

**To:** Brad Desmarais [PERSONAL INFORMATION]  
**Cc:** Rob Kroeker [PERSONAL INFORMATION]; Drew Chamberlain [PERSONAL INFORMATION]  
**From:** Robert Scarpelli  
**Sent:** Thur 12/10/2017 5:20:17 PM  
**Subject:** RE: SP Job Loss in the event of reduction or elimination of High Limit Rooms and/or elimination of Cash Buy-ins over \$10K

Jim M is on vacation in Europe until next week....Chamberlain looked at issue already (looked at SP information we got from 2015 SP Comp Review), used his contact at Casino Rama and relied on past work experience at Niagara Casinos....here is his back of the envelope number:

Employment impact for the 5 casinos (in total) that really have High-Limit business (estimated from a staffing perspective)....

- FINTRAC related employment loss – 5
- Table game staff related employment – 30
- Cage related employment – 10
- Marketing related employment – 5
- Total over 5 casinos – 50 FTE

Employment impact from a labour expenses as a percentage of total win....

- Labour cost at 5% of win (assume \$50M win loss – mid-point between range provided) equals \$2.5M – at \$50,000 per FTE (all in) that equates to 50 FTE

Just have to be aware that this issue is a double edge sword....if employment loss is significant, then Minister can say that SP can reduce costs to minimize impact on operations.....better argument to say staff loss is minimum and revenue loss will drop right to bottom line of SP....the return on investment argument probably better...that is where we ended up at in our thinking.

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**From:** Brad Desmarais [mailto:[PERSONAL INFORMATION]]  
**Sent:** Thursday, October 12, 2017 12:55 PM  
**To:** Robert Scarpelli <[PERSONAL INFORMATION]>  
**Cc:** Rob Kroeker <[PERSONAL INFORMATION]>  
**Subject:** SP Job Loss in the event of reduction or elimination of High Limit Rooms and/or elimination of Cash Buy-ins over \$10K  
**Importance:** High

I'm wondering if Jim M has some capacity to figure out what the SP job loss would be if we eliminated cash over \$10K in Casinos or elimination of HL rooms. Doesn't have to be pretty or super accurate. Reasonable ball-park estimate would be fine. This is just something to have in our back pocket during conversations with government.

**Brad Desmarais**

Vice President, Casino and Community Gaming

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T [REDACTED] C [REDACTED] F [REDACTED]

Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

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