

STATEMENT BY THE HARDROCK BOARD OF DIRECTORS

Over the past several years Mr. Denberg, an attorney licensed in the State of Colorado, has made it his mission to attack and harass Hardrock and its board, falsely accusing Hardrock of various improprieties, including conducting a “rigged” lottery, asserting that relatives of board members are allowed to bypass the selection process, accusing Hardrock and its members of fraud, and making other potentially defamatory claims against Hardrock and its board. His recent posting is riddled with factually wrong statements. Most of his accusations are too ludicrous to address, most are patently untrue. With Mr. Denberg unwilling to consider factual evidence, it does no good for the Hardrock to engage in a public debate with him. However, we are troubled by Mr. Denberg’s behavior.

Initially we attempted to patiently address Mr. Denberg’s claims, to explain to him how Hardrock works and why his accusations were simply untrue, but since nothing we said served to assuage Mr. Denberg, the board elected to cease contact with him. His recent posting, in which it appears he is attempting to solicit clients to pursue legal action against Hardrock, followed.

Had Mr. Denberg cared to check, he’d have known that there were three independent observers at our recent drawing, an approach to increasing transparency that the board adopted earlier this year and will continue to have in the future. Prior to making accusations as Mr. Denberg has done, especially when attempting to solicit clients and accusing others publicly of fraud, lawyers have an obligation to ascertain the truth of those accusations – failing to do so may constitute defamation or an unethical practice of law.

Hardrock welcomes sincere and honest inquiry or criticism into how we conduct our drawing or our business. In fact, we have revised the selection process multiple times as a result of discussions with the community. If anyone has any questions or concerns we will be pleased to answer and address them. In this case we feel that Mr. Denberg has offered neither honest inquiry nor constructive criticism and has crossed the line into deliberate and intentional misstatements and personal insult. We have attempted to explain to him the falsity of what he believes but he has chosen to ignore us. At this point we will no longer respond to Mr. Denberg and he will be blocked from further contact with Hardrock.