After unsuccessful settlement discussions throughout 2023, Plaintiff now seeks to remand
 16 this putative class action to King County Superior Court. Dkt. #25.

17 C. Background on the Tulalip Government and Court System

18 The Tulalip Tribes has treaty rights under the 1855 Treaty of Point Elliott and is a federally
 19 acknowledged tribe. In 1935, the Tribe adopted its Constitution and Bylaws in accordance with
 20

23 ⁶ Reece Construction’s revenue for projects in King County was about 2.1% in 2020, 1.8% in 2021, 1% in 2022, and
 24 .2% in 2023; likewise, revenue for projects in Seattle was about .9% in 2020, .4% in 2021, .1% in 2022, and .1% in
 25 2023. Reece Decl. dated 2/19/2024, ¶11.

1 the Indian Reorganization Act.⁷ As a sovereign, the Tribe has historically asserted its autonomy
2 and independence from Washington State. For example, in 2000, at the Tribe’s request,
3 Washington retroceded to the federal government partial criminal jurisdiction over the Tribe. 25
4 U.S.C. § 1326; Notice of Acceptance of Retrocession of Jurisdiction for the Tulalip Tribes,
5 Washington, 65 Fed. Reg. 75948 (Dec. 5, 2000).
6

7 The Tribe has adopted a comprehensive civil and criminal code that regulates, in relevant
8 part, employment and contracting (Title 9 TTC) and tribal businesses (Title 14 TTC). The Tribe
9 operates its own court system, the Tulalip Tribal Court. The Tribal Court Code, Chapter 2.05 TCC,
10 provides for the administration of the Tulalip Tribal Court, including civil and criminal procedure
11 and rules governing special proceedings and appeals. Under TTC 2.05.020, the Tribe’s
12 “jurisdiction . . . shall extend . . . to [] all persons . . . and to [] all subject matters which, now and
13 in the future, are permitted to be within the jurisdiction of any Tribal Court of a sovereign Indian
14 tribe or nation.” Likewise, under TTC 14.05.900, the “Courts of the Tulalip Tribes shall have
15 jurisdiction over any corporation, its directors, officers or employees organized under [Chapter
16 14.05 TTC] or for any matter having to do with the administration, operations or business of the
17 corporation.”
18

19 The Tribe extends its sovereign immunity, which renders the Tribe “immune from suit,”
20 not just to the “Tulalip Tribe, its Board of Directors, [and] its agencies” but also to “enterprises,
21
22

23
24 ⁷ The Tribe’s website is available at <https://www.tulaliptribes-nsn.gov/>. The Tribe’s Constitution and Bylaws are
25 available at <https://www.codepublishing.com/WA/Tulalip/#!/TulalipCT.html>.

1 chartered organizations, corporations, or entities of any kind, and its officers, employees, agents,
2 contractors, and attorneys, in the performance of their duties.” TTC 2.05.020(3).

3 Because Reece Construction is a Tulalip corporation, Defendants and any of its employees,
4 including Plaintiff, are subject to the Tulalip Tribal Court’s jurisdiction.

5 III. ARGUMENT

6 A. Legal Standard

7 “[A]ny civil action brought in a State court of which the district courts of the United States
8 have original jurisdiction, may be removed by . . . defendants, to the district court of the United
9 States for the district and division embracing the place where such action is pending.” 28 U.S.C.
10 § 1441(a). “The district courts shall have original jurisdiction of all civil actions arising under the
11 Constitution, laws, or treaties of the United States.” *Id.* § 1331.
12

13 A removing party has the initial burden of showing that removal is proper. *Gaus v. Miles,*
14 *Inc.*, 980 F.2d 564, 566 (9th Cir. 1992) (per curiam). But once the defendant makes that showing,
15 *see Dkt. #1*, it is the plaintiff’s “burden to prove that an express exception to removal exists.”
16 *Luther v. Countrywide Home Loans Servicing LP*, 533 F.3d 1031, 1034 (9th Cir. 2008). A
17 plaintiff’s motion to remand challenging the district court’s federal-question jurisdiction is “the
18 functional equivalent of a defendant’s motion to dismiss for lack of subject-matter jurisdiction
19 under Rule 12(b)(1).” *Leite v. Crane Co.*, 749 F.3d 1117, 1122 (9th Cir. 2014).
20

21 B. The Court Has Federal-Question Jurisdiction Because Plaintiff’s Artful Complaint 22 Raises Substantial Federal Questions Disputed by the Parties

23 The Court should deny Plaintiff’s remand motion because his complaint raises substantial,
24 disputed questions relating to federal Indian law.
25

26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 8

1 “In general, district courts have federal-question jurisdiction only if a federal question
2 appears on the *face* of a plaintiff’s complaint.” *Brennan v. Sw. Airlines Co.*, 134 F.3d 1405, 1409
3 (9th Cir. 1998). “However, the artful pleading doctrine creates an exception to this general rule”
4 that “exists where a plaintiff articulates an inherently federal claim in state-law terms.” *Id.* The
5 Supreme Court has “recognized for nearly 100 years that in certain cases federal-question
6 jurisdiction will lie over state-law claims that implicate significant federal issues.” *Grable & Sons*
7 *Metal Prods., Inc. v. Darue Eng’g & Mfg.*, 545 U.S. 308, 312 (2005) (“[A] state-law claim could
8 give rise to federal-question jurisdiction so long as it ‘appears from the complaint that the right to
9 relief depends upon the construction or application of federal law.’”).

11 In the Ninth Circuit, removal of an action is proper under 28 U.S.C. § 1441(a) “when ‘a
12 well-pleaded complaint establishes . . . that the plaintiff’s right to relief necessarily depends on
13 resolution of a substantial question of federal law.’” *Sauk-Suiattle Indian Tribe v. City of Seattle*,
14 56 F.4th 1179, 1185 (9th Cir. 2022) (quoting *Franchise Tax Bd. v. Constr. Laborers Vacation Tr.*,
15 463 U.S. 1, 27-28 (1983)). “A substantial federal question exists when the question is
16 ‘(1) necessarily raised, (2) actually disputed, (3) substantial, and (4) capable of resolution in
17 federal court without disrupting the federal-state balance approved by Congress.’” *Id.* (quoting
18 *Gunn v. Minton*, 568 U.S. 251, 258 (2013)).

19 Plaintiff’s alleged right to relief under state and local law necessarily raises substantial
20 federal questions, including:
21

- 22 • Did Congress fail to grant Washington courts the adjudicative jurisdiction
23 to resolve civil claims against a tribal corporation?
24
- 25 • Are state statutes or local ordinances, which are regulatory in nature,

26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 9

1 inapplicable to tribal corporations or members operating from tribal land?

- 2 • Does the Tribe or federal government have concurrent jurisdiction that
3 preempts Washington and local law?
- 4 • Does binding federal common law require Plaintiff to first exhaust his
5 remedies in the Tulalip Tribal Court?

6 Each question raises distinct, significant issues of federal law that the parties dispute.

7 Plaintiff asserts that each of these questions “revolves around Defendants’ incorrect assertion that
8 they have sovereign immunity as members of the Tulalip Tribe”; and because Defendants allegedly
9 “do not have tribal sovereign immunity, . . . none of the other purported questions raised . . . are
10 relevant.” Dkt. #25 at 2, 4-5. Plaintiff is wrong. Although Defendants have asserted a sovereign
11 immunity defense to preserve their rights (*see* Dkt. #1, ¶17)—that defense is *not* why Defendants
12 removed this case to federal court. Even if this Court concludes that Defendants’ immunity defense
13 fails (it should not), Defendants are *still* entitled to dismissal of this action if the Court answers
14 any one of the disputed federal questions in the affirmative.
15

16 Because these federal questions will require the Court to consider the U.S. Constitution,
17 federal statutes, and federal common law, these questions should be decided by a federal court,
18 not a Washington court. Further, exercising federal jurisdiction over this action—brought by a
19 non-Washington plaintiff who voluntarily entered into an employment relationship with a Tulalip
20 corporation while residing on Tulalip land—will not disrupt the federal-state balance of power.
21

22 **1. Do Washington courts lack adjudicatory jurisdiction to resolve state and
23 local law claims against a tribal corporation?**

24 Defendants ask the Court to decide whether Congress has ever delegated to Washington
25 the “jurisdiction” to adjudicate claims against a “foreign for-profit corporation”—namely, a

26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 10

1 Tulalip corporation operating on the Tulalip Reservation—as alleged in Plaintiff’s complaint. *See*
2 Dkt. #1-3, ¶¶2.2-2.3. The Court undoubtedly has jurisdiction to answer that federal question under
3 28 U.S.C. § 1331.

4 Longstanding Supreme Court precedent recognizes that Congress—not the states—has
5 “plenary and exclusive power . . . to deal with Indian tribes.” *Bryan v. Itasca County*, 426 U.S.
6 373, 376 n.2 (1976); *see Worcester v. Georgia*, 31 U.S. 515 (1832) (holding Indian tribes are
7 “distinct political communities, having territorial boundaries, within which their authority is
8 “distinct political communities, having territorial boundaries, within which their authority is
9 exclusive” and “guaranteed by the United States,” which is not dependent on or subject to state
10 authority).⁸ Congress’s plenary power is “drawn both explicitly and implicitly” from the Indian
11 Commerce Clause, U.S. Const. art. I, § 8, cl. 3. *Morton v. Mancari*, 417 U.S. 535, 551–52 (1974).
12 In a recent landmark case, *McGirt v. Oklahoma*, 140 S. Ct. 2452 (2020), the Supreme Court
13 reaffirmed that Congress “wields significant constitutional authority when it comes to tribal
14 relations . . . [b]ut that power . . . ‘belongs to Congress alone.’” *Id.* at 2462. If Congress intends to
15 cede power over tribal affairs to states, it must “clearly express its intent to do so.” *Id.* at 2463.

17 In 1953, Congress extended limited civil jurisdiction over Indians to certain states
18 (including, eventually, Washington) by enacting a statute commonly known as Public Law 280.
19 Pub. L. No. 83-280, 67 Stat. 588 (1953) (codified in relevant part as 28 U.S.C. § 1360); *see*
20 RCW 37.12.010. As the Supreme Court has recognized, however, “nothing in [Public Law 280’s]
21

22
23
24 ⁸ Although recent cases have called into question *Worcester*’s holding that Indian country is entirely separate from
25 state territory and jurisdiction, the Supreme Court recognizes today that reservations are subject to state jurisdiction
“except as forbidden by federal law.” *Oklahoma v. Castro-Huerta*, 597 U.S. 629, 652 (2022).

1 legislative history remotely suggests that Congress” intended for it to “undermin[e] or destruct[]
2 such tribal governments.” *Bryan*, 426 U.S. at 388. Further, the Supreme Court indicated that Public
3 Law 280 extends jurisdiction to states over “Indians,” but *not* the tribes themselves. *Id.* (noting the
4 absence of statutory language conferring “state jurisdiction over the tribes themselves”).

5
6 Since the Supreme Court issued its decision in *Bryan*, federal (and state) courts have
7 concluded that Public Law 280 extends civil jurisdiction to states only over individual “Indians,”
8 *not* Indian tribes or other “tribal entities,” like the tribal corporation at issue here. *E.g., Parker*
9 *Drilling Co. v. Metlakatla Indian Community*, 451 F. Supp. 1127, 1139 (D. Alaska 1978)
10 (accepting tribal corporation’s argument that a tribal corporation is not an “Indian” within the
11 meaning of Public Law 280); *see also Great W. Casinos, Inc. v. Morongo Band of Mission Indians*,
12 88 Cal. Rptr. 2d 828, 842 (Cal. Ct. App. 1999) (“It is settled 28 U.S.C. § 1360 confers jurisdiction
13 only over individual Indians, and not over Indian tribes or tribal entities.”).

14
15 Notwithstanding Public Law 280, the Supreme Court has held that state courts are not free
16 to exercise adjudicatory jurisdiction over civil suits by non-Indians against individual Indians
17 where “[n]o Federal Act has given state courts jurisdiction over such controversies.” *Williams v.*
18 *Lee*, 358 U.S. 217, 222-23 (1959); *Kiowa Tribe of Oklahoma v. Mfg. Techs., Inc.*, 523 U.S. 751,
19 754 (1998) (“*Kiowa Tribe*”) (“As a matter of federal law, an Indian tribe is subject to suit [in state
20 court] only where Congress has authorized the suit *or* the tribe has waived its immunity.”); *see*
21 *also Iowa Mut. Ins. Co. v. LaPlante*, 480 U.S. 9, 15 (1987) (“If state-court jurisdiction over Indians
22 or activities on Indian lands would interfere with tribal sovereignty and self-government, the state
23 courts are generally divested of jurisdiction as a matter of federal law.”). In *Kiowa Tribe*, the Court

24
25
26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 12

1 explained that although states have the power to “apply their substantive laws to tribal activities”
2 within state boundaries, “[t]here is a difference between the right to demand compliance with state
3 laws and *the means available to enforce them.*” 523 U.S. at 755 (emphasis added). The *Kiowa*
4 *Tribe* Court held that even if states have *legislative* jurisdiction over tribal entities, they lack the
5 *adjudicatory* jurisdiction over them, even for cases involving conduct that occurred on state
6 territory (off the reservation). *See id.* at 754-56.

8 This threshold jurisdictional issue, whether Washington courts have the congressionally
9 delegated authority to assert jurisdiction over Reece Construction in this action, is undoubtedly a
10 question “arising under the Constitution, laws, or treaties of the United States,” 28 U.S.C. § 1331.
11 This is because the right that Reece Construction asserts—a right to be protected from an unlawful
12 exercise of a state court’s judicial power—has its source in federal law, which defines the outer
13 boundaries of a state’s power over tribal corporations (and tribal members). *Williams*, 358 U.S. at
14 218 (asserting federal jurisdiction to correct a state’s “doubtful determination of the important
15 [federal] question of state power over Indian affairs”); *see Chilkat Indian Village v. Johnson*, 870
16 F.2d 1469, 1475 (9th Cir. 1989) (tribe’s “allegations of sovereign power, as a matter of federal
17 statute and ‘reserved powers’ (which could only be cognizable as a matter of federal common
18 law)” raises a federal question, even though the tribe did not expressly plead the federal question
19 in the complaint); *cf. Nat. Farmers Union Ins. Cos. v. Crow Tribe of Indians*, 471 U.S. 845, 852,
20 850-53 (1985) (“*Crow Tribe*”) (“[W]hether an Indian tribe retains the power to compel a non-
21
22
23
24
25
26

DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 13

1 Indian property owner to submit to the civil jurisdiction of a tribal court is . . . a ‘federal
2 question’”).⁹

3 Because Congress has never clearly expressed its intention to extend adjudicatory
4 jurisdiction to state courts over civil cases brought against tribal corporations (as opposed to
5 individual “Indians”), through Public Law 280 or otherwise, Washington courts lack adjudicatory
6 power over Reece Construction, as a Tulalip-owned corporation, incorporated under Tulalip law,
7 and operating from the Tulalip Reservation. *See Kiowa Tribe*, 523 U.S. at 754; *Williams*, 358 U.S.
8 at 222-23. This is true *regardless* of whether Reece Construction’s purported violations occurred,
9 at times, off the reservation. *See Kiowa*, 523 U.S. at 754-56.

11 **2. Are wage statutes and ordinances inapplicable to tribal corporations and**
12 **tribal members operating on tribal land?**

13 Defendants will likewise ask the Court to decide whether the wage statutes and ordinances
14 asserted in Plaintiff’s operative complaint, Dkt. #1-3, ¶¶5.1-9.6, can *ever* be applied to a “foreign
15 for-profit” tribal corporation or tribal member under Public Law 280 or otherwise. *Id.* ¶2.3. The
16 presence of this federal question gives rise to the Court’s jurisdiction under 28 U.S.C. § 1331.

17 Public Law 280 provides that state laws “shall have the same force and effect within such
18 Indian country . . . as they have elsewhere within the State.” 28 U.S.C. § 1360(a). The Supreme
19 Court interprets that federal statute narrowly, concluding that if Congress had intended to confer
20

21
22
23 ⁹ Although *Crow Tribe* involved a tribal court’s attempt to assert adjudicatory jurisdiction over a non-Indian, *see* 471
24 U.S. 845, it would be odd to conclude that a federal question is present in that context, but not here—where a state
25 court attempts to assert adjudicatory jurisdiction over a tribal corporation.

1 on states “general civil regulatory powers” over Indians, “it would have expressly said so.” *Bryan*,
2 426 U.S. at 390. Accordingly, courts distinguish between *prohibitory* laws (over which the state
3 has jurisdiction) and *regulatory* laws (over which the state lacks jurisdiction). *E.g.*, *Santa Rosa*
4 *Band v. Kings County*, 532 F.2d 655, 662 (9th Cir. 1975) (concluding “Congress did not
5 contemplate immediate transfer to local governments of civil regulatory control over
6 reservations”); *Middletown Rancheria of Pomo Indians v. W.C.A.B.*, 71 Cal. Rptr. 2d 105, 114-15
7 (Cal. Ct. App. 1998) (“*Middletown Rancheria*”) (concluding California’s Workers Compensation
8 Laws did not apply to the tribe because that law “does not prohibit industrial injuries; it regulates
9 them” and Public Law 280 “did not grant states regulatory jurisdiction over Native American
10 Indian tribes”). Here, too, Defendants will argue that the wage statutes and local ordinances
11 asserted in Plaintiff’s complaint do not *prohibit* employers’ conduct, they *regulate* it. *E.g.*, Dkt.
12 No. 1-3 at ¶¶5.5-5.6 (citing RCW 49.12.005, WAC 296-126-002, & WAC 296-126-092 that
13 regulates “conditions of labor” and affirmatively mandates “rest and meal periods”).
14
15

16 This federal precedent is consistent with federal and state agency guidance to tribal
17 corporations. For example, the U.S. Department of the Interior represents to tribal corporations
18 that the “major advantages” of incorporating a corporation under tribal law is “[a]voidance of state
19 regulation and taxation.” Stoner Decl., Ex. 1 (U.S. Dept. of Interior, *Choosing a Tribal Business*
20 *Structure*). Indeed, the Washington Department of Labor & Industries, which administers the wage
21 statutes asserted in Plaintiff’s complaint, has issued Administrative Policy ES.C.1 that states:
22 “*none of the provisions of RCW 49.12 apply to tribal enterprises operating within the confines of*
23 *their tribal lands.*” Stoner Decl., Ex. 2 (Admin. Policy ES.C.1 (rev. Apr. 6, 2023)).
24
25

26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 15

1 Beyond the limits of state law, the Ninth Circuit also holds that Public Law 280 does not
2 subject Indians to *local* regulations, such as ordinances adopted by the City of Seattle. *E.g.*, *Santa*
3 *Rosa Band*, 532 F.2d at 664 (“Given the present Federal policies of fostering tribal self-
4 government and economic self-development, . . . an interpretation of P.L. 280 excluding local
5 jurisdiction is mandated.”); *Cabazon Band*, 480 U.S. at 212 n.11 (noting “it is doubtful that Pub.
6 L. 280 authorizes the application of any local laws to Indian reservations”). Defendants will thus
7 argue that the City of Seattle lacks *any* jurisdiction over Defendants (regulatory or prohibitory),
8 based on binding Ninth Circuit precedent interpreting Public Law 280. *But see* Dkt. #1-3 at ¶¶7.6-
9 7.7 (citing SMC 14.19.035 & SMC 14.20.020 that imposes “minimum wage” and “payment
10 intervals” requirements).

11
12 Again, these are inherently “federal questions” giving rise to jurisdiction under 28 U.S.C.
13 § 1331. *Cf. Chilkat Indian Vill.*, 870 F.2d at 1473-74 (concluding tribe’s claim for enforcement of
14 ordinance applicable to non-Indian defendants necessarily raised federal questions, as court must
15 resolve the tribe’s power under federal law to enact the ordinance). Because Plaintiff’s complaint
16 will ask the Court to decide whether certain state and local laws can ever apply to a tribal
17 corporation or a tribal member operating from and principally doing business on tribal land, federal
18 issues “inhere in the complaint.” *Id.* at 1475.

21 **3. Does tribal or federal law preempt Washington and local law?**

22 Even assuming that Washington or the City of Seattle has the authority to regulate
23 Defendants’ conduct off tribal land, Defendants will also ask the Court to determine whether either
24 the Tribe or the federal government has concurrent jurisdiction over Plaintiff’s action; and if so,
25

1 whether tribal or federal law preempts Washington and local law. As discussed below, federal
2 courts hold that whether state or local law is preempted by tribal or federal law is a “federal
3 question” within the meaning of 28 U.S.C. § 1331.

4 Where a state has concurrent jurisdiction with a tribe, “State jurisdiction is preempted by
5 the operation of federal law if it interferes or is incompatible with federal and tribal interests
6 reflected in federal law, unless the State interests at stake are sufficient to justify the assertion of
7 State authority.” *New Mexico v. Mescalero Apache Tribe*, 462 U.S. 324, 334 (1983).¹⁰ The
8 Supreme Court has cited several reasons for adopting the doctrine of tribal preemption, including
9 “traditional notions of Indian sovereignty”; tribes’ and the federal government’s “firm[]
10 commit[ment] to the goal of promoting tribal self-government,” as “embodied in numerous federal
11 statutes”; and “Congress’ overriding goal of encouraging ‘tribal self-sufficiency and economic
12 development.’” *Id.* at 334-35, 344 (concluding application of the state’s hunting and fishing laws
13 to non-members on the reservation was preempted by tribal law); *White Mountain Apache Tribe v.*
14 *Bracker*, 448 U.S. 136, 148 (1980) (concluding application of state taxes to non-members on the
15 reservation was preempted by federal law because “[t]here is no room for these taxes in the
16 comprehensive federal regulatory scheme”).

17 Federal courts have also upheld federal or tribal regulatory jurisdiction over conduct by
18 tribal members occurring both on and off the reservation. *E.g.*, *United States v. 43 Gallons of*
19

20
21
22
23
24 ¹⁰ Plaintiff asserts that “Washington has a strong interest in ensuring the payment of wages to employees who perform
25 work in Washington.” Dkt. #25 at 8-9. Defendants dispute that assertion, particularly given that neither Reece
26 Construction nor Plaintiff is a Washington resident.

1 *Whiskey*, 93 U.S. 188 (1876) (affirming Congress’s power under Indian Commerce Clause to enact
2 preemptive federal regulations prohibiting liquor trade outside Indian country); *Chilkat Indian*
3 *Vill.*, 870 F.2d 1469 (affirming tribal jurisdiction over parties’ dispute concerning ownership of
4 tribal property); *United States v. Sohappy*, 770 F.2d 816, 819 (9th Cir. 1985) (affirming tribal
5 regulation of off-reservation treaty rights).
6

7 Determining whether state or local law is preempted by tribal or federal law necessarily
8 raises “federal questions.” *E.g.*, *Crow Tribe*, 471 U.S. at 852 (“The question whether an Indian
9 tribe retains the power to compel a non-Indian property owner to submit to the civil jurisdiction of
10 a tribal court is one that must be answered by reference to federal law and is a ‘federal question’
11 under § 1331.”); *Segundo v. City of Rancho Mirage*, 813 F.2d 1387, 1389 (9th Cir. 1987)
12 (concluding “extent to which federal law divests the cities of the power to exercise jurisdiction
13 over non-Indians operating an enterprise on Indian land[] is a sufficient basis for federal question
14 jurisdiction”). Further, deciding these federal questions will require the Court to “examine the
15 relevant federal treaties and statutes,” “notions of sovereignty that have developed from historical
16 traditions of tribal independence,” and “the nature of the state, federal, and tribal interests at stake”;
17 and to decide whether “the exercise of state authority *would violate federal law.*” *Bracker*, 448
18 U.S. at 144-45 (emphasis added).
19
20

21 Here, Defendants will argue that the Tribe has preempted state law by enacting Title 9
22 TTC, which regulates employment and contracting on the Tulalip Reservation. *See* TTC 9.05.010
23 *et seq.*; *see also Solis v. Matheson*, 563 F.3d 425, 433 (9th Cir. 2009) (“The Supreme Court has
24 found that Indian tribes have ‘a strong interest as a sovereign in regulating economic activity
25

26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 18

1 involving its own members within its own territory and . . . may enact laws governing such
2 activity.”). Even assuming that the Tribe has not “enacted wage and hour laws” that sufficiently
3 preempt all other laws, there is little doubt that *federal law* applies to Plaintiff’s class claims for
4 alleged wage-and-hour violations on the Tulalip Reservation—specifically, the Fair Labor
5 Standards Act (“FLSA”), 29 U.S.C. § 201 *et seq.* See *Solis*, 563 F.3d at 434 (concluding “[b]ecause
6 the Puyallup Tribe ha[d] not enacted wage and hour laws, . . . the overtime provisions of the FLSA
7 apply to” tribal members that employed Indians and non-Indians on the Puyallup Reservation).
8 Recognizing that Washington is expressly divested of jurisdiction to apply its wage-and-hour laws
9 to “tribal enterprises operating within the confines of their tribal lands,” Stoner Decl., Ex. 2
10 (Admin. Policy ES.C.1)—the *only* wage-and-hour laws that could potentially apply to Defendants
11 while doing business on tribal land is either Title 9 TTC or the FLSA, both of which regulate the
12 conduct of which Plaintiff complains. Dkt. #1-3, ¶¶5.1-9.6.

13
14
15 Because Plaintiff’s complaint asserts that Washington has the jurisdiction to apply its laws
16 to a “foreign for-profit” tribal corporation and tribal member operating from and principally doing
17 business on tribal land, *id.*, ¶¶2.2-2.4, the complaint requires the Court to decide whether state law
18 is precluded on account of tribal or federal preemption, which is undoubtedly a federal question.

19
20 **4. Was Plaintiff first required to exhaust his remedies in the Tulalip Tribal Court?**

21 Plaintiff’s complaint likewise begs the question: If the Tulalip Tribal Court has concurrent
22 jurisdiction over Plaintiff’s claims, was Plaintiff required to first pursue his remedies in the Tulalip
23 Tribal Court under the so-called “tribal remedies doctrine”? In this litigation, Defendants will ask
24
25

1 the Court to decide whether the tribal remedies doctrine applies, which necessarily presents federal
2 questions and gives rise to the Court’s jurisdiction under 28 U.S.C. § 1331.

3 Federal courts developed the tribal exhaustion doctrine based on longstanding policy to
4 encourage tribal self-government. *Iowa Mut.*, 480 U.S. at 17 (holding that the tribal court did not
5 have “a full opportunity to evaluate the claim and federal courts should not intervene” until the
6 tribal court’s review is complete). The Supreme Court has found that a plaintiff’s “unconditional
7 access” to non-tribal courts would create “direct competition with the tribal courts” and thereby
8 impair tribal court authority over reservation affairs. *Id.* at 16. The Court added that “[a]djudication
9 of such matters by any nontribal court also infringes upon tribal law-making authority, because
10 tribal courts are best qualified to interpret and apply tribal law.” *Id.*

11 In the Ninth Circuit, “[p]rinciples of comity require federal courts to dismiss or to abstain
12 from deciding claims over which tribal court jurisdiction is ‘colorable,’ provided that there is no
13 evidence of bad faith or harassment.” *Marceau v. Blackfeet Housing*, 540 F.3d 916, 920 (9th Cir.
14 2008); *see also Iowa Mut.*, 480 U.S. at 15. In *Marceau*, for example, the Ninth Circuit concluded
15 that the tribal court’s jurisdiction was “unquestionably colorable” because at least “some” of the
16 key events occurred on tribal lands. 540 F.3d at 921 (concluding “the tribal court must have the
17 first opportunity to address all issues within its jurisdiction” where defendant was a tribal entity
18 and “at least some key events . . . occurred on tribal lands”).

19 Whether issues involving tribal rights “should be conducted in the first instance in the
20 Tribal Court itself” presents a “federal question” under 28 U.S.C. § 1331. *Crow Tribe*, 471 U.S. at
21 852-53; *see Iowa Mut.*, 480 U.S. at 15-16 (in *Crow Tribe*, the Supreme Court “concluded that,

22
23
24
25
26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 20

1 although the existence of tribal court jurisdiction presented a federal question within the scope of
2 28 U.S.C. § 1331, considerations of comity direct[ed] that tribal remedies be exhausted before the
3 question is addressed by the District Court”). The “existence and extent of a tribal court’s
4 jurisdiction” not only requires “a careful examination of tribal sovereignty” and “the extent to
5 which tribal sovereignty has been altered, divested, or diminished,” it will also require “a detailed
6 study of relevant statutes, Executive Branch policy as embodied in treaties and elsewhere, and
7 administrative or judicial decisions”—all of which require a special knowledge and understanding
8 of federal Indian law. *Crow Tribe*, 471 U.S. at 855-56.

10 Here, Plaintiff’s complaint, asserting claims against a Tulalip corporation and Tulalip
11 member for purported state and local violations both on and off tribal land, necessarily raises
12 federal questions under 28 U.S.C. § 1331—namely, whether Plaintiff should have exhausted his
13 remedies in Tulalip Tribal Court, so that the tribal court may address its jurisdiction in the first
14 instance. *See id.* at 852-53. Applying the tribal remedies doctrine here, Defendants are likely to
15 prevail on their argument that Plaintiff was required to first bring claims in Tulalip Tribal Court
16 under Tulalip law (or, if applicable, under federal or state law). Plaintiff voluntarily entered into
17 an employment contract with a Tulalip corporation and Tulalip member based on the Tulalip
18 Reservation. *See* Reece Decl. dated 2/19/2024, ¶13. Plaintiff also lived on company property
19 within the Tulalip Reservation at all times that he worked for Defendants—which is expressly
20 within the Tulalip Tribal Court’s jurisdiction under TTC 2.10.010. *Id.*, ¶14. Most of the violative
21 conduct he alleges on behalf of the class (including a Tulalip tribal member) occurred in Indian
22
23
24
25

26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 21

1 country, on the Tulalip Reservation and other reservations. *Id.*, ¶¶9-12, 15; Lane Decl. ¶2.¹¹
2 Further, Plaintiff has every right to seek relief on the Tulalip Reservation because the Tribe
3 regulates “employment and contracting” (*see* Title 9 TTC), and the Tulalip Tribal Court has
4 express jurisdiction over the parties and the specific claims alleged by Plaintiff. *See* TTC 14.05.900
5 (asserting jurisdiction “over any [Tulalip] corporation, its directors, officers or employees . . . or
6 for any matter having to do with the administration, operations or business of the corporation”).
7

8 Still, while Defendants will likely prevail on the issue of whether the tribal remedies
9 doctrine applies to this case, Defendants face an unsurmountable hurdle if this case is remanded
10 to state court: Washington courts ignore binding federal precedent and do *not* require non-Indian
11 plaintiffs to first exhaust remedies in tribal court. *See Maxa v. Yakima Petroleum, Inc.*, 83 Wn.
12 App. 763, 766, 770, 924 P.2d 372 (1996) (reversing trial court’s conclusion that “it was bound by
13 federal case law to require exhaustion of remedies in the tribal court system”); *see also McCrea v.*
14 *Denison*, 76 Wn. App. 395, 885 P.2d 856 (1994) (concluding “[s]tate courts ... are a more
15 appropriate forum for the resolution of” torts committed by tribal members on tribal land because
16 such torts are “well settled by state statutes and state common law”); *see* Pete Heidepriem, *Tribal*
17 *Remedies, Exhaustion, and State Courts*, 44 Am. Indian L. Rev. 241, 258-59 (2020) (concluding
18 Washington is one of only four states nationwide that refuses to recognize the tribal remedies
19 doctrine).
20
21

22
23
24 ¹¹ Plaintiff attempts to mislead the Court by emphasizing his own experience of working primarily off tribal land, *see*
25 Dkt. #28 at ¶¶4-5; however, the class as a whole worked primarily *on* tribal land. *See* Reece Decl. dated 2/19/2024,
26 ¶¶ 9-12.

1 These Washington decisions not only misconstrue binding federal precedent, they only
2 prove Defendants’ point: Washington courts are not well equipped to resolve complicated federal
3 and tribal questions of whether a nontribal plaintiff must first exhaust remedies in a tribal court
4 when bringing wage-and-hour claims against a tribal corporation or a tribal member. As federal
5 courts have held, state courts should *not* create exceptions to the federally-mandated tribal
6 exhaustion requirement, based on state courts’ “[a]llegations of local bias and tribal court
7 incompetence.” *Burrell v. Armijo*, 456 F.3d 1159, 1168 (10th Cir. 2006) (citing *Iowa Mut.*, 480
8 U.S. at 19). The Ninth Circuit also recognizes that “state courts have long been at least perceived
9 as ‘inhospitable to Indian rights.’” *Bodi v. Shingle Springs Band of Miwok Indians*, 832 F.3d 1011,
10 1023 (9th Cir. 2016). The Washington cases refusing to apply the tribal remedies doctrine,
11 including the *Maxa* case on which Plaintiff heavily relies, strongly suggest that a state court will
12 exhibit “local bias” against the Tulalip Tribal Court or will be “inhospitable” to Defendants’
13 position that Plaintiff should have first exhausted his remedies in Tulalip Tribal Court.
14
15

16 Because Defendants ask this Court to decide whether federal precedent compels Plaintiff
17 to submit to the civil jurisdiction of the Tulalip Tribal Court before seeking state-court remedies—
18 raising a “federal question”—this Court must reject Plaintiff’s attempts to remand this action to
19 Washington courts, which do not recognize the tribal remedies doctrine.
20

21 **C. Plaintiff’s Cursory Assertion that No Federal Questions Exist Should Be Rejected**

22 Plaintiff argues that the “federal issues” raised in his complaint each “revolves around
23 Defendants’ incorrect assertion that they have sovereign immunity.” Dkt. #25 at 4. This is
24 incorrect. Although Defendants assert an immunity defense to preserve their rights post-removal,
25

1 see Dkt. #1 at ¶17, their act of removing this action to federal court does *not* rely on the potential
2 availability of a sovereign immunity defense. Separate and apart from any such defense, and as
3 discussed above, Defendants argue that Washington lacks adjudicatory jurisdiction over tribal
4 corporations, like Reece Construction, for any acts that occur on tribal or state territory. *See Kiowa*
5 *Tribe*, 523 U.S. at 754.¹² Defendants will alternatively argue, even assuming Washington courts
6 have concurrent jurisdiction over civil claims brought against Defendants, there are distinct federal
7 questions that inhere in Plaintiff’s complaint, including whether the City of Seattle (or
8 Washington) has the congressionally delegated power to regulate Defendants on tribal land;
9 whether federal or tribal law preempts Washington and local law; or whether Plaintiff was required
10 to first exhaust his remedies in Tulalip Tribal Court.
11

12 Plaintiff’s reliance on *Maxa v. Yakima Petroleum, Inc.*, a Washington decision, likewise
13 demonstrates why this case must be adjudicated in this Court, not in a Washington court. In *Maxa*,
14 a Washington appellate court disregarded binding U.S. Supreme Court case law “mandat[ing] that
15 federal courts abstain or dismiss when tribal courts assert civil jurisdiction” because it
16 “disagree[d]” with the trial court’s conclusion that state courts were bound by this federal
17 precedent; the *Maxa* court ultimately concluded that “[s]tate civil adjudicatory authority over
18 litigation involving tribe members . . . is not specifically preempted by federal law.” *Id.* 83 Wn.
19 App. at 767.
20
21

22
23
24 ¹² *Kiowa Tribe* demonstrates an assertion of sovereign immunity is only one possible defense for a tribal corporation
25 to avoid suit in state court; there, it held: “a tribe is subject to suit *only* where Congress has authorized the suit *or* the
26 tribe has waived its immunity.” 523 U.S. at 754 (emphases added).

1 The Washington appellate decision in *Maxa* was based on a fundamental misunderstanding
 2 of federal Indian law:

- 3 • First, the *Maxa* court ignored longstanding Supreme Court precedent
 4 holding that states lack *any* jurisdiction over Indians unless and until
 5 Congress clearly delegates such jurisdiction to states. 83 Wn. App. 763; *but*
see McGirt, 140 S. Ct. at 2463.
- 6 • Second, the *Maxa* court failed to distinguish between Public Law 280’s
 7 conferral of jurisdiction over individual “Indians” but not over tribal
 8 *entities*. 83 Wn. App. at 767-69; *but see* 28 U.S.C. § 1360(a) (referencing
 9 only “Indians”); *Bryan*, 426 U.S. at 389 (Public Law 280 does not clearly
 10 confer “state jurisdiction over the tribes themselves”).
- 11 • Third, the *Maxa* court failed to distinguish between *regulatory* jurisdiction
 12 (conferred to states through Public Law 280) and *adjudicatory* jurisdiction
 13 (which was not conferred). To support this position, the *Maxa* court relied
 14 on the Supreme Court’s decision in *California v. Cabazon Band of Mission*
Indians, 480 U.S. 202 (1987), *abrogated by statute*. *See Maxa*, 83 Wn. App.
 15 at 267. Yet, the *Cabazon Band* case said nothing about whether a state court
 16 had *adjudicatory* jurisdiction to hear civil claims against an Indian entity
 17 and instead held that “[s]tate regulation would impermissibly infringe on
 tribal government.” 480 U.S. at 222.
- 18 • Fourth, the *Maxa* court simply ignored that even if a Washington court has
 19 concurrent jurisdiction over a tribal corporation, it is still required (under
 20 binding federal precedent) to dismiss the action when the non-Indian
 21 plaintiff fails to exhaust remedies in tribal court. *See* 83 Wn. App. at 767.

18 Other courts and academics have acknowledged that the *Maxa* decision is inconsistent with
 19 binding federal precedent.¹³

22 ¹³ For example, in *Drumm v. Brown*, 716 A.2d 50 (Conn. 1998), Connecticut’s highest court rejected *Maxa*’s holding
 23 that the exhaustion doctrine is inapplicable to state courts and instead held that Connecticut courts “must apply the
 24 exhaustion of tribal remedies doctrine” because the federal “exhaustion rule is substantive federal law, which is
 25 *binding* in state courts pursuant to the *supremacy clause of the federal constitution*.” *Id.* at 61 n.11, 62 (emphasis
 26 added); *see also supra*, Heidepriem, 44 Am. Indian L. Rev. at 258-59, 263 (concluding Washington is one of only
 four states that refuses to acknowledge binding federal case law requiring exhaustion of remedies before a tribal court).

1 Finally, Plaintiff argues that because Reece Construction is registered as a foreign for-profit
2 company with Washington, employs Washington residents (although not Plaintiff), and performs
3 work off the reservation, “Reece cannot credibly claim it can sue in state court but that it cannot
4 be sued in state court.” Dkt. #25 at 6-7. Contrary to Plaintiff’s position, the Supreme Court does
5 hold that, although Indians may seek relief against non-Indians in state courts, non-Indians may
6 not bring suits *against* Indians unless Congress has expressly delegated to state courts jurisdiction
7 over such suits. *See Williams*, 358 U.S. at 220 (“[S]uits by Indians against outsiders in state courts
8 have been sanctioned . . . But if the crime was by or against an Indian, tribal jurisdiction or that
9 expressly conferred on other courts by Congress has remained exclusive” and “absent governing
10 Acts of Congress, the question has always been whether the state action infringed on the right of
11 reservation Indians to make their own laws and be ruled by them”). Further, Plaintiff’s
12 unsubstantiated representation that the “proposed Class members performed most of their work
13 off reservation” is simply not true. *See* Reece Decl. dated 2/19/2024, ¶¶ 9-12.

16 In short, the parties dispute a substantial questions of federal law, all of which have been
17 held to give rise to federal-question jurisdiction under 28 U.S.C. § 1331. *E.g.*, *Williams*, 358 U.S.
18 at 218; *Crow Tribe*, 471 U.S. at 852-53; *Segundo*, 813 F.2d at 1389. Exercising federal jurisdiction
19 is necessary to preserve Defendants’ rights because this Court must follow binding federal
20 precedent (not errant state court rulings) and is in a better position to ensure application of these
21 federal authorities.
22
23
24
25

1 **D. Exercising Federal Jurisdiction Will Not Disrupt the Federal-State Balance**

2 The exercise of federal jurisdiction over rare actions like this one—involving a non-
3 Washington Plaintiff who brings claims against a non-Washington corporation—would *not*
4 threaten to affect the federal-state balance of power.

5 The Supreme Court has held that “[f]or the federal issue [to] ultimately qualify for a federal
6 forum . . . federal jurisdiction [must be] consistent with congressional judgment about the sound
7 division of labor between state and federal courts governing the application of [28 U.S.C. § 1331].”
8 *Grable & Sons*, 545 U.S. at 313-14. When a “constitutional question” is present, like here, courts
9 are more willing to find that such questions “reach the level of substantiality that can justify federal
10 jurisdiction.” *Id.* at 320 n.7 (citation omitted). Even where constitutional issues are not in question,
11 courts must consider whether exercising federal jurisdiction over state claims would “attract[] a
12 horde of original filings and removal cases [in federal court] raising other state claims with
13 embedded federal issues” or “herald[] a potentially enormous shift of traditionally state cases into
14 federal courts.” *Id.* at 318-19.

15 That Congress reserved for itself plenary power over Indian affairs, *see McGirt*, 140 S. Ct.
16 at 2463, supports Defendants’ position that exercising federal-question jurisdiction in this case will
17 not disrupt the “federal-state balance.” *See Sauk-Suiattle Indian Tribe*, 56 F.4th at 1185. Federal
18 courts regularly interpret the U.S. Constitution, federal statutes like Public Law 280, and federal
19 common law, “[a]nd it does not appear that Washington State has any special responsibility” in
20 deciding these issues. *Id.* This Court is thus better equipped to determine whether Congress has
21 delegated to Washington the jurisdiction to adjudicate state or local claims against (or to regulate)
22
23
24

25
26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 27

1 tribal corporations and tribal members operating from and principally doing business on tribal
2 land. *See id.* at 319, 320 n.7. This Court is also better equipped to decide whether, under federal
3 common law, Plaintiff’s claims should otherwise be dismissed based on the doctrine of tribal or
4 federal preemption or on exhaustion grounds. *See id.*

5
6 Because resolving these federal questions requires the Court to consider a complex body
7 of federal Indian law, Defendants would understandably “prefer to litigate [the issue] in federal
8 court” and “avail themselves . . . of the ‘experience, solicitude, and hope of uniformity that a
9 federal forum offers on such federal issues.’” *Bodi*, 832 F.3d at 1022-23 (quoting *Grable & Sons*
10 *Metal Prods.*, 545 U.S. at 312).

11 On a practical level, asking this Court to resolve these inherent federal questions will not
12 “attract[] a horde of original filings and removal cases,” nor will it “herald[] a potentially enormous
13 shift of traditionally state cases into federal courts.” *Grable & Sons*, 545 U.S. 319 (holding
14 plaintiff’s action was “the rare state quiet title action that involve[d] contested issues of federal
15 law . . . [federal] jurisdiction over actions like [that one] would not materially affect, or threaten to
16 affect, the normal currents of litigation”). Similarly here, this action is one of the rare wage-and-
17 hour actions brought by a non-Washington Plaintiff against non-Washington Defendants, i.e., a
18 Tulalip corporation and Tulalip tribal member operating from and primarily doing business on
19 tribal land. While Washington courts have an interest in affording Washington-based employees
20 (or those working for Washington corporations) the protection of Washington law, *see Failla v.*
21 *FixtureOne Corp.*, 181 Wn.2d 642, 653, 336 P.3d 1112 (2014), there is *no* indication that
22 Washington courts have an interest in affording non-Washington employees working for non-
23
24
25

26 DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 28

1 Washington employers (tribal employers nonetheless) such protection, or that these tribal
2 Defendants should have “reasonably anticipate[d] defending a wage dispute” in Washington. *Id.*

3 Accordingly, exercising federal jurisdiction over actions like this one would not threaten
4 to affect the proper division of labor between state and federal courts.

5
6 **IV. CONCLUSION**

7 Because Plaintiff’s complaint, brought against a Tulalip corporation based on the Tulalip
8 Reservation and a Tulalip tribal member, necessarily raises substantial federal questions that are
9 disputed by the parties—and because the “federal-state balance of power” is not threatened by the
10 exercise of federal jurisdiction in this case—the Court should retain federal-question jurisdiction
11 and deny Plaintiff’s Motion to Remand (Dkt. #25).

12 DATED this 20th day of February, 2024.

13
14 **K&L GATES LLP**

15 By: /s/ Shelby R. Stoner

16 Patrick M. Madden, No. 21356
17 patrick.madden@klgates.com
18 Shelby R. Stoner, No. 52837
19 shelby.stoner@klgates.com
20 925 Fourth Avenue, Suite 2900
21 Seattle, WA 98104-1158
22 Tel: +1 206 623 7580
23 Fax: +1 206 623 7022

*Attorneys for Defendants Reece
Construction and Steven Reece*

24 I certify that this memorandum contains
25 8,167 words, in compliance with
26 LCR 7(e)(3).

DEFENDANTS’ OPPOSITION TO PLAINTIFF’S MOTION TO REMAND
CASE NO. 23-CV-570-BAT - 29