

Hualapai corporation seeks bankruptcy protection

FELICIA FONSECA, Associated Press

Wednesday, March 6, 2013

The Hualapai tribal corporation that managed the Grand Canyon Skywalk has filed for Chapter 11 bankruptcy protection after a federal judge upheld a \$28 million judgment in favor of the Las Vegas developer who built the glass bridge.

Sa' Nyu Wa contracted with David Jin in 2003 to share revenue from the Skywalk that gives visitors a view of the Colorado River from beyond the edge of the canyon on the Hualapai reservation. The corporation has assets of up to \$10 million from ticket sales but owes creditors as much as \$50 million, court documents filed late Monday show.

The corporation is appealing the judgment while Jin's attorneys seek to garnish its bank accounts to help fulfill the award granted in arbitration.

SNW chief executive Jennifer Turner said the corporation cannot continue its business operations. The Grand Canyon Resort Corporation — which runs a tribal lodge, rafting trips and other tourism operations — now is running the Skywalk and has hired the employees from SNW, Turner said.

SNW has a six-member board of directors. Its only shareholder is the Hualapai Tribe.

Jin's attorneys see the bankruptcy filing as another tactic to delay payment to Jin. His company, Grand Canyon Skywalk Development, is by far the largest of the creditors that also include food distributors, photographers, fuel suppliers and a souvenir company. The filing frees Sa' Nyu Wa from any lawsuits by creditors while it reorganizes its finances.

"I'm sure the tribe will seek to pay pennies on the dollar, as they have all along," one of Jin's attorneys, Mark Tratos, said Tuesday. "They're not going to change the strategy to not pay what they owe."

The tribe and Jin have been wrangling over management fees and an unfinished visitor center at the Skywalk for more than two years. The dispute has led the tribe to cut Jin out of the management contract through eminent domain and led Jin to court to try to preserve his contractual rights. At least one tribal council member who has been critical of Jin has been recalled, and two more are targets of a recall election Wednesday in Peach Springs.

Turner and Hualapai Chairwoman Sherry Counts sent a letter to tribal members Tuesday morning informing them of the filing. She said Jin will not have access to the tribal budget or any tribal funding, as the bankruptcy proceeding involves only Sa' Nyu Wa.

The tribe has said it would pay Jin fair market value for the Skywalk, which the tribe estimates is worth \$18 million. The tribal court is overseeing the eminent domain case.

In a recent opinion piece, Jin said the Tribal Council should not believe that its financial responsibility to him is limited to SNW's liquid assets because it has sought to take over his rights in tribal court. Jin's attorneys have put the value of the contract at \$277 million. He invested \$30 million to build the Skywalk.