ADMINISTRATIVE HEARING BEFORE THE CALIFORNIA GAMBLING CONTROL COMMISSION STATE OF CALIFORNIA ---000---In the matter of the) Accusation and Statement of) Issues Against:)) ROBERT E. LYTLE No. 2015010837) 9360 Blue Oak Drive) Orangevale, CA 95662,)) License Nos. GEKE-001373,) GEOW-003415, GEOW-003416,,)) Respondent.))

Office of Administrative Hearings

2349 Gateway Oaks Drive, Suite 200

Sacramento, California

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Monday, May 2, 2016

10:40 a.m.

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Reported by: JAN L. WEISBERG, CSR No. 4643

DIAMOND COURT REPORTERS 1107 2nd St., Suite 210 Sacramento, CA 95814 916-498-9288

1		APPEARANCES:
2	Administrative Law Judge:	JONATHAN LEW 2349 Gateway Oaks Drive, Suite 200 Sacramento, California 95833
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4	For Respondent:	JEFFREY S. KRAVITZ
5		Attorney at Law 6747 Fair Oaks Boulevard
6		Carmichael, California 95608
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8	For Complainant:	DEPARTMENT OF JUSTICE
9	for comprarmane.	WILLIAM P. TORNGREN Deputy Attorney General
10		1300 I Street Sacramento, California 94244-2550
11		Sacramenco, carronna 54244 2550
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13	Also presen	t: Respondent ROBERT E. LYTLE
14	Also presen	Nathan DaValle
15		Assistant Bureau Chief Bureau of Gaming Control
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PROCEEDINGS 1 2 ---000---3 ADMINISTRATIVE LAW JUDGE LEW: Good morning. We are now on the record in a matter before the California Gambling 4 5 Control Commission. It relates to an accusation that had been filed against Mr. Robert Lytle. Mr. Lytle holds license 6 numbers -- let me summarize. He holds three license numbers 7 8 with the Commission. 9 This has the Commission's case No. HQ201400005AL, as well as Office of Administrative Hearings No. 2015010837. 10 matter was noticed to be heard over two weeks, commencing 11 Representing complainant is Mr. William P. Torngren, 12 Deputy Attorney General. Representing Mr. Lytle is Mr. 13 S. Kravitz. My name is Jonathan Lew with the State Office of 14 15 Administrative Hearings. Prior to going on the record, the parties reported 16 were able to resolve the issues in this case and at this time 17 would like to place the terms of their resolution on the 18 19 Who would like to do that? 20 MR. TORNGREN: I will do that, your Honor. Thank you very much. 21 22 Thank you very much for giving us the time to work 23 out and providing us with an additional judge to assist us in 24 this matter. His efforts, I think, brought this to a resolution. 25

Basically, the terms of the settlement will be that: Mr. Lytle's licenses will be revoked and his applications will be denied.

That he will provide limited admissions. Those admissions will be, big picture-wise, that he solicited and received confidential information from Bureau personnel, and that he failed to disclose violations of the Gambling Control Act.

9 In addition to that, he will pay a combination of fine penalty and costs. And it's an all-inclusive number which 10 be equal to the greater of 15 percent of the gross sales 11 12 proceeds of his interest in the Citrus Heights card rooms, in determining the greater of that 15 percent, or \$75,000. The 13 money will be paid out of the closing or will be due at the 14 15 closing of the transactions, rather than the 60 days to effect the sale that's provided in the Gambling Control Act. There 16 will be six months or 180 days. I am hoping that they are 17 equal. We agreed to six months, so it will be six months. 18

In terms of the definition of gross sales proceeds, that will include any monies that he receives as a result of fees or other monies that may be paid to him as a consequence his participation in what is known as Seven Mile Casino in Vista. And that would be in addition to any monies on the two card rooms at the Citrus Heights card rooms.

The Bureau will prepare a stipulated settlement and

DIAMOND COURT REPORTERS 916-498-9288

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order, decision and order, to be presented to the Commission. 1 will provide that to Mr. Lytle's counsel in the next couple of 2 3 days. It is the understanding that any settlement is upon the Commission's approval. 4 5 Did I get it all? 6 MR. KRAVITZ: I think so. 7 ADMINISTRATIVE LAW JUDGE LEW: Mr. Kravitz, anything 8 you want to add? 9 MR. KRAVITZ: I think we have wrapped it up. 10 ADMINISTRATIVE LAW JUDGE LEW: Mr. Lytle, I am sure have discussed this with counsel. Are there any questions you 11 12 have at this time? 13 THE RESPONDENT: No, sir. ADMINISTRATIVE LAW JUDGE LEW: Again, I thank you all 14 very much for your hard work. We will go off the record. 15 16 (Whereupon, the proceedings concluded at 10:47 a.m.) 17 ---000---18 19 20 21 22 23 24 25

REPORTER'S CERTIFICATE 1 2 3 STATE OF CALIFORNIA) ss.) COUNTY OF SACRAMENTO 4) 5 6 I, JAN L. WEISBERG, CSR, hereby certify that I was 7 appointed and qualified to take the foregoing matter; That acting as such reporter, I took down in stenotype 8 9 notes the testimony given and proceedings had; That I thereafter transcribed said shorthand notes 10 typewritten longhand, the above and foregoing pages being a 11 full, true and correct transcription of the testimony given 12 13 proceedings had. 14 15 16 17 18 19 20 21 JAN WEISBERG 22 23 24 25