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United States of America

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.
CAPITAL SWEEPSTAKES SYSTEMS, INC.,

Defendant.

CASE NO. 2:15-cr-126 MCE

PLEA AGREEMENT

DATE: JULY 30, 2015
TIME: 9:00 A.M.
COURT: Hon. Morrison C. England, Jr.

I. INTRODUCTION

A. Scope of Agreement.

The Superseding Information in this case charges the defendant with a violation of Title 18, United States Code, Section 1955 – Conducting an Illegal Gambling Business. This document contains the complete plea agreement between the United States Attorney’s Office for the Eastern District of California (the “government”) and the defendant regarding this case. This plea agreement is limited to the United States Attorney’s Office for the Eastern District of California and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities.

B. Court Not a Party.

The Court is not a party to this plea agreement. Sentencing is a matter solely within the discretion of the Court, and the Court may take into consideration any and all facts and circumstances

1 concerning the criminal activities of defendant, including activities which may not have been charged in
2 the Superseding Information. The Court is under no obligation to accept any recommendations made by
3 the government, and the Court may in its discretion impose any sentence it deems appropriate up to and
4 including the statutory maximum stated in this plea agreement.

5 If the Court should impose any sentence up to the maximum established by the statute, the
6 defendant cannot, for that reason alone, withdraw its guilty plea, and it will remain bound to fulfill all of
7 the obligations under this plea agreement. The defendant understands that neither the prosecutor,
8 defense counsel, nor the Court can make a binding prediction or promise regarding the sentence it will
9 receive.

10 **II. DEFENDANT'S OBLIGATIONS**

11 **A. Guilty Plea.**

12 The defendant will plead guilty to Count One of the Superseding Information – Conducting an
13 Illegal Gambling Business in violation of Title 18, United States Code, Section 1955. The defendant
14 agrees that it is in fact guilty of these charges and that the facts set forth in the Factual Basis for Plea
15 attached hereto as Exhibit A are accurate.

16 The defendant agrees that this plea agreement will be filed with the Court and become a part of
17 the record of the case. The defendant understands and agrees that he will not be allowed to withdraw its
18 plea should the Court not follow the government's sentencing recommendations.

19 The defendant agrees that the statements made by it in signing this Agreement, including the
20 factual admissions set forth in the factual basis, shall be admissible and useable against the defendant by
21 the United States in any subsequent criminal or civil proceedings, even if the defendant fails to enter a
22 guilty plea pursuant to this Agreement. The defendant waives any rights under Fed. R. Crim. P. 11(f)
23 and Fed. R. Evid. 410, to the extent that these rules are inconsistent with this paragraph or with this
24 Agreement generally.

25 **1. Waiver of Indictment:**

26 The defendant acknowledges that under the United States Constitution it is entitled to be indicted
27 by a grand jury on the charges to which it is pleading guilty and that pursuant to Fed.R.Crim.P. 7(b) it
28 agrees to waive any and all rights it has to being prosecuted by way of indictment to the charges set forth

1 in the information. The defendant agrees that at a time set by the Court, it will sign a written waiver of
2 prosecution by Indictment and consent to proceed by Information rather than by Indictment.

3 2. Package Agreement:

4 The defendant acknowledges and understands that the plea offer made to him here by the
5 government is a “package offer.” That is, the defendant understands that the offer made to him is
6 conditioned on co-defendant Kevin Freels pleading guilty according to the terms of his respective plea
7 offer. The defendant understands that if this co-defendant declines, refuses or fails to plead guilty
8 according to his respective offer, then, at the option of the government, the defendant will not be
9 allowed to enter a plea of guilty to the offer made to him by the government. Additionally, if co-
10 defendant Kevin Freels fails or refuses to enter his or her plea according to his respective offer and the
11 defendant has already entered its plea, then this plea agreement is voidable at the option of the
12 government. In its sole discretion, the government has the ability to withdraw from the plea agreement
13 with the defendant and pursue the original charges as to this defendant. However, the defendant’s
14 waiver of its rights under Rule 11(f) and Fed. R. Evid. 410, as set forth in Section II.A herein, will not
15 operate.

16 Recognizing that this is a package offer, the defendant confirms that it has not been
17 threatened, pressured, or coerced by any other person, including the co-defendant, to enter into this plea
18 agreement. The defendant also confirms that it enters into this plea agreement voluntarily because it is
19 in fact guilty of the offense to which it is pleading guilty.

20 **B. Restitution.**

21 The parties agree that neither mandatory nor voluntary restitution is warranted in this case.

22 **C. Fine.**

23 In view of the criminal forfeiture describe below, the parties agree that a fine in an amount not
24 greater than \$75,00 is warranted in this case. The defendant shall pay any fine ordered by the Court
25 within fourteen days of judgment and sentencing, unless good cause is shown why a longer delay is
26 appropriate.

27 **D. Special Assessment.**

28 The defendant agrees to pay a special assessment of \$400 at the time of sentencing by delivering

1 a check or money order payable to the United States District Court to the United States Probation Office
2 immediately before the sentencing hearing. The defendant understands that this plea agreement is
3 voidable at the option of the government if it fails to pay the assessment prior to that hearing.

4 **E. Violation of Plea Agreement by Defendant/Withdrawal of Plea(s).**

5 If the defendant, cooperating or not, violates this plea agreement in any way, withdraws its plea,
6 or tries to withdraw its plea, this plea agreement is voidable at the option of the government. The
7 government will no longer be bound by its representations to the defendant concerning the limits on
8 criminal prosecution and sentencing as set forth herein. One way a cooperating defendant violates the
9 plea agreement is to commit any crime or provide any statement or testimony which proves to be
10 knowingly false, misleading, or materially incomplete. Any post-plea conduct by a defendant
11 constituting obstruction of justice will also be a violation of the agreement. The determination whether
12 the defendant has violated the plea agreement will be under a probable cause standard.

13 If the defendant violates the plea agreement, withdraws its plea, or tries to withdraw its plea, the
14 government shall have the right (1) to prosecute the defendant on any of the counts to which it pleaded
15 guilty; (2) to reinstate any counts that may be dismissed pursuant to this plea agreement; and (3) to file
16 any new charges that would otherwise be barred by this plea agreement, including against any
17 individuals or entities identified in Exhibit B. The defendant shall thereafter be subject to prosecution
18 for any federal criminal violation of which the government has knowledge, including perjury, false
19 statements, and obstruction of justice. The decision to pursue any or all of these options is solely in the
20 discretion of the United States Attorney's Office.

21 By signing this plea agreement, the defendant agrees to waive any objections, motions, and
22 defenses that the defendant might have to the government's decision. Any prosecutions that are not
23 time-barred by the applicable statute of limitations as of the date of this plea agreement may be
24 commenced in accordance with this paragraph, notwithstanding the expiration of the statute of
25 limitations between the signing of this plea agreement and the commencement of any such prosecutions.
26 The defendant agrees not to raise any objections based on the passage of time with respect to such
27 counts including, but not limited to, any statutes of limitation or any objections based on the Speedy
28 Trial Act or the Speedy Trial Clause of the Sixth Amendment to any counts that were not time-barred as

1 of the date of this plea agreement.

2 In addition, (1) all statements made by the defendant to the government or other designated law
3 enforcement agents, or any testimony given by the defendant before a grand jury or other tribunal,
4 whether before or after this plea agreement, shall be admissible in evidence in any criminal, civil, or
5 administrative proceedings hereafter brought against the defendant; and (2) the defendant shall assert no
6 claim under the United States Constitution, any statute, Rule 11(f) of the Federal Rules of Criminal
7 Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that statements made by
8 the defendant before or after this plea agreement, or any leads derived therefrom, should be suppressed.
9 By signing this plea agreement, the defendant waives any and all rights in the foregoing respects.

10 **F. Forfeiture.**

11 The defendant agrees that as part of the imposition of sentence and pursuant to Fed. R. Crim. P.
12 32.2(b), the Court shall order it to pay a forfeiture money judgment in the amount of \$1,600,000.00
13 pursuant to 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 981(a)(2)(B) & 28 U.S.C. § 2461(c). The money
14 judgment shall be satisfied from funds seized by the United States in connection with *United States v.*
15 *Approximately \$1,539,136.57, et al.*, 2:14-MC-00134-MCE-EFB.

16 The defendant agrees to fully assist the government in the forfeiture of the funds specified above,
17 and to take whatever steps are necessary to pass clear title to the United States. The defendant shall not
18 sell, transfer, convey, or otherwise dispose of any of the specified funds.

19 The defendant agrees not to file a claim to any of the funds used to satisfy the forfeiture money
20 judgment in any civil proceeding, administrative or judicial, which may be initiated. The defendant
21 agrees to waive the right to notice of any forfeiture proceeding involving this property, and agrees to not
22 file a claim or assist others in filing a claim in that forfeiture proceeding.

23 The defendant knowingly and voluntarily waives the right to a jury trial on the forfeiture of
24 assets. The defendant knowingly and voluntarily waives all constitutional, legal and equitable defenses
25 to the forfeiture of these assets in any proceeding. The defendant agrees to waive any jeopardy defense,
26 and agrees to waive any claim or defense under the Eighth Amendment to the United States
27 Constitution, including any claim of excessive fine, to the forfeiture of the assets by the United States,
28 the State of California or its subdivisions.

1 The defendant waives oral pronouncement of forfeiture at the time of sentencing, and any
2 defenses or defects that may pertain to the forfeiture.

3 **III. THE GOVERNMENT'S OBLIGATIONS**

4 **A. Dismissals.**

5 The government agrees to move, at the time of sentencing, to dismiss without prejudice the
6 pending Information. The government agrees not to pursue any other administrative, civil, or criminal
7 action against defendant for any offense related to the conduct that is the subject of the investigation that
8 gives rise to this Plea Agreement, except if this agreement is voided as set forth herein, or as provided in
9 paragraphs II.E (Violation of Plea Agreement by Defendant/Withdrawal of Plea), VI.B (Guidelines
10 Calculations), and VII.B (Waiver of Appeal and Collateral Attack) herein.

11 **B. No Further Charges Against Specified Entities and Individuals**

12 The Government agrees not to pursue any further administrative, civil, or criminal action against
13 certain specified entities or individuals based on any allegations related to the conduct that is the subject
14 of the investigation that gives rise to this Plea Agreement. Those entities and individuals are identified
15 in a separate letter provided to them and the defendant by the government contemporaneously with the
16 execution of this Plea Agreement, and submitted to the Court under seal as Exhibit B to this Plea
17 Agreement. The Government also agrees to execute a letter(s), in the form submitted to the Court under
18 seal as Exhibit C, recommending to other jurisdictions, federal, state, and local, that no further
19 administrative, civil or criminal actions be taken against Capital Sweepstakes or any of the entities and
20 individuals identified in the separate letter (Exhibit B) based on conduct described in the factual basis to
21 this plea agreement or conduct related to such conduct occurring prior to the entry of this plea. This
22 provision does not apply, however, if this agreement is voided as set forth herein, or as provided in
23 paragraphs II.E (Violation of Plea Agreement by Defendant/Withdrawal of Plea) and VII.B (Waiver of
24 Appeal and Collateral Attack) herein. The defendant understands that this provision only requires the
25 United States Attorney's Office for the Eastern District of California to make a recommendation, and
26 that it cannot control the ultimate decisions of other jurisdictions.

1 **C. Recommendations.**

2 1. Fine and Probation

3 The Government agrees to recommend the imposition of a fine as specified in paragraph II.D
4 above and a forfeiture as specified in paragraph II.C above, pursuant to 18 U.S.C. §§ 1955(d) and
5 3551(c). The Government agrees to further recommend that a term of probation is not appropriate.

6 2. Acceptance of Responsibility.

7 The government will recommend a two-level reduction (if the offense level is less than
8 16) or a three-level reduction (if the offense level reaches 16) in the computation of its offense level if
9 the defendant clearly demonstrates acceptance of responsibility for its conduct as defined in U.S.S.G. §
10 3E1.1. This includes the defendant meeting with and assisting the probation officer in the preparation of
11 the pre-sentence report, being truthful and candid with the probation officer, and not otherwise engaging
12 in conduct that constitutes obstruction of justice within the meaning of U.S.S.G § 3C1.1, either in the
13 preparation of the pre-sentence report or during the sentencing proceeding.

14 **D. Return of Other Seized Funds**

15 Within seven days of defendant's entry of plea, the government agrees to begin the process of
16 releasing all seized funds beyond those necessary to satisfy the \$1,600,000 forfeiture money judgment
17 contemplated by this agreement and the monetary payment of \$700,000 contemplated by parallel
18 settlement discussions occurring between defendant and the California Attorney General's Office.

19 **E. Use of Information for Sentencing.**

20 The government is free to provide full and accurate information to the Court and Probation,
21 including answering any inquiries made by the Court and/or Probation and rebutting any inaccurate
22 statements or arguments by the defendant, its attorney, Probation, or the Court. The defendant also
23 understands and agrees that nothing in this Plea Agreement bars the government from defending on
24 appeal or collateral review any sentence that the Court may impose.

25 **IV. ELEMENTS OF THE OFFENSE**

26 At a trial, the government would have to prove beyond a reasonable doubt the following
27 elements of the offense to which the defendant is pleading guilty, Conducting an Illegal Gambling
28 Business:

1 1. First, the defendant conducted, financed, managed, supervised, directed or owned all or part
2 of a gambling business; and

3 2. Second, that such gambling business:

4 a. Violated the laws of the state(s) in which it was conducted including California and
5 elsewhere;

6 At all times relevant to the Information, the Capital Sweepstakes products and services
7 described above violated California Penal Code § 330b, which makes it unlawful for
8 any person to sell, rent or lease any slot machine or device. For purposes of that
9 section, “slot machine or device” means a machine, apparatus or device that is
10 adapted or may readily be converted for use in a way that, as a result of the insertion
11 of any piece of money or coin or other object, or by any other means, the machine or
12 device is caused to operate or may be operated, and by reason of any element of
13 hazard or chance or other outcome of operation unpredictable by him or her, the user
14 may receive or become involved entitled to receive any piece of money, credit,
15 allowance or thing of value[.]”

16 b. Involved five or more persons who conducted, financed, managed, supervised,
17 directed or owned all or part of said illegal gambling business; and

18 c. Has been or remained in substantially continuous operation for more than 30 days or
19 had a gross revenue of \$2,000 or more on any single day.

20 The defendant fully understands the nature and elements of the crimes charged information to
21 which it is pleading guilty, together with the possible defenses thereto, and has discussed them with its
22 attorney.

23 **V. MAXIMUM SENTENCE**

24 **A. Maximum Penalty.**

25 The maximum sentence that the Court can impose a term of probation not to exceed five years, a
26 fine of \$500,000, and a special assessment of \$400.

1 **VI. SENTENCING DETERMINATION**

2 **A. Statutory Authority.**

3 The defendant understands that the Court must consult the Federal Sentencing Guidelines and
4 must take them into account when determining a final sentence. The defendant understands that the
5 Court will determine a non-binding and advisory guideline sentencing range for this case pursuant to the
6 Sentencing Guidelines and must take them into account when determining a final sentence. The
7 defendant further understands that the Court will consider whether there is a basis for departure from the
8 guideline sentencing range (either above or below the guideline sentencing range) because there exists
9 an aggravating or mitigating circumstance of a kind, or to a degree, not adequately taken into
10 consideration by the Sentencing Commission in formulating the Guidelines. The defendant further
11 understands that the Court, after consultation and consideration of the Sentencing Guidelines, must
12 impose a sentence that is reasonable in light of the factors set forth in 18 U.S.C. § 3553(a).

13 **B. Stipulations Affecting Guideline Calculation.**

14 The government and the defendant agree that there is no material dispute as to the following
15 sentencing guidelines variables and therefore stipulate to the following:

- 16 1. Base Offense Level: The parties stipulate and agree that USSG 2E3.1 is the
17 applicable guideline and that it provides for a base offense level of **12**.
18 2. Acceptance of Responsibility: See paragraph III.C.2 above
19 3. Departures or Other Enhancements or Reductions:

20 The parties agree that they will not seek or argue in support of any other specific offense
21 characteristics, Chapter Three adjustments (other than the decrease for “Acceptance of Responsibility”),
22 or cross-references, except that the government may move for a departure or an adjustment based on the
23 defendant’s post-plea obstruction of justice (§3C1.1).

24 **VII. WAIVERS**

25 **A. Waiver of Constitutional Rights.**

26 The defendant understands that by pleading guilty it is waiving the following constitutional
27 rights: (a) to plead not guilty and to persist in that plea if already made; (b) to be tried by a jury; (c) to
28 be assisted at trial by an attorney, who would be appointed if necessary; (d) to subpoena witnesses to

1 testify on its behalf; (e) to confront and cross-examine witnesses against it; and (f) not to be compelled
2 to incriminate itself.

3 **B. Waiver of Appeal and Collateral Attack.**

4 The defendant understands that the law gives the defendant a right to appeal its guilty plea,
5 conviction, and sentence. The defendant agrees as part of its plea, however, to give up the right to
6 appeal the guilty plea, conviction, and the sentence imposed in this case as long as the sentence does not
7 exceed the statutory maximum for the offense to which it is pleading guilty.

8 Notwithstanding the defendant's waiver of appeal, the defendant will retain the right to appeal if
9 one of the following circumstances occurs: (1) the sentence imposed by the District Court exceeds the
10 statutory maximum; and/or (2) the government appeals the sentence in the case. The defendant
11 understands that these circumstances occur infrequently and that in almost all cases this Agreement
12 constitutes a complete waiver of all appellate rights.

13 In addition, regardless of the sentence the defendant receives, the defendant also gives up any
14 right to bring a collateral attack, including a motion under 28 U.S.C. § 2255 or § 2241, challenging any
15 aspect of the guilty plea, conviction, or sentence, except for non-waivable claims.

16 Notwithstanding the agreement in paragraph III.A above that the government will move to
17 dismiss the information against the defendant and bring no further charges against the defendant, if the
18 defendant ever attempts to vacate its plea, dismiss the underlying charges, or modify or set aside its
19 sentence on any of the counts to which it is pleading guilty, the government shall have the rights set
20 forth in Section II.E herein.

21 **C. Waiver of Attorneys' Fees and Costs.**

22 The defendant agrees to waive all rights under the "Hyde Amendment," Section 617, P.L. 105-
23 119 (Nov. 26, 1997), to recover attorneys' fees or other litigation expenses in connection with the
24 investigation and prosecution of all charges in the above-captioned matter and of any related allegations
25 (including without limitation any charges to be dismissed pursuant to this plea agreement and any
26 charges previously dismissed).

27 **VIII. ENTIRE PLEA AGREEMENT**

28 Other than this plea agreement, no agreement, understanding, promise, or condition between the

1 government and the defendant exists, nor will such agreement, understanding, promise, or condition
2 exist unless it is committed to writing and signed by the defendant, counsel for the defendant, and
3 counsel for the United States.

4 The undersigned representative of defendant Capital Sweepstakes Systems, Inc. is authorized to
5 enter this Plea Agreement on behalf of the defendant as evidenced by the Resolution of the Board of
6 Directors of the defendant attached hereto as Exhibit [D], and incorporated by reference in this Plea
7 Agreement.

8 **IX. APPROVALS AND SIGNATURES**

9 **A. Defense Counsel.**

10 I have read this plea agreement and have discussed it fully with my client. The plea agreement
11 accurately and completely sets forth the entirety of the agreement. I concur in my client's decision to
12 plead guilty as set forth in this plea agreement.

13 Dated:

14 _____
COURTNEY LINN
Attorney for Defendant

16 **B. Defendant:**

17 I am the President of defendant Capital Sweepstakes Systems, Inc. I am authorized to enter into
18 this plea agreement on behalf of the defendant by Resolution of the Board of Directors of Capital
19 Sweepstakes Systems, Inc. dated [ENTER DATE], a copy of which is attached hereto as Exhibit [D] and
20 is incorporated by reference in this agreement. The defendant has thoroughly reviewed this plea
21 agreement and acknowledges that counsel has advised it of the nature of the charge, any possible
22 defenses to the charge, and the nature and range of possible sentences. Defendant understands this plea
23 agreement, and voluntarily agrees to it. Defendant has consulted with its attorney and fully understands
24 its rights with respect to the provisions of the Sentencing Guidelines that may apply to its case. No other
25 promises or inducements have been made to defendant, other than those contained in this plea agreement
26 and the letter described in Paragraph III.C above that is submitted herewith under seal. In addition, no
27 one has threatened or forced defendant in any way to enter into this plea agreement. Finally, defendant
28

1 is satisfied with the representation of its attorney in this case.

2 Dated:

3 _____
4 DONALD FREELS
5 PRESIDENT
6 CAPITAL SWEEPSTAKES SYSTEMS, INC.
7 DEFENDANT

8 **C. Attorney for United States:**

9 I accept and agree to this plea agreement on behalf of the government.

10 Dated:

11 BENJAMIN B. WAGNER
12 United States Attorney

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14 JARED C. DOLAN
15 Assistant United States Attorney
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EXHIBIT "A"

Factual Basis for Plea

If this case proceeded to trial, the United States would prove the following beyond a reasonable doubt:

From at least January 17, 2013 through approximately September 17, 2014, Capital Sweepstakes Systems, Inc. ("Capital Sweepstakes") operated continuously as a business located in Loomis, California. Capital Sweepstakes provided complete software, and in some cases additional hardware, systems for owners of what are commonly known as "internet sweepstakes cafes" and other similar storefront locations in the State and Eastern District of California and elsewhere. The service included the delivery and installation of internet sweepstakes terminals, the sweepstakes server, the point of sale computer; training on the operation of all systems; maintenance on all systems; and access to the maintenance help telephone line. Capital Sweepstakes did not charge fees for its services but instead earned a percentage of the profit made at each internet sweepstakes café location.

At all times relevant to the Information, Capital Sweepstakes employed five or more persons to assist it in conducting, managing, supervising, directing, and/or owning the business. At all times relevant to the Information, Capital Sweepstakes derived daily gross revenues in excess of \$2,000. During the period specified, Capital Sweepstakes took in revenues of at least \$1,600,000 from its operations.

The Capital Sweepstakes terminals allowed customers to use sweepstakes entries, often times loaded on a white plastic card with a magnetic strip, which card was activated by an employee at the location. When the customer swiped the card at the terminal, the customer could play various matching games on a video screen and potentially win instant cash prizes. To continue to play the internet sweepstakes terminal the customer could purchase more products or services to receive more sweepstakes entries. The computer terminals used by customers at the internet cafes to reveal their sweepstakes results had no random number generators. Rather, the results were predetermined through the management terminal by the Capital Sweepstakes software. The sweepstakes terminals did, however, provide an entertaining way for customers to reveal the next available sweepstakes entry in the electronic stack of pre-determined entries. Customers could play as many as 20 or more different games, including games with names such as Hot Luck Keno, Tropical Treasures, and Dreamcatcher, Lucky Puppy, and Luck of the Irish.

The internet cafés utilizing Capital Sweepstakes' software offered sweepstakes entries to customers whenever they made a purchase of internet time or other products. According to the sweepstakes rules, customers could also obtain a limited number of sweepstakes entries without purchasing any goods or services from the internet café.

In some circumstances, a customer already had opened an account at a particular location. This account establishment occurred by providing the store employee an amount of money and, in most cases, providing a form of identification, such as a driver's license. The customer was given either a printed out receipt with a unique code or a card and a login. The customer could reveal the results of a sweepstakes entry either at the point of sale, by obtaining a printout from the cashier, or at the internet terminal. Exactly the same results were displayed for a specified sweepstakes entry whether the customer chose to have the results displayed in paper format at the point of sale terminal or in electronic format at an internet terminal. If a customer chose to reveal the results at an internet terminal, the

1 account and play would then be established on a computer terminal, and tracked through a server the
2 customer could go to the cashier to receive instant cash prizes which were won during play of the
3 sweepstakes. The customer was only able to receive money from the location from which the account
4 was opened. The location would later receive an invoice from Capital Sweepstakes for a previously
5 agreed upon percentage of its profits. Capital Sweepstakes was able to send these invoices to the
6 locations because Capital Sweepstakes tracked the sweepstakes activity on their servers, which were
7 connected to the internet sweepstakes cafés.

8 Locations utilizing Capital Sweepstakes gaming products and services included but were not
9 limited to the following:

- 10 1. Mr. M's Internet and Café, 7741 Fair Oaks Boulevard, Sacramento, California
- 11 2. Compu-More, 906 Sacramento Avenue, West Sacramento, California
- 12 3. Funsweeps, 2902 Auburn Boulevard, Sacramento, California
- 13 4. Bullseye Internet Center, 402 Colusa Avenue, Unit A, Yuba City, California
- 14 5. American Legion Post 447, 720 Santiago Avenue, Sacramento
- 15 6. American Legion Post 14770, 14770 Austin Road, Clearlake, California
- 16 7. Metis Learning Center, 7240 Southgate Drive, Sacramento, California
- 17 8. 10108 North Lower Sacramento Road, Stockton, California
- 18 9. The Network Center, 29 North Aurora Street, Stockton, California
- 19 10. 1220 West Freemont Street, Stockton, California
- 20 11. ACCESS, 6831 Savings Place, Suite 205, Sacramento, California

21 At each of these locations, Capital Sweepstakes terminals were installed and used to participate
22 in the sweepstakes. As discussed above, these gambling-themed games resemble slot machines and also
23 make audible sounds to resemble casino-style slot machines. While the products at these locations
24 generally consisted of internet time, many patrons of these establishments chose simply to play the
25 sweepstakes games rather than use the internet time they purchased.

26 An analysis of bank account information for the Capital Sweepstakes bank account and accounts
27 of associated entities shows that Capital Sweepstakes received funds from other states, including Hawaii
28 and Texas, tending to show the involvement of CSS in other jurisdictions as well.