



## PRESS RELEASE

CONFEDERATED TRIBES OF THE COLVILLE RESERVATION

*Media Contact:*

Meghan Francis

meghan.francis.cbc@colvilletribes.com

**For Immediate Release**

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### **Colville Tribes Takes Major Step Forward in \$2.7 M Breach-of-Contract Case**

(Nespelem, WA)---The Colville Tribes has won a preliminary victory in its breach of contract case against two western Washington companies, South Bay Excavating and Liquid Networks, and their father-and-son principals James and Jason Clements. On Friday Tribal Court Chief Judge Randall Steckel found that the Colville Court has jurisdiction over the Clements, handing a defeat to them and teeing up the case for further proceedings.

The Clements attempted to have the matter dismissed, arguing that the Tribal Court lacked jurisdiction to hear the case. Chief Judge Steckel disagreed, finding that the contract clearly provided that the tribal court has jurisdiction over this dispute. "Thus, this Court will not dismiss the claims against James and Jason Clemens until the Tribes have presented their case at trial," the Chief Judge wrote.

"We're very happy that the Tribal Court ruled in our favor in this matter. Tribal Court jurisdiction is a cornerstone of our sovereignty. We look forward to moving to the discovery phase of the proceedings, and ultimately to holding these individuals responsible," Dr. Michael E. Marchand, Colville Business Council Chairman, said today. "I am confident we will prevail in this precedent-setting case."

Jason D'Avignon, ORA attorney who argued the Tribes' motion, said today he expects the defendants to appeal to the Tribal Court of Appeals in the next 10 days.

The lawsuit seeks to "pierce the corporate veil," a procedure that would expose James and Jason Clements to personal liability for damages suffered by the Tribes. The Tribes estimates that South Bay owes at least \$360,000 in money it unlawfully retained, with additional damages to be determined at trial. Neither company, according to D'Avignon, likely has any significant assets at this point.

"We are putting the defendants on notice that the Tribes will not accept this transparent attempt to avoid liability and leave the Tribes holding the bag by hiding behind corporate structures," Marchand said. "We will zealously pursue this matter until justice is served."

The Tribes brought suit for breach of a contract for a \$2.7 million infrastructure project installing fiber optics across the Colville Reservation. On June 2, 2017, SBE walked off the job without notice to the Tribes or to the local workers hired for the project.

South Bay then tried to assign its contract to Liquid Networks, a newly-formed company headed by South Bay's Vice President Jason Clements, the son of James Clements,

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South Bay's founder and president. The Colville Business Council declined to approve the assignment and filed suit to recover damages in January against both entities and their principals in the Colville Tribal Court.

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About the Colville Tribes:

Today, more than 9, 521 descendants of 12 aboriginal tribes of Indians are enrolled in the Confederated Tribes of the Colville. The tribes, commonly known by English and French names, are: the Colville, the Nespelem, the San Poil, the Arrow Lakes, the Palus, the Wenatchi (Wenatchee), the Chelan, the Entiat, the Methow, the southern Okanogan, the Moses Columbia and the Nez Perce of Chief Joseph's Bands.