

Charitable Gaming
THE VIEW



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901 – AGCO – Organizational Change

It was announced on the 12th August 2011 by the *Chief Executive Officer – Mr. Jean Major* that the AGCO was streamlined into six new core divisions. The focus of this realignment is on maximizing internal resources while enhancing efficiency and service delivery to its clients, stakeholders and public.

I have enclosed a copy of the release for your information. If you have any questions on this change please contact the AGCO direct. This is another example, in my view, of the excellent leadership of the CEO who continues to align the Commission to the trading landscape of the gaming environment in this province.

Headline Changes:

<i>Chief Executive</i>	Mr. Jean Major
<i>Chief Operating Officer</i>	Mr. Tom Mungham
<i>Chief Strategy Officer</i>	Mr. George Sweny
<i>Chief Administrative Officer</i>	Ms. Teresa Tedesco
<i>Corporate Secretary & Director</i>	Ms. Jasmina Milanovich
<i>General Counsel & Director</i>	Mr. Don Bourgeois
<i>Bureau Commander</i>	CS Fred Bertucca (OPP)

I am sure you will join me in congratulating those individuals above who are undertaking new appointments.

902 – OLG – Revitalization of Charitable Gaming

During the course of the summer the OLG Team, in conjunction with OCGA and ourselves (CGAO), has continued to ensure that this important Industry initiative moves forward.

There has been a tremendous amount of work undertaken in terms of Product Development and Implementation with various Centres at different degrees of the implementation process but all 15 are now engaged. Every effort is being made to drive forward swiftly and efficiently to bring the program to the various Centres.

I would like to say, and remind everyone, that this program is built on incremental growth, both in terms of product introduction and investment requirement, everything in carefully managed steps. It will take time to transition the Industry and revitalize it effectively and we must be patient. The key thing is preparing for change and adapting to the new trading environment working with the OLG is going to create.

Over a year ago, Mr. Ron Ko (Director –Charitable Gaming) OLG pulled me to one side and stated that this initiative is going to create *a culture change* for everyone in the sector - OLG, Charities and Commercial Operators. We need to be aware of it and be prepared to manage it in a positive light. On reflection, how right he was. We are going to go through this '*culture change*' and we need to be open minded to requests from the various stakeholders. If we can all come to a common ground, the sector will be stronger and we will complete our strategic objective of the *revitalization* of Charitable Gaming.

903 – Mr. Jordan Gnat – Boardwalk Gaming & Entertainment

It has been announced from Montreal that Mr. Jordan Gnat has been appointed *Managing Director* for Scientific Games Products (Canada) ULC and as such will be leaving his current post. I have enclosed a news release from Scientific Games that outlines the details of his new appointment.

Jordan has held the position of *Chief Executive Officer & President* at Boardwalk Gaming since 2004. He has led his executive team through a very challenging time for Charitable Gaming and navigated through this period with optimism and innovation, always seeking opportunities to challenge constructively the method of delivery to find efficiencies and investment. He recently led the company through a sale of its British Columbia Gaming interests and has positioned the company as an Ontario leader in Charitable Gaming, posed to leverage the opportunities under the revitalization initiative which is being rolled out in the province.

He leaves Boardwalk Gaming in a very solid position, with an established operational team under the leadership of Michael Orser and a proven track record of success under his belt.

I am sure you will join me in wishing him every success in his future role.

904 – Golf Day – Teeing Off Soon

Our Golf Day 2011 is set for 12th September 2011. It will be held at the Carlisle Golf & Country Club, Carlisle. This is the last chance to sign up for golf or join us for the dinner in the early evening.

Please contact Ms. Sandi Nesbitt at nesbitt.s@sympatico.ca immediately if interested.

905 – Promotional Day – 11th November 2011

As Gaming Centre Managers continue with their Fall Promotional Planning, I would remind everyone of the unique date 11-11-11. This day is normally associated with our veterans and this is a good opportunity to link-up with your Canadian Legion Branch and, as a suggestion, do a joint promotion.

I would encourage all Gaming Centre Managers to speak with your suppliers to see if they have any further suggestions on promotional activities this fall.

Supplier Contact Details:

Mr. Terry Jarrell
Ontario Sales Manager
Arrow Games/Bazaar & Novelty Ltd.
(T) 905-354-7300
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(E) TJarrell@arrowgames.com

Mr. Rich Hueston
Director, Regulatory Affairs
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Mr. Peter Speck
Operations Director
Bazaar Marketing
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Mr. Stephen Johnston
Regional Sales Manager Canada
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(T) 905-988-7900
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906 – OBDF

Last Saturday, 3rd September 2011, we held another successful Big Win Bingo Game. The Game produced one winner from the Windsor area, with a customer from Classic 3 receiving \$C100k.

I would like to acknowledge the work of the Gaming Centre Management who have made the last two games run extremely smoothly and with professionalism. This is a 100% turnaround from the July game and you need to be congratulated on this performance.

The OBDF Team will shortly be announcing the results of the September game to the members.

907 – Australian Developments

There has been some interesting news from 'down-under' which is useful information and heightens our awareness of other markets.

Victorian Coalition Government Delivers Stronger Gambling Integrity

Measures MELBOURNE, Victoria (September 1, 2011) -- Changes to the Gambling Regulation Act introduced into Parliament this week will ban lobbyists from gambling licensing processes and set a new public interest test to protect the community against raffles offering inappropriate prizes such as medical treatment, Minister for Gaming Michael O'Brien said today. The Gambling Regulation Amendment (Licensing) Bill 2011 also makes several changes to assist with the transition to the post-2012 gaming industry environment.

Delivering on yet another election commitment, the Victorian Coalition Government will change the law to ban lobbying over the awarding or amendment of any gambling or wagering licence. "Our tough action is in stark contrast to the former Labor Government, which failed to act despite the independent Gambling and Lotteries Licence Review Panel recommending this change four years ago," Mr. O'Brien said.

"The Coalition Government's initiative will mean that Victoria's lucrative gambling licences will be awarded without the involvement of lobbyists, ensuring that the unacceptable breaches of probity and integrity that occurred in the past under Labor will not be repeated."

The Bill will also enable the Victorian Commission for Gambling Regulation (VCGR) to undertake a public interest test on raffles and reject applications which are deemed

inappropriate. "A recent proposal to conduct a raffle with infertility treatment as a prize has highlighted that the current law in Victoria is not adequate to deal with such proposals," Mr. O'Brien said. "A new public interest test will be legislated to ensure that raffles are conducted in accordance with community standards."

The VCGR has also been given the power to suspend the registration of bookmakers or their key employees if the outcome of relevant criminal proceedings is pending. "Currently, bookmakers and their key employees are exempt from suspension of their registration pending criminal proceedings for a relevant offence and that cannot continue," Mr. O'Brien said. Other amendments include reducing unnecessary regulatory burden on lottery businesses by removing the requirement for personal supervision by the VCGR of each computerised random number generated draw.

Up to twenty-eight lottery draws are currently conducted by computerised random number generation each week in Victoria, each supervised by a representative of VCGR. "Given that the VCGR already approves and has powers over the computer system used to conduct lotteries - including the random number generator - there is no benefit from an integrity perspective for personal supervision of a computer operation for each of these draws," Mr. O'Brien said. "This will reduce unnecessary red tape for the holder of the Category 2 Public Lotteries Licence and free up resources so the gambling regulator can increase monitoring in other areas." The VCGR will retain the ability to conduct inspections and supervise lottery draws at its discretion and will work with the licensees to establish thorough procedures.

Further to the Government's commitment to work with industry and facilitate a smooth transition to the new 2012 gambling arrangements, the Bill also introduces a number of technical amendments that will clarify the Act.

SOURCE: From the Minister for Gaming The Hon Michael O'Brien MLA.

Lotteries

August 25th, 2011 Gaming Company Tatts Group has bucked the trend towards gloomy forecast, saying the upcoming financial year "promises much". The company yesterday (24th August 2011) announced a 130% surge in profile, to \$A275m, after successfully swallowing the NSW (New South Wales) lotteries business.

In a statement, Tatts said earnings from its lotteries business had surged by 37%, to \$A196m, despite an unexpectedly poor run of jackpots. The company said lottery margins had risen over the year to end of June and jackpot runs had improved since then.

It also said the 2011 financial year had been "a year of transition", due to changes in Victorian law will mean the company will close its poker machines division. It was also the first full financial year for Tatts with NSW Lotteries as part of the company, having taken ownership of the former state government-owned business in March 2010.

Tatts said there was a prospect for further consolidation in the lottery business around Australia, with the potential issues of a new licence to operate SA (South Australia) Lotteries by the South Australian government.

908 – People on the Move

Ms. Sandra Garcia, OLG Charitable Gaming Team, will be leaving the OLG. I enclose a note from her line Manager – Ms. Mary O'Neill

It is with mixed emotion that I am announcing Sandra Garcia's resignation as of Sept. 9/11. As you all know Sandra is currently on maternity leave and was due back in January 2012.

Sandra is moving to a great opportunity where her previous skills working at Nielson's and her time spent at OLG leading the SPC program is all merging together. I know she will do great in her new role and I wish her continued success!

Mary O'Neill

909 – Great Canadian Gaming - Announcement

It has been announced that the Chairman & CEO, Mr. Ross McLeod, died suddenly. I enclose a copy of the release below. As you can see, since the company was founded in 1982 it has gone from strength to strength and Mr. McLeod leaves a strong mark on the Canadian Gaming Landscape.

With great sadness the Board of Directors of Great Canadian Gaming Corporation (the "Company") announces the sudden passing of Ross J. McLeod, the Company's Founder, Chairman and CEO.

In 1982, Ross founded Great Canadian. Ross dedicated his life to philanthropy and the betterment of our community from the inception of the British Columbia gaming industry to the present day. Ross' achievements while at the Company included in 1999 receiving the "Outstanding Contribution to Canadian Gaming Industry" award presented to him at the Canadian Gaming Summit in Windsor, Ontario.

In 2007 Ross was honoured with the Ernst & Young Entrepreneur of the Year Award (Hospitality and Tourism - Pacific Region) for his achievements in the British Columbia hospitality industry. In 2010, Ross was honoured by the C.H.I.L.D. Foundation when he was awarded and recognized with the prestigious "Doorman of the Year" award for his unsurpassed service to countless BC Charitable Organizations.

Ross will be fondly remembered as leader of over 4,000 employees across Canada, and Washington State, confidant to his executive team and a true visionary for the Canadian gaming and entertainment industry.

Our thoughts are naturally with the McLeod family at this time. If you require any further information, please contact Great Canadian Gaming Company.

On-Line @ www.cgao.ca

Information: Resources: Reference

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