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State AGs File Amicus Brief in Fourth Circuit Case Involving Use of Sovereign Immunity by Tribal Lenders to Defeat State Law Claims

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A coalition of 14 state Attorneys General and the D.C. Attorney General have filed [an amicus brief](#) with the U.S. Court of Appeals for the Fourth Circuit in *Williams v. Big Picture Loans* in which a tribal lender and its tribal service provider have appealed from the district court's denial of their motion to dismiss the complaint filed by consumers who alleged that the interest rate charged by the lender violated Virginia law.

The defendants argued that the complaint should be dismissed because, as "arms of the tribe," the lawsuit was barred by sovereign immunity. In denying the motion to dismiss, the district court ruled that the defendants had the burden of proving that they were shielded by sovereign immunity and had not met that burden.

In their amicus brief, the Attorneys General argue that the district court correctly placed on the defendants the burden of providing their entitlement to sovereign immunity (rather than on the plaintiffs to negate a claim of sovereign immunity). They also argue that in determining whether the defendants acted as "arms of the tribe," it was proper for the district court to look beyond the defendants' official actions (meaning their legal or organizational relationship to the tribe) and consider their practical operation in relation to the tribe.

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