

**BEFORE THE
CALIFORNIA GAMBLING CONTROL COMMISSION**

In the Matter of:

MARK A. KELEGIAN,
Shareholder in Ocean's 11, Inc.,

Respondent

CGCC Case Number: 2006-2

**STIPULATED SETTLEMENT
IN LIEU OF ACCUSATION**

Complainant, Executive Director of the California Gambling Control Commission (Commission), Steve Giorgi, and Respondent Mark A. Kelegian, hereby agree that this Stipulated Settlement (Stipulation) will be presented to the Commission at its next regularly scheduled meeting, or as soon thereafter as the matter can be heard, as a final disposition of the violation alleged below:

On or about April through June 2005, Mark A. Kelegian, a shareholder in Ocean's 11, Inc., a corporation holding a California state gambling license (see Business & Professions Code section 19852), had a financial interest in an out-of-state business that was engaged in house banking, a form of gambling prohibited by Penal Code section 330, thus becoming unsuitable to hold a state gambling license, pursuant to Business & Professions Code section 19858(a). The financial interest was in Celebrity Casinos LLC dba Marilyn's On Monroe, a cardroom located in Spokane, Washington, which provided house-banked games, in connection with which Mr. Kelegian had been granted a Washington State gambling license.

Respondent does not contest the facts alleged above and consents to pay a fine of \$2500.

Respondent states that his plan in 2004-2005 was to divest himself of his interest in the Washington cardroom in the event that this were required by the Commission. Respondent states that this plan was communicated to staff at the Division of Gambling Control. Respondent states that because the Washington cardroom closed so quickly, there was insufficient time to divest. After the cardroom closed, Respondent states that he told staff at the Division of Gambling Control that he was willing to take steps to surrender the Washington license immediately, rather than permitting the license to expire in December 2005.

The parties agree that this Stipulation is not an attempt to revoke, suspend, deny, or refuse to re-new the Respondent's gambling licenses.

The parties further agree that this Stipulation does not constitute a finding of unsuitability as to the Respondent, or a lack of qualification for any purpose in connection with the Gambling Control Act. The parties further agree that this Stipulation shall not serve as the sole basis for

any future disciplinary action, fine, or penalty. Complainant agrees that no accusation shall be filed based solely on the facts alleged by Complainant.

Respondent voluntarily waives any and all rights to contest this matter in an administrative hearing, including but not limited to the right to appear personally and be represented by counsel at Respondent's expense in an administrative hearing, to confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, and to either have an impartial administrative law judge present at the hearing to act as a hearing officer or to have the case heard before the Commissioners of the Commission. Respondent voluntarily waives any judicial remedies that may or may not pertain to this matter. The parties agree that in the event the Commission refuses to accept this Stipulation, it shall become void and, within 15 business days after the Commission meeting at which this Stipulation is rejected, any payments tendered shall be returned or reimbursed to Respondent. Respondent further agrees that in the event the Commission rejects the Stipulation and an evidentiary hearing, pursuant to Business & Professions Code section 19825 or sections 19870, 19871, becomes necessary, no member of the Commission, nor the Executive Director, shall be disqualified because of prior consideration of the Stipulation.

The parties further agree should this Stipulation become void, nothing in the Stipulation, or the fact that the parties entered into the Stipulation, shall be admissible in any subsequent hearing on the merits of the violation that is the subject of the Stipulation.

STATEMENT BY RESPONDENT:

I acknowledge and agree to the above.

I understand that I have the right to be represented by counsel at my own expense and have waived that right.

I am represented by Rodney J. Blonien

Dated: JUNE 15, 2006

Signature: Mark Kelegian

Printed Name and Title: MARK KELEGIAN

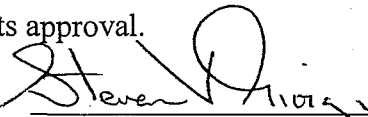
NOTE: If Respondent is a partnership, at least one general partner must sign.

If Respondent is a corporation, an executive officer must sign showing his/her title and affixing the corporate seal.

STATEMENT BY EXECUTIVE DIRECTOR:

I have reviewed this Stipulation and recommend its approval.

Dated: 6-21-06

Signature: 
Steve Giorgi, Executive Director

DECISION AND ORDER OF THE COMMISSION:

The foregoing Stipulation has been adopted by a majority vote of the Commission as its final decision and order in this matter and is effective upon execution below by the Commission Chair.

IT IS SO ORDERED.

Dated: 6-22-06

Signature: 
Dean Shelton, Commission Chair