

**PROCEEDINGS AT HEARING
OF
FEBRUARY 9, 2021**

COMMISSIONER AUSTIN F. CULLEN

INDEX OF PROCEEDINGS

Witness	Description	Page
	Proceedings commenced at 9:30 a.m.	1
Walter Soo (for the commission)	Examination by Mr. McCleery	1
	Proceedings adjourned at 11:29 a.m.	86
	Proceedings reconvened at 11:42 a.m.	86
Walter Soo (for the commission)	Examination by Mr. McCleery (continuing)	86
	Examination by Mr. Skwarok	91
	Examination by Ms. Mainville	93
	Proceedings adjourned at 11:55 a.m.	97
	Proceedings reconvened at 12:00 p.m.	97
Terrance Doyle (for the commission)	Examination by Ms. Latimer	97
	Proceedings adjourned at 1:59 p.m. to February 10, 2021	193

INDEX OF EXHIBITS FOR IDENTIFICATION

Letter	Description	Page
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No exhibits for identification marked.

INDEX OF EXHIBITS

No.	Description	Page
559	Affidavit no. 1 of Walter Soo made on February 1, 2021	3
560	Affidavit No. 1 of Terrance Doyle made on February 2, 2021	99
561	Email from Ross Alderson, re [patron name] Buy in Clarification, April 24, 2015	110

562	GCGC Business Case - River Rock Casino 3rd Floor High Limit Facilities Enhancements, October 2014	128
563	Email chain, re Patron [patron name] (Incident 14-55769) - November 6, 2014	140
564	Email from Robert Kroeker to Terrance Doyle and others, re AML- Granting of Credit - Feb 18, 2015	149
565	Email from Ross Alderson, re Sanctions on high limit players - August 5, 2015	159
566	Email from Terrance Doyle to Andrea Lieuwen, re Credit report - September 14, 2015	166
567	Letter from Ross Alderson to Pat Ennis, re BCLC Direction to RRCR regarding patron - December 18, 2015	177
568	Email from Terrance Doyle to Patrick Ennis, re [patron name] Conditions to be imposed - November 10, 2015	192

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
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February 9, 2021
(Via Videoconference)

(PROCEEDINGS COMMENCED AT 9:30 A.M.)

THE REGISTRAR: Good morning. The hearing is now resumed. Mr. Commissioner.

THE COMMISSIONER: Thank you, Madam Registrar.
Yes, Mr. McCleery.

MR. McCLEERY: Good morning, Mr. Commissioner. The first witness scheduled for today is Mr. Walter Soo. I understand that Mr. Soo will be sworn.

WALTER SOO, a witness called for the commission, sworn.

THE REGISTRAR: Please state your full name and spell your first name and last name for the record.

THE WITNESS: First name is Walter, W-a-l-t-e-r, last name Soo, S-o-o.

THE REGISTRAR: Thank you.

THE COMMISSIONER: Yes, Mr. McCleery.

EXAMINATION BY MR. McCLEERY:

Q Good morning, Mr. Soo. Can you see and hear me?

A Yes.

Q If at any point that changes, please just let us know and we'll sort things out.

Mr. Soo, you were an employee of the Great

1 Canadian Gaming Corporation for 36 years from
2 1983 until 2019; is that right?

3 A That's correct.

4 Q And you began as a roulette dealer and a final
5 position you held with the corporation was
6 Executive Vice President, Player and Gaming
7 Development?

8 A Correct.

9 Q And, Mr. Soo, you've sworn an affidavit for the
10 purpose of giving evidence to this commission;
11 is that right?

12 A Yes.

13 Q And that affidavit sets out your experience next
14 in the gaming industry and your observations of
15 various events that you participated in when the
16 gaming industry developed in this province?

17 A Yes, it does.

18 MR. McCLEERY: Madam Registrar, can we see the first
19 page of Mr. Soo's affidavit.

20 Q Mr. Soo, this is the first page of the affidavit
21 that you swore on February 1st, 2021; is that
22 correct?

23 A That's correct.

24 MR. McCLEERY: Mr. Commissioner, I would ask that be
25 marked the next exhibit.

1 THE COMMISSIONER: 559.

2 THE REGISTRAR: Exhibit 559.

3 **EXHIBIT 559: Affidavit no. 1 of Walter Soo made**
4 **on February 1, 2021**

5 MR. McCLEERY: Thank you.

6 Q Mr. Soo, in your affidavit you provide a fairly
7 detailed account of your observations of how the
8 gaming industry evolved and changed throughout
9 your long career in the industry and you refer
10 in particular to a significant shift in gaming
11 in this province beginning in 1996 when the
12 province transitioned from a charitable model of
13 gaming to what you refer to as a
14 government/Crown corporation run model; is that
15 correct?

16 A Yes.

17 Q At the time of that change you were Great
18 Canadian Director of Operations?

19 A Yes, I was, in 1996.

20 Q Can you give us a brief outline of what your
21 responsibilities in that role were.

22 A It was the charity model still in those days up
23 to that point. I believe that 1997 is when we
24 integrated into operations with it. The
25 announcement from the NDP government at that

1 time was that they wanted to see destination
2 casinos. So prior to that I was still in the
3 charity model, and my role for essentially
4 eight -- I was the Director of Operations for
5 eight years. So from 1992 to 2000, 2001. And
6 my role in that capacity was to oversee the
7 operations of all the casinos that we had in BC
8 because that was the only jurisdiction that we
9 operated in. Essentially we built it up to
10 10 casinos in the province, three on Vancouver
11 Island, three in the interior and four in the
12 Lower Mainland, and so my role was to oversee
13 the gaming that was taking place in there, but
14 in the charity model it was both the front of
15 the house gaming to the public and back of the
16 house, the internal operations and the
17 management people that ran that.

18 Q Thank you. And so you said this, but your
19 responsibilities extended to all Great Canadian
20 properties at that time; is that right?

21 A All properties that had operations that we were
22 managing, yes.

23 Q Thank you. And around that time or shortly
24 after the changes were announced in 1996, am I
25 correct that there was an increase in betting

1 limits and introduction of some new games in
2 casinos, at least where it was permitted by the
3 municipalities?

4 A My best recollection was '97, perhaps the
5 beginning of June, July, that those changes came
6 in. So prior to that, to be specific, we had
7 more games. The bet limits were \$25 maximum bet
8 on the card games, and they went up to \$500.
9 Also what occurred at that time was from the
10 charity model the back of the house was run in
11 joint custody with us and charities who received
12 licenses for one day, two day or three days and
13 by that I meant that they have volunteers from
14 their organizations come down and the turnkey
15 operation required that anything to do with the
16 administration of cash and chips was done in
17 joint custody so that there was comfort in the
18 charities who largely had no experience.

19 Q Thank you. And was baccarat introduced into the
20 casinos around this time that these changes were
21 made following the announcement in 1996?

22 A I recollect that the game of baccarat was
23 introduced in 1997 at the Pacific National
24 Exhibition, so in that we managed -- the casino
25 had an agreement with the Pacific National

1 Exhibition, who got their license from a
2 different subsection that gaming is permitted to
3 be conducted in BC and that's the fair and
4 exhibition. So every year under their licence
5 we managed it and I believe that in 1996 it was
6 trial tested and that perhaps was to anticipate
7 it being introduced if there was acceptance of
8 that game. And so in the year-round casinos, it
9 was introduced probably in the middle of 1997 in
10 our casinos. And I would like to add to that
11 that the casinos were running eight hours a day
12 6:00 p.m. to 2:00 p.m. So in 1997 when these
13 new rules came in, games came in, the back of
14 the house no longer run by jointly with charity;
15 it was entirely our operation that our hours
16 also extended.

17 Q I think you just said eight hours a day,
18 6:00 p.m. to 2 p.m. I suspect you meant 6:00
19 p.m. to 2:00 a.m.

20 A Sorry. 2:00 a.m., correct. Sorry.

21 Q Following these changes in the late 1990s was
22 there a significant increase in business at the
23 casinos?

24 A The casino business obviously did increase
25 because -- I'm trying to remember, but I think

1 the table capacity was also permitted to be
2 increased, and so with increased capacity and
3 capacity also to include bet limits, naturally
4 as the business grew, there was pent-up demand.
5 And so with longer hours and with more access
6 and capacity provided, yes, the business grew.

7 Q And casinos were cash only at that point; is
8 that right?

9 A Yes. And it has been ever since I've been a
10 part of the business, and that would be from the
11 PNE from 1983 with the exhibition, but even
12 certainly when the charity model started to pick
13 up it always has been and there was probably a
14 reason for it. Charities came and went two or
15 three times a week. They understood cash. To
16 facilitate running business if you got involved
17 in anything but cash it would be very difficult
18 to sort of balance the receipts and do the
19 settlements with the charities.

20 Q Thank you. So as the business grew and picked
21 up after these changes were made, I take it
22 there was a fairly significant increase in the
23 volume of cash coming into the casinos as well.
24 Is that fair?

25 A Yes. Throughout the entire years that I was in

1 the business, it was obvious and normal to
2 everyone inside the business that it was a
3 cash-only business. That was the policy imposed
4 by the government, and so in growing the
5 business, a natural component of that business
6 growth is cash if that's all you're allowed to
7 accept for the business. So it was something
8 that was very normal.

9 Q The Commissioner has heard some evidence that
10 following the changes to the industry in the mid
11 to late 1990s, casinos began to see an increased
12 presence of loan sharks on site or at least
13 individuals that were identified by people in
14 the industry as loan sharks. Is that something
15 that you observed or were aware of in your role
16 at that time?

17 A My role during that period was really heavily
18 involved with integration of the new business.
19 And what I mean by that was there was
20 introduction of slot machines and everything was
21 new to us and to obviously BCLC and the
22 government. I was more involved with the
23 building and the integration and implementation
24 of the new products. So, for example, I had to
25 oversee the ramp-up of staff, hiring cashiers

1 for the first time because we took over that
2 back of the house. And not only cashiers, but
3 you then have to have counting members to count
4 the cash, which is the different function than
5 the cashiers. So there was that back of the
6 house integration. And then it was an enormous
7 undertaking for us when slot machines came in.
8 And specifically I was involved with the first
9 Great Canadian slot implementation. We rolled
10 that out in, I believe, September of 1997 in our
11 Surrey location at Newton. We had moved from
12 Guildford to Newton sometime in 1994. And so
13 that operation, which stayed open for about half
14 a year, it was shut down in 1998 by the
15 municipality. That was a huge undertaking, in
16 particular the back of the house and the
17 reconciliation with slots, 1998. The same thing
18 happened when we developed a whole new property
19 in Nanaimo, and it included additional games,
20 additional hours, additional tables and the full
21 complement of slots. So my head was very buried
22 in '97 to about 2000 with the business
23 integration of adding that on. Certainly I
24 spent time in the casinos whenever I could. And
25 certainly the level of cash had risen in all of

1 our properties but in particular it was very
2 noticeable in Richmond, and Richmond casino
3 particularly because everyone can see from the
4 late 80s where I opened that casino from '87,
5 left a half year later and came back in 1990,
6 the whole city had transformed due to the
7 arrival of the very wealthy Chinese. So I saw a
8 lot of activity that way. I had heard the
9 stories from management people and staff who had
10 complained to management people about it, but I
11 was not the person that dealt with it when it
12 came up.

13 Q Fair to say that you had heard secondhand about
14 the possible presence of loan sharks at casinos,
15 then, but it wasn't something that you observed
16 personally? Is that fair?

17 A I didn't observe any of it. I heard, again,
18 from management people who said that staff
19 brought it to their attention. Staff in
20 particular, one person was Muriel Labine.
21 Muriel, as I recall, wanted to talk to people
22 above me in the company. She said that she
23 wanted to talk to Ross McLeod. She wanted to
24 talk to our then president, Mr. Adrian Thomas.
25 And because of, I guess, how serious the company

1 took it at that time, they did speak to her
2 directly about it, as I can recall.

3 Q Do you recall whether -- what Great Canadian's
4 policy on loan sharking at Great Canadian
5 casinos was around that time?

6 A Well, I don't think we specifically had a loan
7 shark policy. I mean, we had a policy -- we had
8 a corporate culture that evolved, no criminal,
9 illicit or suspected activity of that nature,
10 and that was to be guarded by all the staff,
11 obviously front line to report that to the staff
12 in the back, which is security and surveillance.

13 Q Thank you. I'd like to move ahead in time now
14 to address another topic addressed in your
15 affidavit, which is your role in developing
16 Great Canadian's VIP and high-limit offerings.
17 I wonder if you can first just give the
18 Commissioner a brief overview of your
19 responsibilities and the role that you played in
20 developing whether you call it VIP player or
21 premium tables play at Great Canadian casinos
22 through the course of your career.

23 A Yes. Very vivid time for me to recall. I
24 believe 2004, 2005 when Mr. Ross McLeod, who was
25 then the chairman and CEO of Great Canadian,

1 he's also a co-founder of Great Canadian,
2 approached me to talk about a -- I would call it
3 a premium tables program because VIP, not just
4 in our business, but as it rolls out in society,
5 there's so much varied, I guess -- people get
6 very confused with how loose that term is used
7 because VIP can mean -- VIP even in our
8 properties, hotel guests are VIP, slot guests
9 are VIP. So very specific to this. We called
10 it the premium table games program, which meant
11 high-limit play on table games for our River
12 Rock Casino property. And if I can elaborate on
13 this, we were building River Rock to open in the
14 summer of 2004. The resort, which was optional
15 for us, but Mr. McLeod specifically wanted to
16 meet the objectives of the province. He agreed
17 with the division to basically boost our
18 economic situation in BC by providing for jobs
19 in the hotel, hospitality and also the gaming
20 industry, added the option of the resort.

21 And by the beginning of 2004, about half a
22 year before the casino was going to open, became
23 very concerned and I think it graduated there
24 that knowledge had come to us, it was very open
25 that casinos that had originally opposed casino

1 expansion were changing that decision. In
2 particular in 2004 we knew that the following
3 year, 2005, the Edgewater Casino was going to
4 open at the Plaza of Nations in Vancouver. We
5 knew that Gateway was opening out in Langley,
6 the Cascades Casino with a small hotel. We even
7 knew back then that there was going to be one
8 somewhere in Queensborough, which ended up being
9 the Starlight Casino, and we knew as well, too,
10 that Burnaby, the existing casino was going to
11 go on a major redevelopment across the street,
12 combine that with a hotel. So there was
13 excitement at the same time for the opening, but
14 there was also extreme concern that the market
15 and our market shares specific to that could
16 quickly be cannibalized, and it was a major
17 component of building the resort that the
18 whole -- the casino and the gaming revenues
19 there justified the viability of having that
20 resort built.

21 So it was a critical time for us that was
22 very mixed, but specific to 2004, 2005, in all
23 the issues that we're talking about today, I
24 feel that that was a fork in the road, a pivotal
25 point where if we continue to walk down the road

1 we did, which specific to this is cash only,
2 that it didn't meet with the standards of what a
3 world-class gaming facility would be like. We
4 certainly wanted the entire complex to be a
5 complex that was world class in terms of being
6 able to market it as a gaming hotel resort
7 property, and there was no properties that we
8 were aware of that would be of that standard and
9 magnitude and be accepting nothing but cash.

10 So in looking at the player offering that
11 was quintessential for building a premium table
12 games program, when we looked at that, we hired
13 some consultants. They did a very comprehensive
14 research of the existing offerings that are in
15 casinos of what we would call world-class
16 calibre that very rich and highly mobile and
17 desirous VIP players, as you call them,
18 high-limit players, would travel to --
19 throughout the world who are people that would
20 be emotionally prepared and financially capable
21 of building very large -- playing very large
22 sums of money.

23 And cash only was not going to do it. So a
24 key component that came out of that report that
25 was presented to BC lotteries by us was the

1 consultant's view of what the market would bear,
2 what key success factors were required in order
3 to build River Rock Casino resort into a
4 world-class marketable property that would
5 attract wealthy people, not just from outside of
6 BC, but it also identified that there was latent
7 or dissatisfied demand within BC, specifically
8 Metro Vancouver, that as a matter of fact, money
9 was leaving British Columbia and diverting to
10 other jurisdictions because these were people
11 that did not want to play cash only.

12 So it was a very pivotal period in time
13 where if we took that fork in the road and took
14 the -- essentially the changes that was required
15 to provide the players what they were accustomed
16 to playing, which was noncash, which was in the
17 form -- if I can explain it, in our industry
18 form it's bankroll. And bankroll specific to
19 noncash is essentially the budget that someone
20 ahead of their trip determines. It is the
21 amount they're going to play that they establish
22 with the casinos, the funds that they're going
23 to play with ahead of their arrival to play.
24 And a bankroll is two major components. It's
25 made up of two components that then is

1 facilitated through the casino's player's
2 account. The two components with the bankroll
3 is front money is one and the second one is
4 casino credit. And the two of these combined
5 create that bankroll that is established prior
6 to the player's trip within the cage, within the
7 player's account. I think probably for the
8 purpose of this, I don't know if the hearing has
9 heard of the terminology bankroll, front money,
10 but perhaps this is an opportunity for me to
11 explain it if I may.

12 Again, the bankroll is -- I think the best
13 that we can describe it today would be like an
14 E-wallet that someone creates that is cashless.
15 The front money that is that one component that
16 I explained in it really is what we have in BC
17 called a PGF account. They are all the funds
18 deposited to the casino. These would be bank
19 issuer monetary instruments, i.e., it could be a
20 certified cheque bank draft that is pre-cleared
21 and prearranged ahead of the player's trip, so
22 in other words they would go to the bank, get a
23 bank draft or certified cheque. The information
24 there would be sent over to the casino. The
25 casino would do their vetting on this to ensure

1 that that is an acceptable monetary instrument
2 in the right currency. In the United States in
3 the American model that we specifically looked
4 at, we knew that in Nevada that in the casinos
5 in terms of AML or any regime governing that,
6 you've got the Nevada Gaming Commission who are
7 the ones that set regulation policy and
8 licensing. You've got Nevada gaming branch,
9 which are the regulators and enforcement. So
10 there's a very heavy presence there in Las
11 Vegas, obviously. But on top of that the
12 casinos are also regulated by what's called
13 Title 31. Title 31, commonly referred to as
14 the I believe secrecy bank act or something like
15 that was installed to ensure in the casinos as a
16 deterrent against money laundering and a regime
17 that was controlled to ensure that the funds
18 that the player were putting through was vetted
19 properly.

20 So we looked at that model and that was the
21 right model. Coming back to the bankroll, the
22 bankroll again is covered with the regulations
23 required in Title 31 and all the regulations
24 that are established by the gaming control
25 board. So in that process the front money we

1 already -- I already described as PGF account.
2 So to be clear, I think you folks understand
3 what that is. It is all the monetary
4 instruments, also including EFT, wire transfers,
5 and bank drafts, et cetera.

6 The casino credit, I'm not sure if people
7 really understand how that works. Casino credit
8 is money that I would owe you with a promise to
9 pay at some point later on. And although it may
10 be understood by some people what that means,
11 some people still confuse it. The simple
12 example is if someone approached a slot machine,
13 put cash into that slot machine, what comes up
14 is credit. So some people may confuse that, oh,
15 to get casino credit I have to give you money
16 first, and that's simply not the case when we're
17 talking about cage credit or casino credit at
18 the cage.

19 So coming back to it, the two components
20 combined in any kind of variation of combination
21 is what the casinos use as a marketing tool to
22 get the players. In other words, how favourable
23 is it, what's the risk tolerance on it, what is
24 the player's history on it, how well do we want
25 to treat the players, how liberal do we want to

1 be on the funds that we would accept from them,
2 and when they have to pay off the credit, and
3 more importantly, the proportion of each. At
4 the extreme right side if you're a very valuable
5 player with a very long history, you would get
6 100 percent credit play with no front money.
7 And in cases like that, they would only do
8 something like that if the head of the casino
9 VIP host division has familiarity where they
10 vouch for that player and say yes, that player
11 is a very good player with us; give him a
12 \$5 million credit, no front money required.

13 So you can see how important and powerful a
14 tool that is both for marketing but as well
15 because all those funds in order to be
16 established in the bankroll is all covered by
17 the AML regime that's in place there. And that
18 was a pivotal point because if we had gone down
19 that point, it would have certainly reduced cash
20 and at the premium player level, this is what
21 we're talking about now, we're talking about
22 very wealthy people, whether local or all over
23 the world that have the means to play this that
24 are clearly conspicuous consumption people that
25 have in their sober moment made the decision to

1 create this wallet, this electronic budget that
2 they have and confirm that and satisfy that
3 ahead of their play. And that's how they would
4 fund their entire play. So in some sense as
5 well, too, it's like a countermeasure against
6 responsible gaming.

7 Q Thank you, Mr. Soo. My question was aimed in
8 part at trying to also understand your -- what
9 your job was with respect to the development of
10 VIP or premium offerings at Great Canadian
11 casino. Can you tell us a little bit about what
12 your job was and what your responsibilities were
13 with respect to those developments for Great
14 Canadian.

15 A So it was essentially to deliver to Great
16 Canadian a high-limit premium table games
17 program by working with the consultants, with
18 aiming at proposals and key success factors and
19 critical requirements that we see from the Great
20 Canadian side that would make this work and to
21 convince government that we needed this and it
22 was good for the province.

23 So in specific, I spent probably from 2004
24 prior to Great Canadian opening River Rock all
25 the way to 2007, 2008, with a primary focus on

1 getting this program accepted. The program was
2 not accepted in its entirety, which really what,
3 again, I felt that -- it came down to three
4 critical -- no, I would say mandatory
5 requirements in order for us to even consider it
6 being viable and to be within the risk tolerance
7 to take it on. The three mandatory requirements
8 we needed was we had to have credit. We had to
9 have noncash banking or what I referred to
10 earlier as front money. And those two needed to
11 be in place in order to create the bankroll for
12 the player to come and play because they would
13 not come transporting money to play.

14 And the third factor that we really needed
15 was the economic cost. And the consultants
16 provide to us several models of what it would
17 cost to basically invest in that player or what
18 we call player reinvestment, in order to get and
19 gain that player's play. Because these players
20 knew their value. If they were a half million
21 dollar, million dollar player, every casino in
22 the world would court them and it becomes highly
23 competitive.

24 So in our example, we didn't aim high. We
25 aimed at -- if you consider tier 1 the top

1 level, these are people on any trip that would
2 play and be willing to spend \$250,000 to a
3 million dollars. We didn't aim for that. We
4 aim, as I recall, for \$25,000 to \$250,000, and
5 what we needed in order to provide the
6 incentives or as the industry called comps,
7 complementaries, which included hotel,
8 entertainment, possibly transportation, et
9 cetera, would be about 30 cents.

10 So this third critical economic component,
11 we looked at it and there was no way we were
12 going to be possible to take on the risk of
13 doing that. The split or the revenue
14 distribution was from table games 61 percent to
15 government, 39 to the service provider, Great
16 Canadian. If it was going to cost 30 percent
17 out of our 39, we would be left with 9 cents.
18 However any dollars gained from this would still
19 be 61 cents to government without any risk and
20 all the reward.

21 So without those three critical factors
22 being approved or being able to be implemented
23 as part of this program, there was no program.
24 But essentially in those years that was what I
25 focused on in terms of premium table games was

1 to try and get it approved for us and have a
2 working model, but it just didn't happen.

3 Q Thank you. Mr. Soo, at any time during your
4 tenure with Great Canadian were you ever
5 responsible for the day-to-day operations of VIP
6 or high-limit space at any casino?

7 A That is -- the straight answer is no. But I
8 hesitate because I hear people refer to VIP
9 program, the VIP casino, I heard it all around
10 for years. I hear it in the media certainly.
11 People use jargon and buzzwords that they pick
12 up from wherever they pick it up in life and
13 they apply it to it. But to be very specific
14 and clear, we had no VIP program. We had
15 premium high-limit games that was part of the
16 entire table game setup of the casino, which was
17 part of gaming. The other part of gaming
18 that -- besides table games is slot machines.
19 So all table games of which one subset of the
20 table games is high limit, all table games, all
21 slots reported to the site, and the site was run
22 by casino site management people. So I had no
23 part of that.

24 Q And you did not -- casino site management did
25 not report to you; is that correct?

1 A No, they did not. They reported up to corporate
2 senior executives who oversaw operations or had
3 responsibility for operations, and I did not
4 have responsibility for operations. And that
5 extended to the entire property and all
6 properties in operations. So even on the hotel
7 side and the resort hospitality side, none of
8 those people reported to me.

9 Q Did you ever have any role in supervising VIP
10 staff such as VIP hosts?

11 A No, no. When it -- when River Rock opened up,
12 they had what you call executive hosts. So
13 really what that meant was hosts that looked
14 after high-limit players, and there was few. I
15 remember opening with two, one person left,
16 ended up to be one. Then they also had guest
17 services and a guest service centre that was
18 basically responsible for the entire site, so
19 slot machines, table games, any promotions that
20 marketing put forth. So it was a very thin
21 division. As it ramped up and it became I guess
22 VIP host, eventually it became VIP guest
23 relations, and that was the only element that I
24 can recall in the entire operation that had any
25 sort of dedicated VIP segregated service. Like

1 they were responsible for VIP gaming specific to
2 what we call CRM or customer relationship
3 management is the fuller term, and that division
4 had no responsibility for gaming. It had
5 responsibility for -- as the title suggests, the
6 relationship development with the players, and
7 those people also reported directly to the
8 casino management staff, specifically to the
9 casino General Manager, and at one point in
10 time, as I can recall by 2017, the executive
11 director, which is the person responsible for
12 the entire property of River Rock resort.

13 Q Did your role ever involved maintaining or
14 managing relationships with VIP or high-limit
15 players?

16 A No. It had none. My role, no different to any
17 other visiting management people from corporate
18 office if they should choose to walk through
19 those areas, to what you call glad-hand and say
20 hello. In many cases the executive host in
21 trying to build the relationship between player
22 and the company would want to introduce us to
23 these players because I guess it was important
24 recognition in the Chinese culture, this
25 face-giving and what they call network

1 connections, it's who you know, are very
2 important to them. So in terms of my
3 relationship to them, it was not that I know
4 them. I met them and said hi to them. And
5 certainly some of those names became familiar to
6 me because I was also on the distribution list
7 every day with our dashboard reports. They were
8 flash reports that just gave a snapshot of
9 yesterday's activity and if there were any
10 prominent players in. So through that, and that
11 was a very wide distribution list, all the site
12 management and key executives that were -- that
13 saw fit to be on that list, we recognized names.
14 And sometimes walking through you get put a name
15 to a face when you get introduced. So it was on
16 that level.

17 Q Thank you. And did your responsibilities ever
18 include oversight of the cash cage operations or
19 anti-money laundering compliance?

20 A Absolutely none. Again, I had no part of being
21 responsible for any operations that happened on
22 the site level. The cage is part of the site
23 operations. And that cage, more importantly,
24 was obviously because of the nature of its
25 function heavily surveillanced, and that back of

1 the house you don't routinely walk into. You
2 see it from the front facing side just like any
3 customer would. But not only was I not
4 responsible for it, although I've seen and it's
5 been reported that I was responsible for VIP
6 cage operations. First of all there's no such
7 thing as, again, a VIP division that was
8 separate. It was a cage. The people that
9 worked in there, they could work in the main
10 floor cage or any other cage. They were not a
11 dedicated segregated team and that all reported
12 to that site level again.

13 Q Thank you. I want to move forward a little bit
14 in time again and talk about this consultant's
15 report that you referred to a little bit earlier
16 in your evidence.

17 Madam Registrar, can we please go to
18 exhibit C to Mr. Soo's affidavit, which I think
19 is at -- yeah, that's the one, yes

20 Mr. Soo, this is the report that you
21 referred to earlier as having been produced by a
22 group of consultants related to your efforts to
23 sort of explore the viability of the premium
24 table games program around 2004, 2005?

25 A Correct, yes.

1 Q And you've indicated that the report identified
2 credit as a crucial element of a premium table
3 games program; is that correct?

4 A Yes.

5 MR. McCLEERY: Madam Registrar, can we please see
6 page 55 -- of PDF page 55 of Mr. Soo's
7 affidavit.

8 Q Mr. Soo, I want to direct your attention to --
9 do you have that in front of you as well, or are
10 you looking at the screen?

11 A It's probably easier to look at the screen.

12 Q Okay. If we can scroll down just a little bit,
13 Madam Registrar, we see a paragraph there headed
14 "4.2.4, Availability of credit." Do you see
15 that, Mr. Soo?

16 A Yes.

17 Q I'll just review that quickly. It says:

18 "While each element of the product mix is
19 important, the availability of credit is
20 one of the critical factors when building
21 a premium table game player program.
22 International currency laws as well as
23 heightened suspicions in this post-9/11
24 era precludes gamers from travelling with
25 large sums of cash. It is simply

1 inappropriate to expect an international
2 traveler to carry in excess of \$25,000 in
3 cash for gambling purposes. The gamer not
4 only exposes himself to possible
5 confrontations with customs authority,
6 he's exposing himself to theft or currency
7 confiscation. Therefore, BCLC and River
8 Rock must establish some form of credit
9 that will allow premium table game players
10 to access a sufficient amount of money to
11 gamble with during their visits. Credit
12 issuance also significantly reduces the
13 potential for criminal activities such as
14 loan sharking or money laundering to
15 occur."

16 Now, have I read that correctly?

17 A Yes, you have.

18 Q So in addition to being sort of a crucial part
19 of I'll say the financial model for premium
20 table games, it is also identified here as an
21 important measure to prevent loan sharking and
22 money laundering; is that right?

23 A That's right. And if I can elaborate, that's
24 why I continue to just rewind back to 2004,
25 2005. All these elements were there, and this

1 was a very thick document, as I recall probably
2 about 100 pages. It's sprinkled throughout the
3 various sections, so it's talked about and
4 referred to several times, the issue and the
5 availability of credit in order to drive this
6 program forward. And specific to us in our
7 business in BC, it was critical that credit be
8 needed. There's a cost to doing credit. That
9 cost should be a shared cost between us and
10 government. To tackle on credit on our own
11 would not make it viable. We could in fact with
12 that risk measure possibly high, meaning that if
13 there was not enough people taking on credit and
14 playing with us that it can essentially blow up
15 in our face.

16 So I recognized throughout various points
17 of this that it's brought up and contained in
18 the report. And that's why we brought it to one
19 of the three critical factors why it was needed
20 if we were to get anyone to have an interest.

21 Later on in years after this was submitted,
22 it wasn't just the international traveller that
23 we were thinking about. I got -- I don't want
24 to jump ahead of myself, but I started to get a
25 little frustrated and thought okay, if we were

1 not going to do this, what can we do to try and
2 find players to come. They obviously would not
3 be playing at the level that we originally had
4 hoped to aim for, but nevertheless, they may be
5 able to play. So I got into alliances and
6 trying to build up rapport with companies like
7 Las Vegas. Again, that was a model that I
8 thought would be fitting to align with our
9 business. And in the process of doing that, I
10 realized that it was not just international
11 players. Indeed there was a lot of Vancouver
12 identities or Metro Vancouver people who had no
13 problem with credit, that had no problem with
14 the bankroll and the front money aspect, that
15 they were indeed going to Las Vegas, perhaps
16 every week, not the same people, but every week
17 there were premium wealthy people going to Las
18 Vegas, playing cashless. And it did not take
19 much to confirm this because the Las Vegas
20 companies told me -- first of all, every major
21 Las Vegas strip operator, so MGM, Wynn, Caesar's
22 Palace, Venetian, had branch officers in
23 Vancouver. And more than one of them told me
24 that Vancouver was their number one feeder hub
25 city in all of North America. What that told me

1 is all these players that are here that have
2 absolutely no problem going to Las Vegas on the
3 setup that I talk about with the prearranged
4 bankroll, indeed we were losing that business,
5 or indeed as the report stated, that if they
6 were playing with us, they were playing below
7 their means, they were playing marginally less
8 than what they would be playing and they were
9 playing either in Las Vegas, Connecticut where
10 there's very big casinos, Europe, Australia. If
11 they went to Hong Kong, they may be going to
12 Macau. They would be playing on a level that
13 was really fitting for what their conspicuous
14 spending habits were. And further to that, I
15 found out through talking with a lot of people I
16 knew, maybe anecdotal, but I certainly believe
17 it, that they didn't want to come in and play in
18 our casinos because money makes them feel dirty.
19 Money made them feel seedy. Even though we had
20 built this nice facility it made it feel like
21 they were going to a back alley resort -- back
22 alley gambling den to play if they had to carry
23 cash in to play.

24 So during that critical period from 2004 to
25 2007, I really realized that we not only lost

1 the opportunity to attract people to come here
2 to play and play cashless, we were indeed losing
3 people and draining out our BC dollars to other
4 jurisdictions who were benefitting by it.

5 Q Thank you. Let's move ahead, then, in time to
6 the period you describe in your affidavit, which
7 is the period leading up to the 2010 Vancouver
8 winter Olympics. And you describe in your
9 affidavit that there were some fairly
10 significant enhancements to the VIP or
11 high-limit offerings at the River Rock around
12 that time; is that right?

13 A That's correct, yes.

14 Q And those included the development of a new I'll
15 say more private high-limit space on the third
16 floor of the casino?

17 A Yes. We rushed to get that prepared and
18 launched in time for the Olympics, which --
19 sorry, for Chinese New Year, which that year
20 was -- I'll never forget, it was Valentine's
21 Day, February 14th. It was a late Chinese New
22 Year that year. The Olympics had opened up two
23 days earlier, the two-week event, February 12th,
24 and so I was really fearful of that overlap. I
25 remarked in my affidavit I clearly remember that

1 there was a problem in Las Vegas. People told
2 me our customers that went down for Chinese New
3 Year that year told me. It was just one of
4 those unfortunate situations that the mayor of
5 Las Vegas at the time, Oscar Goodman, was really
6 trying to wine and dine David Stern, the NBA
7 commissioner at that time, to allowing Las Vegas
8 to have an NBA team. He didn't do that, but he
9 did manage to convince him to conduct the
10 all-star game there. The game day on that
11 Sunday weekend was Chinese New Year day.
12 Chinese from all over, not just North America
13 but even Asia, because Chinese New Year is for
14 main businesses shut down for essentially 9 to
15 12 days, would do their annual pilgrimage there
16 and our players did as well, too. Our players I
17 clearly recall that if they were going down for
18 three or four days, I saw them back in one day.
19 They were traumatized that essentially the crowd
20 that the NBA game attracted in their words was a
21 war broke out between east coast and west coast
22 rappers; they were in elevators accosting these
23 Asians that were very wealthy that were playing
24 on the property and they vowed never to go to
25 Las Vegas Chinese New Year again. It was a

1 publicity, a PR disaster for Las Vegas. They
2 vowed never to hold the NBA all-star game there
3 again. It might be a bit dramatic compared to
4 what I was thinking, but at the same time our
5 hotel was overbooked and not by Asian people
6 coming back for Chinese New Year. I recall that
7 year because the Olympic Oval was a speed
8 skating oval that there was a large contingent
9 of Dutch, a large contingent of Germans that
10 were coming in and partying after the events
11 every day that the events were held. There was
12 a lot of interest for Russians to have Russian
13 House, Heineken House for the Dutch, et cetera,
14 and it basically was going to be a party zone,
15 and so I had early worries and concern about
16 that. The third floor was a concept that would
17 protect them off the main floor where these
18 party people were primarily going to enjoy
19 themselves during the night. So that was the
20 start of that concept. But a lot of people may
21 not remember in the company that we started
22 going up to the third floor in just a small
23 little section of the year before the Chinese
24 New Year before. It was our first kind of dip
25 into the water where we had two private rooms,

1 semiprivate rooms and a little configuration of
2 four tables. It did all right, but it didn't do
3 the way that we hoped it would.

4 Q And this space that you developed on the third
5 floor ultimately proved quite successful in
6 increasing high-limit play, not just during the
7 Olympics but beyond that as well; is that fair?

8 A That's fair to say. I guess the work leading up
9 to it with my years, it gave me a good sense of
10 what that latent demand was, what that
11 unsatisfied or dissatisfied -- I mean,
12 dissatisfied is a product that we have that they
13 don't like what the features are. Unsatisfied
14 was just not enough capacity, and latent was it
15 was dormant, they weren't playing, they didn't
16 come out of their house to play with us because
17 it was the wrong product. So in those years,
18 again, from the studies handed in in 2004 to
19 serve the relationship building I had with
20 alliances with Las Vegas, I had developed a
21 greater sense of what products, goods and
22 services were required to align with our gaming
23 in order to heighten the stimulus to attract
24 people to come and play. And so it worked out.
25 And once it worked out for us, for years to come

1 we adopted that model. What we did was look at
2 what enhancements can we try out for the
3 following Chinese New Year, specific to Chinese
4 New Year because we knew there was a huge
5 cluster of people coming back to repatriate with
6 their families, and so that gave us the
7 storefront for when they left and went back and
8 told their friends, who all had status in
9 Vancouver as well, too, that would come back
10 throughout the year. They would be our walking
11 advertising boards of saying hey, I was just in
12 River Rock during Chinese New Year; they've
13 created this product; it's really good, we like
14 it; the next time you go there ... And so from
15 a marketing perspective for year-round and also
16 for the height of Chinese New Year it worked out
17 for us and it worked out for us every year I
18 would say from 2010 to 2014.

19 Q Thank you. At paragraph 68 of your affidavit
20 you say that you continued to raise concerns
21 about the absence of credit or other sufficient
22 cash alternatives needed to support these VIP
23 offerings; is that correct?

24 A Yes. Sorry.

25 Q Feel free to take your time to get there.

1 A Yes, yes.

2 Q In the absence of these cash alternatives would
3 you agree that it was predictable that if these
4 efforts to attract more VIP people to high-limit
5 play were successful, you'd see a lot more cash
6 coming into the casino? Is that fair?

7 A Yes. As I had addressed Earlier for the changes
8 in 1997, as well too, it's just very obvious to
9 everyone -- I believe not just inside the
10 business, but anyone looking at it from the
11 outside, if your business is going to grow and
12 it's a cash-only business, obviously the amount
13 of cash is going to grow. I think the mounting
14 question and the concern when we're looking at
15 this period in 2010 is how behind the times we
16 were, how we wouldn't know of any other business
17 that was as voluminous as ours with people in
18 attendance that was still running strictly a
19 cash-only business. And how that was quite
20 embarrassing and damaging to our reputation and
21 image. It would be no different than two
22 parties doing business and I tell them I only
23 deal in cash; you must work with that if you
24 want to do business with me. It just -- by 2010
25 the world had morphed into cashless, much more

1 cashless as the smartphone was being developed.
2 You can see that other solutions, payment
3 solutions that was noncash, and yet for us it
4 was still only cash.

5 So it was a concern that I felt not
6 reputational but image-wise that it didn't fare
7 well for us. There was no other casinos that I
8 can think of in the world, but especially in
9 North America, that would only accept cash. And
10 so it was becoming a very big concern for us
11 that as the business got a lot larger, again,
12 not only the cash coming in -- from my
13 perspective, as people see the cash coming in, I
14 guess because of my development background, I
15 was seeing what cash was not bringing in. As a
16 matter of fact, cash was a barrier to revenue
17 coming in, and specifically people from all over
18 the world that wanted to play with us. And as
19 well, too, what I had found out and proven to
20 myself and through the branch office and the Las
21 Vegas executives that were marketing in our
22 area, there was this money there that just was
23 not available, not willing to walk into us
24 because of the cash rule. So I found that cash
25 was actually a big deterrent in our ability to

1 advance the business forward.

2 Q And as we saw from the Macomber report we saw
3 earlier, not only was it a barrier to revenue,
4 it was also an -- it also led to an increase in
5 loan sharking and money laundering risk; is that
6 fair?

7 A Well, he certainly mentions that that's -- in I
8 think one of the passages in the report says
9 third party credit lenders, which is quite a
10 loose but in many ways -- you know, I wouldn't
11 use the word "loan shark." Loan shark could be
12 really misinterpreted and in many ways. But
13 definitely people who were facilitating cash,
14 yes, that opened up the opportunity to do that,
15 and you know, that role and specific to that
16 roll, was it happening or anything like that, I
17 didn't think that much about it. To be direct
18 and honest about it, it didn't concern me. The
19 reason it didn't concern me was I knew in all my
20 years, in particular to when River Rock opened
21 up in 2004, there was this small little army of
22 entities that in my world, from my perspective,
23 not being as part of operation, was somewhat
24 opaque what they did. It was BCLC, it was GPEB,
25 it was law enforcement and police forces; it was

1 FINTRAC, it was provincial government; it was in
2 particular with law enforcement, police,
3 FINTRAC, the outreach that they had. So when I
4 add this all up, I figured there was a small
5 army that looked after particularly this. My
6 role was just to find any opportunity I can
7 within the casino to drive the business forward.
8 And we were a public company. Our senior
9 executive team, it was understood, you drive the
10 business forward. If you don't do that, the
11 investments that we have put into the River Rock
12 property and our ability to grow the business
13 would not occur.

14 So a long answer for a short question, but
15 during that period the cash coming in looked
16 normal because as the business grows and in a
17 cash-only business predominantly the cash would
18 obviously grow as a feature of that.

19 Additionally, was I worried about that cash
20 coming in? I felt confident that, again, we
21 were protected, safeguarded with this group that
22 were hired specifically to do it. You know,
23 specific in terms of the first two entities,
24 BCLC and GPEB, and then their outreach with the
25 other two, the law enforcement and police and

1 FINTRAC, and then also with FINTRAC and what
2 their outreach globally is. I was aware that,
3 you know, their global outreach would meet
4 Australia, FinCEN America, US treasury, IRS,
5 ICAC Hong Kong, CAC Macao, after the accident
6 Taiwan. The list goes on. So I thought that as
7 long and wide as that outreach was, it was just
8 as deep. So I didn't pay attention to it for
9 those reasons.

10 Q Mr. Soo, you've indicated that you were
11 regularly raising concerns about the absence of
12 adequate cash alternatives. Did you ever advise
13 anyone in Great Canadian, Mr. McLeod or
14 otherwise, that the enhancements or improvements
15 to VIP offerings should not be made until credit
16 or other adequate cash alternatives were
17 available?

18 A I think we certainly talked about the need,
19 again, that regardless of the enhancements it
20 was needed for the industry to modernize the
21 industry and to represent us in a way that would
22 not just recapture business and repatriate
23 business. So on a branding and marketing,
24 definitely there was a requirement for that.
25 But in terms of enhancements and the requisite

1 for enhancements to occur that these had to be
2 in, I think you're battling two things.

3 If noncash -- so, again, bankrolls
4 consisting of credit and front money, the
5 concept that is the Vegas model, had to be in
6 place before you did enhancements. By 2010 I
7 had worked on it six years. It was never going
8 to happen. We were never going to enhance the
9 gaming if we had to have these in. And I think,
10 again, I was, along with the people in my
11 company -- I can't speak for them, but I believe
12 that they had the same thought -- however it was
13 hung up why credit could not be allowed. And of
14 course it was under the responsible gaming
15 standards by GPEB, but that's not necessarily to
16 say that GPEB created that. It's government and
17 what their interpretation of credit was in
18 relation to social harm. I'm not a leading
19 expert. I can't explain that. But if we were
20 to make it work, only because we had those three
21 critical factors that I talked about from
22 before, the need for credit, the need for front
23 money to establish along with credit for the
24 bankroll, and that cost component that needed to
25 be shared, by 2010 it didn't look like all those

1 were going to come in. However, what it looked
2 like was small short-term enhancements that we
3 knew, higher bet limits, improvement of ambience
4 of facilities, and improvement of the non-gaming
5 amenities to complement i.e. the right type of
6 shows in the theatre, the right type of food, so
7 on and so forth, those small little changes
8 didn't require as much policy when it came to
9 gaming and certainly were added in fairly quick.

10 So as an example, I don't want to take you
11 too far down into the weeds of gaming, but
12 baccarat is the game of choice. There were game
13 features on baccarat that the players wanted
14 that I felt were not provided that resulted in
15 the dissatisfied demand that was pent up. It
16 was recommended in the Macomber report. Those
17 of us that speak the gaming language and table
18 games language understood what it was.
19 Principally yes, everybody understands it but
20 it's higher bet limits, that the business, if it
21 was pent up would instantly gush in. But there
22 was another one that unfamiliar to most people
23 that are not in gaming, on the game of baccarat
24 the rules back then were that players could not
25 touch the cards. So it became a very

1 non-stimulant dull game, essentially. The
2 dealer made all the movement with the cards. It
3 was not crossed over the table to players to
4 create suspense of what the cards were and that
5 was a key feature. Once that was approved along
6 with higher bet limits, the light switch just
7 turned on instantly. Instantly turned on. The
8 day before what we call baccarat squeeze, the
9 handling of the cards and higher limits came in
10 and they came in in conjunction about two months
11 apart, the end of '05 as I recall it, while we
12 were awaiting the response to the proposal,
13 those two came in and I can recall in 2006
14 around the period of Chinese New Year the cash
15 buy-ins were all over the table.

16 So it required that -- for the perfect
17 world and the property that we wanted to build,
18 we needed to have noncash options and
19 alternatives. But in spite of not being able to
20 advance in that, there were others that were
21 within reach, low-hanging fruit, and these
22 were -- like, the features I just mentioned in
23 the player privileges, once that was picked off
24 the tree, the light just turned on instantly.

25 Q Thank you. You've mentioned increases in bet

1 limits a couple of times in your last response,
2 and I want to just ask you a few questions about
3 that. During this period from sort of 2009 to
4 2014, there were a couple of increases to bet
5 limits; is that right?

6 A Sorry, can you repeat that period again.

7 Q 2009 to 2014, sort of from the time that you --
8 beginning when you started to think about
9 enhancements to the third floor space for VIP
10 play.

11 A Yes. There was increase to bet limits but not
12 only increase to bet limits. It was how the bet
13 limits were structured, which, again, is kind of
14 a lot more industry advance or specific, but
15 yes, to answer your question, there were a
16 series of increase to bet limits. Those were
17 driven not by myself. At that time we had a
18 director, a corporate position, director of
19 table games operations and from the company side
20 that would be the person that would be dealing
21 with government to apply for those changes.

22 Q Thank you. And am I correct that at that time
23 BCLC was responsible for setting maximum bet
24 limits and the service providers could decide
25 whether to allow play up to those limits in

1 their casinos?

2 A Well, the process would be that if -- from the
3 service provider perspective, we saw that there
4 was a demand for it and there would be high
5 player acceptance, that we would put that
6 proposal forward, we would provide as much
7 backup as we could. In this case it would be
8 risk reward volatility indexes, statistical
9 probability given the level of business that we
10 had, and you run through all those cycles and if
11 we felt it was very favourable, we would put
12 that in. And yes, it would come back from BCLC
13 to us. They would be the ones approving it.
14 Typically it would be approved for -- as I
15 recall, like, a 180-day trial test. Then all
16 the glitches that could have surfaced during
17 that period would get cleaned up and corrected,
18 and then after that, if the service providers so
19 chooses and felt it was successful, then it
20 could be implemented year-round.

21 Q Did you play any role in decision making around
22 whether to allow betting up to maximum limits
23 once those limits were set by BCLC?

24 A I didn't play any decision making on whether to
25 accept it and implement it or not. That would

1 be -- that would be casino management, site
2 management. They were the ones responsible for
3 the budget, responsible for revenue generation.
4 If I were to jump in and make that decision, it
5 would take all accountability away from them.

6 Q Okay. Thank you. We've spoken a lot now about
7 credit and the importance of that to VIP play or
8 high-limit play. I take it you agree that if
9 credit was made available to VIP and high-limit
10 players at the River Rock or other BC casinos,
11 they would have used it?

12 A Yes. And to be more specific about it, I don't
13 know if I got my point across clearly before.
14 Front money is one thing, and that is what I
15 believe is happening in the casino today called
16 PGF. But you need both. Having one is not good
17 enough. If you, for example, were reducing cash
18 through all the conditions and the
19 implementation of, you know, AML framework to do
20 that -- and you don't want the business to
21 suffer because you know that if you cranked up
22 and made more stringent the requirements for
23 cash, that the business would go down, but the
24 business will not go down if it is at the same
25 time in this concurrent situation implementing

1 credit and implementing more noncash alternative
2 banking options to the player.

3 Q The Commissioner has heard some evidence that
4 there was at times a belief among some people in
5 the industry in this province that there was a
6 cultural preference to use cash among players
7 from Asia and that cultural preference is the
8 reason why those players used cash. You spent
9 much of your career working to understand and
10 accommodate the preferences of VIP players. Did
11 you understand there to have been a preference
12 among VIP or high-limit players from Asia?

13 A People that come from the old world, not just
14 Asia, there's a preference to use cash in their
15 life. There is definitely a social cultural
16 misunderstanding on their part when you relate
17 specifically to VIP players that we're talking
18 about. They are PRC mainland, People's Republic
19 of China players predominantly. And they don't
20 spend many days in Canada. They don't really
21 integrate into the social cultural fabric of
22 Canadians. They're used to playing with cash in
23 their world. When they come over here, they're
24 used to playing with it. When we tell them
25 listen, cash is going to bring you a lot of

1 problems; it doesn't make you invisible -- not
2 to say that they want to be invisible, but just
3 playing with cash in today's society and world
4 is going to bring a lot of issues with you, to
5 you, and you know, yet at the same time that's
6 their preference to play it. And it's also the
7 government's rule that they can play with cash.
8 There was prior to late 2014 no conditions
9 imposed other than what the prescriptive rules
10 were in there, their identification, declaration
11 of funds, but not demonstrated source of funds.
12 All those came later. But for that period, they
13 felt that -- you know, I'm used to playing cash;
14 you're requiring me to play cash; I'll abide by
15 your rules.

16 Q Would you say then the reason why there was so
17 much cash in the industry as play rose from 2010
18 to 2014 is that because players preferred
19 to use cash, were required to use cash or some
20 combination of the two?

21 A Well, first, it was a requirement. You're again
22 going all the way back when the industry took a
23 turning point, and that was 2004, when bigger,
24 full-service, what you can call kind of more
25 closer to the scale of world-class properties

1 came up offering games with limits that were
2 pretty well world-class, and at that point there
3 was an insistence by government to use cash. So
4 you're talking a decade now up to 2014 from
5 River Rock's opening where primarily it was only
6 cash.

7 I mean, as I can recall from perhaps in the
8 middle there as early as the end of '08,
9 beginning of '09, we started stabbing at
10 noncash, meaning specifically that we started --
11 we -- I say "we," the service providers in our
12 company specific at that time was our director
13 of cage operations started working with BC
14 lotteries to look at alternatives, to look at
15 the formation of PGFs. There was a lot of
16 teething and difficult learning curve periods in
17 there for the first couple of years. There was
18 a dramatic improvement and escalation to more
19 acceptance after a couple of years when all
20 those kinds of learning curve problems were gone.
21 But running up to 2014 again, it was a
22 problem if you call it a problem. And I call it
23 a problem because it created this image that was
24 not what myself working in the industry would be
25 proud of. It was imposed by government. That

1 was it. And even if we created PGFs that were
2 what, again, I call front money, it needed
3 credit. And to me all the way through, almost
4 to the end of my career, credit, although
5 attacked several times, whether by BC lottery --
6 and they did. I fell there was a turning point
7 particularly when Brad Desmarais, Rob Kroeker
8 came into BC lottery, to me was an enormous
9 period of refreshing the fact that they shared
10 the same thought that I did, that, you know,
11 that was good for the business and we should
12 make efforts to try and get that through as much
13 as possible. But without credit, that is the
14 number one thing, and I remain today, that is
15 credit combined with front money, if it's not
16 available, you're either going to continue to
17 lose business in the gaming industry if you
18 tighten up and you need to tighten up the AML
19 protocols.

20 Q I think you said earlier, if am I correct, there
21 were some players that you were away of that did
22 not play or would not play in BC casinos because
23 they did not want to use cash in those amounts;
24 is that accurate?

25 A There are definitely people -- I know a person,

1 I'm not going to name him but, you know, he's a
2 person that played in our casino. He played
3 well below his means. I knew this person to be
4 a very wealthy person that was pretty well
5 retired and just living out, you know, life and
6 enjoying it. Again, one of those very what you
7 call conspicuous consumption people. Lived a
8 very good highly mobile lifestyle where he
9 travelled half the year, had the means to do so.
10 And I spent a lot of time with this person
11 because I had known him all the way from the
12 Richmond casino days. And he would never go
13 near those tables, the high-limit tables. And
14 it was through him, but then eventually through
15 other people that basically said that cash made
16 them feel dirty. They have a social status and
17 circle and network of family and friends and
18 business associates that were very important to
19 them in the Chinese culture of face-giving. For
20 any of them to discover that he's walking into
21 casinos with large amounts of cash to play would
22 just really tarnish that image that he could not
23 uphold and face with his family and his business
24 associates, but also people of that status, they
25 would have to carry their own money in. These

1 are people that are accustomed to having
2 personal assistants do things for them in their
3 life, at work or in the household, and again, he
4 just conveyed to me how playing with cash was
5 going to reduce him to an image that he did not
6 want to be seen as.

7 Q Thank you. If we can maybe shift again a little
8 bit forward in time. Madam Registrar, can we
9 please see PDF page 161 of Mr. Soo's affidavit.
10 Thank you very much.

11 Mr. Soo, the document on the screen in
12 front of you, you say in your affidavit this was
13 part of the River Rock's business and budget
14 planning for 2015; right?

15 A Yes.

16 Q And this set out some proposed upgrades to River
17 Rock's third floor VIP space; is that correct?

18 A That's correct.

19 Q And this plan was ultimately not implemented; is
20 that right?

21 A No. That space was implemented.

22 Q The plan set out here in this document we're
23 looking at, these were for upgrades to be made
24 in anticipation of the 2015 year; is that right?

25 A The Chinese New Year period was what we were

1 different space in order to upgrade their
2 technology on their surveillance equipment, on
3 security team. So this was the space that they
4 had occupied before, and it happened to be right
5 behind the lockdown high limit area that we call
6 Salon Privé, it was just right adjacent to it.
7 So it actually was either going to be left and
8 be integrated into office space or more gaming
9 space, and the option was gaming space because
10 knowing what we did back then, 2014, the revenue
11 was looking like it was going to end up with a
12 record year for us, so we advanced that thought
13 into this paper.

14 Q And that space that was vacated by security, was
15 that ultimately incorporated into the Salon
16 Privé?

17 A Yes. It became another extended area of that.
18 They did make the move up there in the end of
19 2014 and left the space for us to redevelop into
20 additional Salon Privé space. That space, we
21 name all our spaces. It was called Salon
22 Premium and it added 10 more tables for us in
23 addition to other kind of refinements that we
24 did in other areas of existing high-limit space,
25 but this was the new space addition and it did

1 go through and it did launch for Chinese New
2 Year 2015.

3 MR. McCLEERY: Thank you. Madam Registrar, can we
4 please move just to the bottom of that page.
5 Sorry, the same page you were just on but just
6 to the bottom of it. Right there is great.
7 Thank you.

8 Q Mr. Soo, we see here at the bottom of the page
9 there's a heading that says "Assumptions" and a
10 subheading that says "A. Global Implications."
11 Do you see that?

12 A Yes.

13 Q And if we can move down now to the next page, we
14 see there's a numbered list. I want to draw
15 your attention to item 1 in that numbered list,
16 which says:

17 "China Central Governments anticorruption
18 and flight capital campaign will escalate
19 in 2015, thus discouraging and diverting a
20 fair portion of VIP baccarat play from
21 Macao to River Rock Casino. It is widely
22 believed that campaign scrutiny will ramp
23 up when findings are completed and
24 reported back to Beijing in 2015."

25 Have I read that correctly?

1 A Yes.

2 Q Does this paragraph, is that meant to indicate
3 that the River Rock was trying to attract
4 players who would not be able to play in Macao
5 because they were linked to corruption?

6 A No, no, no, no. No. What this was rationale to
7 explain, 2014, as I said again, was a year where
8 our business really peaked. And in that year
9 there was a lot of new inflow of people. And
10 this rationale was to explain or try to explain
11 what was going on, what was bringing these
12 people in. And would this continue or not. So,
13 you know, I was careful. I always wanted to
14 make sure that the lens I looked through was
15 farsighted, not just near sighted, to look at
16 what was more far-reaching in addition to
17 looking at what was the low-hanging fruit. And
18 because of this, I guess and my time in
19 development, I grew this habit of looking at
20 what the geopolitical factors were happening
21 overseas. It could be Asia. Right from when
22 Hong Kong the late 80s to the early 90s, Taiwan
23 right after that, PRC China right after that,
24 PRC China being the largest amount. And I
25 always wanted to get and understand the vibe and

1 a take of what was going on. And that was also
2 the reason that I would spend time on the gaming
3 floor, to be in the trenches, to get the feel of
4 what was going on. I didn't want us in a very
5 successful year like that to just drink our own
6 Kool-Aid, thump our chest and say, we knocked it
7 out of the park; we know what we're doing. I
8 felt that, again, in our business starting from
9 the 80s all the way to current, what we got in
10 business very much was fortuitous, it was
11 serendipitous. We didn't go looking for it; it
12 found us. We just happened to be in the right
13 business in the right geographical part of the
14 world that seemed to align perfectly with
15 geopolitical situations such as Hong Kong
16 wealthy people wanting to come to Vancouver for
17 a safer haven in the event that things didn't
18 work out when the hand over back to China
19 happened. Followed by Taiwanese people that
20 essentially there was a change in the government
21 for the first time in 50 years, a new government
22 other than the KMT party was going to rule
23 Taiwan. And there was worries about political
24 stability and what the new government may cause
25 in terms of, you know, their family and the

1 businesses that they ran over there. And
2 Mainland China predominantly because the market
3 opened up. It was a socialist government that
4 embraced capitalism starting from the 90s. Also
5 I discovered that, you know, the Canadian
6 government really wanted this money and
7 attracted this money all the way from the 80s to
8 current -- the immigration laws were extremely
9 lenient. They wanted the Hong Kong people,
10 wealthy; they got them. Same with the
11 Taiwanese, but the Mainland Chinese and specific
12 to this period that you're talking about, I
13 recall finding out that from that period, I was
14 already thinking what geopolitical factors were
15 in play here.

16 From 2005 to 2012, the federal government
17 created immigrant investor programs to attract
18 wealthy, wealthy Chinese PRC Chinese to Canada.
19 In those seven years, 2005 to 2012, it was only
20 terminated in 2013, because the backlog of
21 applications reached the point where it would
22 take them years to process. It was that
23 successful. It amounted to -- I believe the
24 number was over 30,000 of China's richest, the
25 top 1 percent of the wealthy to immigrate to

1 Canada, and also in that period the federal
2 government, once they implemented this immigrant
3 investor program, they allowed each province
4 individually to determine the criteria and
5 qualifications. And so that initiative was
6 called the PMP or the Provincial Nomination
7 Program. Essentially they would vet the people
8 applying for British Columbia, submit that to
9 the federal government to approve. The majority
10 of the wealthiest during that time coming to
11 Canada ended up in Vancouver. So, again, for
12 us, I felt it was a direct correlation was going
13 in there, I needed to stay in tune with
14 everything that was going on.

15 For this point number 1, what had happened
16 was the Chinese leadership changed beginning in
17 the end of 2012. The President assumed General
18 Secretary, head of the Communist Party. He
19 became president in early 2013, I believe in
20 March. Call it what it is. It's all over the
21 news. I'm not going to judge it. I'm not a
22 political science expert. It was officially
23 China's anticorruption flight capital. Some
24 people refer to it as the political purge to rid
25 himself of his enemies. I'm not going to get

1 into that because I'm not qualified to. That in
2 addition to what I stated earlier with the
3 immigrant investor program under the PNP for
4 British Columbia brought all these people over.

5 So we didn't do anything. It was a twist
6 of fortune for us that it just lines up. Just
7 like River Rock as a matter of fact opened up in
8 June of 2004. The month before in May the first
9 large-scale American casino opened up in Macao.
10 And there's no doubt in my mind that benefitted
11 us directly because the Venetian Sands opened up
12 in Macao in May of 2004. It had a 265 million
13 dollar investment, as I recall. It had no
14 hotel. It was just a casino. They rushed to
15 open it. They built it just like we did River
16 Rock in about a year or so. They got -- and
17 their gaming tax is 39, call it 40 percent.
18 They got their full investment back in nine
19 months. They were not prepared for that. So
20 what that did geopolitically is that the Chinese
21 government, the Chinese citizens that never knew
22 gaming before became rich through the markets
23 opening up, ended up exposed to Macao. That led
24 them to learn how to play, that by the way, they
25 just happened to immigrate to Canada in that

1 time period, and they already became experienced
2 game players. And there was a lot of magic like
3 that that happened that benefitted us. For
4 instance, the Chinese people were not easily
5 able to travel to Macao because of China
6 requiring -- Macau is a special administrative
7 region. You needed an exit visa from China in
8 order to go to Macau. A lot of people aren't
9 aware of this, but there's two visas that the
10 Chinese need, and exit visa and then Canada or
11 Macao to issue them an entry visa.

12 But in another twist of fate what happened
13 was SARS happened in 2002. The people of Macao,
14 the people of Hong Kong, Hong Kong particularly,
15 blamed the Chinese government for covering that
16 up and that SARS was hitting southern China and
17 affecting them. The Chinese government as part
18 of the damage control allowed the borders to be
19 open from China to Macau, China to Hong Kong to
20 repair any damages done by that period. And
21 when that border opened the Chinese people
22 gushed into Macau. And again, the Chinese
23 people immigrated to Vancouver, now ready,
24 stocked and prepared to play, and for years
25 overlapping from 2005 to 2012, these people just

1 kept flowing in. They just -- it may sound
2 crude, but they just washed up onshore.

3 Q If I can take you down a couple of points on
4 that same page, Mr. Soo. Paragraph number 3
5 says:

6 "The United States' campaign against
7 illicit money laundering (American Justice
8 Department, US treasury Department and
9 FinCEN) will continue to intensify its
10 investigation into the governance and
11 ethical practices of Las Vegas gaming
12 companies operating in Macau (Wynn, Sands
13 and MGM). PRC VIPs will encounter more
14 restrictions to access funds for gaming in
15 Macau and Las Vegas, reducing their desire
16 to frequent these destinations and
17 diverting their play to River Rock
18 Casino."

19 Why would the American campaign against illicit
20 money laundering divert play to the River Rock
21 Casino?

22 A Well, again, the way that the Nevada state or
23 FinCEN US treasury at this point looks at it is
24 that when they look at the American operators
25 and their gaming licences, all activities that

1 probably them looking at these large players in
2 Macau and what their activities or background
3 were, it tightened up controls over there. It
4 woke up Nevada gaming control regulators to go
5 over there and find out what's going on, and
6 there was so much hype around that period along
7 with that anticorruption that they just stayed
8 away. They knew that Macau was heavily
9 publicized as being surveyed a lot. And I think
10 they just didn't want to play in Macau during
11 those years.

12 We, again, didn't need to attract any of
13 that. I was just trying to explain what's going
14 on here and why are these people coming in here.
15 That's not to suggest that these people may have
16 been involved in illicit activity and so that's
17 why they're avoiding it. These people just
18 didn't want profile in Macau any more at that
19 point in time

20 Q While you may not have been trying to attract
21 the play, did you believe River Rock would be
22 more attractive to international players because
23 the funds they used to gamble with would be
24 subject to less scrutiny than they would have
25 been in Las Vegas or Macau?

1 A No. You know cash -- and when you look at cash
2 at that time, I can't begin to explain how cash
3 was being scrutinized in very specific terms
4 because that was the work, again, of the
5 entities behind this. And I had to rely on that
6 part of it to feel safe and secure to come to
7 work, no different than trusting the pilot when
8 I get on a plane. But I felt that these people
9 were coming in because, you know, if you look at
10 the cash part of it and was it easy or not, it
11 was the same. It hadn't changed in 30 years.
12 You know, it was what we demanded, insisted of
13 them, and they were willing to play that way.
14 So to them Macau might have tightened up and
15 changed because of the anticorruption and the
16 flight capital. It might have changed because
17 the American casinos had to change over a lot of
18 AML protocol and regimes that it found itself
19 not meeting up to. And so maybe they were lax.
20 Maybe in Macau they weren't imposing certain
21 rules and Nevada state found that and made them
22 clean it up and that would impact and let the
23 customer know, you can't play like the way you
24 used to; here's what you have to do. And that
25 may just cause them to avoid it because the

1 players just didn't want that hassle.

2 Here we were in British Columbia nothing
3 changed. And they were playing that way for 10,
4 15, 30 years. While Macau changed, while China
5 took its stance and changed as well, too, on the
6 crackdown, we didn't. So they just played the
7 same as they would play in other years, but they
8 would play more. We would get more than our
9 fair share of previous visitation because they
10 were avoiding visitation to other places.

11 I mean, they play in Macau a lot more than
12 they play in Vancouver. The same player that we
13 were talking about here, they lived no more than
14 two hours away. In the case of Guangdong, which
15 is the southern province, you know, there were
16 fast trains that were taking them there within
17 an hour. So the accessibility was there. So
18 they would be playing there throughout the year.
19 We don't -- there was no way we thought hey,
20 just because you leave River Rock at the end of
21 your play you're not going to be playing again
22 until the next time we see you at River Rock.
23 They're playing throughout.

24 Q If we can go back to an earlier stage in your
25 career, you refer in your affidavit to your

1 involvement with Great Canadian's China Sea
2 Discovery venture in 2000 and 2001; is that
3 right?

4 A Yes. Yes.

5 Q While you were working on that venture, were you
6 aware of an individual by the name of Cheng
7 Yu-tung?

8 A Cheng Yu-tung is a very well-known person. He
9 was on the top 10 Hong Kong's richest for years
10 and years, so I didn't know him very much
11 because, you know, he was in the newspaper
12 articles from time to time. I remember *The*
13 *Province* would put out Hong Kong's top richest
14 and he would be on the top 10 list, and you
15 know, watching whatever I could of Chinese
16 programs and news, yes, I knew of the name, yes.

17 Q Did you ever have any interactions with him?

18 A Never saw him in my life.

19 Q To your knowledge did he have any involvement in
20 the China Sea Discovery venture?

21 A No, no. I wasn't involved in the Chinese -- in
22 the Chinese Sea Discovery from that back-end
23 portion of it. I was strictly the operational
24 end. So the front office business side you talk
25 about, you know, in terms of the business

1 agreements, arrangements or anything like that,
2 I wasn't involved in that. My responsibility
3 was very clear, to put a casino together.

4 Q Were you aware of any time when the ship was
5 effectively held hostage in port until a person
6 was repaid for their investment in it?

7 A I never encountered that. I never heard of
8 that, I never encountered that.

9 Q Was that -- the venture, the China Sea Discovery
10 venture, used to recruit VIP players to Great
11 Canadian's British Columbia properties?

12 A Oh, absolutely not. Because we -- the main
13 reason that the ship failed was it didn't have
14 passengers. You know, I was against the
15 project, as I stated in my affidavit, because it
16 was way too overreaching for us. It was first
17 of all not a land-based casino. A casino on a
18 cruise ship is something completely different.
19 And we had experience with failures of casinos
20 that are on a vessel, and it's not even our own
21 direct experience. What had happened was in
22 1999 in New Westminster there was a riverboat
23 casino. It was one of the first expansions in
24 New Westminster. They had two casinos when the
25 city approved it. One was the Royal Towers

1 Hotel. And the other one was -- I believe it
2 was called Star of Fortune or something like
3 that. It was a riverboat that was purchased.
4 And as part of its requirement, the only way you
5 can have gaming on it was that the ship had to
6 sail, and when it was sailing then gaming was
7 allowed to be turned on and when it came back to
8 shore it wasn't. So when I say we had
9 experience we -- I went on the ship. You know,
10 our rival competitor was Gateway. And I noticed
11 that someone would get onboard. The ship had to
12 sail a minimum amount of time. It wasn't always
13 sailing properly because it was a very
14 commercial Fraser River. So there was times
15 where it was unstable. It didn't just always
16 sail. Because it was sailing, if you lost your
17 money you couldn't get off until you got back
18 onshore. For the people that did want to come
19 on and there was no ship you had to wait until
20 that ship got back onshore before you can board.
21 So I realized all this. It was 1999 and I just
22 thought what the heck are we doing getting into
23 a ship business in a part of the world that we
24 had no control over the market, had no idea how
25 the market worked. And it turned out exactly to

1 be like that, that there was no passengers. Of
2 the infrequent passengers it had, for all my
3 memories of it, in China where it ended up --
4 and I was on the ship. I think I sailed once
5 with it. Like, "once" meaning an overnight
6 excursion, so a one-day cruise. There was not
7 many players. And in terms of VIP, there was
8 one. But never got to know that person. I
9 mean, I wouldn't even begin to know how to know
10 that person, but the person who actually
11 chartered that ship had a travel company in
12 southern China, and he was hoping to bring
13 people from all over China to that port in
14 Hainan to board that vessel and they would
15 cruise around and go back home. So you're now
16 talking about 2000. A very different time
17 compared to, say, the River Rock in 2010, 2014
18 time. It was new for these people. They had
19 never travelled outside of China. This would be
20 considered travelling outside of China because
21 the vessel would actually go to Vietnam.

22 So it was quite a privilege just to be able
23 to go on a cruise ship in 2000. And that was
24 the experience that these people were hoping to
25 get. So that was the crowd, to give you an

1 idea, of first-time cruisers leaving China.

2 There was no serious gamblers. There may have

3 been one or two that played heavy. But aside

4 from that. There was no business that even if

5 you wanted to recruit from, there wasn't any.

6 And we had absolutely no interest.

7 Q Thank you. I want to ask you about another

8 event described in your affidavit, which is some

9 events leading up to the deregistration and

10 termination of a Great Canadian staff member

11 named Lisa Gao.

12 A Yes.

13 Q You're familiar with those events, some level at

14 least?

15 A Well, I'm familiar with her being terminated.

16 Q Did you ever supervise Ms. Gao either directly

17 or indirectly?

18 A Never.

19 Q Were you -- had any responsibility for hiring,

20 disciplining or terminating Ms. Gao?

21 A Never. And nor appraising.

22 Q You say in your affidavit you had -- you did

23 have some concerns about Ms. Gao's relationship

24 with VIP players; is that correct?

25 A Yes, yes, I did.

1 Q Can you elaborate on the nature of those
2 concerns?

3 A Yes. And you know, Lisa knew my opinion that I
4 felt she was too close. And you know, the
5 question people would have is how close is too
6 close, and how do you define that.

7 All I can say is that we had a difference
8 of opinion in that she felt that the job -- we
9 talked about it on more than one occasion, so
10 she knew. My job was to provide leadership and
11 basically advice and what I felt from the years
12 that I had worked in the business, you know, the
13 best practices. She felt that, you know, she
14 needed to -- she and her team, if they could,
15 but really it was her, be as close to the
16 players as possible in order to really gain the
17 loyalty.

18 My opinion and view of that was no, you
19 always need to have this gap between you and the
20 players. And that's every one of us in the
21 company. Because if you're too close, how close
22 is too close? It's very difficult to define.
23 But too close is definitely when the loyalty is
24 questionable whether it's to the player --
25 sorry, whether it's to the company or the staff

1 member. In terms of loyalty, my difference of
2 opinion with her is that there is no such thing
3 as loyalty with players, that you only hope to
4 aim for getting more than your fair share of
5 visits, but it was in many respects healthy for
6 them to go visit and play in other casinos
7 because that gave them that refreshing moment of
8 being able to compare if we were confident our
9 product and goods were better than our
10 competitors but also for the gambler that came
11 into the same environment and they lost most
12 times they came in, they needed to get away from
13 us and refresh themselves. And if they found
14 themselves winning in the other casino when they
15 went there, didn't matter how much they liked
16 you or how close you were. They went in to win
17 and so no amount of loyalty is going to get you
18 every visit and you cannot aim for that.

19 You know, so we didn't agree as far as the
20 value of being close, but stepping away from
21 Lisa specifically, and I spoke to all the
22 management people whenever I could to try and
23 give them leadership and advice is, you know,
24 what hurts most in our business is perception.
25 And perception to an industry that is labour

1 intensive and very voluminous with players where
2 gossip and everything else goes that perception
3 becoming reality in their minds. And if you're
4 very close to certain players -- and, you know,
5 not just certain players, but we had three
6 different tiers of premium play, and you needed
7 to not just monopolize your time with the
8 highest level VVIP play, you needed to make sure
9 that it was balanced. Because if you didn't,
10 those other two tiers would feel left out and
11 not recognized and so on. So then it becomes
12 feeling like it was favouritism. So I remarked
13 on all that with management people and all that
14 that you've got to be very careful. We've also
15 got to be very concerned that if the loyalty was
16 too deep with staff that, like a pied piper,
17 they leave, they may go to a competitor or they
18 may even go to a branch office. And I know that
19 we've got all sorts of restrictive work
20 governance to ensure that people have to sign a
21 non-compete, et cetera, but you just can't trust
22 and don't know what would happen that if you
23 lose one customer, you could lose 10 altogether
24 if it was too heavily influenced by a single
25 employee.

1 So, again, it was difference of opinions in
2 how we viewed the business and the approach to
3 what the task and what the role of the customer
4 relationship management functions were in
5 relation to players. Consequently, she didn't
6 report to me. She continued to do what she felt
7 was right, and you know, she got the support of
8 management, so I tried the best that I could to
9 inject or infuse my thoughts into it hoping that
10 she would accept some of it, and, you know, we
11 just went on our way.

12 Q I want to next ask you about your involvement,
13 or perhaps lack thereof, in Peter German's
14 review of money laundering in the gaming
15 industry.

16 A M'mm-hmm.

17 Q First question, were you interviewed for Peter
18 German's review of money laundering in the
19 gaming industry?

20 A No. No.

21 Q Do you have a relationship with Dr. German?

22 A The only relationship was we serve on the same
23 board. But I don't know Dr. German outside of
24 the board. I don't think I even have his email
25 or his phone contact. But we've never spoken

1 outside, never met outside. So only at the
2 board. And to qualify that, the board only
3 meets either ad hoc or at specific times a year
4 if there was budgets or things like that. But
5 in total maybe -- and in 2017 to be specific, I
6 think we met maybe six times. But of that -- we
7 had six board meetings that I attended, sorry.
8 Dr. German is on the audit and finance
9 committee. I'm on the business planning
10 committee. And we each meet separate from that.
11 We only come together when there's total board
12 of director meetings. So when I iron all that
13 out, I probably saw Dr. German at a meeting four
14 times in that year.

15 Q Did you and Dr. German ever have any
16 conversations about the review that he was
17 conducting?

18 A No. Never.

19 Q And did you ever ask that he not interview you
20 for the purpose of his review?

21 A No. No, never. And I know the media reported
22 on that and I'd just like to address that for a
23 moment. I knew that Dr. German was the former
24 regional deputy commissioner for the RCMP for,
25 you know, Western Canada and the north. I knew

1 that he was a lawyer. You know, we all see
2 these criterias -- sorry, biographies when we
3 came and joined the board. And I believe we
4 joined the board in the same year, 2016, when
5 the Oval decided to expand the board. So it
6 would be really, I feel -- I don't know if
7 others would agree -- foolish of me knowing that
8 Dr. German came from that background to simply
9 go up and ask him not to interview me when I
10 knew that he was going to conduct an
11 investigation into our company. And to even
12 think that I would go up and ask him that and to
13 conceive that he'll say yes, no problem, I'll
14 stay away from you, I think that if I approached
15 him to do that, if he had no suspicion of me or
16 any involvement he would suddenly have enormous
17 suspicion of me. So it would be, I believe,
18 just a very low intelligence to even consider
19 that I would approach a person with that
20 credential to ask him. And I never did. In
21 short, never did.

22 Q Thank you. If I can take you to paragraph 148
23 of your affidavit just for a moment. Let me
24 know when you get there.

25 A Yes.

1 Q A moment ago I asked you if you'd ever had any
2 interactions with Dr. German regarding his
3 review. And you said that you had not.

4 Paragraph 148 of your affidavit says:

5 "At the first meeting of the Richmond Oval
6 board following Dr. German's engagement,
7 Dr. German approached me and we agreed
8 that at Richmond Oval board meetings we
9 would focus on Richmond Oval business and
10 we would not discuss Dr. German's review
11 during board meetings."

12 That paragraph of your affidavit, is that
13 accurate?

14 A That's accurate. And if I can put some
15 perspective into my recall of that. I think
16 Dr. German was appointed and announced sometime
17 end of September 2017. Again, we never saw --
18 the board kind of broke for summer. So starting
19 in the fall again, the first time I saw him was
20 perhaps the end of November, which would have
21 been two months from when he'd been appointed.
22 So I recall that we went and two months had
23 elapsed, this news had been out, and I recall
24 that my sense was Dr. German just wanted to get
25 that elephant out of the room, and what I mean

1 by elephant is it would be very strange if, you
2 know, we -- this announcement was out. On the
3 one hand he probably assumed that I knew, but he
4 needed to know that I know and then that way we
5 can draw the fine line and get it over with, get
6 that elephant out of the room, as I say, because
7 it's totally awkward if we're at board meetings
8 and we never, ever even mention it and he's
9 wondering whether I know or don't know. So I
10 think to get all that clear, he just said, you
11 know, we're here for board business. And I
12 said, I totally agree; we're here for board
13 business; let's just concentrate on that; let's
14 ensure that there's no conflict or even
15 perception of conflict; we don't need to talk
16 about it, and if you need to talk about it, you
17 know where I work.

18 Q Thank you.

19 A That was it.

20 Q Thank you. Mr. Soo, just to conclude, then, I
21 want to maybe take a step back. Would you agree
22 that the work that you did with Great Canadian
23 that ultimately was successful in enhancing and
24 building the VIP or high-limit business, would
25 you agree that that contributed to the growth

1 and the volume of cash coming into casinos, and
2 the River Rock in particular, between 2010 and
3 2014?

4 A Well, as I said a couple of times, Great
5 Canadian didn't impose the cash only. That was
6 there; it was there for over 30 years. And then
7 slowly we're chipping away at alternatives to
8 get them. Because we realized that if the
9 government attacked the cash only and started
10 putting conditions on it, the business would go
11 down if you gave them no alternative to replace
12 that with.

13 So for sure. We're a public company. The
14 government as well. We're in business to try
15 and grow the business to drive the business
16 forward, and in a cash-only business that's
17 really where I think the question is caught
18 here, why and who imposed that rule and stuck
19 with that rule for 30 years. Because Great
20 Canadian didn't have a choice to accept anything
21 but cash. And by, as I explained earlier,
22 fortuitous reasons, serendipitous reasons, or
23 twist of fate reasons, all those geopolitical
24 factors that were playing out overseas, we
25 gained a greater than our fair share of the

1 business because we reacted with building the
2 facilities to welcome these people in, and we
3 identified what they wanted. Crude as it
4 sounds, we were serving hamburgers, they wanted
5 steak. So we changed the menu. You know, and
6 it could be for anyone. It could be for any
7 other ethnic race came in tomorrow, as a sound,
8 responsible business company and practice we
9 would adjust and be as nimble and as fast to
10 adjust. But what remained throughout all this,
11 cash-only plays was something we could not
12 touch, was something we did address,
13 alternatives that we said was needed, business
14 that was missing, business that was being driven
15 out of British Columbia because of that rule.
16 And people may be looking at the cash coming in.
17 I was looking at what cash was not coming in
18 because of the cash-only rule. And I can recall
19 right up to 2015. I mean, Great Canadian would
20 have evidence of this, but there was almost a
21 year-long project that Great Canadian had to try
22 and drive credit. So the company was still
23 working really hard. Again, recognize that
24 front money or what they call PGF accounts and
25 funds transfer was not good enough; you needed a

1 combination of both. And we were driving -- I
2 was on a project team. There was a steering
3 committee. The project lasted eight months to
4 compile a proposal for casino credit that I
5 think ultimately was submitted to BCLC. I don't
6 know what happened thereafter. But it was quite
7 an intensive project. So covering the span from
8 2004 to 2015, for me it was always top of mind,
9 and that cash that was coming in as a result of
10 the business growth was really because there was
11 no alternatives to combat against that. And I
12 honestly don't know if there was the will to
13 combat against that.

14 Q Knowing what you know now, do you believe that a
15 substantial portion of that cash that was coming
16 in by, say, 2014, do you believe that a
17 substantial portion of that was the proceeds of
18 crime?

19 A I have to answer from the perspective of where I
20 saw that. Natural to explain that business
21 grew, cash came in. Because the drop rolls.
22 And when I say "drop" in table games, drop and
23 hold are our key metrics, and drop essentially
24 is the money going down into the box that we
25 retrieve and count. So when that started to

1 rise, it could be explained there's all these
2 new people coming in, and I tried to explain
3 what it was that was causing new people to come
4 in. As I explained earlier, trying to
5 understand geopolitical factors.

6 In terms of whether it was proceeds of
7 crime, I can only say, again, that I knew there
8 was this entity of four of five different
9 partners that we had, BCLC, GPEB, law
10 enforcement, police, FINTRAC, FINTRAC's
11 outreach, the police's outreach, the provincial
12 government over top of that. Again, I had to
13 trust that with such a vast pool as long and
14 wide as it was deep that it was working on a
15 fully integrated coordinated and cooperative
16 manner that what they did was in many ways
17 secretive and covert to us because the nature of
18 what they were doing had to be. So I didn't
19 need to know any more and I certainly wasn't
20 going to know any more standing on the sidelines
21 because I was not involved --

22 MR. McCLEERY: We appear to have lost Mr. Soo.
23 Mr. Commissioner.

24 IT SUPPORT: This is correct, Mr. Commissioner. We
25 might have to stand down for a couple of

1 minutes, please.

2 THE COMMISSIONER: Yes, thank you. I momentarily
3 lost my audio, but I think I'm back on now.

4 Yes, we'll stand down for -- why don't we
5 take the break right now. We'll take 15 minutes
6 and do what needs to be done to get Mr. Soo back
7 and then resume; all right?

8 THE REGISTRAR: This hearing is adjourned for a
9 15-minute recess until 11:43 a.m.

10 **(WITNESS STOOD DOWN)**

11 **(PROCEEDINGS ADJOURNED AT 11:29 A.M.)**

12 **(PROCEEDINGS RECONVENED AT 11:42 A.M.)**

13 **WALTER SOO, a witness**
14 **for the commission,**
15 **recalled.**

16 THE REGISTRAR: Thank you for waiting. The hearing
17 is resumed. Mr. Commissioner.

18 THE COMMISSIONER: Thank you, Madam Registrar.

19 Yes, Mr. McCleery.

20 **EXAMINATION BY MR. McCLEERY (continuing):**

21 Q Mr. Soo, it's good to have you back.

22 A I apologize. I don't know what happened.

23 Q Not to worry. You were in the midst of
24 answering my last question when we lost you,
25 which was about your perspective as to whether,

1 you know, knowing what you know now whether a
2 substantial portion you believe -- of the cash
3 that was coming into the casinos was the
4 proceeds of crime. If you could progress into
5 answering that question, did you want to
6 [indiscernible] --

7 A Yes.

8 Q -- further to add.

9 A So regarding the thoughts about whether it was
10 proceeds of crime or not. You had no choice but
11 to think about it because it was all over the
12 media. You know, it had been reported on for
13 years and years and years. So working inside
14 the business, of course it brought it to your
15 attention. Again, if I was just on the inside
16 and not thinking about it and not hearing about
17 it from the media, it became very normal to us
18 for the reasons that I stated that for 30 years
19 that's all you saw and you grew the business and
20 the cash would come in. But, you know, if I
21 were to think about it, I certainly would not
22 talk about it because having been in the
23 business that long, our business is very much
24 like the banking industry where we have access
25 to a lot of client-sensitive information in

1 regards to who they are, you know, what their
2 financial activities are, et cetera, and you do
3 not talk about it unless you absolutely had to
4 talk about it. In Great Canadian's world we
5 didn't talk about it because proceeds of crime
6 was not our responsibility. Our responsibility
7 was to ensure that the prescriptive policies,
8 rules and procedures that were given to us, if
9 we checked off every one of those boxes, we hit
10 an accept button. We did not have a refuse
11 button. If they didn't check off, we just
12 didn't hit the accept button.

13 On the other hand, the small army of people
14 that I felt employed hundreds, if not thousands,
15 with all the outreach that, you know, ran a
16 payroll of millions a year, they were there to
17 safeguard the industry, the house, the community
18 all of us. With all of their access to finding
19 out about proceeds of crime and expertise, you
20 know, and they came in experienced, and they got
21 greater skills. You know, they upgraded. Some
22 of them have ACAMS certifications; they went to
23 conferences worldwide. Their aim specifically
24 was to look at this cash coming in. What I just
25 believed at the end of the day is if this cash

1 can continue to come in and in River Rock in the
2 specific period for 10 years and this small army
3 was doing nothing but watching that, there was
4 nothing that they saw or came up with to force
5 them to hit the refuse button. Again, they had
6 a refuse button. We only had an accept button
7 with a list of prescribed policies, procedures
8 to follow. If for any reason any one of them
9 saw a reason to hit that with the cash coming
10 in, it would automatically override and disable
11 our button. But our buttons continued to work.
12 We can't explain behind that covert, secretive
13 world that they need to work in what's going on.

14 From our perspective we only saw what was
15 going on from your world, and the fact that no
16 action was taken meant that everything was okay
17 and checking off. Because they were the only
18 ones in position to be able to tell us. So for
19 me to listen to the media, for me to make my own
20 opinion about what happened is purely
21 conjecture, or to surmise that, you know, maybe
22 they're right, maybe they're not, I cannot be in
23 a position to tell you if it was or it wasn't.
24 I didn't see it. I didn't see it being
25 generated in the community. I didn't see it get

1 brought in. I would not be able to have
2 anything but an opinion based on what I've seen
3 in the media and what I saw myself, and I did
4 not see anything through the lens that I had
5 with the work that I had from the sideline that
6 I had. I did not see -- I did not see drug
7 deals going down. I did not see people passing
8 money from one to the other and demanding
9 20 percent interest. I didn't see any of that.
10 So to answer the question, I saw nothing at all
11 that indicated to me that that was proceeds of
12 crime. I thought that the people who had
13 nothing but that to think about top of mind
14 every day when they went to work were much more
15 qualified than I am and those are the people
16 that hold the refuse button.

17 MR. McCLEERY: Thank you very much, Mr. Soo. Those
18 are my questions, Mr. Commissioner.

19 THE COMMISSIONER: Yes. Thank you, Mr. McCleery.

20 I'll now call on Ms. Stratton on behalf of
21 the province, who has been allocated 10 minutes

22 MS. STRATTON: Thank you, Mr. Commissioner. Based on
23 the evidence that we've heard today, I don't
24 have any questions for Mr. Soo.

25 THE COMMISSIONER: Thank you, Ms. Stratton.

1 Mr. Stephens on behalf of BC Lottery
2 Corporation, who has been allocated 10 minutes.

3 MR. STEPHENS: I, too, have no questions,
4 Mr. Commissioner. Thank you.

5 THE COMMISSIONER: Thank you, Mr. Stephens.

6 And Mr. Skwarok on behalf of Great Canadian
7 Gaming Corporation, who has been allocated
8 15 minutes.

9 MR. SKWAROK: Thank you, sir.

10 **EXAMINATION BY MR. SKWAROK:**

11 Q Mr. Soo, Mark Skwarok. I represent Great
12 Canadian. I just want to ask you a couple of
13 questions about your paragraphs 141, et cetera,
14 in your affidavit. And you say in those
15 paragraphs that you had some concern that you
16 were unable to speak to the public by virtue of
17 a Great Canadian policy; correct?

18 A Yes.

19 Q Are you aware that that policy applied to
20 everybody else at Great Canadian?

21 A I'm not clear on your question. It applied to
22 me because it was sent to me and I had to sign
23 off on it.

24 Q But there was an internal Great Canadian policy
25 on media and communications that applied not

1 just to you; correct?

2 A Correct. Correct.

3 Q And in fact there had been adverse critical
4 media articles about Mr. Rod Baker in the past;
5 right?

6 A Yes.

7 Q And there was no public statement from Great
8 Canadian about that, were there?

9 A No.

10 Q No. And Mr. -- pardon me, Senator Larry
11 Campbell had some critical comments made of him
12 in the media. Do you remember that?

13 A Yes.

14 Q And Great Canadian didn't make any public
15 statements about that, did it?

16 A You're correct, yes.

17 MR. SKWAROK: Those are my questions, sir. Thank
18 you.

19 THE COMMISSIONER: All right. Thank you,
20 Mr. Skwarok.

21 Ms. McCleery, anything arising from that?

22 MR. MCCLEERY: Nothing arising from me,
23 Mr. Commissioner, but I've been passed a note
24 that Ms. Mainville may wish to seek leave to ask
25 questions but was not given a time allocation,

1 and I'll note you may also want to canvass with
2 Mr. Harbottle whether he wants to seek leave to
3 ask any questions of Mr. Soo.

4 THE COMMISSIONER: All right. Let's deal with
5 Ms. Mainville first.

6 MS. MAINVILLE: Thank you, Mr. Commissioner. Indeed
7 I had not sought any time allocation, but there
8 was a reference made to Mr. Kroeker that I just
9 want to clarify with the witness if I may.

10 THE COMMISSIONER: Yes. By all means go ahead.

11 MS. MAINVILLE: Thank you.

12 **EXAMINATION BY MS. MAINVILLE:**

13 Q Mr. Soo, you mentioned at one point in your
14 evidence, I believe, that you were -- you
15 welcomed -- and I'm paraphrasing your evidence,
16 but I think you welcomed Mr. Desmarais and
17 Mr. Kroeker's arriving on the scene and being
18 supportive, I believe, of cash alternatives.

19 A Yes, yes.

20 Q And I just wanted to clarify whether your
21 understanding of their support for cash
22 alternatives had anything to do with growing the
23 business or whether it had to do with AML or
24 both or what your understanding of that is. And
25 to be clear, let's start with Mr. Kroeker, which

1 is what I'm interested about.

2 A Yes, so I mean, with Mr. Kroeker the timeline as
3 I recall it was in late 2011, the first time I
4 ever met him. He was seconded from the justice
5 department, civil forfeiture. And so I met him
6 I would say roughly in the same setting that
7 Mr. Desmarais came in, and it was all to do with
8 this workshop with the service providers, BC
9 lottery, on reducing cash and reliance on cash
10 initiatives. So any initiative to reduce cash,
11 I was all over it, as I said from 2004 all the
12 way to 2015. And with Mr. Kroeker, my initial
13 impressions with him immediately was I finally
14 got time with someone in front of me that I can
15 speak to this subject about because in previous
16 years I did a proposal. I submitted it upward
17 in the chain of command to my bosses who then
18 crossed it over talking to government. I never
19 really got hard time with someone to discuss the
20 pros, the cons, what we needed to do, what we
21 needed to drive business without losing it if we
22 implemented AML measures. Finally I had
23 Mr. Kroeker. Finally I had Mr. Desmarais. And
24 maybe it somewhat helped that we were in the
25 same age range as well, too. And I seem to

1 recall that Mr. Desmarais -- I think he grew up
2 in the east end of Vancouver, same as myself,
3 and had a senior parent that was going into a
4 care home like mine was. So there was a lot
5 that allowed us to actually be able to bond and
6 spend more time together, but specific to the
7 work, it was very relatable what these people
8 were saying to me and it was very positive.

9 Q Right. And so this was in the context of
10 Mr. Kroeker having been effectively retained by
11 BCLC to implement the cash alternatives
12 following his review in 2011, if you're aware of
13 the review?

14 A I wasn't aware of the review, but I definitely
15 recall meeting him specifically when these
16 workshops were being organized.

17 Q Right. And so at that point in time he had a
18 lot of time of course to discuss cash
19 alternatives and that's what he was working on
20 implementing?

21 A Yes. Yes.

22 MS. MAINVILLE: Right. Okay. Thank you. Those are
23 my questions.

24 THE COMMISSIONER: Yes, all right. Thank you. And,
25 Mr. McCleery, I should ask you -- well,

1 Mr. Harbottle, anything you wish to pose by way
2 of questions to Mr. Soo?

3 MR. HARBOTTLE: Nothing, Mr. Commissioner. I think
4 Mr. Soo's covered it. Thank you.

5 THE COMMISSIONER: Thank you. And, Mr. McCleery,
6 anything arising out of Ms. Mainville's
7 questions?

8 MR. MCCLEERY: Nothing arising. Thank you.

9 THE COMMISSIONER: All right. Thank you. I think,
10 then, we will -- sorry, we'll excuse this
11 witness. Mr. Soo, thank you for your time and
12 for providing us with your -- an account of your
13 experiences and your insights in the gaming
14 industry over a significant period of time. And
15 it has been helpful. So you're excused from any
16 further testimony.

17 THE WITNESS: Thank you.

18 **(WITNESS EXCUSED)**

19 THE COMMISSIONER: I gather we have another witness,
20 Mr. McCleery.

21 MR. MCCLEERY: Yes, we do, Mr. Commissioner, and I
22 suspect it may be helpful to stand down for a
23 few minutes to get them set up.

24 THE COMMISSIONER: We will do that. We'll take five
25 minutes or any longer time that is necessary.

1 But five minutes to start with. Thank you.

2 THE REGISTRAR: This hearing is stood down until
3 noontime.

4 **(PROCEEDINGS ADJOURNED AT 11:55 A.M.)**

5 **(PROCEEDINGS RECONVENED AT 12:00 P.M.)**

6 THE REGISTRAR: Thank you for waiting. The hearing
7 is resumed. Mr. Commissioner.

8 THE COMMISSIONER: Thank you, Madam Registrar.
9 Yes, Ms. Latimer.

10 MS. LATIMER: Yes, Mr. Commissioner. Our next
11 witness is Terrance Doyle, who will be affirmed.

12 **TERRANCE DOYLE, a**
13 **witness called for the**
14 **commission, affirmed.**

15 THE REGISTRAR: And please state your full name and
16 spell your first name and last name for the
17 record.

18 THE WITNESS: My name is Terrance Doyle. It is
19 spelled T-e-r-r-a-n-c-e, last name Doyle,
20 D-o-y-l-e.

21 THE REGISTRAR: Thank you.

22 THE WITNESS: You're welcome.

23 THE COMMISSIONER: Yes, Ms. Latimer.

24 MS. LATIMER: Thank you.

25 **EXAMINATION BY MS. LATIMER:**

1 Q Mr. Doyle, on January 24th, 2021, you were
2 appointed Interim Chief Executive Officer of
3 Great Canadian Gaming Corporation following Rod
4 Baker's resignation; correct?

5 A That is correct.

6 Q And prior to that, since March 2019, you were
7 President, Strategic Growth and Chief Compliance
8 Officer of Great Canadian Gaming Corporation?

9 A That is correct.

10 Q And you've been employed by Great Canadian for
11 over 20 years in a number of different roles; is
12 that right?

13 A That is correct. I believe it's 20 years as an
14 employee, correct.

15 Q Okay. And you've worked in almost every part of
16 the business over that period of time; correct?

17 A That is correct.

18 Q And you prepared an affidavit to assist in
19 presenting your evidence before this commission?

20 A I did.

21 MS. LATIMER: Madam Registrar, can I have that
22 displayed, please.

23 Q Sir, you recognize this as the affidavit you
24 made on February 2nd, 2021?

25 A I do recognize that as the affidavit, yes.

1 MS. LATIMER: Okay. I ask that this be marked the
2 next numbered exhibit, please.

3 THE COMMISSIONER: I think we're at 560 now, Madam
4 Registrar.

5 THE REGISTRAR: Yes, exhibit 560.

6 **EXHIBIT 560: Affidavit No. 1 of Terrance Doyle**
7 **made on February 2, 2021**

8 MS. LATIMER: Thank you, Madam Registrar. And I
9 don't need that displayed any longer.

10 Q And, sir, at some point during your tenure with
11 Great Canadian Gaming Corporation, did you
12 become aware that there were large cash
13 transactions at the River Rock and those were of
14 concern to GPEB?

15 A I did become aware there was large cash
16 transactions. I did not become aware that they
17 were a concern to GPEB until much later on.

18 Q Okay. When do you say you became aware of those
19 concerns?

20 A I became aware of the concerns probably in 20 --
21 roughly 2016, 2015, 2016 through conversations
22 with Brad Desmarais and Rob Kroeker.

23 Q Okay. So in 2012 you were not aware that GPEB
24 held the view that service providers had a
25 responsibility for due diligence around these

1 large cash transactions that went beyond
2 reporting?

3 A I was not aware of that, no.

4 Q Were you aware of that in 2016?

5 A In 2016 I was aware there was concerns through
6 the conversations I had and the diligence that
7 was being done by Mr. Desmarais and Mr. Kroeker.
8 I never had any direct conversations with GPEB
9 on the matter.

10 Q Okay. In 2016 did you become aware that these
11 large cash transactions were of concern to the
12 BC lotto corporation?

13 A I did. I don't want to put exact dates or times
14 on it, but around that time, yes, through my
15 discussions with Brad Desmarais and Rob Kroeker,
16 who I think were doing a significant amount of
17 work and diligence in this area, that they were
18 concerned, and I have a lot of trust and faith
19 in their ability, so if they were concerned I
20 was obviously concerned as well.

21 Q And is that also when these large cash
22 transactions became a concern for Great
23 Canadian?

24 A Yes. As I said, Mr. Desmarais and Mr. Kroeker,
25 I was in contact with them on a fairly regular

1 basis and they were becoming more concerned.

2 And as I said, I had a lot of respect for the
3 work that they did and their ability, so as they
4 grew concerned, I grew concerned.

5 Q What did you understand the nature of their
6 concerns were at that time?

7 A At that time they could only share certain
8 amounts of information with me. Obviously Great
9 Canadian has no investigative ability or no
10 ability to understand what's happening at the
11 law enforcement level. And as I understood,
12 there was conversations happening between BCLC
13 through information-sharing agreements and law
14 enforcement and therefore there was concerns,
15 and again, Mr. Kroeker and Desmarais could only
16 share small bits with me because there was
17 confidentiality issues, but there was some
18 concern that there could be proceeds of crime
19 being used at casinos in British Columbia.

20 Q Okay. In your affidavit -- and do you have that
21 in front of you?

22 A I can get it here.

23 Q Okay.

24 A Okay.

25 Q Just -- I don't know that it's critical, but I'm

1 going to be referring to paragraph 31 of your
2 affidavit. You set out there beginning there
3 some information about some of the reporting
4 that Great Canadian has done in respect of some
5 patrons that have been discussed in these
6 proceedings; is that right?

7 A Yes, that is correct.

8 Q Okay. And at letter E you discuss a patron Jia
9 Gao and you note that between August 2013 and
10 February of 2016 Great Canadian made 159 Large
11 Cash Transaction Reports and 28 unusual
12 financial reports with respect to this patron;
13 correct?

14 A That is accurate.

15 Q And this patron was ultimately placed on sourced
16 cash and chip conditions in April 2015; right?

17 A I can't remember the exact date, but that sounds
18 correct.

19 Q Okay. And that was BC lotto corporation that
20 imposed those conditions; correct?

21 A That is correct.

22 Q And Great Canadian hadn't imposed any conditions
23 on this player prior to that; correct?

24 A Not that I'm aware of, no.

25 Q Okay. Did Great Canadian have authority to

1 investigators and by Mr. Kroeker and
2 Mr. Desmarais in this regard, so it would have
3 been very irregular.

4 Q You did -- did you understand that you had to
5 ask BC lotto corporation for permission before
6 you could ask a player where their money came
7 from?

8 A So, again, we operate under very prescriptive
9 rules and regulations, and there's obviously
10 very prescriptive rules from a FINTRAC point of
11 view on what we ask for and how we ask for it
12 from customer regarding large cash transactions,
13 and we adhere to all of those policies and we
14 asked all of the customers in an appropriate way
15 to provide the data that's required for all of
16 that reporting.

17 Q I understand that. But I'm asking if you
18 understood that you had to ask BC lotto
19 corporation for permission before you could ask
20 a customer where the cash came from.

21 A So it's my understanding that, again, we
22 operated under very, very prescriptive rules and
23 regulations, and if we are to step outside them
24 at any level, we would have to notify or ask
25 before we did that.

1 Q Even if you were asking for more information as
2 opposed to less information?

3 A That -- again, that would be my understanding of
4 how it would work, yes.

5 MS. LATIMER: Okay. Madam Registrar, can I have
6 document GCGCPROD0049112 placed before the
7 witness, please.

8 THE WITNESS: Okay. Got another binder here. I've
9 got a lot of binders, Ms. Latimer. Just give me
10 a second. Sorry.

11 MS. LATIMER:

12 Q Okay. No problem. I think Madam Registrar can
13 bring it up on the screen for you as well.

14 A What tab is it? 59. Okay. I'm --

15 THE REGISTRAR: Sorry, Ms. Latimer. I lost my cheat
16 sheet. Can you give me the document number
17 again.

18 MS. LATIMER: Yes, it's GCGCPROD0049112.

19 THE REGISTRAR: Thank you.

20 MS. LATIMER:

21 Q Do you have that, Mr. Doyle?

22 A I believe I do. It looks like it's the -- yes,
23 yes, that's the one. I have it.

24 Q And this is an email from Mr. Kroeker to you
25 dated April 24th, 2015, with the subject "Jia

1 Gao - buy-in verification"; correct?

2 A That's correct, yes.

3 Q And this sets out that in the -- you'll see
4 below is an email from Ross Alderson and that
5 sets out that on April 14th, 2015, certain
6 conditions were imposed on Mr. Gao. He was no
7 longer permitted to buy in at any BC casino with
8 any unsourced cash or gaming chips until further
9 notice. And it says:

10 "In February of this year Mr. Gao had also
11 been informed that bank drafts made out to
12 third parties were also not acceptable for
13 buy-ins."

14 Correct? Do you see that?

15 A I do.

16 Q And stopping there, you were aware that bank
17 drafts made out to third parties were of concern
18 at least to BCLC at this time; correct?

19 A I think the notion of bank drafts from third
20 parties being a concern wasn't really brought up
21 to me until later than this to any degree. I
22 realized at some point that they were a concern,
23 but I don't want to commit and say that as of
24 April 24th, 2015, because I think I became aware
25 of the concern later than that date.

1 Q Okay. But you'll see at the top that this email
2 is being forwarded to you on April 24th, 2015;
3 right?

4 A Yeah -- no, correct.

5 Q And would you have read the email at that time?

6 A I would have read the email, absolutely.

7 Q Did you understand why those conditions were
8 being placed on this player?

9 A So I understood there was conditions being
10 placed on the player, but, again, I wasn't given
11 any real information on details on why the
12 conditions were being put on the players. As I
13 said, we had no ability and no investigative
14 ability to understand what was happening behind
15 the scenes, and we were only told a limited
16 amount for, I think, all the appropriate
17 reasons, so we understood there was concerns,
18 and we absolutely were trying to ask all the
19 right questions to figure out the basis of the
20 concern so that we could become comfortable with
21 why these conditions were being put on
22 customers.

23 Q Okay. If you look at the sort of fourth
24 paragraph in Mr. Alderson's email, it says:

25 "There has been recent continued activity

1 by Mr. Gao contrary to these conditions."

2 So you were aware around this time that after
3 these conditions were imposed, there was
4 continued activity by Mr. Gao contrary to the
5 conditions; correct?

6 A Again, I agree again. I don't really understand
7 what contrary to the conditions mean now, and I
8 didn't understand what that meant at the time.

9 Q Why was this level of detail being raised to
10 your attention?

11 A So I think it was being raised to my attention
12 because, you know, from Great Canadian's point
13 of view, you know, I absolutely was the person
14 with the responsibility and accountability for
15 running the business in all areas of the
16 business. I was the one with the responsibility
17 and the accountability for dealing with BCLC and
18 their senior management and their executive team
19 to make sure that we were complying with all the
20 rules and regulations. So I think it was being
21 raised to my attention to make sure that it
22 would be addressed appropriately, you know, as
23 the one at Great Canadian that ultimately had
24 the key accountability and the responsibility to
25 make sure the organization ran in a compliant,

1 effective manner.

2 Q What steps, if any, did you take or ensure were
3 taken to address this activity that was
4 continuing contrary to the conditions that had
5 been imposed by BCLC?

6 A So I took the actions that, you know, I took
7 throughout my career with Great Canadian and
8 still take, which was making sure that we had
9 the right people at Great Canadian within the
10 department responsible for this look at it,
11 review the information and make sure that we
12 were following all the rules and regulations in
13 an appropriate way. And as I've stated in the
14 past, I believe that other than, you know,
15 isolated administrative errors, the teams
16 overall did a reasonable job in making sure that
17 we followed all of those very prescriptive rules
18 and regulations.

19 Q Who was --

20 A So I would --

21 Q Who were the people responsible at this time?

22 A Again, ultimately it's myself as the senior
23 executive responsible, so the ultimate
24 accountability is with me, but we had a number
25 of people in the compliance department,

1 including people like, you know, Patrick Ennis,
2 who was our head of compliance, that would have
3 been, you know, highly involved in these type of
4 discussions as well. And, again, I think you
5 know, Mr. Ennis during this period of time was
6 doing as good a job as could have been expected
7 with the small amounts of information that we
8 had.

9 MS. LATIMER: Okay. I ask that this be marked as the
10 next exhibit, please.

11 THE COMMISSIONER: Very well. That will be 561.

12 THE REGISTRAR: Exhibit 561.

13 **EXHIBIT 561: Email from Ross Alderson, re**
14 **[patron name] Buy in Clarification, April 24,**
15 **2015**

16 MS. LATIMER: And I don't need that document
17 displayed any longer.

18 Q I'm back at paragraph 31 of your affidavit, and
19 I'm looking at letter K.

20 A Just one second here. Okay. Letter K, yes.

21 Q And here you're discussing a patron Kesi Wei;
22 correct?

23 A Correct.

24 Q And were you aware that in or around September
25 2014 Mr. Wei had two cash buy-ins that were both

1 mostly in \$20 bills totalling over \$1 million in
2 a two-hour period?

3 A So I can't say that I specifically today
4 remember that transaction, but yes, I remember
5 during this period of time that Kesi Wei was a
6 customer that was coming into casinos, including
7 River Rock, with large cash transactions.

8 Q That transaction that I've just described,
9 wasn't that the largest suspicious currency
10 transaction report that had occurred by that
11 date?

12 A I believe that's correct. I believe that was.
13 Again, I can't remember the date, but I do
14 believe that Kesi Wei had that largest cash
15 transaction, correct.

16 Q Were you aware at that time that before that
17 transaction he had been seen outside the casino
18 associating with an individual who had been
19 barred for suspected loan sharking?

20 A So I wouldn't have been familiar with the fact
21 that he was seen with that individual or with an
22 individual at that period of time. I did become
23 aware of some of that after the fact, and again,
24 I think it's important to note that it was the
25 reason why he was seen and it was reported that

1 he was seen with an individual that had been
2 barred from the casino is it was our staff and
3 our surveillance operations that actually
4 conducted that report and filed that report that
5 actually seen him in those conversations. So
6 again, because of the good work by our team,
7 that was documented and reported.

8 Q And did your team also report that that
9 suspected loan shark was also known to associate
10 with a gentleman named Paul Jin?

11 A So I certainly can't remember what the report
12 would say. That being said, I know that our
13 surveillance team filed numerous reports
14 regarding associates of Mr. Paul Jin's because
15 there was -- you know, because he was somebody
16 that was known and we were advised of was a
17 problem as far as having some sort -- and again,
18 we didn't understand -- of criminal intent or
19 associations, and again, we were never provided
20 a lot of information. But due to the fact that
21 we were provided with some knowledge or some
22 information that he was somehow associated with
23 that, our teams, you know, took a great deal of
24 interest and care in making sure they reported
25 any sightings of this individual or his

1 associate, and Patrick Ennis, this was something
2 that I think he did a very good job of making
3 sure that the teams at River Rock were told
4 specifically to monitor any type of activity
5 from this individual or anybody known to
6 associate with that individual.

7 Q Okay. In addition to making these reports, what
8 additional steps, if any, were taken in respect
9 of this very, very large cash transaction
10 closely associated in time with association with
11 a suspected loan shark?

12 A So, again, we -- you know, our obligation and
13 quite honestly appropriate thing for us to do in
14 these cases is to document what happened to log
15 it as an unusual transaction, to file the
16 reporting with BCLC and with GPEB and to make
17 sure that all of that information, including any
18 surveillance coverage that was taken during the
19 period of time, was provided as part of that
20 report. And the reason why and the purpose for
21 doing that is so that we could give the people
22 that are doing the investigations and law
23 enforcement as much information as we possibly
24 could on the individual and the transaction so
25 that they could go and figure out if there was

1 anything, you know, nefarious in any way with
2 the transaction and take the appropriate action.
3 So we took great care and great -- did, I think,
4 a very detailed job in making sure that we
5 collected all that information in a very
6 thoughtful way to be able to provide it to the
7 people that had the agreements with law
8 enforcement and the information sharing to do
9 their job in a very hopefully constructive
10 manner.

11 Q Did you understand that Mr. Wei was being
12 monitored by either BCLC or GPEB at this time?

13 A So, again, you know, as far as specific dates
14 and times, it's hard for me to commit one way or
15 the other. Brad Desmarais and I had several
16 conversations, and I, again, can't remember if
17 it was before or after this transaction on
18 Mr. Wei, and I knew that BCLC was monitoring his
19 activities and, you know, we continued to do and
20 play our part by monitoring and reviewing any of
21 the transactions, collecting the information and
22 providing it. And I knew that -- again, I
23 didn't have much as far as details, but I knew
24 that Mr. Desmarais and Mr. Kroeker were
25 concerned with Mr. Wei's activities, and as I

1 said, I trust those two individuals and their
2 ability, and if they were concerned, I was
3 concerned, and so the best thing I could do at
4 the period of time was to continue to collect
5 the information and provide it to them.

6 Q What did you understand the nature of their
7 concerns were?

8 A I truly don't know. And, again, they couldn't
9 provide me with detailed information because I
10 knew they were working with law enforcement.
11 The only thing I was aware of is that they were
12 concerned with where he was getting and how he
13 was, you know, getting this cash. But we
14 weren't really provided any additional
15 information. And I think it was appropriate we
16 weren't. I mean, we're not law enforcement.
17 And the last thing I would ever want and I think
18 they would want is for us to get into the way of
19 a criminal investigation.

20 Q Given that you understood they were liaising
21 with law enforcement about this, you understood
22 that the concerns were of a criminal nature?

23 A I assumed that. I was never, again, told, but
24 you know, you can only assume that if law
25 enforcement is involved that it's of a criminal

1 nature.

2 Q Okay. You say on page 10 of this affidavit --
3 I'm looking at letter K again --

4 A Yep.

5 Q In the second paragraph on the right that
6 Mr. Wei was put on sourced cash and chip
7 conditions in November 2014. My question is why
8 was there a two-month delay, did you understand,
9 between these transactions we were just
10 discussing and those controls being imposed?

11 A I can't say I know why that there was a delay.
12 I would imagine, and, again, I assume that there
13 was a period of time where the information was
14 provided to investigators and law enforcement
15 and they had to do their due diligence and they
16 had to do their work to make sure whatever
17 concerns they had were justified, and then once
18 that work was completed, the cash conditions
19 were put in place. But, again, you know,
20 Ms. Latimer, I was given very little
21 information. So, you know, we were responsive
22 as soon as we were asked to do these things, but
23 we weren't part of that investigative process,
24 so we were somewhat, you know, as proactive as
25 we could be as soon as we were asked to do so.

1 Q Okay. But by that point in 2014 when this
2 player was put on sourced cash and chip
3 conditions, and you understood that BC lotto
4 corporation was dealing with law enforcement
5 about this player, did you understand that there
6 was a concern at that time about the cash coming
7 into casinos and its source?

8 A So at that period of time, as I stated, we were
9 becoming more aware that there was a concern,
10 but, again, we were given very little
11 information, and, you know, I had made, I think,
12 a very strong and appropriate commitment to
13 Mr. Desmarais and Mr. Kroeker that as the -- you
14 know, the senior executive responsible for Great
15 Canadian running the company, that I had, you
16 know, an obligation to our CEO, who -- and our
17 board of directors that were very clear with me
18 that compliance and adhering to all the rules
19 and regulations was the foundation of our
20 company and, quite honestly, we weren't to vary
21 from that, and so I gave my commitment to BCLC
22 that whatever they needed us to do as far as
23 fulfilling our role, we would do that, and that
24 as soon as they become aware of anything that
25 was, you know, illegal, nefarious in any way to

1 let me know and I would take the appropriate
2 actions within Great Canadian to comply or to
3 make sure that we adhere to whatever they
4 wanted.

5 So no, I was not aware of any specific
6 criminal acts that were happening, but I knew
7 there was increased questions being asked and
8 concerns from Mr. Desmarais and Mr. Kroeker,
9 who, as I said, if they were getting concerned,
10 I would be getting concerned.

11 Q You understood at this time that anti-money
12 laundering controls both here and elsewhere
13 could impact your business; correct?

14 A So we understood that anti-money laundering and
15 any type of controls could impact the business
16 both in a positive, you know, and possibly a
17 negative way. My -- the truth behind it, and
18 certainly the direction from the company is
19 stronger and better regulated controls is
20 actually much healthier for the business in the
21 long run because, as I said, the foundation of a
22 company, especially in a gaming industry, has to
23 be around compliance. Without compliance and
24 operating under the rules and regulations, you
25 don't have a business because you're out of

1 business. And a compliance breach in our
2 industry at one facility cascades across all of
3 your facilities. So the culture from our board
4 and our then CEO was very clear, strong
5 regulation and appropriate regulation is
6 actually very healthy for the business. So that
7 was really the mandate that I had and that I
8 moved forward with and was at the heart of the
9 conversations that I had with Mr. Desmarais and
10 Mr. Kroeker, who I believe felt the same way.

11 MS. LATIMER: Madam Registrar, can I have Great
12 Canadian document GCGCPROD0018540, please,
13 before the witness.

14 THE WITNESS: Tab 47. I don't know if you memorize
15 all of those numbers, Ms. Latimer, but you're
16 much better than I am at getting those
17 documents.

18 MS. LATIMER:

19 Q Do you recognize this, sir, as a document
20 entitled "Business Case – River Rock 3rd Floor
21 High-Limit Facilities Enhancement"?

22 A I do.

23 Q And it's dated October 2014; correct?

24 A I do, yes.

25 Q And can you just explain what this document is,

1 the gist of it is.

2 A So this was a business case. So as part of our
3 business processes, I guess you could call them,
4 at Great Canadian, if there is business
5 initiatives that departments, managers, sites,
6 want to undertake, one of the requirements for
7 them to do so is to put together a business case
8 that shows the opportunity and also highlights,
9 you know, the costs associated with doing that
10 to make sure that it is a thoughtful business
11 initiative, and this is then brought forward to
12 the appropriate people for approval. And in the
13 case of large projects like this one, ultimately
14 it would be brought forward to myself for
15 approval.

16 Q Okay. So you're the -- in other words, are you
17 the audience for this document?

18 A So ultimately I would be the audience for this
19 document, correct. There is, as you can
20 imagine, discretionary approval limits depending
21 on the size where things have to go to, you
22 know, board of directors and the rest, but
23 ultimately I would be the most senior person in
24 management that would approve -- vet these and
25 approve them and if the magnitude was over

1 roughly \$5 million, then I would then take it
2 forward to our board of directors and our CEO
3 for -- our CEO at the time for approval. But
4 yes, I was the senior person in management as
5 the audience.

6 Q Okay. Under the heading "Project Rationale"
7 this document reads:

8 "Immigration and visitation to the GVRD."
9 And my guess is that's Greater Vancouver
10 Regional District; is that correct?

11 A That's correct, yes.

12 Q So:

13 "Immigration and visitation to the GVRD
14 from Mainland China has been on the
15 increase for some time now, resulting in
16 ever increasing levels of higher limit
17 baccarat play in the marketplace since the
18 beginning of 2013. Current events in
19 Mainland China and Hong Kong are likely to
20 result in even greater inflows of new
21 residents and visitors in the near
22 future."

23 And that was consistent with your understanding
24 of Great Canadian's business at this time, that
25 there have been ever increasing levels of higher

1 River Rock Casino Resort in particular."
2 And then jumping down, the next paragraph says:
3 "The goal of the Chinese campaign is to
4 curb extravagant and conspicuous
5 consumption of premium brand consumer
6 goods purchases, luxury hotel stays and
7 opulent fine dining. Those who currently
8 enjoy this lifestyle will want to maintain
9 low profiles in China but continue to
10 enjoy benefits of their wealth, which
11 means an offshore destination such as
12 Vancouver."

13 Did you understand at this time that there was a
14 business opportunity that China's anticorruption
15 and flight capital campaign might be pushing
16 wealth to Vancouver?

17 A So, as I stated, you know, the last time, I
18 never believed that there was any real
19 opportunity for Great Canadian or River Rock to
20 attract international players from China that
21 were used to playing at Macau and elsewhere to
22 River Rock to play. So, you know, obviously
23 many of these initiatives that got put forward I
24 said no to, and I probably have a history in the
25 company of being the no guy because I just did

1 not believe that many of these things that were
2 put down on paper or that people, you know,
3 thought up were viable. I think this is a
4 typical situation, this project that's put on
5 paper and why we have a process like this. I
6 think many people in our industry and at Great
7 Canadian very much would like to think of
8 themselves as operating and running a large
9 international entertainment company with all of
10 the bells and whistles, when reality is we
11 operate small regional casinos in Canadian
12 jurisdictions that when run appropriately can be
13 great businesses, but there is no way that we
14 have the financial capabilities of competing
15 with other markets, whether it's Australia, Las
16 Vegas or elsewhere. So, again, I did not
17 believe there was any ability to be able to
18 attract this type of customer. And I did not
19 believe that we should be putting any
20 significant time or money into specifically
21 trying to attract customers from abroad.

22 Q You mentioned Vegas, and so does this document
23 in the next paragraph. It says:

24 "The US government's current campaign to
25 curb money laundering, involving the

1 Justice Department, the Treasury
2 Department and FinCEN, will continue to
3 focus on Las Vegas-based gaming companies
4 that operate in Macau (Wynn, Sands and
5 MGM). VIP residents of the People's
6 Republic will encounter increasing
7 restrictions on access to funds for gaming
8 in Macao and Las Vegas, again making the
9 GVRD a highly desirable gaming
10 destination."

11 Did you understand at this time that there was a
12 business opportunity in the sense that the US's
13 campaign to curb money laundering would result
14 in VIP residents of the People's Republic of
15 China encountering restrictions on their ability
16 to access funds in Vegas and pushing them
17 towards Vancouver?

18 A I never believe there was any business case that
19 made any sense in going after this clientele,
20 and I strongly opposed it in the company and
21 continued to try to focus people's attention at
22 the customers and the business we had at hand,
23 which was, again, our regional customers within
24 British Columbia. I never believed that this
25 was something we should pursue and even had any

1 merits on why we would want to pursue it.

2 Q Did you understand at this time that lax money
3 laundering enforcement made it easier to access
4 funds for VIP players?

5 A I had -- I had no understanding that there was
6 anything such as lax money laundering procedure,
7 so that wasn't something that entered into my
8 thinking, nor did I believe that we had lax
9 money laundering procedures, so no.

10 Q Did you challenge the person who wrote this
11 report with these ideas?

12 A This concept would bubble up almost annually at
13 Great Canadian to continue to build out the
14 River Rock facility because there was this
15 concept of bringing in international players,
16 and I repeatedly opposed it and tried to focus
17 people's attention, and I think I was
18 fairly response -- or fairly, I did a fairly
19 decent job of focusing people's efforts
20 elsewhere, and you know, that's why as a company
21 the direction at the time from our board of
22 directors and from our then CEO was very much to
23 focus on opportunities within Canada, such as
24 new opportunities, new jurisdictions, to be able
25 to grow and develop, not, you know, wasting

1 additional time and money on trying to build out
2 an international destination at River Rock that
3 made no business sense at all.

4 Q In the paragraph that's just above the next
5 heading, it concludes that:

6 "All of the above provide a solid basis
7 for the assumption that prospects for
8 continuing significant increases in VIP,
9 mass VIP and premium play at River Rock
10 are very good."

11 I take it you didn't consider that China's
12 anticorruption campaign and the US's anti-money
13 laundering campaign were good opportunities to
14 increase business potential for the River Rock.

15 A No. And in fact I think they would be -- would
16 be a terrible business decision to in any way
17 try to take advantage of a lax regulation
18 somewhere else to increase your business
19 somewhere else. Again, as I said, the direction
20 and the culture of our company from our board,
21 through our CEO to myself who ultimately ran the
22 company was always to have appropriate and
23 strong regulation and control. So a business
24 case or a concept like that, I would, you know,
25 obviously never support.

1 Q Okay. And did you support this business case?

2 A I did not support any business case that talked
3 about pushing more and more customers from
4 Mainland China to River Rock. And I also
5 encouraged that we should continue to grow our
6 business with, you know, our local customers and
7 the fact that we lived, you know, as far as
8 Richmond goes, in a part of the world that
9 actually had a large number of high-value,
10 high-wealth individuals that liked to play was a
11 real opportunity for us.

12 MS. LATIMER: Okay. I ask that this document be
13 marked as the next exhibit, please.

14 THE COMMISSIONER: 562.

15 THE REGISTRAR: Exhibit 562.

16 **EXHIBIT 562: GCGC Business Case - River Rock**
17 **Casino 3rd Floor High Limit Facilities**
18 **Enhancements, October 2014**

19 MS. LATIMER: Madam Registrar, could I have Great
20 Canadian document GCGCPROD0018546 placed before
21 the witness, please.

22 Q Do you have that, Mr. Doyle?

23 A I do, yes. I don't have all the fancy numbers,
24 but I have tab 49, which is the same document.

25 Q And you recognize this as a confidential

1 memorandum dated October 1, 2014, from Walter
2 Soo to Rob McPherson, Jim Wall, Rob MacIntyre
3 and copying you?

4 A I do, yes.

5 Q What position do these three gentlemen hold who
6 this memo is being sent to?

7 A Again, I think this is people within the
8 organization that are trying to look at
9 opportunities and look at growing, again, the
10 River Rock table games business.

11 Q Okay. And the subject here is "2015 River Rock
12 table revenue projection and assumptions";
13 correct?

14 A Correct.

15 Q What's the purpose of this document?

16 A I think it was just, again, them putting
17 together some of their thoughts and projections
18 as the business moves forward. Looking at
19 October 1st, 2014, I assume this is, you know,
20 as we're getting ready for, you know, a new
21 annual budget and Chinese New Year and the rest.
22 But, again, this is going back a lot of years,
23 but I would imagine and I assume that that's
24 what they were doing here.

25 Q Okay. And if you look at the bottom of the page

1 under the heading "Assumptions" it has those
2 same paragraphs we were just looking at or
3 substantially similar. Do you see that?

4 A I do, yes.

5 Q And it begins as referring to China's central
6 government's anticorruption and flight capital
7 campaign. And if you go over the page, number 3
8 is again referring to the United States campaign
9 against illicit money laundering. Do you see
10 that?

11 A M'mm-hmm.

12 Q And were these iterations that you were taking
13 into account or Great Canadian was taking into
14 account in budgeting or making table revenue
15 projections in 2014?

16 A So, again, I think this was people's concepts
17 and ideas, but they certainly weren't something
18 that we were -- or I was factoring in as the,
19 you know, the person ultimately responsible.
20 And I would, again, go back to the last
21 document, which was the business case that was
22 put forward for those improvements that was not
23 approved and did not move forward, and I did not
24 recommend that we spend that capital or do that
25 project, and the same with, you know, these type

1 of projections. People putting projections, and
2 most importantly, you know, the word
3 "projections" and assumptions are people's
4 views. They are certainly not something that is
5 guaranteed or that the company is moving forward
6 at. So no, it wasn't something that we were
7 counting on and actually, in fact, I turned down
8 the project when it was presented.

9 Q Did anyone -- you or anyone else copied on this
10 memo say hey, wait a minute, these assumptions
11 are totally wrong and inappropriate to be taken
12 into account?

13 A So yes, I believe there was some work that was
14 done. And again, I have a lot of documents, but
15 I pushed back many times, again, for people to
16 concentrate on our local clientele. I did have
17 some, you know, just as far as the projections
18 that -- projections around gaming revenues, I
19 had others review them that totally disagreed
20 with the numbers, that there was no way we were
21 going to hit these levels because our business
22 was a regional business and it was not going to
23 attract and there was no reason to try to
24 attract any of these other customers. So
25 absolutely I continued to push back on any time,

1 money and energy in going after this
2 international business. And I did that
3 consistently for many years because as I said,
4 there is lots of dreamers in the company that
5 wanted to think of themselves as international
6 casino experts and wanted to talk about the
7 world gaming market and Asia and Vegas and
8 somehow feel like they were part of that much
9 more elaborate business. We weren't. We are a
10 small regional gaming company that catered to
11 local clientele and did, I think, a very good
12 job at looking after our customers while
13 complying with all the rules and regulations.
14 We were not an international destination, nor
15 would we ever be. And that was a consistent
16 message that I gave.

17 MS. LATIMER: Okay. Mr. Commissioner, this document
18 is exhibit J to Mr. Soo's affidavit, so I'm not
19 going to ask that it be marked again. Just for
20 the record, that's where it is.

21 THE COMMISSIONER: Thank you.

22 MS. LATIMER: Madam Registrar, can I have Great
23 Canadian GCGCPROD0049180 put before the witness,
24 please.

25 THE WITNESS: 60; right? Thank you.

1 MS. LATIMER:

2 Q And, sir, and the second email near the top of
3 the page is an email from you to Deborah Huang
4 and copying others and it's dated November 7th,
5 2014. Do you see that?

6 A Yep, that's right, correct.

7 Q And the subject line is a patron's name;
8 correct?

9 A Correct.

10 Q And I'd like to start with the email you are
11 responding to, which is at the bottom of this
12 page, and it's an email from Steven Beeksma to
13 Daniel Lay and others dated November 6th, 2014.
14 Do you see that?

15 A I do, yeah.

16 Q Mr. Beeksma describes that on November 3rd this
17 patron deposited 450,000 -- a \$450,000 bank
18 draft into his PGF account, withdrew \$300,000,
19 and left the site after receiving chips with no
20 play; correct?

21 A Correct.

22 Q And he says he reviewed the paperwork and it
23 does not appear he returned and gambled; right?

24 A Yeah.

25 Q And then the following evening he withdrew the

1 remaining 150-, played for 10 minutes and left
2 with slightly more than \$150,000; correct?

3 A Correct.

4 Q And then on the next page Mr. Beeksma sets out
5 his assumption that most of the \$450,000 was
6 given to other high-level players, although he
7 didn't see that and he sets out that site
8 management should educate this patron, learn
9 what explanation he provides for where the money
10 went; correct?

11 A Correct.

12 Q And if you go to the first page, back to the
13 first page, Deborah Huang on November 6th, 2014,
14 responds; correct?

15 A Correct.

16 Q And in the third line of her email she says:

17 "As [this patron] is a valued VIP, we
18 would like to personally address this with
19 him at our next opportunity."

20 Right?

21 A Correct, yeah.

22 Q And your email is the next day and you say:

23 "Pat has talked to the senior team at BCLC
24 on this situation. They have agreed there
25 is no need to approach this individual on

1 this topic yet. They are fine with us
2 waiting through the weekend and seeing if
3 this continues. If he does, then a
4 conversation may be needed but we should
5 wait and monitor."

6 Correct?

7 A Correct.

8 Q And that Pat, is that referring to Mr. Ennis?

9 A That is correct, yes.

10 Q Do you know who Mr. Ennis spoke with?

11 A I don't know who he spoke with, but I would
12 assume that it would have been one of the, you
13 know, the senior management within the
14 investigations and compliance department at
15 BCLC.

16 Q You understood that the direction from BCLC was
17 not to educate the patron on the proper use of
18 his PGF account?

19 A I believe the direction was that BCLC was
20 monitoring things, which leads me to believe
21 that they were investigating it and they didn't
22 want anything that would interfere with them
23 collecting all the required information for
24 their investigation. That would be my
25 assumption. Again, I didn't have that

1 conversation direct, but that's what I would
2 assume.

3 Q You understood that inquiring into where the
4 chips went to might interfere with BCLC's
5 investigation?

6 A Again, exactly. Again, I had through the years
7 numbers, numerous talks with BCLC with people
8 like Brad Desmarais and Rob Kroeker, who have,
9 you know, far more experience and background in
10 conducting investigations, and I know that, you
11 know, many times, you know, I call it jumping
12 too soon, will interfere with an investigation,
13 so this would not be surprising or alarming to
14 me that if the BCLC team under, you know, Brad
15 and Rob, were completing their work to make sure
16 that they were making sound and thoughtful
17 decisions.

18 Q Okay. Ms. Huang's email where she says:
19 "As [this patron] is a valued VIP, we
20 would like to personally address this with
21 him at our next opportunity."

22 Do you agree that suggests that there's some
23 concern here about offending this patron?

24 A Absolutely. Again, it's really important to
25 remember our role and what we do. And, again, I

1 think sometimes people and even some of our
2 staff like to consider themselves that they are
3 international -- we're an international gaming
4 company and we're there to run this business.
5 We are a service provider. We provide services
6 to BCLC around gaming, so our job is to provide
7 services to these customers, and in this case
8 and in all these cases, these customers are
9 valued guests and customers until we're told
10 that there's something nefarious or bad in their
11 background. But in any case when you have a
12 high-value customer that has been a customer of
13 yours for a long period of time and there's
14 nothing you've ever been told that says that
15 there's anything wrong with that customer, you
16 want to make sure that as a service provider
17 you're providing the appropriate services to
18 them. And as soon as through the reporting or
19 other means, it's explained that maybe there's
20 something bad about this customer, absolutely we
21 have to take the right course of actions to make
22 sure that we're no longer worried about
23 offending them. But until that happens, our job
24 under our agreement is to make sure that we're
25 actually looking after not offending these

1 customers.

2 Q Did you understand that a concern about
3 offending this patron or possibly losing his
4 business had any role in the delay that was --
5 that occurred here in educating him on the
6 properties of his PGF account?

7 A Again, I don't want to assume what BCLC's
8 thinking was, but again, from working with them
9 for many, many years, I know that people like
10 Brad Desmarais and Rob Kroeker's number one
11 concern was making sure that they took
12 appropriate action at the appropriate time and
13 that revenue would never skew their thoughts on
14 decision making and they would always take the
15 appropriate course of action. So no, I don't
16 believe that the value of the customer was the
17 issue here. I assume and I feel strongly that
18 it was probably because they were continuing to
19 do their work.

20 Q Okay. The value of the customer might not have
21 been their concern, but was it River Rock's
22 concern?

23 A So the value of the customer wouldn't have been
24 the concern. The concern would have been the
25 customer specifically as far as our job there is

1 to provide service to customers, and until
2 somebody tells us that there is an issue with a
3 customer, it is our role to make sure that
4 customers are looked after appropriately. So
5 it's not the value. It's the fact that they
6 were a customer and at this period of time was a
7 good customer where we would have fulfilled our
8 job by trying to make sure that the customer is
9 looked after while at the same time providing
10 all of the reporting and documentation to BCLC
11 and GPEB and others so they could do any
12 investigations that were required.

13 Q Okay. And you've made reference a couple times
14 now to Mr. Kroeker and am I correct that
15 Mr. Kroeker was at Great Canadian at this point
16 in time?

17 A Ooh, two thousand -- yeah, it could have been.
18 It's a good point. I get my dates here, I'm
19 sorry, mixed up, but he still would have been
20 with Great Canadian I believe at this time.

21 Q Okay. And he had some role in compliance at
22 Great Canadian; is that fair?

23 A Oh, absolutely. He was the head of compliance
24 and he was brought in because there was a
25 mandate from our board and our CEO to bring in

1 the best compliance person and a key competency
2 was around AML, and I believe very strongly that
3 Mr. Kroeker was the best person in the province
4 to fill that role, and I think he did a
5 fantastic job when he was here.

6 MS. LATIMER: Thanks. I ask that this be marked the
7 next exhibit, please.

8 THE COMMISSIONER: Very well. 56 ...

9 THE REGISTRAR: 563, Mr. Commissioner.

10 THE COMMISSIONER: Thank you, 563.

11 **EXHIBIT 563: Email chain, re Patron [patron**
12 **name] (Incident 14-55769) - November 6, 2014**

13 MS. LATIMER: Madam Registrar, may I please have
14 document GCGCPROD0003010.

15 THE WITNESS: I'll look too. 31. Almost there.
16 Okay.

17 MS. LATIMER:

18 Q Okay. Do you have that?

19 A I do, yes.

20 Q And at the bottom of the page do you recognize
21 this as an email from Robert Kroeker to you and
22 others, and it's dated February 18th, 2015;
23 correct?

24 A That's correct, yep.

25 Q And Mr. Kroeker says on the next page:

1 "Briefed Rod today on large cash buy-ins
2 and chips being purchased without play.
3 There is some mounting concern at Ministry
4 of Finance. Credit is likely going to be
5 pursued in the very near term as part of
6 the solution."

7 And I've read that correctly?

8 A That is correct, yes.

9 Q And Rod, who he's talking about briefing today,
10 is that Mr. Baker?

11 A That's correct.

12 Q Okay. And I take it that this was an issue you
13 were aware of at this time, patrons buying in
14 and leaving River Rock with chips with no or
15 minimal play?

16 A So I was not aware of any systemic problem with
17 people buying in with large amounts of money and
18 no play. You know, it came to my attention
19 after the fact that there was some isolated
20 incidents where that happened, but I don't
21 believe that that was ever a systemic problem,
22 but I also think that Rob was being very
23 proactive and thoughtful that even if there was
24 isolated incidents, he was on top of it, which
25 is exactly, you know, what we wanted Rob to do.

1 understand where the Ministry of Finance or how
2 this information was being funneled to them.
3 And, again, that -- you know, I wouldn't have
4 that transparency.

5 Q Well, if you look at the bottom of the first
6 page there's an email there from Peter Goudron
7 saying:

8 "Hi Rob. If you haven't already done so,
9 I think you should run Terrance through
10 the concerns in advance of the meeting
11 since that is still a couple of weeks
12 off."

13 I take it that Terrance is you; correct?

14 A I hope so, yeah. It was me.

15 Q And did Mr. Kroeker run you through the concerns
16 in advance of the meeting?

17 A Mr. Kroeker did, and as I said, Rob did a great
18 job of always keeping me up to speed on things
19 and making sure that these things were looked
20 after, and he made me aware that there was
21 concerns of this happening and that, you know,
22 as a company we had to make sure we were
23 continuing to play our part as far as reporting
24 and providing all of the documentation as
25 required.

1 Q And certainly you were aware that there was a
2 huge outstanding chip liability issue at this
3 time; correct?

4 A I did, yes. I was aware of the chip liability,
5 absolutely.

6 Q Okay. And so that coupled with an email like
7 this certainly would have raised to your
8 attention that this was not an isolated concern,
9 but it was a systemic concern; correct?

10 A No, I disagree with that. I don't think there
11 was anything here that said that there was a
12 systemic concern with people buying in and not
13 playing and leaving with chips. Chip liability
14 can happen over -- the chip liability happened
15 over a large period of time, years and months,
16 not days and weeks. So no, I did not believe at
17 this time there was a systemic problem with
18 that, and this did not, I think, lead me to have
19 additional concerns that there was a systemic
20 problem with that specific issue around people
21 buying in and not playing.

22 Q Well, when Mr. Kroeker walked you through the
23 issue, did he talk to you about the mounting
24 concern that was coming from Ministry of Finance
25 at this time?

1 A He did. Rob, again, was very diligent and the
2 chip liability issue was a concern to him. And
3 as I said before, if it was a concern to Rob, it
4 was a concern to me. But at this period of
5 time, we were trying very hard to understand
6 what the chip liability actually meant and why
7 and how it was happening. So I believe we were
8 taking all the right course of action at the
9 time to deal with it. But, again, there was
10 never, ever any solid support that this was
11 specifically because of what you asked, players
12 coming in, buying in and leaving with -- leaving
13 with chips and no play.

14 Q Because Mr. Kroeker in his email when he
15 describes the briefing he gave to Mr. Baker,
16 that's what he says. It was:

17 "Briefed Rod on large cash buy-ins and
18 chips being purchased without play."

19 When he walked you through the issues did you
20 understand from Mr. Kroeker that these were
21 isolated incidents?

22 A So, again, Mr. Baker, Rod wouldn't have -- Rod
23 has very little understanding of how the
24 business operates, and that's why I was put in
25 place to run the business. So the conversation

1 between myself and Mr. Kroeker would have been
2 much more, I think, detailed and thoughtful.
3 And I think, you know, Rob was very clear with
4 me at the time -- and, again, I don't remember
5 the exact conversation -- that we needed to
6 monitor this problem, and I agreed with him that
7 we needed to monitor it and understand the chip
8 liability issue and what was happening to the
9 best of our ability.

10 Q He was very careful. And did he communicate to
11 you that these were isolated incidents?

12 A So Mr. Kroeker, just like me, was not sure of
13 what was causing it. We knew that there was,
14 you know, incidents where customers would come
15 in and play and leave with chips. Most of the
16 time they would play a significant amount before
17 they left with a certain number of chips. And,
18 you know, at that period of time, the best thing
19 we could do was continue to monitor it and try
20 to understand the problem so that we could put
21 in the right controls. Because the last thing a
22 casino wants as well is a large outstanding chip
23 inventory. It's not helpful in any way for our
24 business. So, you know, trying to understand
25 what was happening was certainly the best course

1 of action we could do and continue to report
2 these incidents so that, again, the
3 investigations and the work could be done to try
4 to figure out what was happening.

5 Q Okay. Why was a solution to this issue that was
6 being discussed credit?

7 A So I think credit was one of the solutions and
8 one of the options. Obviously credit is
9 something that, you know, many customers are
10 used to having, and it certainly helps from a
11 point of view that you have less cash coming in
12 the door of the casinos once you can convince
13 your customers and, you know, train them to use
14 credit. So credit was certainly -- would have
15 helped a significant amount with many of these
16 players not having to bring cash into the
17 casino. So, you know, it was -- and, again,
18 it's something that's used all over the world,
19 specifically so that there'd be less cash coming
20 in the door.

21 Q But the problem being discussed here is chips
22 leaving with minimal or no play. I'm trying to
23 understand why credit is a solution to that
24 problem.

25 A Well, again, I think that it's a solution

1 because, again, most of the time people can then
2 leave credit on their accounts and not have to
3 leave with a chip. So, again, the whole idea of
4 having customers being able to come in and have
5 an account set up and not having to, you know,
6 take the chips or buy in for chips just made the
7 whole process much easier for the customer and
8 the casino.

9 Q Did anyone suggest at this time as a solution to
10 this problem asking the patrons where the chips
11 were going?

12 A Yes. And, again, it took a certain period of
13 time, you know, as that chip liability grew and
14 this became a concern, but we definitely
15 encouraged customers not to leave with chips,
16 and in, you know, many cases -- you know, if we
17 seen customers specifically trying to leave with
18 chips would, you know, try to encourage them to
19 either put the money into their PGF accounts
20 once they're available or to cash out. So yes,
21 we did that, but I wouldn't say that there was a
22 widespread program to try to encourage players
23 not to do that. Again, this happened over a
24 period of time, and as we became more aware of
25 the concern, we got more proactive in trying to

1 deal with it.

2 MS. LATIMER: I ask that this be marked as the next
3 exhibit, please.

4 THE COMMISSIONER: 64.

5 THE REGISTRAR: Exhibit 564.

6 THE COMMISSIONER: Sorry, 564, yes.

7 **EXHIBIT 564: Email from Robert Kroeker to**
8 **Terrance Doyle and others, re AML- Granting of**
9 **Credit - Feb 18, 2015**

10 MS. LATIMER: Madam Registrar, may I have Great
11 Canadian document GCGCPROD0046808 placed before
12 the witness, please.

13 THE WITNESS: Okay. I think I'm there.

14 MS. LATIMER:

15 Q Okay. I'm going to direct you to the second
16 email on this page, which is -- should be an
17 email from Robert Kroeker to you and copying
18 Peter Goudron and Patrick Ennis dated
19 August 5th, 2015; correct?

20 A That's correct.

21 Q And the subject is he's forwarding an email
22 "sanctions on high-limit players"; correct?

23 A Correct.

24 Q And that email is just below and this is an
25 August 5th, 2015 email from Ross Alderson

1 letting people -- and the people copied there
2 are from Gateway, Great Canadian and Paragon;
3 correct?

4 A That's correct.

5 Q And he's letting them know that certain
6 conditions have been imposed on a list of
7 10 casino patrons; right?

8 A That is correct.

9 Q And these were sourced cash and chip conditions
10 and restrictions on the use of bank drafts;
11 correct?

12 A Correct.

13 Q And did you understand at this time that bank
14 drafts presented a compliance risk to your
15 anti-money laundering regime?

16 A I did not.

17 Q Okay. Why did you understand there were
18 conditions being placed on bank drafts, then?

19 A We actually didn't know, and we didn't
20 understand at the time. As I said, there was,
21 you know, things were evolving and happening,
22 and BCLC and I assume others were investigating
23 and trying to understand, you know, some of the
24 concerns that were out there, so we didn't
25 understand bank drafts at the time because I had

1 been pushing very hard that there should be
2 alternates to cash. And bank drafts were
3 something we were trying to encourage customers
4 to use because, you know, we felt it was much
5 better to have customers come in with something
6 other than cash and bank drafts, obviously, from
7 a Canadian bank seemed like a very logical
8 choice. So, you know, when there was
9 restrictions put on the bank drafts, I was
10 disappointed and I didn't think it was great
11 news because I didn't understand that there
12 could be an issue with a bank draft if it was
13 sourced from a Canadian bank. And, again, you
14 know, things were evolving and we were only
15 given a certain amount of information at the
16 time.

17 Q Do you agree that it would make your compliance
18 system more effective if you understood why
19 conditions were being imposed?

20 A Absolutely. I think the more communication you
21 can have, the better, especially in a very
22 complex business like we're running. And I
23 certainly believe that going forward that we need
24 to really set up structures that have better
25 communications between all of the different

1 stakeholders involved in gaming to make sure
2 that everybody is making sound decisions.

3 Q Given you didn't understand the condition about
4 bank drafts, did you make inquiries to
5 understand it?

6 A So I did. And, again, I had many conversations
7 with people like Brad and Rob, you know, to
8 better understand. You know, at the very
9 specific period of time, you know, they could
10 only provide certain information and rightfully
11 so. They were in the middle of investigating
12 things. And over time I became more aware that
13 there was the possibility that bank drafts or
14 third party bank drafts could be an issue, but
15 certainly during this period of time I found the
16 bank draft issue upsetting because I believed,
17 and again, maybe naively so, that if it was a
18 bank draft sourced from a Canadian bank that
19 from an AML point of view it was a very safe
20 type of tender.

21 Q Okay. But, I mean, if you look at the bottom of
22 this, the very last bullet point is that the
23 player must be able to show that the bank draft
24 is derived from their own bank account and must
25 be made payable to the casino accepting the

1 deposit. It suggests that the concern here is
2 about third party bank drafts. Do you agree?

3 A It suggests that. Again, at the time we had
4 very little information, so we were learning as
5 we moved through this, and again, I take the
6 accountability and responsibility. I thought
7 bank drafts were a much safer form of currency
8 than cash. And as time went on and it became
9 apparent that there was vulnerabilities with
10 bank drafts and that having this receipt was
11 important, we certainly complied. But, again,
12 at the time bank drafts seemed like a very
13 logical and appropriate way to get, you know,
14 for players to buy in at the casino.

15 Q And if we look back at Mr. Kroeker's email
16 closer to the top of the page he says:

17 "Please see below. The efforts of BCLC to
18 speak to these players about large amounts
19 of unsourced chips and cash deliveries
20 from a known individual have unfortunately
21 not been met with cooperation on the part
22 of the players. As a result, BCLC was
23 forced to take the steps below. These
24 restrictions may be lifted on a player by
25 player basis once BCLC has had a chance to

1 speak with them. These are fairly
2 high-level players."

3 A Yeah.

4 Q Just stopping there. You'll agree by this point
5 in time you understood there was large amounts
6 of unsourced chips and cash deliveries
7 occurring; correct?

8 A Yes, correct.

9 Q And did you -- who did you understand the known
10 individual to be?

11 A So I don't know. The known individuals would
12 have been, I believe, these 10 players. Again
13 this was a long time ago, but I believe it would
14 have been the 10 players if I have to read that.

15 Q Well, it says:

16 "The efforts of BCLC to speak to these
17 players about --"

18 A Correct.

19 Q "-- large amounts of unsourced chips and
20 cash deliveries from a known
21 individual ..."

22 A Oh, I see. Yes, I'm sorry. I'm reading it now.
23 So I believe at this period of time is when BCLC
24 was working with law enforcement around the --
25 I'll call it the E-Pirate, the Paul Jin

1 situation. So I believe they were talking about
2 that individual when they said that known
3 player. Now, again, in this period of time, in
4 2015, we had almost no information about that
5 investigation or the people involved. We knew
6 and I was made aware of this name Paul Jin and
7 that he was loaning money and he was basically
8 had some sort of affiliation with these
9 customers where he would loan them money. But,
10 again, we had very little information other than
11 the fact that they were doing this
12 investigation. And my commitment to, you know,
13 Brad Desmarais at the time was whatever they
14 needed us to do, we would certainly work with
15 them and comply and, you know, at this period of
16 time we were working with BCLC, collecting and
17 reporting information, including, you know,
18 providing it to law enforcement efforts, you
19 know, if requested.

20 Q I'm sorry. I'm not sure I understood your
21 evidence. Is your evidence that you did
22 understand at this time that there was a law
23 enforcement investigation as against Mr. Jin?

24 A So we didn't know. We didn't know that it was
25 specifically against Mr. Jin. What I was saying

1 is we knew that there was some sort of
2 investigation going on into individuals. We
3 knew of a gentleman named Paul Jin. We knew
4 that there was work going on. We had tiny
5 little bits and pieces and our commitment was
6 just to work and provide the reporting. But we
7 had no other transparency other than I'd say
8 these clues which were, you know, we were being
9 asked about this individual and transactions, so
10 we were becoming more aware that there must be
11 something going on behind the scenes. And I was
12 trying to be more -- I was certainly hopeful
13 that we would get more information so we could
14 make sound business decisions but also
15 understanding we're not law enforcement. We can
16 only get small amounts of information at the
17 right time.

18 Q So at this time in August of 2015, you
19 understood that there was a law enforcement
20 concern about cash deliveries and unsourced
21 chips related to casinos; correct?

22 A I knew that there was concerns from BCLC and
23 investigators and that they had
24 information-sharing agreements with law
25 enforcement and that they had conversations with

1 law enforcement. Again, it's hard for me to go
2 back and think August 5th, 2015, what I knew and
3 what I didn't know. It was a long time ago,
4 Ms. Latimer, so I don't want to get too into
5 details around what I knew and what I didn't
6 know specifically at that time. I can just tell
7 you in 2015 we were supporting BCLC, who we
8 believed was keeping a very close watch on this
9 individual.

10 Q Okay. And you understood that these cash
11 restrictions were made against fairly high-level
12 players; correct?

13 A By "high level" you mean high value like the
14 players playing at high values? When you say
15 "high level" that's what you mean?

16 Q Well, I'm looking at the email from Rob Kroeker
17 says:

18 "These are fairly high-level players."

19 A Yep.

20 Q I guess I'm relating that back to the subject of
21 the email which is high-limit players?

22 A Yeah.

23 Q So is that what you understood, these were
24 high-limit players, they were players who bet a
25 lot of money?

1 A Yeah -- no, I think that's accurate. I'm sorry.
2 I thought you were making a statement, not
3 reading from the email. But yes, I believe that
4 that's what Rob was suggesting here, and I
5 believe that to be true.

6 Q And when you say -- I think there's a typo in
7 your email, but you say it's not good news at
8 all, are you there reflecting on an impact this
9 is going to have on the business?

10 A You'll find that I make many spelling mistakes
11 in my emails.

12 So it wasn't good news in the sense that
13 any time where you've got players that are
14 not -- you know, I'll call it, you know,
15 cooperating or not, you know, working with BCLC
16 or others, you know, it's a problem. And that
17 obviously was the first time that I would say I
18 became concerned that some of these players may
19 not be cooperative or may not want to, you know,
20 just comply with what's being asked of them.

21 So I think that was very much not good news
22 to me that these players were somewhat hesitant
23 to be totally transparent as far as this -- you
24 know, as far as their activities.

25 Q And why was that not good news?

1 A Well, again, we're a service provider to provide
2 services for these customers, and if the
3 customers aren't going to comply with rules and
4 regulations, it means that, you know, we can't
5 have them as customers. And they can't, you
6 know, operate in their normal manner in the
7 facility. And any time that, you know, that's
8 happening with a customer, it is not good news
9 for the business.

10 MS. LATIMER: Okay. Mr. Commissioner, I'd ask that
11 this be marked as the next exhibit, please.

12 THE COMMISSIONER: Yes, very well. That will be
13 56 --

14 THE REGISTRAR: 565, Mr. Commissioner.

15 THE COMMISSIONER: Yes. Thank you. 565.

16 **EXHIBIT 565: Email from Ross Alderson, re**
17 **Sanctions on high limit players - August 5, 2015**

18 MS. LATIMER: Mr. Commissioner, I just want to say on
19 the record that Mr. Jin's counsel hasn't been
20 given notice about this document. I wasn't sure
21 what the witness's answer was going to be about
22 who the known individual was. And he will be
23 given notice of it but unfortunately not by
24 today.

25 THE COMMISSIONER: All right. Thank you,

1 Ms. Latimer.

2 MS. LATIMER:

3 Q By September 2015, sir, there were 46 players on
4 no unsourced-cash conditions; correct?

5 A Yeah, that sounds about right. You know, I
6 don't want to quote the exact numbers, but that
7 sounds correct.

8 Q Okay. And those conditions were imposed, was it
9 all as a result of receiving cash deliveries
10 from this known individual?

11 A I believe so. Again, we're only given certain
12 amounts of information, but the list continued
13 to grow. I assume that it was because of that,
14 but that would be a question for BCLC that
15 developed the list.

16 MS. LATIMER: Madam Registrar, I don't need that
17 document displayed any longer.

18 Q And you were concerned that these restrictions
19 were putting Great Canadian's business in
20 trouble; correct?

21 A So I believe -- I'm not sure I would phrase it
22 that way. I believe that these restrictions
23 were concerning in the sense that these were
24 customers that were playing at our facility and
25 known to be -- to us at the time to be good

1 high-value net worth people that were good
2 customers. So if now we're being told that
3 there was something -- I'll say nefarious in
4 their background or in how they're conducting
5 themselves, these are not people that you want
6 in your facility. So it was becoming concerning
7 because again we had -- you know, these were our
8 customers and if they weren't playing by the
9 rules, obviously they would have challenges
10 going forward.

11 MS. LATIMER: Okay. Madam Registrar, can I have
12 Great Canadian GCGCPROD0018503, please, placed
13 before the witness.

14 THE WITNESS: Get my number here. 46. I would be
15 lost without these tabs.

16 MS. LATIMER:

17 Q No, that's not the right document. It's
18 0018503. Do you have that, Mr. Doyle?

19 A I do, yes.

20 Q Okay. And you recognize this as an email from
21 you to and Andrea Lieuwen dated September 14th,
22 2015?

23 A I do, yes.

24 Q And what was Ms. Lieuwen's position at the time?

25 A Was that -- she would have been basically a

1 controller.

2 Q And the subject line is "credit report," and you
3 are asking for a credit report on this date;
4 correct?

5 A Correct.

6 Q And basically you're trying to get credit
7 approved for use in gaming facilities; right?

8 A Correct. I was going to just clarify that this
9 was a -- as far as credit report, this was
10 basically a report on where we were with getting
11 credit approved, correct.

12 Q Okay. And about five lines down, you say:

13 "I also have been told that Walter has
14 been fairly negative on this. It's
15 important to remember Walter is not the
16 decision maker and doesn't even understand
17 the guest needs as well as he may let on."

18 And I take it this refers to Walter Soo.

19 Correct?

20 A That does refer to Walter Soo, yes.

21 Q And did you understand what the source of his
22 negativity was on this concept?

23 A Again, you know, I think everybody remembers the
24 past in their own way. I think as far as credit
25 goes, we were pushing for credit very hard for a

1 number of years, and I think there was a certain
2 belief within the casinos that credit would be
3 very positive. I think there was other people
4 that believed that it would be -- have no impact
5 on the business at all. Walter's belief changed
6 from time to time in the sense that, you know,
7 at certain periods of time he would report to me
8 that credit was the solution and was going to be
9 great for the business and could attract a bunch
10 of new customers. There was other periods of
11 time where Walter would come to me and say,
12 credit is a waste of time and there's no need
13 for credit because customers won't use it. So
14 the key bullet here is Walter was never a
15 decision maker within the company on any of
16 these items. Walter was a person that was, you
17 know, placed in the company to help the
18 development department make smart, thoughtful
19 decisions around the customer ambience for this
20 clientele. So what is the best, you know,
21 carpet and paintings on the wall and what is the
22 best food and beverage and what is the best
23 music to play. He wasn't a decision maker in
24 any part of the business other than what I'd say
25 understanding the ambience customers needed.

1 Q Well, he did author that table projection report
2 that we were looking at; correct?

3 A Walter authored many things in the company, but,
4 again, he had no decision-making ability, and
5 quite honestly, I don't remember many of
6 Walter's concepts ever getting approved or
7 moving forward. He had a very grandiose picture
8 of what he thought these casinos would be and
9 could be, and none of that was grounded in any
10 type of financial analysis that made sense.

11 Q Okay. You go on in this email to ask if there's
12 a way to get the draft off today and you say:

13 "With what's happening at the River Rock
14 Casino with the 46 players now being put
15 on the on the 'no unsourced cash list' our
16 business is in serious trouble and we must
17 react ASAP."

18 You agree that was your view at the time;
19 correct?

20 A Oh, absolutely, yeah. No, it was for sure. And
21 we were working very closely at this period of
22 time with BCLC around credit and trying to put
23 in credit in other, you know, tools, as I'll
24 call them, for players so that players could,
25 you know, buy in and play easier and efficiently

1 but more importantly in a manner that was not
2 going to cause concerns around AML or any other
3 type of compliance issues.

4 So we were looking at all sorts of tools,
5 including credit as one, and when you start to
6 lose players, you worry that 46 players becomes,
7 you know, hundreds of players or thousands of
8 players if things aren't going appropriately.
9 You know, 46 players, 100 VIP players, certainly
10 is not going to ruin your business, but you
11 know, from my point of view if we're losing any
12 good customers -- and I say good customers in
13 the sense that they are law-abiding patrons that
14 want to come in and gamble -- is never a good
15 thing. If they're 46 players that are
16 determined to be bad people and associated with
17 crime, then I think it's very good for your
18 business. But at this time we were not told
19 that these 46 players were bad people or had
20 anything to do with crime, only that there was
21 cash restrictions being put on them, and that's,
22 again, where we were trying very hard to
23 understand the situation in a much more
24 thoughtful way. And, you know, the people that
25 had more information than us, I think they were

1 trying hard to understand and to give us
2 information in a timely manner. But, you know,
3 things were taking time, and I'm not a patient
4 person, but I was trying to be as patient as I
5 could while at the same time still making
6 appropriate decisions for the business.

7 Because, again, I was the key person responsible
8 and accountable for this business.

9 MS. LATIMER: Okay. And I ask that this be marked
10 the next exhibit, please.

11 THE COMMISSIONER: Very well.

12 THE REGISTRAR: Exhibit 566, Mr. Commissioner.

13 THE COMMISSIONER: Thank you.

14 **EXHIBIT 566: Email from Terrance Doyle to**
15 **Andrea Lieuwen, re Credit report - September 14,**
16 **2015**

17 MS. LATIMER:

18 Q On September 25th, 2015, you participated in an
19 interview of a casino patron, Mr. Li Lin Sha, at
20 the Tramonto restaurant at the River Rock;
21 correct?

22 A Correct.

23 Q And who else was present at that interview?

24 A If I remember it correctly, it was myself, it
25 was Brad Desmarais, it was Rod Baker and I

1 believe Lisa Gao was there to help with some
2 translation.

3 Q And what was Lisa Gao's position at the time?

4 A She was an executive host, so her role was to
5 make sure that when customers came to the site
6 they had, you know, all of their preferred guest
7 service items, whether it was food and beverage,
8 the right table. You know, if they were looking
9 for, you know, in some cases a certain chair,
10 that was the executive host's job to make sure
11 that when people showed up on site, they were
12 provided with the right -- I'll call it
13 accommodations that they were looking for as far
14 as food and beverage, surroundings, ambience,
15 all that kind of stuff.

16 Q Was she focused on VIP patrons?

17 A Yeah. Exclusively VIP patrons, yes.

18 Q Why was she asked to serve as a translator?

19 A Because I don't speak Mandarin or Cantonese, nor
20 does Mr. Desmarais or Mr. Baker.

21 Q So it was just sort of an invitation of
22 convenience?

23 A Correct.

24 Q Was there any concern about her role as a sort
25 of a VIP host and the accuracy of the

1 translation that might be made?

2 A No. I had no concerns over that. And, you
3 know, this particular player, like many of the
4 players, could not speak fluent English but
5 could speak enough where you could also
6 understand that the right translation was
7 happening.

8 Q Any concern that she would share sensitive
9 information that was obtained from this player
10 with others?

11 A There was no real sensitive information being
12 shared that I was worried in any way would cause
13 problems getting out there, so no, there was no
14 concerns because it wasn't overly sensitive
15 information.

16 Q Okay. What was your role at this meeting?

17 A So my role was really nothing more than to make
18 sure that, you know, the highest person within
19 the company and myself and Rod, and again, Rod
20 didn't really have any interactions with these
21 players at all ever, but I asked him to come to
22 this specific meeting because it was very out of
23 character for him and quite out of his role and
24 comfort zone to meet with these customers. I
25 asked him specifically because we wanted to make

1 sure that the customer knew he was being
2 respected and the senior people in the
3 organization were talking to him, including, you
4 know, the senior representative from BCLC.

5 Q What was the purpose of the meeting?

6 A So the purpose of the meeting was I had had a
7 conversation with Mr. Desmarais. You know, Brad
8 was very -- you know, Brad wanted to make sure
9 that these players were safe and that they were
10 doing things very appropriately. And quite
11 honestly that, you know, the integrity of the
12 company, the business and there was no, you
13 know, issue. He knew that and we knew that
14 these customers it was very important for them
15 to be treated appropriately as far as respect
16 and the idea that Brad and I spoke about was
17 that he would like to work with me to educate
18 some of the customers on the safety concerns and
19 issues about bringing large amounts of cash into
20 the business and that it's far safer to use
21 other forms of currency -- or tender, I'll say,
22 to come into the casino. So whether it's, you
23 know, wire transfers, whether it's bank drafts
24 but carrying around large amounts of cash and
25 acquiring the cash through maybe through sources

1 other than just a bank are dangerous and the
2 customer should not be taking part in that type
3 of work. They shouldn't be doing that,
4 basically.

5 Q This patron had been placed on sourced cash and
6 chip conditions, correct?

7 A I believe so, yes.

8 Q And part of the purpose of the meeting was to
9 explain those conditions to this player?

10 A It was -- it was also to explain them -- as I
11 remembered it was to explain that, but it was
12 really focused around trying to have them
13 understand the safety concerns around cash and,
14 you know, why it's not a good idea to bring in
15 and just carry large amounts of cash, and it's
16 far safer for them personally and better for
17 everyone to use other forms to buy in at the
18 casino. Again, I'm going back a bunch of years,
19 but I think that was more the tone and the idea
20 of the meeting more, rather than specifically
21 around the restrictions.

22 Q Did you understand that this was one of the
23 individuals who had been seen or was known to
24 have received unsourced chips and cash delivered
25 from the known individual?

1 A I don't know if I knew that. Again, you know,
2 it's confusing when I think back to when I
3 became aware of understanding that people were
4 getting money from this individual and when they
5 were just getting -- being put on the
6 restrictions, so I can't say for sure whether I
7 understood that at the time or not. You know,
8 my concern and the reason why I was there was to
9 help educate the customer from a safety
10 perspective around why carrying around large
11 amounts of cash is just unsafe for him and it's
12 just, you know, quite honestly unsafe for the
13 casino even.

14 Q Was Mr. Sha asked about the source of the cash
15 he was bringing in?

16 A I don't remember him being asked the source of
17 the cash. I truly don't remember if he was
18 asked, again. It was a long time ago, and I
19 know that the main focus that we talked about
20 with this individual was around the safety
21 concerns and that's really my recollection
22 around the majority of the conversation.

23 Q Did this individual, does it refresh your memory
24 if I suggest to you that this individual
25 indicated that he had arrangements with others

1 in China, Hong Kong and Macau where he makes a
2 call and cash is delivered to him?

3 A I don't remember that coming up in the meeting.
4 So no, I actually don't remember that
5 conversation happening there. Again, I remember
6 in my recollection as most of the conversation
7 was around the safety concerns of carrying cash
8 and not a great deal of discussion about -- I
9 don't recall any discussion around where he
10 actually received the cash.

11 Q Do you remember him saying that he and most of
12 his friends use underground banking services
13 everywhere they gamble in the world?

14 A I recall he made a comment that him and his
15 friends are accustomed to using cash and that
16 they -- it's not unaccustomed for them to loan
17 each other cash. I remember a comment about
18 that, that their friends and if needed one
19 friend will give another friend cash, but again,
20 that's -- that was the tone of the conversation.
21 Could there have been more? Perhaps. I don't
22 remember those type of details. And I think I
23 would, but I don't remember that coming up.

24 Q Do you remember him indicating that he used cash
25 in this way to circumvent capital flight laws?

1 A No, I don't remember that. I don't remember him
2 saying that.

3 Q Do you remember him indicating that he had
4 approximately \$3 million in chips at his
5 residence?

6 A So I don't remember him saying \$3 million in
7 chips. I know he did say that he had River Rock
8 chips in his possession. I can't remember the
9 quantity. I remember it was a large quantity
10 and, you know, we did advise him that, you know,
11 he should bring those back in, that he shouldn't
12 be taking chips away from the casino. But I
13 don't remember quantities or detail. I don't
14 remember any of that.

15 Q Was he asked about the source of his chips?

16 A I don't believe so. Again, this is a customer
17 that played regularly, so many customers will
18 leave with chips when they're done playing and
19 they'll use them the next day when they come
20 back if they're a regular player.

21 Q If it was \$3 million in chips, would you agree
22 that's a lot of chips to leave with?

23 A Oh, yeah. Absolutely.

24 Q That would be unusual --

25 A That would be -- that would be very unusual,

1 correct.

2 Q Okay. Was it -- do you recall whether it was
3 determined whether or not those chips could be
4 reasonably attributed to a buy-in or a win?

5 A So I remember we did talk about is there a way
6 to be able to track chips leaving the casinos
7 and how many, you know, how many chips may be
8 attributed to one individual. But it's just
9 very hard to be able to do that. Especially
10 when you have patrons like this that play
11 regularly and then they leave, you know, maybe
12 travel somewhere else for a period of time and
13 they come back. It is very difficult to be able
14 to track that in a manual -- you know, we only
15 had very archaic manual ways of trying to track
16 this stuff at the time.

17 Q Okay. Is the chip tracking better now?

18 A I think the chip tracking has gotten much
19 better. I think there's still improvement on
20 the chip tracking and I think there's lots of
21 discussions about additional tools for chip
22 tracking, you know, the RFID chips and other
23 things. And I think there's a bunch of
24 opportunities for us to put in technologies to
25 better track them. I personally think it's a

1 approximately \$3 million in River Rock
2 Casino chips."

3 Does that refresh your memory as to the quantum
4 of chips Mr. Sha had in his possession in and
5 around this time?

6 A Again, I think your former question was did I
7 remember if Mr. Sha brought up the \$3 million
8 number in the meeting and I, again, have no
9 recollection of the \$3 million number as I
10 previously stated. I do remember clearly that
11 he did say he had a large sum of chips in his
12 possession. So, again, none of this is a
13 surprise to me.

14 Q Okay. And Mr. Alderson is here setting out some
15 conditions that should apply to Mr. Sha should
16 he bring the chips back, including that they
17 need to be returned in a single transaction and
18 deposited into his PGF account; correct?

19 A Correct. Yep.

20 Q And that if he wants to cash out any of the
21 chips, that has to be refused. That request has
22 to be refused?

23 A Correct.

24 Q And that if he finds redemption of the chips for
25 play by his PGF account unsatisfactory, he needs

1 to notify BCLC; correct?

2 A Correct, yes.

3 Q And that all of the other conditions continued
4 to apply to him; correct?

5 A Yeah, that's correct.

6 Q And were those conditions in fact applied to
7 Mr. Sha's return of those chips?

8 A I believe so. I don't know -- and again, I'm
9 going back a long way. I don't know if he ever
10 brought back a large sum of chips. So did he
11 bring back a certain number? I believe he did.
12 I don't want to state that he brought back
13 \$3 million worth of chips because I truly don't
14 remember how much he brought back and how he
15 dealt with them.

16 MS. LATIMER: Okay. I ask that this be marked the
17 next exhibit, please.

18 THE COMMISSIONER: 567.

19 THE REGISTRAR: Exhibit 567.

20 **EXHIBIT 567: Letter from Ross Alderson to Pat**
21 **Ennis, re BCLC Direction to RRRCR regarding**
22 **patron - December 18, 2015**

23 MS. LATIMER:

24 Q In your affidavit, sir, on page 9, at letter H.

25 A Yes. Just one second. Okay.

1 Q You there are discussing Mr. Sha and you note
2 that he was subject -- the subject of 450 large
3 cash transactions reports between July 2006 and
4 August 2017 and that Great Canadian had filed 84
5 unusual financial transaction reports in respect
6 of this patron; correct?

7 A That is correct. Yep.

8 Q Did that seem like a high volume of reporting to
9 you on one patron?

10 A It definitely seems like a high level of
11 reporting. Again, just because somebody is
12 bringing in large cash transactions, you know,
13 doesn't in itself cause a whole lot of concern.
14 Nor, you know, does the fact that 84 of them
15 being unusual raise a lot of concern other than
16 the fact that, you know, this reporting goes in
17 and our expectation is that somebody that has
18 the capability to look into these transactions
19 in an appropriate way is doing so and reporting
20 back to us. So, again, it's a large number, but
21 when you look at each one of these transactions
22 and as we prepare the reports, our belief is, as
23 we provide those to the appropriate authorities
24 if there is a problem or an issue, you know, we
25 would be notified.

1 So, again, the question is with 450 LCTs
2 and 84 UFTs we were never provided with any type
3 of response that would lead us to believe that
4 there was anything inappropriate with those
5 transactions.

6 Q And Great Canadian never imposed conditions on
7 this patron themselves?

8 A No. No.

9 Q Okay. He was ultimately barred by the BC lotto
10 corporation from the River Rock for three months
11 between July 2017 and September 2017; correct?

12 A I believe so. I believe that was not for a cash
13 transaction or something. I believe that might
14 have been an incident with a VIP or with a VIP
15 host. But I believe he was barred for a period
16 of time, correct.

17 Q He was barred because he assaulted two
18 employees; is that correct?

19 A That's correct.

20 Q And a River Rock VIP host brought him back to
21 the River Rock after he had become intoxicated
22 off site; correct?

23 A That is correct.

24 Q And that was Lisa Gao; correct?

25 A That is correct.

1 Q And that barring was initially intended to be a
2 six-month barring; correct?

3 A That is correct, yes.

4 Q But Great Canadian asked that it be shortened to
5 three months; right?

6 A That is correct.

7 Q And you also asked that it apply to all
8 properties in BC, not just Great Canadian;
9 correct?

10 A That is correct.

11 Q But the end result was reduced to three months
12 but the barring was specific to River Rock only;
13 correct?

14 A That is correct.

15 Q Okay. In or around October 2nd, 2015, Great
16 Canadian made a proposal for a six-month guest
17 marker credit pilot program at the River Rock;
18 is that right?

19 A That is correct, yes.

20 Q And that proposal was for 30 to 40 VIP guests at
21 the River Rock for a six-month trial in 2016;
22 correct?

23 A Correct, yes.

24 Q And as we were just discussing at this time
25 there were approximately, you know, just over

1 40 patrons with unsourced chip and cash
2 restrictions as a result of receiving -- well,
3 for whatever reason there were about 46 patrons
4 on those conditions; correct?

5 A Exactly. Yeah, that's correct, yes.

6 Q Were those the patrons that Great Canadian had
7 in mind for this pilot project?

8 A I don't know if we had specific patrons. Going
9 back in mind, I would imagine that, you know,
10 yes, we were trying to make sure that customers
11 that historically just brought in cash were
12 given other tools and that we had more tools to,
13 you know, try to get less cash in the door. So
14 I don't specifically remember what the
15 intentions were, but you know, your assumption,
16 I think, is -- you know, is valid or is
17 thoughtful.

18 Q Okay. Were you aware at this time that
19 intelligence from player interviews had revealed
20 there were limited access to legitimate funds in
21 Canada?

22 A So I had some understanding. Again, I didn't
23 have access to the details that came out of the
24 interviews, but I did have -- you know, Brad
25 Desmarais did a good job of trying to keep me up

1 to date, you know, at an appropriate level so
2 that I understood things and could make
3 appropriate decisions. So I had some
4 understanding of that.

5 MS. LATIMER: Okay. Madam Registrar, may I have
6 Great Canadian document GCGCPROD0034719 placed
7 before the witness, please.

8 THE WITNESS: 51. I wasn't quick enough on my tabs.
9 Okay. I've got it.

10 MS. LATIMER:

11 Q Okay. And you recognize this as an email at the
12 top from you to Patrick Ennis and Roland
13 Monteiro dated November 20th, 2015?

14 A I do, yes.

15 Q And what was Mr. Monteiro's position at this
16 time?

17 A He was the General Manager.

18 Q Okay. And the subject, again, is a -- it's a
19 patron's name and it says "conditions to be
20 imposed"; correct?

21 A Correct, yes.

22 Q I'd like to start with the email you are
23 responding to, which is at the bottom of the
24 page, and this is an email from Ross Alderson
25 dated November 20th, 2015. Do you see that?

1 A I do, yes.

2 Q And Mr. Alderson sets out a synopsis of recent
3 activity for this player, and essentially he
4 says that on November 3rd, this patron was
5 interviewed regarding a number of incidents,
6 including one in October where she removed
7 \$310,000 in table chips, exited the casino and
8 handed the chips to someone parked in a vehicle;
9 correct?

10 A Correct, yep.

11 Q And she told the investigator that she sometimes
12 borrows large quantities of small bills from
13 friends and does not know the origins of those
14 funds; correct?

15 A Correct, yes.

16 Q And she refused to provide the identification of
17 her friends?

18 A Correct.

19 Q On then on November 5th she attended the River
20 Rock and bought in for \$380,000 in \$20 bills;
21 correct?

22 A That is correct. Yep.

23 Q Mr. Alderson says this buy-in is suspicious and
24 she won't disclose the source of the funds. And
25 he says it's unreasonable to believe that

1 quantity of money at 2:20 in the morning
2 originated from a traditional financial
3 institution, also taking into account the way it
4 was packaged; correct?

5 A Yeah. That is correct, yes.

6 Q And that made sense to you at the time?

7 A It makes sense -- sorry, I don't really
8 understand the question.

9 Q You agree that it would be unreasonable to
10 believe that someone would come in with that
11 quantity of money at 2:20 in the morning. It
12 would be unreasonable to think it came from a
13 traditional financial institution?

14 A Correct, yes, yes. No, I understand what you're
15 asking now, and yes, I believe that that is, you
16 know, would be unusual.

17 Q Okay. At this point in time, if a player came
18 in with a suspicious buy-in like this and
19 refused to disclose the source of the funds, why
20 not refuse the transaction?

21 A Again, you know, our role here is to make sure
22 that we report this stuff. This work by
23 Mr. Alderson would not have been possible
24 without our reporting because he is getting his
25 information from our reporting. So, again, the

1 role that we play within, you know, the
2 anti-money laundering regime here is to make
3 sure that we gather this information and the
4 surveillance footage and do the reporting so
5 that people can actually carry out the
6 investigation and figure this stuff out. So I
7 think it becomes very simplistic to say don't
8 allow certain transactions. If we don't allow
9 the transactions and we do the reporting and we
10 don't provide the video surveillance and the
11 evidence, then there's nothing that law
12 enforcement or the investigators have to go on
13 to be able to do that work. So, you know, the
14 quick answer is we operate under an environment
15 where we have very prescriptive rules and
16 regulations, and we are one part of that system.
17 And if any one part of that system doesn't do
18 their job, then there's obviously a breakdown.
19 And in this case, our job was to provide all the
20 reporting and all the information so that
21 investigators and law enforcement could do their
22 job. So I completely understand, you know, the
23 question you're asking and why people may see
24 this as a concern. I see this once again as our
25 people being very diligent and making sure

1 they're providing all of the appropriate
2 information so that the people that have the
3 ability to do investigations and take action can
4 do so. And in no case in any systemic way were
5 we willfully blind or ignoring in any way these
6 transactions. We were diligently providing all
7 of the information to the groups so that work
8 can be done, Ms. Latimer.

9 Q You'll agree with me that if the transaction had
10 been refused at the cash cage the people
11 investigating this transaction would have had
12 exactly the same information they had when it
13 was accepted because they would have had first
14 of all the surveillance footage; correct?

15 A Yeah. I disagree in the sense that if the
16 transaction is refused, you don't get all of the
17 documentation. You don't get of all the
18 information. You don't get all of the facts.
19 By taking the transaction and then providing all
20 of the information then you get all of those
21 facts and the information and, again, it's
22 really important to understand that, you know,
23 during this period of time it was very clear our
24 role and what we were supposed to do, and it was
25 very clear that we were an important part of

1 this anti-money laundering process. So for us
2 to all of a sudden change the way we did things,
3 not only would it have required specific, you
4 know, waivers and specific changes to our
5 policy, you know, we then also risked
6 interfering with investigations and a bunch of
7 law enforcement work that we didn't have any
8 transparency into, but we believed was happening
9 behind the scenes. So I think it would have
10 been actually quite counterproductive to just
11 all of a sudden start refusing transactions,
12 knowing all the other stuff or at least having
13 some level of understanding of all of the other
14 law enforcement investigative work that was
15 happening behind the scenes.

16 Q If the transaction had been refused you still
17 would have had the surveillance footage;
18 correct?

19 A We would have had surveillance footage, but,
20 again, there was ongoing investigations, and so
21 to start refusing the transactions in my opinion
22 could have actually jeopardized all that work
23 that was happening in the background. And
24 again, we work with very prescriptive rules and
25 regulations, and our role in the process was to

1 get all the information, provide the
2 documentation, and then make sure that the
3 people that were involved in the investigation
4 had everything they needed to move things
5 forward.

6 Q If the transaction had been refused, you could
7 still have reported on the quantum of the
8 transaction, the denominations of the
9 transaction, the time of the transaction;
10 correct?

11 A We could have. Again, it depends on if you're
12 going to refuse the transaction, again, from a
13 process point of view, when do you refuse the
14 transaction. Do you refuse the transaction when
15 they step up? Do you refuse the transaction
16 after they provided all the paperwork? We had
17 no process in place for that. And, again, I
18 really want to stress the fact that during this
19 period of time we were working with all of the
20 various stakeholders from BCLC and on that were
21 doing the work and we were being, you know, led
22 to believe, and I think rightfully so, that
23 there was additional investigations and law
24 enforcement work going on. So if we start to
25 all of a sudden refuse transactions without the

1 appropriate approvals to do so, we run the risk
2 of getting and interfering with some sort of
3 legal investigations, and that is certainly not
4 what we wanted to do. Nor did we have the
5 processes in place or the agreements to refuse
6 the transactions.

7 Q Okay. In the second to last paragraph at the
8 bottom of this first page of this document,
9 Mr. Alderson goes on to say in the last four
10 weeks this player has had seven substantiated
11 unusual financial transactions, all relate to
12 suspicious buy-ins and her given occupation is
13 managing a medical company, which does not align
14 with someone having that volume of cash;
15 correct?

16 A That's what it states, correct, yes.

17 Q Okay. And so BC lotto corporation put her on
18 unsourced cash and chip conditions; correct?

19 A Correct.

20 Q And if you look just above this email, there's a
21 response from Patrick Ennis who says he's not
22 sure what to say and:

23 "I did inform him that she is currently
24 betting 100k per hand and that he should
25 keep that in mind."

1 Why was that level of play something that BCLC
2 was being asked to keep in mind at this time?

3 A So, again, I think that's probably a question to
4 ask Mr. Ennis as far as his thinking behind it.
5 I believe -- yeah, I think that's something you
6 have to ask Pat. I mean, this is, again, a
7 high-value customer that had played for a long
8 period of time. As you said, there has been,
9 you know, a number of reports filed as far as
10 her transactions and nobody ever provided
11 information to us that there was anything
12 nefarious about her or the money. So I believe,
13 you know, the comment is around -- unless
14 somebody tells us she is doing something
15 inappropriate, which they haven't, you know,
16 she's obviously a high-value customer, and that
17 would be my assumption, but again, it's a
18 question for Mr. Ennis. But I also think that
19 Mr. Ennis was a -- you know, he understood what
20 was happening and I'm sure that it was a
21 reasonable response.

22 Q Okay. Your response is:

23 "This is crazy."

24 What did you mean by that?

25 A So I think, you know, my full response was "this

1 is crazy. Is she using verified wins?" Because
2 verified wins mean that she's been playing and
3 taking cash and actually using the proceeds of
4 her wins to buy back in. And I wanted to ask
5 that question because is it verified wins, that
6 is obviously then becomes sourced cash, and then
7 the second sentence that I put down was:

8 "Can we talk to her and see if she will
9 get drafts."

10 So my comment is basically saying yes, taking
11 all this cash into the casino at 3:00 in the
12 morning is crazy; why is she not getting bank
13 drafts?

14 Q Because you understood that she had refused to
15 disclose the source of her funds; correct?

16 A Correct. And, again, that's why I was very much
17 pushing as I had always pushed our customers not
18 to use cash but to use other sources such as
19 bank drafts. And that's why, again, my comment
20 is very clear, you know, I don't believe
21 somebody getting unsourced cash or cash from an
22 unknown entity in the middle of the night and
23 bringing it to the casino is normal. As I said,
24 it's a crazy concept and she should be using
25 bank drafts if it's not verified wins.

1 MS. LATIMER: I ask that this be marked as the next
2 exhibit, please.

3 THE COMMISSIONER: Yes, very well. That will be 568.

4 THE REGISTRAR: Exhibit 568.

5 **EXHIBIT 568: Email from Terrance Doyle to**
6 **Patrick Ennis, re [patron name] Conditions to be**
7 **imposed - November 10, 2015**

8 MS. LATIMER: Mr. Commissioner, I just note -- I note
9 the time and that we're over time. And I'm not
10 done. I'm about -- I'm not done. I'm about
11 halfway done.

12 THE COMMISSIONER: All right. I think Mr. Doyle is
13 scheduled for tomorrow as well, Ms. Latimer; is
14 that correct?

15 MS. LATIMER: That's correct.

16 THE COMMISSIONER: And do we have enough time to deal
17 with the remainder of your examination and those
18 of the participants?

19 MS. LATIMER: I believe we do. Let me just quickly
20 check.

21 THE COMMISSIONER: I think in any event if we don't,
22 we can sit longer until we conclude with him.
23 Why don't we adjourn until tomorrow morning at
24 9:30. All right. Thank you.

25 THE REGISTRAR: The hearing is adjourned until

1 February 10th, 2021, at 9:30 a.m. Thank you.

2 **(WITNESS STOOD DOWN)**

3 **(PROCEEDINGS ADJOURNED AT 1:59 P.M. TO FEBRUARY 10, 2021)**

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