

To: Rob Kroeker [PERSONAL INFORMATION]; Jennifer Keim [PERSONAL INFORMATION]
Cc: Jim D. Lightbody [PERSONAL INFORMATION]
From: Suzanne Rowley
Sent: Thur 18/01/2018 11:28:18 PM
Subject: Notes

Hello both of you,

Jim wanted me to send you the following notes from his conversation with Richard Fyfe which took place at 5:00 pm on Wed 17 January 2018. As follows:

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 forwards more prescriptive approach when we required players to provide more info on bank drafts.

-Also P. German's 1st reco on source of funds for \$10k or more

- the MNP report recommended GPEB consider a cap on cash brought into 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 allow us to remain a viable business (along with SP's) and mitigate ML risk further

- My team did analysis on cash buy-ins and concluded \$25k is the appropriate level to cap cash (banknote) acceptance at

- Player analysis found majority under \$25k buy-ins are rated "no" or "low" risk for ML

- Our advice from FINTRAC was that transactions over \$25k should receive higher enhanced customer due diligence because ATM, bank & global cash withdrawals of \$25k or less are reasonable & not uncommon for very high net worth individuals

- A cap of \$25k would still allow 94% of LCT's (33,262 annually) and 77% of the value of all LCT's

- Our estimated revenue & profit impact is \$15 – 20M net win and \$7 – 10M income

- Rev & profit impact of a \$10k cap is \$60 – 80M net win and \$30-40M net income

- The \$25k cap has been discussed with some SP's and they understand & believe it's workable

- a \$10k cap would/could result in potential bankruptcy for some (Paragon/Parq) and reduced investments/jobs in BC for others (GCGC/Gateway)

Should you have any questions, please contact Jim directly.

Thanks,
Suzanne.

Suzanne Rowley

Assistant Corporate Secretary/EA
President's Office, BCLC

2940 Virtual Way, Vancouver BC V5M 0A6

[PERSONAL INFORMATION]

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