

99

1/17/18

- Presently, FINTRAC agreed it was appropriate for us to conduct enhanced due diligence on transactions over \$25K because bank, ATM + Global Cash withdrawals of \$25k or less are not uncommon + reasonably for high net worth customers
- We've solicited some feedback from SP's and while not happy, they understand we need to show some prescriptive measures as our reputation has been weakened dramatically

Michelle + Anna

- MSB's - de-risked entirely
 - low impact to customers
 - med-high risk - even W. Union

Spoke with Mazure

- working together

- Won't affect anything in their report
 - 'you need to run the business + carry on'
 - no objection

1/17/18

Richard Fyfe - telephone call 5 PM

- met with AG on Friday (Richard did)
to share BCLC's plan to cap cash at \$25K

- AG's concern:

- getting out in front of German's report
- why do it now?

- The reason Peter G didn't recommend because it's not feasible or he didn't know enough how to do it.

Richard ~~didn't~~ said AG didn't like 'random' things happening

- shouldn't they be discussed with German
- wasn't a positive reaction from AG

Richard speculated whether the AG may question why our Chair would support this initiative now vs wait for the German report to come out,

Richard said Sam G (MA) wasn't on this call because he felt it wasn't appropriate - and Richard agreed - because the discussion was about AG

1/17/18
5 pm.

Telephone call with Richard Fyfe
continued

When asked by Richard 'why now',
I replied:

BCLC recognizes that the environment has
changed and acceptance for our risk
based approach has diminished.

Last year we took a step towards
more prescriptive approach when we
required players to provide more info
on bank drafts

- Also P. German's 1st reqd ~~characterizing~~
on source of funds for \$10k or more
- ~~we are aware~~
- The MNP report recommended GPCB
consider a cap on cash brought
in to casinos. We have been
waiting for their decision, but
in the meantime our team was
looking at the impact and
implementation feasibility so we
could advise our regulator.
 - we even put in an assumption
on if it's set at \$10k.
- I stated that we want to come with
initiatives that ~~have~~ allow us to
remain a viable business (along with SP's)
and mitigate ML risk further

Peter German

- \$25k cap
- opinion?
- prescriptive
- timing - Minister
- Bud + I talk re: 'jurisdiction'
- roles
- enforcement vs report + detect

- Should I be looking for job

"understand you might not be able to say"

"can we talk in confidence?"

Peter's comments:

- initially we talked about thoughts about buttressing AML
- he is doing a review ^{not} to mess in 'our business'
- The \$25k timing is not right
- not good
- report will be ~~submitted~~ out Mar 31.

-SOF declaration is in place

- so why worry about a cap
- let's see if it's even necessary
- he didn't get in threshold because he's not sure we have the right cash alternatives yet.

☑ Sam G

- Minister had mtg a few days ago with Tjerk Hauteth
- wants to meet with me, Minister

☑ Susan - prepare an IN for AG

Brad

- EOI

Doug Scott - TB Submission prepared to deal with TSL + Squamish to resolve Parco / Edgewater issue.

Richard F

- relayed info to Minister
- AG expressed in strong terms to reconsider the finding
- they want larger
- Peter may have concerns of finding.
 - he doesn't see it as his