

## China UnionPay: Interim Draft Chronology – Version ~~21~~ (28 April 3 May 2021)

### 1 Introduction Overview

This Interim Draft Chronology sets out documents located to date regarding the process adopted at Crown Melbourne by which an international patron could use a bank card to purchase a voucher from the Crown Towers lobby, then exchange the voucher for chips at the cage (**CUP Process**). The bank cards most frequently used to conduct these transactions were China UnionPay or 'CUP' cards.

Allens' document searches into the CUP Process are ongoing. This Interim Draft Chronology will be updated and shared with Counsel periodically as further material is located. Section two sets out a high level summary of the content of the documents located to date. This summary is intended purely to assist the readability of what follows and is not intended to express an opinion on the matters described therein.

This document comprises the following sections:

- Thematic summary (page 1)
- Key individuals (page 41)
- Chronology (page 63)
- Search record (page 4432)

### 2 Thematic Summary

#### 2.1 Evolution of the CUP Process

The CUP Process appears to have commenced in Melbourne in August 2012 in response to a question from Eric Liang, Vice President of Crown China, about whether a patron in China could access funds at Crown Melbourne via their China UnionPay debit or credit card. The day that question was asked, the CUP Process was first documented in writing by Matt Sanders, Strategy Manager at Crown Melbourne.<sup>1</sup>

Prior to outlining his proposed solution, M Sanders sought legal advice from D Tegoni and M Feilding. M Feilding advised that Crown cannot provide a patron a cash advance from a credit card, but could sell and provide chips (by credit card) to an international patron who was participating on a junket or premium player arrangement.

<sup>1</sup> CWN.514.061.8246

By April 2013, the CUP Process had become an agenda item at VIP Work Stream meetings, with responsibility initially allocated to B Felstead and J O'Connor. Two months later, in June 2013, Crown Melbourne appears to have begun drafting a policy outlining the CUP Process. The Credit and Debit Card Cash Out Policy was finalised in October 2013.

## 2.2 Discussions regarding implementing the CUP Process in Perth

It appears to have been envisaged from the outset that the CUP Process would operate in Melbourne and Perth. There were discussions over the years about establishing the process in Perth, however it appears it was never established in Perth. For example:

- (a) In June 2013, the Perth team appears to have been considering amending the Crown Perth Casino Accounting Manual to permit equivalent transactions in Perth. Such an amendment would have needed to be forwarded to the WA regulator for approval. When this was flagged to the Melbourne team, the Perth team was instructed not to proceed.
- (b) In February 2014, there were further discussions about how the Perth regulator may react to the CUP Process being established in Perth. This was canvassed again in March 2016 and it appears to have been decided that no action should be taken.
- (c) In October 2016, the CUP Process appears to have been ready to commence in Perth. This did not go ahead due to the China arrests.
- (d) In 2019, there appears to have been a proposal that the CUP Process would commence in Perth using bank cards other than China UnionPay cards.

## 2.3 Cessation of the CUP Process

Regulatory changes in China appeared to prompt reconsideration of the CUP Process, as D Tegoni noted in July 2016 that Crown was 'exposed' in relation to the CUP transactions. However, the CUP Process continued until the China arrests in October 2016. The last transaction documented in the 'Main Cage Purchase' spreadsheet took place on 23 October 2016.

The CUP Process appears to have been given attention in the immediate aftermath of the arrests, as evidenced by notes of a meeting on 24 October 2016 regarding China which state that China UnionPay has been 'discontinued'. VIP Operations meetings appear to have been held weekly in the immediate aftermath of the China arrests, however agendas seem not to have been circulated and minutes have not been located to date.

In May 2017, D Tegoni sought legal advice from Richard Murphy of Minter Ellison regarding the possibility of reintroducing the CUP Process.

## 2.4 Legal justification

D Tegoni appears to have been the key lawyer at Crown who advised on the CUP Process. Crown Melbourne's legal team justified the CUP Process on the basis that it was a 'quasi-cash transaction' (i.e. purchase transaction) under the terms of Crown Melbourne's Merchant Agreement with NAB, and was therefore permissible. The 'purchase' being made was purchase of a Chip Purchase Voucher which was immediately exchanged for chips at the cage. D

Tegoni outlined this justification in a legal memorandum dated 17 September 2013. The Memorandum appears to have presented to the VIP Review Work Stream that day.

D Tegoni acknowledged the risk that the transaction could be deemed to be concluded on the casino footprint given that is where the chips are redeemed, but assessed that risk as low. She also acknowledged that conducting transactions at the hotel lobby made it feasible to argue that the payment was for a hotel service, not a gaming service.

The following issues were given attention by the legal team:

- (a) China UnionPay's terms and conditions state that China UnionPay cards cannot be used for gambling purposes.
- (b) Under Crown's Merchant Agreement with NAB, China UnionPay cards cannot be used for cash transactions. They may only be used for 'quasi-cash transactions', which must be purchase transactions (not cash out).
- (c) The *Casino Control Act 1991* (Vic) section 68(2), which states that Crown is not permitted *'in connection with any gaming or betting in the casino... to provide money or chips as part of a transaction involving a credit card or a debit card'*. The exception to this is in section 68(8), which permits Crown to provide credit to a person who is not ordinarily resident in Australia for use while participating in a premium player arrangement or a junket.

## 2.5 Board knowledge

Michael Johnston became aware of the CUP Process in July 2013 in his capacity as a member of VIP Review Work Stream. The CUP Process, including the legality of the transactions, was discussed at multiple VIP Work Stream meetings. M Johnston was 'appreciative' of D Tegoni's legal memorandum dated 17 September 2013.

## 2.6 NAB's knowledge

NAB appears to have been aware that China UnionPay cards were being used to make 'purchases' at the Crown Towers lobby. NAB seems not to have been aware that the transactions were in fact related to gambling.

In April 2015, Crown appears to have become aware that CUP had asked questions of NAB in relation to transactions processed at Star Casino (who also bank with NAB). Crown Casino contacted NAB and held an in-person meeting with NAB to discuss this in May 2016. It is not clear from documents reviewed to date why there was a year delay before this meeting.

In May 2017, Crown received a letter from NAB in relation to a China UnionPay transaction that was being disputed by the customer. A teleconference was held between NAB and J Preston, among others. Documents reviewed to date do not show what was discussed on the call.

## **2.7 Money laundering risks**

In March 2014, Crown's senior management (D Tegoni, B Felstead and J O'Connor) received an article titled 'How China's official bank card is used to smuggle money'. The article outlined the use of China UnionPay cards in Macau for fake sale cash-backs at jewellery stores and pawn shops. It noted that this practice violates China's anti money-laundering regulation. D Tegoni was asked for her thoughts about the article, however Allens has not located written advice to date.

Internal legal advice given in 2012, 2013 and 2014 appears not to have addressed money laundering risks. Documents reviewed to date suggest that money laundering risks began to be considered by the internal legal team in February 2016.

## **2.8 Regal Crown and Ezybonds**

Some of the documents in this Interim Draft Chronology relate to Regal Crown and Ezybonds. Regal Crown and Ezybonds are companies that offer services to move funds out of China. Discussions with Regal Crown first began in June 2013 and continued over the next three years. Discussions with Ezybonds began in March 2016.

## **2.9 Similar practices by other casinos**

Documents appear to suggest that Star Casino, Resorts World and Marina Bay Sands adopted similar practices. An email from October 2015 notes that Echo has 'no limits' on their corresponding transactions.

## **3 Key individuals**

### **(a) Crown**

- Debra Tegoni – Executive General Manager, Legal & Regulatory Services, Crown Melbourne; AML/CTF Compliance Officer
- Michelle Feilding – Group General Manager, Compliance
- Roland Theiler – SVP International Business, Crown Melbourne
- Jason O'Connor – Group Executive General Manager
- Barry Felstead – CEO, Australian Resorts
- Phil Batsakis – Commercial Manager
- David Stoddart – General Manager, Commercial
- Matt Sanders – Strategy Manager, Crown Melbourne
- Stephen Hancock – Manager, Cage & Count Operations

- Richard Longhurst – Chief Operating Officer, Crown Melbourne
- Eric Liang – VP Crown China
- Will MacKay – Exec VP International VIP Operations, Crown Melbourne
- Scott Howell – Cash transactions reporting manager
- Michael Chen – President of International Marketing
- Joshua Preston – Lawyer, Crown Perth
- Jacinta Maguire / Careri – General Manager, Commercial, VIP International
- Stefan Albouy – Director, Marketing and International, Crown Resorts
- Inga Kirkman – Seconded Lawyer, Crown Resorts Limited
- Travis Costin – Treasury and Finance Manager
- Paul Hulme – Gaming and Regulatory Compliance Manager, Crown Perth
- Brad Kady – Group Investment Manager, CPH
- (b) Banks
  - Gordon Long – NAB
  - Shannon Softley – NAB
  - Nicholas Kirtley – CBA

#### 4 Chronology

Beige shading indicates a key milestone.

|                                     | Date       | Document description   | Document ID  |
|-------------------------------------|------------|--|--|
| <b>2012 – CUP Process commences</b> |            |  |  |
| 1                                   | 08/08/2012 | <p>Email from E Liang to W Mackay requesting advice on how customers can withdraw \$200k to spend at the casino at short notice, noting that the patrons <i>'only got funds at their unionpay debit or creditcard'</i>.</p> <p>M Sanders responds outlining the CUP Process, copying S Albouy, M Chen, S Hancock and A Cairns.</p> <p>W Mackay responds <i>'Matt, I am happy on the below'</i>.</p>  | <p><a href="#">CWN.514.061.8246</a>, .8251</p> <p>Key document: Genesis of the CUP Process. The CUP Process commenced quickly in response to a question from a patron.</p> |
| 2                                   | 09/08/2012 | <p>M Sanders requests legal advice from D Tegoni and M Fielding on whether it is possible to debit or hold a patron's credit card for the purpose of selling chips to a patron.</p> <p>M Fielding and D Tegoni advise that, if the following conditions are satisfied, credit card transactions <u>can be conducted within the cage</u>:</p> <p><i>'a) Sell and provide chips from a credit card;</i><br/> <i>b) To International Patrons only (who are not ordinarily resident in Australia);</i><br/> <i>c) Who are participating in a Junket or Premium Player arrangement; and</i><br/> <i>d) You can then deposit those chips into the patron's deposit account in the normal course of dealing.'</i></p> | <p><a href="#">CWN.514.063.0229</a></p> <p>Key document: <a href="#">Legal advice from M Fielding.</a></p>   |
| 3                                   | 09/08/2012 | <p>Email from M Sanders to J O'Connor and R Longhurst (copying M Chen, S Hancock, E Liang and S Albouy) seeking permission for patron to purchase funds at hotel lobby. Email states:</p> <p><i>'As briefly discussed, can you please approve a maximum \$200k cage payout to patron Mr Zhong, Wei Wen (COB: 2/11/63 who is arriving tonight? The patron will transfer the funds to Crown and the value verified before the cash is released.'</i></p>   | <p><a href="#">CWN.514.081.1752</a></p> <p>Key document: J O'Connor approved the CUP Process.</p>  |

|   | Date       | Document description   | Document ID  |
|---|------------|--|--|
|   |            | J O'Connor replied "ok".   |  |
| 4 | 10/08/2012 | <p>Email from E Liang states:<br/><i>'This is truly a breakthrough that create more flexibility for patron bringing extra funds'.</i></p> <p>Email from W Mackay to M Sanders states:<br/><i>'Matt, Can you work with the Burswood team on investigating a similar concept for Crown Perth'.</i></p> <p>Response from N de Lima states:<br/><i>'I will follow up and revert back.<br/>Very creative!'</i></p>  | <a href="#">CWN.514.061.8246</a>   |
| 5 | 29/08/2012 | <p>Email from E Liang to W MacKay states:<br/><i>'I am planning a marketing trip to meet a T/1 player who will travel with a group of player that used to play at MBS. They request to draw down AUD 150-200K from hotel credit card facility each for F/M, total around AUD 1 Mil, I try to get them support the 1 Mil Bac tournament. How's the progress at Crown and Burswood, is it becoming standard procedure now?'</i></p> <p>Response from M Sanders states:<br/><i>'We are still working on implementing a standard procedure in Crown to have a credit card terminal installed in the MR cage. This will take 3-6 months due to a number of factors, primarily a companywide tender for credit card terminals which is scheduled for completion in November. In the interim, you can continue to use the Crown Towers hotel process here in Melbourne as per your previous patron. We will have a documented process for this in the coming days.<br/>As for Burswood, we are working with them to see if a similar process to Crown Melbourne is possible, this may take a bit of time to determine.'</i></p> | <a href="#">CWN.514.062.9610</a><br><br><p>Key document: CUP Process appears to have been initially intended as an interim measure until credit card terminal installed in the Mahogany Room cage.</p> |
| 6 | 06/09/2012 | <p>Email from M Sanders to multiple recipients outlining instructions for how to process a credit card payout for a patron at Crown Towers lobby. One of the steps is:<br/><i>'2. International sales staff to advise Will Mackay(WM)/Matt Sanders (MS) when patron requests to use credit card facility'.</i></p>   | <a href="#">CWN.514.062.5688</a> at .5689  |

|   | Date       | Document description  | Document ID  |
|---|------------|---|--|
| 7   | 06/09/2012 | Email from M Sanders to J O'Connor and R Longhurst seeking approval of cage payout. Response from R Longhurst providing approval.   | <a href="#">CWN.514.062.5937</a>   |
| 8   | 06/09/2012 | Response from J O'Connor providing approval of cage payout.   | <a href="#">CWN.514.081.2633</a>   |
| 9   | 11/09/2012 | Email from M Feilding to J O'Connor, M Sanders, W MacKay and others copying D Tegoni states:<br><i>'Yesterday we completed some measurements to be absolutely sure that the Towers front desk is at least 50m from the gaming floor. Although the desk was found to be well more than 50m from the main gaming floor, the measurements were less predictable to the Mahogany Room. Therefore, when facing the Crown Towers Reception desk, the terminal on the extreme right should not be used to process credit card cash withdrawal transactions. The next two terminals moving left are good, however, all of the terminals moving left beyond that should also be avoided. Further, it would be less problematic if the entire process of withdrawing cash and signing the credit card withdrawal slip could be conducted at these Tower's terminals. Please let me know if you have any queries or concerns.'</i> | <a href="#">CWN.514.063.5838</a><br><b>Key document: Legal team provided advice at inception of the CUP Process.</b> |
| 10  | 17/09/2012 | Emails between M Sanders, W MacKay and J O'Connor in response to the above update from M Feilding. M Sanders states:<br><i>'I will follow up with Andrew today to make sure he is across Michelle's note and that China Union Pay is still accessible.<br/><br/>It's interesting though as Michelle and Deb have given approval for putting a terminal in the cage. They must be waiting on signing off the final procedure for the cage process before giving final sign off.'</i>   | <a href="#">CWN.514.063.5401</a>   |
| 11  | 26/10/2012 | First transaction in 'Main Cage Purchase' spreadsheet.  | <a href="#">CRW.512.044.0113</a>   |
| <b>2013 – CUP Process documented in Crown policy; Board-level knowledge</b> |            |   |  |
| 12  | 09/04/2013 | Email from B Kady to multiple recipients seeking status update on VIP workstreams.  | <a href="#">CWN.514.071.3303</a>   |
| 13  | 09/04/2013 | Attachment to email from B Kady states:   | <a href="#">CWN.514.071.3304</a>   |



|    | Date       | Document description  | Document ID   |
|----|------------|---|---|
|    |            | <i>'Look into whether there is an opportunity for customers to use China Union Pay to access \$ – BF/JO'</i>  | Key document: B Felstead involved in CUP Process.   |
| 14 | 23/04/2013 | Example of an email to J O'Connor seeking approval of a credit card pay out voucher.  | <a href="#">CWN.514.050.8995</a>  |
| 15 | 23/04/2013 | Attachment to above email. Crown Towers receipt states 'Main Cage Paid Out'.  | <a href="#">CWN.514.050.8996</a>  |
| 16 | 12/06/2013 | Email from P Batsakis to J O'Connor copying J Careri attaching a draft policy titled 'VIP International Credit and Debit Card Cash Out Review'.<br><br>Cover email states:<br><br><i>'Provided you approve the revised policy, we will implement it in Melbourne and organise for process to be rolled out in Perth.'</i>   | <a href="#">CWN.514.051.0781</a>  |
| 17 | 12/06/2013 | Policy attached to above email states:<br><br><i>'Since August 2012, Crown Melbourne has permitted International patrons to obtain access to their funds via cash outs on credit and debit cards. Access to these types of funds is within current regulations provided patrons are:</i><br><br><ul style="list-style-type: none"> <li>• <i>International domiciled</i></li> <li>• <i>Playing on a VIP programs</i></li> <li>• <i>Staying at a Crown hotel; and</i></li> <li>• <i>The cash out terminal is more than 50m away from the Casino boundary.</i></li> </ul><br>...<br><br><i>Since being launched, 14 customers have used the facility withdrawing a total of A\$2.1m (A\$1.4m from credit accounts, A\$0.7m from debit accounts.</i><br><br><i>China Union Pay (CUP) has been the most commonly card used, accounting for A\$1.8m of the total transactions made'</i> | <a href="#">CWN.514.051.0782</a><br><br>Key document: CUP Process is formally documented in a policy. |
| 18 | 12/06/2013 | <u>Regal Crown</u>  | <a href="#">CWN.514.051.0604</a>  |

|    | Date       | Document description  | Document ID   |
|----|------------|---|---|
|    |            | Legal advice from Ashurst regarding Regal Crown's proposed service offering, raising 'a number of questions or potential concerns' about the legality of the service, including 'a general concern about the ability of RC to provide Crown with the proposed acquiring services, in view of the policies and requirements of CUP'; and a concern about the ability of Regal Crown to provide the services in compliance with Chinese law.  |   |
| 19 | 18/06/2013 | Email from N Kirtley (CBA) to K Peeris (Crown) stating: <ul style="list-style-type: none"> <li>'Union pay acceptance is available on our mobile Pin Pads...'</li> <li>'Union Pay transactions 'cannot be used to process cash out'</li> <li>'Cannot be used to place bets or purchase gaming chips NOTE CBA RESTRICTION – we issue voucher that is then take[n] to Cage to exchange for cash – CBA says no or gaming chips CBA say no – so NO can't do it with CBA (I don't believe this is permitted from Hotels anyway)'</li> </ul> | <a href="#">CRW.523.002.0167</a> , .0168  |
| 20 | 21/06/2013 | Example Credit Card Withdrawals Request email for a patron, Mr Jin Yong.  | <a href="#">CRW.523.002.0172</a>  |
| 21 | 21/06/2013 | Example receipt for the above patron. Receipt states: 'Main Cage Paid Out'.   | <a href="#">CRW.523.002.0171</a>  |
| 22 | 26/06/2013 | Email chain between G Long (NAB) and R Theiler. R Theiler forwarded the chain to S Bennett, stating: <ol style="list-style-type: none"> <li>'1. No transaction limit for CUP except that the hardware (ie POS terminal) is limited to 6 digits, hence \$999,999.</li> <li>'2. Cancellation risk is low because our transactions are face to face and we require a PIN and signature.'</li> </ol>  | <a href="#">CWN.548.006.7064</a>  |
| 23 | 02/07/2013 | Email from J Maguire to J Preston and others regarding establishing process in Perth. Email states: <p>'Please refrain from submitting this to the DRGL for now as we are currently refining the China Union Pay process in Melbourne.'</p> <p>Earlier email in chain from J Maguire to M Fielding states:</p>  | <a href="#">CRW.523.002.0381</a> , .0383<br><b>Key document: WA Regulator may need to be notified if CUP Process is implemented in Perth.</b> |

|    | Date       | Document description   | Document ID  |
|----|------------|--|--|
|    |            | <p><i>'the attached document was discussed with Josh Preston, Paul Hulme and Craig Spence in Perth yesterday to potentially introduce the same service to our international customers when they visit Perth.</i></p> <p><i>Whilst there are existing provisions in the Crown Perth Casino Accounting Manual, Josh and Paul have advised that in order to be able to offer this service in Perth they would be required to make a submission to the Chief Casino Officer who has delegated authority to amend the Accounting Manual. The change may be forwarded to the Chairman of the Commission for approval as well.'</i></p>   |  |
| 24 | 02/07/2013 | <p>VIP Review Work Streams – Work Shop 2 July 2013:</p> <p>Notes for item 14 regarding 'Foreign Currency' state:</p> <p><i>'Look into whether there is an opportunity for customers to use China Union Pay to access \$ - BF/JO/SB'.</i></p> <p><i>'Update:</i></p> <ul style="list-style-type: none"> <li><i>Crown is currently accepting China Union Pay debit cards for transactions via the hotel through NAB. CUP proposals received from NAB and CBA – NAB fee 1.55%, CBA 1.48%.</i></li> <li><i>Initial legal view on "Global Cash Access" (international players using credit card to withdraw from ATMs) is 50 metre rule from the gaming floor.</i></li> </ul> <p><i>Follow up items:</i></p> <ul style="list-style-type: none"> <li><i>RT to follow up more detailed review of legal position re CUP debit cards and Global Cash Access (including speaking to Crown Melbourne Legal counsel).</i></li> <li><i>Decision re CUP debit cards and Global Cash Access'</i></li> </ul> | <p><a href="#">CWN.502.066.1617</a>, .1625</p> <p>Key document: Early knowledge by Mike Johnston and Ken Barton, including discussion about legality of the CUP Process. John Alexander was not present.</p> |
| 25 | 11/07/2013 | <p>VIP Review Work Streams meeting summary was circulated by email to attendees including M Johnston and K Barton (not J Alexander).</p>   | <p><a href="#">CWN.502.066.1616</a></p>  |
| 26 | Undated    | <p>Handwritten notes by D Tegoni headed 'TF Roland' state:</p> <ul style="list-style-type: none"> <li><i>'[Illegible] Mike Johnston – workshop.'</i></li> </ul>  | <p><a href="#">CRW.523.002.0359</a></p> <p>Key document: These appear to be notes from a call with R Theiler</p>   |

|    | Date       | Document description   | Document ID  |
|----|------------|--|--|
|    |            | <ul style="list-style-type: none"> <li><i>Cage – Purchase. NOT Main Cage "Paid out"</i></li> </ul>   | <p>following the VIP Workshop on 2 July 2013, which M Johnston attended. The notes suggest that M Johnston may have expressed interest in the CUP Process.</p> |
| 27 | 10/07/2013 | <p>Email from R Theiler to J Williamson seeking legal advice. Email states:</p> <p><i>'China Union Pay – are we using it correctly?'</i></p> <p>J Williamson appears to have responded (note the scan does not show colour text):</p> <p><i>'Issue how we use this correctly when gaming customers use it, is recorded on hotel bill, need to chase down how it is recorded. Currently I believe it is done via CBA but is suggestion go with NAB as cheaper. Is a CPH initiative. Apparently in China Union Pay there are conditions about not to be used for gaming purposes. Roland was to send through emails on this but has not as yet. But I note in your office as I worked past in your work files near the window is a folder headed China Union Pay. So need to discuss.'</i></p> | <p><a href="#">CRW.523.002.0355</a></p>  |
| 28 | 26/07/2013 | <p>Email from R Theiler to D Tegoni outlining transaction process. Email states:</p> <p><i>'An email is sent by the Overseas Office Representative or Service Staff Employee to Jason O'Connor requesting approval for the transaction to be completed. After the transaction is approved via email (which can be authorised by an EGM or above) the customer is escorted to the Hotel Desk to complete the transaction. Do we complete an IFTI in relation to this instruction at all? If so who does it Cage or Credit control? Probably not needed but DT check'</i></p> <p>Email also states:</p> <p><i>'Our merchant acquirer is NAB but we may soon be changing to CBA'</i>.</p>   | <p><a href="#">CRW.523.002.0167</a></p>  |
| 29 | 29/07/2013 | <p>Email from R Theiler to D Tegoni states <i>'our VIP Workshop has been rescheduled from Wednesday morning to next Monday morning'</i>.</p>   | <p><a href="#">CRW.523.002.0360</a></p>  |
| 30 | 05/08/2013 | <p>VIP Review Work Streams – Meeting 5 August 2013:</p> <p>Notes for item 13 regarding 'Foreign Currency – CUP' state:</p>   | <p><a href="#">CWN.514.078.5672</a> at .5683</p>   |

|    | Date       | Document description  | Document ID   |
|----|------------|---|---|
|    |            | <i>'Crown is currently accepting China Union Pay debit cards for transactions via the hotel through NAB. CUP proposals received from NAB and CBA – NAB fee 1.55%, CBA 1.48%.'</i>   |   |
| 31 | 14/08/2013 | VIP Review Work Streams meeting summary was circulated by email to attendees including M Johnston and K Barton (not J Alexander).   | <a href="#">CWN.514.078.5671</a>  |
| 32 | 16/09/2013 | Email from D Tegoni to R Theiler states:<br><i>'Do you know if the Cage report on any pre approval or intention to visit and use CUP here from an AML perspective – i.e. an IFTI on the instruction?'</i>   | <a href="#">CRW.523.002.0251</a>  |
| 33 | Undated    | NAB Merchant Agreement annotated by D Tegoni. Handwritten notes state: <ul style="list-style-type: none"> <li><i>'Qu is it illegal – could be an issue for us. Concerned rush around or they won't want to say it's a gambling [illegible] and they will be in trouble.. [illegible]'</i></li> <li><i>'Check IFTI AML re pre-approval'</i></li> </ul>   | <a href="#">CRW.523.002.0178</a>  |
| 34 | 16/09/2013 | Handwritten notes by D Tegoni state: <ul style="list-style-type: none"> <li><i>'Only limit device limit – 6 characters (\$1 million)'</i></li> <li><i>'Illegal transaction – is it??'</i></li> <li><i>'Banks → NAB → CBA → No'</i></li> <li><i>'Check if instruction re approval 48hr in advance an IFTI'</i></li> <li><i>'Transaction not valid if illegal. Where??'</i></li> </ul>  | <a href="#">CRW.523.002.0334</a>  |
| 35 | 17/09/2013 | Confidential Memorandum containing legal advice from D Tegoni. Memorandum states:<br><i>'8. It appears that the use of China Union Pay cards, for the purposes set out and approved by the NAB, are therefore legal and we can make that assumption. Query whether it would preferable for us to specify or clarify with the NAB that provided we do not provide cash, we can provide chips to process a quasi-cash transaction and on the basis of that assurance (which ideally should be documented either by email or by a note of telephone conversation). We could then rely on that to refute any transaction being invalid or illegal – but their current terms appear clear anyway.</i><br><i>9. It appears that there are little grounds upon which the transaction could be considered illegal.'</i> | <a href="#">CRW.523.002.0159</a><br><b>Key document: Legal advice refers to the fact that quasi-cash transactions using China UnionPay cards were permitted under NAB's Merchant Agreement.</b><br><b>NAB was <u>not</u> aware of the nature of the transactions conducted at Crown</b> |

|    | Date       | Document description  | Document ID   |
|----|------------|---|---|
|    |            |   | Towers lobby (purchase of a voucher that was immediately exchanged for chips).  |
| 36 | 17/09/2013 | <p>Email chain between D Tegoni and D Stoddart.</p> <p>D Stoddart states:</p> <p><i>'Hi Deb. I've had a look through all my correspondence and there is nothing along the lines that you were asking about. And I definitely do not recall any conversations with anyone external suggesting that it wasn't an acceptable practice. I have left a message with Jenny asking her to do the same.'</i></p> <p>D Tegoni states:</p> <p><i>'Roland will be in touch re further details about procedures and adhering to NAB terms and conditions but the main notable requirement from a Hotel perspective will be to ensure that the CUP card is NOT used for cash transactions under any circumstances (this will contravene the merchant rules). The notation on Hotel accounts should be to a Purchase transaction (which is in fact to purchase a CPV to exchange for chips at the Cage) and so a quasi-cash transaction apparently envisaged and allowed under the NAB Merchant terms.'</i></p> <p>On 23 September 2013, D Tegoni instructed D Stoddard to change the transaction description from <i>'Main cage paid out'</i> to <i>'Chip purchase – main cage'</i>.</p> | <a href="#">CRW.523.002.0133</a> , .0135  |
| 37 | 17/09/2013 | <p>VIP Review Work Streams – Meeting 17 September 2013</p> <p>Notes for item 13 regarding 'Foreign Currency – CUP' state:</p> <p><i>'Update 17 Sept:</i></p> <ul style="list-style-type: none"> <li>• <i>Internal legal has reviewed and comfortable with the way Crown is accepting China Union Pay debit cards.</i></li> <li>• <i>So far have had c. 30 customers use for up to \$200k at a time (Crown limit).</i></li> <li>• <i>Sales people are increasingly learning the value and will promote more.'</i></li> </ul>   | <p><a href="#">CWN.514.051.3129</a>, .3129</p> <p>Key document: Knowledge by M Johnston and K Barton. Document was not sent to J Alexander.</p> |

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|    | Date       | Document description  | Document ID  |
|----|------------|---|--|
| 38 | 02/10/2013 | VIP Review Work Streams meeting summary was circulated by email to attendees including M Johnston and K Barton (not J Alexander).   | <a href="#">CWN.514.051.3128</a>   |
| 39 | 18/09/2013 | Email from D Stoddart to D Tegoni states <i>'the only possible discussion Jenny can recall was the one below... I have checked subsequent emails to/from NAB and can't find any mention of the topic'</i> .<br><br>The relevant sentence being highlighted 'below' was in an email about a conversation with NAB.<br>The email states:<br><br><i>'I asked whether the cashing option for debit card is turned off at a terminal or Merchant (overall) level. Martin will revert.'</i> | <a href="#">CRW.523.002.0155</a> , .0155, .0157  |
| 40 | 18/09/2013 | Email from D Tegoni to R Theiler states <i>'I presume the meeting went well yesterday then?'</i><br><br>R Theiler replied <i>'Mike J was appreciative of your input'</i> .  | <a href="#">CRW.523.002.0146</a> , .0150<br><br><b>Key document: Engagement by M Johnston. Meeting referred to was the VIP Review Work Stream meeting on 17 September 2013 (noted above), which M Johnston attended. Reference to D Tegoni's 'input' is most likely to the Memorandum dated 17 September 2013.</b> |
| 41 | 19/09/2013 | D Tegoni's handwritten notes titled <i>'Call with Roland Theiler'</i> . Notes state:<br><br><i>'3. Based on no changes to T&amp;Cs we can rely on CUP = nominated card = T&amp;Cs acknowledge and permit quasi cash gaming chips.</i><br><br><i>4. Agreed NO transactions for CASH – Need to change this process plus record on hotel account Purchase (NOT for cash)</i>   | <a href="#">CRW.523.002.0144</a>   |

|    | Date       | Document description   | Document ID   |
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|    |            | <p>5. Legal transactions in desk – so ok unless we don't follow NAB rules or CCA – discussed slightly risk transaction completed on gaming floor but were [illegible] this rule and will argue sometimes off gaming floor ok we do this anyway.</p> <p>6. Must not do anything that contravenes NAB Rules to alter them to get out of the transaction.</p> <p>7. Allan to mitigate risk [illegible] ceilings on amounts we allow to take out at \$200k.'</p>   |   |
| 42 | 30/09/2013 | <p>Email from D Tegoni to D Stoddart providing legal advice, copying R Theiler and J O'Connor. Email highlights the need to comply with merchant bank terms and conditions and the Casino Control Act. Email states:</p> <ul style="list-style-type: none"> <li>'There has and remains a risk that providing cash access via the hotel would breach these provisions on the basis that if the guest decides to purchase chips at the Cage to complete their transaction, then the transaction could be said to be concluded on casino footprint. We have assessed the risk as low. Also we view that we would have the better argument that it is not a prohibited transaction as the policy behind these ATM provisions is to ensure someone has a break from the casino floor and this would be very much the case here.</li> <li>Commercially I also understand it was decided that the risk was better managed if the guests were hotel guests, as if they accessed their funds via their hotel account, it is more feasible to argue that this is a normal hotel service not a gaming cash service.'</li> </ul> | <p><a href="#">CRW.523.002.0121</a></p> <p>Key document: Focus of legal advice was on compliance with NAB Merchant Agreement and the Casino Control Act. AML not flagged.</p> |
| 43 | 04/10/2013 | <p>Email from P Batsakis attaches an updated Credit and Debit Card Cash Out Policy.</p> <p>Reply from R Theiler states:</p> <p>'Further to Phil's policy below, please note we have increased the limit of \$200,000 per day to \$500,000 per transaction for China Union Pay transactions. Please inform your customers of the ability to use China Union Pay cards at Crown Melbourne. At this stage the facility is not operative at Crown Perth.'</p>  | <p><a href="#">CRW.523.002.0028</a></p>   |
| 44 | 24/10/2013 | VIP Review Work Streams – Meeting 24 October 2013:   | <p><a href="#">CWN.514.051.3907</a> at .3915</p> <p>[Regal Crown doc]</p>   |



|   | Date       | Document description  | Document ID   |
|---|------------|---|---|
|   |            | Meeting summary was sent by email on 21/11/2013 to J O'Connor (not to the whole committee).<br>Notes for item 17 regarding 'Foreign Currency – CUP' state:<br><br><i>'Crown is currently accepting China Union Pay debit cards for chip voucher purchase transactions via the hotel through NAB. Internal legal has reviewed and comfortable with the way Crown is accepting China Union Pay debit cards. So far have had up to c.30 customers use for up to \$200k at a time (Crown limit).'</i>   |   |
| 45  | 26/11/2013 | VIP International Business Update presented at CEO meeting does not refer to CUP Process.   | <a href="#">CRW.510.035.3036</a>                          |
| 46  | 19/12/2013 | Email from J Williamson to R Theiler re Regal Crown.  | <a href="#">CRW.523.002.0074</a><br><br>[Regal Crown doc] |
| <b>2014 – CUP Process continues; Policy updated</b> |            |   |   |
| 47  | 12/02/2014 | VIP International Business Update presented at CEO meeting does not refer to CUP Process.   | <a href="#">CRW.510.035.2547</a>                          |
| 48  | 24/02/2014 | Handwritten notes from meeting with P Batsakis, D Tegoni, J O'Connor and J Preston and J O'Connor regarding the possibility of commencing the CUP transaction process in Perth. Notes state:<br><br><i>'Need to [push?] regulator – [illegible] to ring Melbourne.<br/>What would regulator here do? ...<br/>Visa, Mastercard, Bank card (not CUP) – CAN BE USED.<br/>NOT used cards for cash advances or credit card draw downs – CUP.<br/>Agreed I won't do anything for now. Neither will Josh.<br/>Jason will come back to me.<br/>They will find the policy process and NAB current terms for me to move on. Will [illegible] I need to go to regulator as a courtesy if they decide they want to use in Perth.'</i> | <a href="#">CRW.523.002.0045</a><br><br>Key document      |
| 49  | 24/02/2014 | Email from J O'Connor to D Tegoni re the above meeting. Email states:   | <a href="#">CRW.523.002.0046</a>                          |

|    | Date       | Document description   | Document ID   |
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|    |            | <p>'Hi Deb, We spoke with Josh last week about using credit cards (China Union pay) at Perth. Today is a follow up to that and a chance for him to speak with you about perceived challenges. One issue is what the VCGLR might do if contacted by the Perth regulator, which Josh feels is likely to happen.'</p> <p>Handwritten annotations on print-out of email state:</p> <p>'Jason O'Connor 24/2/14 – Not using Regal Crown and they will change their name.' The name change was to avoid confusion with Crown Casino.</p>  | <p>[Regal Crown doc]</p> <p>Key document: Decision not to use the name Regal Crown. Discussion about Victorian regulator.</p>   |
| 50 | 28/02/2014 | Email from P Batsakis to D Tegoni and J O'Connor attaching VIP International Credit and Debit Card Cash Out Policy and NAB Agreement.  | <a href="#">CRW.523.002.0028</a>  |
| 51 | 13/03/2014 | <p>Email from J O'Connor to B Felstead forwarding Reuters article titled 'How China's official bank card is used to smuggle money'. J O'Connor forwarded this to D Tegoni, B Felstead.</p> <p>Article: <a href="#">Special Report: How China's official bank card is used to smuggle money   Reuters</a></p> <p>Article states:</p> <p><i>'In a warren of gritty streets around Macau's ritzy casino resorts, hundreds of neon-lit jewellery, watch and pawn shops are doing a brisk business giving mainland Chinese customers cash by allowing them to use UnionPay cards to make fake purchases – a way of evading China's strict currency-export controls.</i></p> <p><i>On a recent day at the Choi Seng Jewellery and Watches company, a middle-aged woman strode to the counter past dusty shelves of watches. She handed the clerk her UnionPay card and received HK\$300,000 (\$50,000) in cash. She signed a credit card receipt describing the transaction as a "general sale", stuffed the cash into her handbag and strolled over to the Ponte 16 casino next door. ...</i></p> <p><i>Internal discussion documents prepared by UnionPay and by financial authorities in Macau and China show these fake sale cash-backs are widespread in such retail stores. The practice violates China's anti-money-laundering regulations as well as restrictions on currency exports, according to Chinese central bank documents reviewed by Reuters....</i></p> | <p><a href="#">CWN.548.010.0692</a></p> <p><a href="#">CWN.548.010.0694</a> (forward to D Tegoni)</p> <p><a href="#">CWN.514.052.3945</a> (forward to B Felstead)</p> <p>Key document: Senior management receives article outlining concerns surrounding similar transactions in Macau.</p> |

|    | Date       | Document description  | Document ID   |
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|    |            | <i>The cashback activity is spreading beyond Macau to other Chinese tourist destinations, including Taiwan, Japan and South Korea, people in the credit-card industry say.'</i>   |   |
| 52 | 13/03/2014 | <p>Email exchange between J O'Connor and D Tegoni regarding the Reuters article.</p> <p>J O'Connor states:</p> <p><i>'I just wanted to alert you to a Reuters special report published in the last day or two, dealing with China Union Pay. I'll send you a link.'</i></p> <p>He later writes:</p> <p><i>'I'd be interested in your thoughts Deb, if and when you take a look at it.'</i></p> <p>D Tegoni replies:</p> <p><i>'Sure will do'.</i></p> <p>[Allens note: Document searches to date have not identified any further communication with D Tegoni concerning the Reuters report.]</p>  | <a href="#">CWN.514.039.4906</a>  |
| 53 | 13/03/2014 | <p>Email from Andrew Macdonald (Marina Bay Sands) to J O'Connor appears to relate to Reuters article, and contains the following extract without stating where it is from:</p> <p><i>"Few Chinese players in Australia take their winnings in cash. Majority of funds are either transacted through the junket operator, or for individuals TT'd to HK, Singapore or Australian accounts. Those that take checks typically use them either as front money or to pay off credit at other casinos, or they simply hold them. Mindset for that region is not to take winnings back into China but more so to stay liquid outside of that country."</i></p> <p>Jason,</p> <p><i>Do you have time for a quick call to chat about how players are facilitating most payments and also the question of cash outs.'</i></p> <p>J O'Connor replied 'Sure'.</p> <p>J O'Connor forwarded email to R Theiler, stating <i>'Can you drop in when convenient?'</i></p> | <p><a href="#">CWN.548.010.0653</a> (forward)</p> <p><a href="#">CWN.548.010.0678</a> (reply)</p> |

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|    | Date       | Document description   | Document ID   |
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| 54 | 13/03/2014 | VIP International Business Update presented at CEO meeting does not refer to CUP Process.  | <a href="#">CRW.510.035.2847</a>  |
| 55 | 24/03/2014 | Email from J O'Connor to D Tegoni confirming that D Tegoni has reviewed the latest version of the CUP terms with NAB (dated April 2012).   | <a href="#">CWN.517.011.3058</a>  |
| 56 | 24/03/2014 | Email from J O'Connor to M Chen regarding the Reuters article. Email states:<br><i>'Makes me doubly wary of our friends Gordon and Michael'</i> [A reference to Regal Crown]<br>M Chen replies: <i>'Should be no more wary than any other route though...'</i><br>J O'Connor replies: <i>'Agree – although they are touting some formally endorsed connection with CUP to bring credibility to their operations. I'm not sure that is really there.'</i><br>M Chen replies: <i>'I think what they are touting is that their "channel" is an officially licensed channel just like all the other channels to Macau.<br/>How customers use that channel and how other retailers and the like choose to take transactions are up to the retailers. But the channel itself is licences.<br/>I think that's all they are saying.'</i> | <a href="#">CWN.502.060.7825</a><br><b>Key document: Senior management discuss Regal Crown.</b> |
| 57 | 26/03/2014 | Email from P Batsakis to D Tegoni and J O'Connor attaching updated VIP International Credit and Debit Card Cash Out Policy.  | <a href="#">CRW.523.002.0036</a>  |
| 58 | 13/05/2014 | VIP International Business Update presented at CEO meeting does not refer to CUP Process.  | <a href="#">CRW.510.035.3980</a>  |
| 59 | 15/05/2014 | Risk Management Committee minutes record K Barton informing the Committee of an increased level of Chinese Government scrutiny of China UnionPay cash withdrawal processes in Macau.   | <a href="#">CRW.507.011.4884</a> , .4885  |
| 60 | 10/10/2014 | Handwritten notes by D Tegoni outlining the CUP transaction process. Notes state:<br><i>'CUP certain process. Can't be used to [illegible] or purchase gaming chips...<br/>\$200k limit...<br/>Quasi cash transaction<br/>Recorded on hotel bill</i>   | <a href="#">CRW.523.002.0026</a>  |

|   | Date              | Document description  | Document ID  |
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|   |                   | <i>CUP – not to be used for gaming purposes.'</i>   |  |
| 61  | 17/10/2014        | Final VIP International Credit and Debit Card Cash Out Policy prepared by P Batsakis. Policy states:<br><i>'5. Cage to validate customer for AML purposes'</i>  | <a href="#">CRW.523.002.0023</a><br>Key document: Credit and Debit Card Cash Out Policy. |
| 62  | 17/10/2014        | Email from D Tegoni to J O'Connor cc P Batsakis and J Maguire providing legal advice re CUP.<br>Focus of the advice is on compliance with the <i>Casino Control Act s68(2)(c)</i> , which states Crown is not permitted <i>'in connection with any gaming or betting in the casino... to provide money or chips as part of a transaction involving a credit card or a debit card'</i> .<br>Email states:<br><i>'We would argue that subsection 68(8) allows us to provide credit to a person who is not ordinarily resident in Australia on a premium player arrangement or as a Junket and so is effectively an exception to the above prohibition. Technically, however and as discussed, a credit card transaction is where credit is provided by the bank. ... we would need to rely on the fact that the transaction is not "in connection with any gaming or betting in the casino" given such transactions occur at the hotel (albeit maybe argued to be completed at the Cage.'</i> | <a href="#">CRW.523.001.0030</a><br>Key document: D Tegoni approved the CUP Process.     |
| 63  | October 2014      | Credit and Debit Card Cash Out Policy   | <a href="#">CRW.523.002.0005</a>   |
| 64  | 20/11/2014        | VIP International Business Update presented at CEO meeting does not refer to CUP Process.   | <a href="#">CRW.510.035.3398</a>   |
| <b>2015 – CUP Process continues; Discussion with Promontory</b> |                   |   |  |
| 65  | 12/03/2015        | VIP International Business Update presented at CEO meeting does not refer to CUP Process.   | <a href="#">CRW.510.035.4294</a>   |
| 66  | 21/04/2015        | VIP International Business Update presented at CEO meeting does not refer to CUP Process.   | <a href="#">CRW.510.035.2520</a>   |
| <u>67</u>   | <u>27/04/2015</u> | <u>D Tegoni's handwritten notes from telephone call with J Preston. Notes state:</u><br><ul style="list-style-type: none"> <li><u>'Connected Star.</u></li> <li><u>Star via NAB – pls explain request Chinese Govt [illegible] of transactions</u></li> </ul>   | <a href="#">CRW.528.004.0051</a><br>Key document   |

|    | Date              | Document description  | Document ID  |
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|    |                   | <ul style="list-style-type: none"> <li>• <u>... Ok to continue within the bank \$500k.</u></li> <li>• <u>Told Gary.</u></li> <li>• <u>Star dob us in.</u></li> <li>• <u>Wait to speak. Elevated.</u></li> <li>• <u>Banks – to come.</u></li> <li>• <u>Voluntarily – Benefit – Regulator / involvement</u></li> <li>• <u>Certain [illegible] at Chinese Govt + NAB</u></li> <li>• <u>Promontory → Regulator → Report</u></li> <li>• <u>My suggestion close down [illegible] if going to happen anyway.</u></li> <li>• <u>SYDNEY – standard renew.</u></li> <li>• <u>If Echo ahead NAB – STOP CHAD BARTON.</u></li> <li>• <u>→ DAVID STODDARD'</u></li> </ul> |  |
| 68 | <u>03/05/2015</u> | <p><u>D Tegoni's handwritten notes from telephone call with J Preston. Notes state:</u></p> <ul style="list-style-type: none"> <li>• <u>'Chad Barton ([illegible] Ken Barton [illegible])</u></li> <li>• <u>Greg Hawkins</u></li> <li>• <u>Chad's update:</u> <ul style="list-style-type: none"> <li>• <u>Informally CUP contacted NAB – sure Echo</u></li> <li>• <u>Are you NAB sure your customer Echo – using the [illegible] appropriately</u></li> <li>• <u>NAB asked Echo and waiting to [illegible] or terminating a response. Has to respond.</u></li> <li>• <u>NAB know and trying to formulate a response.</u></li> </ul> </li> </ul>             | <p><u>CRW.528.004.0011</u></p> <p><u>Key document: File note suggests CUP contacted NAB about the use of CUP cards at Star Casino.</u></p> |

|                             | Date       | Document description  | Document ID                             |
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|                             |            | <ul style="list-style-type: none"> <li>• <a href="#"><u>CHAD is proposing – to introduce re CUP terms re day transactions implement. Likely to be even over their own caps.</u></a></li> <li>• <a href="#"><u>Ring NAB – David Stoddard not STAR's contact.</u></a></li> <li>• <a href="#"><u>Chad contact NAB.</u></a></li> <li>• <a href="#"><u>NAB – Regulate</u></a></li> <li>• <a href="#"><u>Josh Preston</u></a></li> <li>• <a href="#"><u>He'll update me once he speaks to NAB.'</u></a></li> </ul>  |   |
| <a href="#"><u>6769</u></a> | 19/06/2015 | VIP International Business Update presented at CEO meeting does not refer to CUP Process.   | <a href="#"><u>CRW.510.035.2215</u></a> |
| <a href="#"><u>6870</u></a> | 26/08/2015 | <p>Document titled 'How to Process a Main Cage Purchase for a Gaming Guest' states:</p> <ul style="list-style-type: none"> <li>• <i>'This document applies to all types of credit / debit cards – not just UnionPay'.</i></li> <li>• Transaction approvers: <ul style="list-style-type: none"> <li>• Peter Lawrence</li> <li>• Heidi Huang</li> <li>• Veng Anh</li> <li>• Indran Subramaniam</li> <li>• Philip Leong</li> <li>• Michael Whytcross</li> <li>• Phillip Batsakis</li> <li>• Jason O'Connor</li> <li>• Roland Theiler</li> <li>• Jacinta Maguire</li> <li>• Neil Spencer</li> </ul> </li> </ul> | <a href="#"><u>CRW.523.002.0001</u></a> |

|                      | Date                       | Document description   | Document ID                      |
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|                      |                            | <ul style="list-style-type: none"> <li>'Process a payment on the guest's account using code 9220: Main Cage Payment – NAB'</li> <li>'Hand the following paperwork to the Gaming employee; who will then accompany the guest to the Cage to collect the funds'</li> <li>'Main cage purchases cannot be reversed via the hotel. Any funds the guest has remaining will need to be deposited in to the guests account via the Cage'.</li> </ul> |                                  |
| <a href="#">71</a>   | <a href="#">01/09/2015</a> | <a href="#">D Tegoni's handwritten notes on a mark-up of the newly renamed 'Pre-Approved Bank Transactions From Hotel Guests' Policy. Notes state: 'Reliance on s68(8). Note re ML/CTF Risk Assessment.'</a>   | <a href="#">CRW.528.004.0045</a> |
| <a href="#">6972</a> | 10/09/2015                 | Email from D Tegoni to D Stoddard states:<br><i>'I have been provided with Hotels Process document "How to process a Main Cage purchase for a gaming guest". This document requires amendment as the process document is not accurate. I can take you through those changes and also ask that any further changes to that document be provided to me on an ongoing basis'.</i>   | <a href="#">CRW.523.002.0007</a> |
| <a href="#">7073</a> | 10/09/2015                 | D Tegoni's handwritten file note states: <ul style="list-style-type: none"> <li>'No AML NO CASH'.</li> <li>'Transaction – IFTI – purchase – person – [illegible] room. \$10,000 CHIPS NOT a cash transaction'</li> <li>'Alerted – Scott. PC Card transaction. Scott looking up [illegible]. SMRs'</li> </ul>   | <a href="#">CRW.523.002.0010</a> |
| <a href="#">7174</a> | Undated                    | D Tegoni's handwritten notes state:<br><i>'Process – available to:</i> <ol style="list-style-type: none"> <li><i>1. International domiciled</i></li> <li><i>2. VIP program</i></li> <li><i>3. Staying at Crown hotel</i></li> <li><i>4. Cash out [illegible] 50m away from casino building.</i></li> </ol>   | <a href="#">CRW.523.002.0017</a> |



|                      | Date       | Document description  | Document ID  |
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|                      |            | <p>5. No capping debit cards / any INDIV</p> <p>6. ID scanned on file.</p> <p>7. Cap \$200k</p> <p>8. Patron must be [illegible] and identified</p> <p>9. AML [illegible] at cage/verify.'</p>  |  |
| <a href="#">7275</a> | 18/09/2015 | Email from D Tegoni to D Stoddart providing comments on 'Main Cage Purchase Policy'.  | <a href="#">CWN.514.007.7677</a>   |
| <a href="#">7376</a> | 21/09/2015 | VIP International Business Update presented at CEO meeting does not refer to CUP Process.   | <a href="#">CRW.510.035.3695</a>   |
| <a href="#">7477</a> | 30/09/2015 | Email from D Tegoni to P Batsakis attaching marked up Credit and Debit Card Cash Out Policy. D Tegoni renamed the policy 'Bank Transactions to Hotel'.  | <a href="#">CRW.523.001.0026</a>   |
| <a href="#">7578</a> | 09/10/2015 | Email from J O'Connor to D Tegoni states:<br><br>'I heard recently that Echo have no limits on their corresponding transactions and are therefore allowing customers to transact much higher values.'   | <a href="#">CWN.539.081.3049</a><br><br>Key document: Suggests Star may adopt similar process. |
| <a href="#">7679</a> | 10/12/2015 | VIP International Business Update presented at CEO meeting does not refer to CUP Process.   | <a href="#">CRW.510.035.3125</a>   |
| <a href="#">7780</a> | 11/12/2015 | D Tegoni's notes of telephone call with Alex Carmichael (Promontory). Notes state: <ul style="list-style-type: none"> <li>• 'Genting – providing foreign exchange service only.'</li> <li>• 'Heat in CUP is suffocating.'</li> <li>• CUP – China govt – crusade against corruption effectively shut down a lot of junkets operating in Macau. [illegible]</li> <li>• CUP goes through [illegible] levels and probably exceed levels with multiple cards being used, with a [illegible] day limit.</li> <li>• Large amounts over \$50k – single card.</li> <li>• Single card would be flagged – China govt – [illegible] \$50k and above. Could be spread amongst multiple cards.</li> </ul> | Key document: Crown sought advice from Promontory regarding CUP.                               |

|   | Date       | Document description  | Document ID   |
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|   |            | <ul style="list-style-type: none"> <li>... Personal funds → Promontory → AML complaint – happy to give an opinion – depends how much they are willing to share and factor that in.</li> <li>OPINION – No direct contact – Never stolen [?]</li> <li>... Shut down. Stay ahead of current regulators.'</li> </ul>  |   |
| 2016 – Regulatory changes in China; <u>discussions regarding</u> CUP Process <b>almost implemented</b> in Perth; CUP Process ceases following China arrests |            |   |   |
| 81  | 24/02/2016 | <p>Email from D Tegoni instructing the Executive Assistant to:</p> <p><i>'find what the legal prohibition is in China around taking currency out of China – I understand the limit is 50,000 – can we check the exact requirement and whether there is any extension to loading up credit or debit cards etc? Pls see what you can find in public domain. No calling anyone at this stage please.'</i></p>  | CRW.528.004.0013  |
| 82  | 24/02/2016 | <p>Handwritten file note by D Tegoni of telephone calls with S Hancock and S Howell. File note of telephone call with S Howell states:</p> <ul style="list-style-type: none"> <li>• <u>'Scott Howell funds from hotels – funds made available noted in comments – chips or CPV...</u></li> <li>• <u>Transaction – trigger [illegible] where he sees them.</u></li> <li>• <u>He doesn't specifically know in every site action [?] – he usually [illegible]...</u></li> <li>• <u>Funds made available – notify to report.</u></li> <li>• <u>Gaming trends – no reference to trends available for credit cards.</u></li> <li>• <u>Just getting trends.</u></li> <li>• <u>Banking system.</u></li> <li>• <u>Making funds available re currency. He considers this but [illegible]... \$50k is not suspicion in itself – He considers.</u></li> <li>• <u>Has not notify this.</u></li> <li>• <u>Suspicion on trends lost and amount of cash approved to carry.</u></li> <li>• <u>Large threshold transactions.</u></li> </ul> | <p>CRW.528.003.0014</p> <p><u>Key document: Discussion about AML reporting on CUP transactions.</u></p> |

|    | Date       | Document description  | Document ID      |
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|    |            | <ul style="list-style-type: none"> <li><u>PART of this. It happens it all the time...</u></li> <li><u>Only losses. No refs.</u></li> <li><u>No reference to IFTIS or bank cheques. ...[illegible]</u></li> </ul> <p>Sticky note on the document states '*CUP NOT TT. Money in SMR'.</p>   |                  |
| 83 | 24/02/2016 | <p>Summary of Chinese currency control laws in response to the above instructions. Document includes summaries of media coverage about Chinese currency control laws, including an AFR article dated 20 January 2016, with the notes '<u>Chinese banks have begun tracking transactions where a single foreign account received \$US200,000 in a 90 day period.</u>'</p> <p>D Tegoni has highlighted this and written 'CUP' alongside.</p>                                      | CRW.528.004.0012 |
| 84 | 26/02/2016 | <p>Email from J O'Connor to D Tegoni and B Felstead forwarding information about a patron, which states:</p> <p><u>'I have made contact with The Star and advise the following:</u></p> <ul style="list-style-type: none"> <li><u>Patron's CCF was cancelled due to patrons use of China Union pay card (has a China address listed at the star)</u></li> <li><u>To date, it is anticipated that patron has swiped his China Union pay card to approx.. AUD100m'</u></li> </ul> | CRW.528.004.0048 |
| 85 | Undated    | <p>D Tegoni's file contains a highlighted copy of section 74 of the <u>Casino Controls Act 1992 (NSW)</u> which states:</p> <p><u>(1) A casino operator must not... in connection with any gaming in the casino:</u></p> <p><u>...(c) provide money or chips as part of a transaction involving a credit card or a debit card'</u></p>  | CRW.528.004.0042 |
| 86 | 08/03/2016 | <p>Email from S Counihan (Manager, Compliance Reporting, Crown Melbourne) to D Tegoni refers to a telephone call with the Australian Federal Police in relation to a patron. Email states:</p> <p><u>'during the conversation it was mention that they are currently looking into the use of China Union Debit/Credit cards to move money as there are no limit to the amount of funds that can be withdrawn.</u></p>   | CRW.528.004.0047 |

|                      | Date                       | Document description   | Document ID  |
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|                      |                            | <i>I checked with the cage and there has been no use of the Crown Towers reception to withdraw funds by [this patron].'</i>  |  |
| <a href="#">7887</a> | 10/03/2016                 | Email from P Batsakis to J O'Connor and J Maguire states:<br>'Fyi \$43m of credit / debit card withdrawals to date'.   | <a href="#">CWN.514.024.3253</a>                                 |
| <a href="#">88</a>   | <a href="#">10/03/2016</a> | Email from J Preston to D Tegoni and B Felstead states that the State Agreement for Burswood Casino provides at clause 21(d) that Crown Perth may not, without the prior consent of the Commission, <i>'provide cash or chips to any Person in respect of a credit card transaction'</i> .<br>Email states:<br><i>'In terms of "credit" being advanced to International Commission Business patrons, this is permitted by the Commission.'</i>   | <a href="#">CRW.528.004.0036</a>                                 |
| <a href="#">89</a>   | <a href="#">11/03/2016</a> | Handwritten file note by D Tegoni of telephone call with J Preston. Notes state: <ul style="list-style-type: none"> <li><i>'Stop it do it at Melbourne end</i></li> <li><i>Discussion would like to speak to regulator...</i></li> <li><i>Could still do debit...</i></li> <li><i>Regulator will speak – don't go ahead.</i></li> <li><i>Spoke to regulator – documents observed [illegible].</i></li> <li><i>Regulator could make enquiries. They'd know about it.</i></li> <li><i>They could [illegible] see it.</i></li> <li><i>Remote possibility → remote → Melbourne situation regulator [illegible]</i></li> <li><i>Leave it alone. ...</i></li> <li><i>Conversation could still occur between Vic and Perth regulators. Position remains the same.'</i></li> </ul> | <a href="#">CRW.528.004.0041</a><br><a href="#">Key document</a> |

|                      | Date                       | Document description  | Document ID                      |
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| <a href="#">90</a>   | <a href="#">11/03/2016</a> | <p>Another handwritten file note by D Tegoni regarding matters discussed with J Preston. File note states:</p> <p><u>'Agreed:</u></p> <ol style="list-style-type: none"> <li><u>CUP – NAB to offer what Star is being offered. J O'C will go to meeting and let me know afterwards...'</u></li> </ol>   | <a href="#">CRW.528.004.0009</a> |
| <a href="#">91</a>   | <a href="#">11/03/2016</a> | Email from J O'Connor to D Tegoni and B Felstead providing total amount of CUP transactions processed each year since 2013. Total is stated to be \$105m.   | <a href="#">CRW.528.004.0033</a> |
| <a href="#">7992</a> | 18/03/2016                 | <p><u>Regal Crown</u></p> <p>Email from M Fielding to D Tegoni requesting that someone from Legal attend a meeting with G Macintosh from Regal Crown. Email states 'No doubt we will have AML issues too?'</p> <p>D Tegoni responds:</p> <p>'Can he first change the business name?</p> <p>Secondly, can he provide detail on how he complies with AML Processes and the law to support what he says can be done?</p> <p>He never provided anything to me despite promising to. The contract terms did not deal with the AML processes – we would need to understand this in detail.'</p>         | <a href="#">CWN.514.007.4908</a> |
| <a href="#">8093</a> | 21/03/2016                 | <p>D Tegoni's file note of meeting with B Felstead, D Tegoni, J O'Connor and J Preston. File note states it was agreed as follows:</p> <ol style="list-style-type: none"> <li>Josh Preston will clarify with second in charge at the WA Regulator that he can do debit and credit cards on EFTPOS on the casino floor – similar process as to Crown Melbourne.</li> <li>Acknowledged that there is a risk that the WA Regulator to talk to the Victorian Regulator....</li> </ol> <p><u>11. Deb to talk to Scott Howell about reporting any suspicious transactions with regard to this.'</u></p> | <a href="#">CWN.569.002.5318</a> |
| <a href="#">94</a>   | <a href="#">21/03/2016</a> | Email chain between D Tegoni and S Hancock in which D Tegoni requests S Hancock to send her and S Howell daily or weekly summaries of transactions using the CUP Process.   | <a href="#">CRW.528.003.0010</a> |

|             | Date              | Document description  | Document ID   |
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|             |                   | <u>D Tegoni states in a further email that they need to be vigilant that players using the service are truly international and 'if any suspicions arise in instructions we escalate and report for AML please – as per usual.'</u>  |   |
| <u>95</u>   | <u>21/03/2016</u> | <p><u>D Tegoni's handwritten file note of telephone call with S Howell. File note states:</u></p> <ul style="list-style-type: none"> <li>• <u>'Issues SUS TRs – SMR – only not TT</u></li> <li>• <u>Need to ask correct questions</u></li> <li>• <u>Access to cards / credit cards / debit cards no</u></li> <li>• <u>NOT SUS TRs</u></li> <li>• <u>[illegible] to table funds. Credit card / debit card – transaction on their credit card.</u></li> <li>• <u>No different. ...</u></li> <li>• <u>Quasi-cash transaction ...</u></li> <li>• <u>IFTI – Instruction to [illegible]</u></li> <li>• <u>Is he seeing all the transactions'</u></li> </ul> | <p><u>CRW.528.004.0031</u></p> <p><u>Key document: Notes appear to record a discussion between D Tegoni and S Howell re AML checks on CUP transactions. This appears to have been the call referred to in the above Memorandum.</u></p> |
| <u>8196</u> | <u>22/03/2016</u> | <p><u>Ezybonds</u></p> <p>Email from Ezybonds to J O'Connor promoting Ezybonds as a way to move patrons' money out of China.</p>  | <u>CRW.523.003.0104, 0106.</u>  |
| <u>8297</u> | <u>26/04/2016</u> | <p><u>Ezybonds</u></p> <p>Email from Michelle Ta (Legal Counsel, Crown Melbourne) to D Tegoni regarding initial inquiries into the legality of Ezybonds.</p>  | <u>CRW.523.003.0104</u>   |
| <u>8398</u> | <u>03/05/2016</u> | <p><u>Regal Crown</u></p> <p>Email from Gordon McIntosh (Regal Crown) to R Theiler attaching presentation regarding Regal Crown's international money transfer product.</p>   | <u>CRW.523.003.0001, .0016</u>  |
| <u>99</u>   | <u>03/05/2016</u> | <u>D Tegoni's handwritten notes of telephone call with J Preston. Notes state:</u>  | <u>CRW.528.003.0009</u>   |

|      | Date       | Document description  | Document ID  |
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|      |            | <ul style="list-style-type: none"> <li><i>'Any relevant debit or credit card, CUP, Amex, etc – will get approval shortly.'</i></li> <li><i>AML – CBA – [illegible]</i></li> </ul>   |  |
| 100  | 04/05/2016 | <p>Email from J O'Connor to Kevin Hardness (NAB) regarding CUP transactions. Email states:</p> <p><i>'I've heard that our counterparts at Star Entertainment in Sydney (who also bank with NAB) have recently attracted some attention from CUP, so would like to understand what that might mean for us. I would appreciate an opportunity to discuss this with you, or someone else, at your convenience.'</i></p> <p>J O'Connor and S Softley discussed on a call on 5 May 2016. S Softley wrote:</p> <p><i>'Following on from our call this morning, I have spoken to our Head of Merchant Risk (Allan Goldring) who is well across the CUP processing requirements for Australian merchants from a card scheme perspective. Allan would like to meet with yourself (and possibly Matt Luttick from a Finance perspective) to go through the details. Are you available at some stage next week?'</i></p> | [Document ID to be added once available]                                 |
| 8410 | 06/05/2016 | <p><u>Regal Crown</u></p> <p>Meeting between Crown team and G Macintosh (Regal Crown) at Crown Perth.</p>   | CRW.523.003.0145   |
| 102  | 18/05/2016 | <p><u>Ezybonds</u></p> <p>Email from M Ta to D Tegoni forwarding Ezybonds' responses to their legal questions ahead of a call scheduled with Ezybonds for that day.</p>   | <p>CRW.528.005.0030 (email)</p> <p>CRW.528.005.0037 (meeting invite)</p> |
| 103  | Undated    | <p><u>D Tegoni's handwritten notes</u></p> <ul style="list-style-type: none"> <li><i>'CUP only. (No bank transfers).'</i></li> <li><i>CUP → Crown direct receiving funds.</i></li> <li><i>CUP – [illegible] pre-approved → ultimately used.</i></li> <li><i>Customer has to be approved</i></li> <li><i>\$50,000 USD per month. Current limit.</i></li> <li><i>Pre-approved customer → source of funds declared</i></li> </ul>  | CRW.528.005.0021   |

|                 | Date       | Document description   | Document ID   |
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|                 |            | <ul style="list-style-type: none"> <li><u>Industry gambling – ok</u></li> <li><u>We're relying</u></li> <li><u>What are they reporting??</u></li> <li><u>Appropriate ID – source of wealth / funds (CUP) ok.</u></li> <li><u>Funds go direct to</u></li> <li><u>[illegible] way to use funds</u></li> <li><u>→ No source funds / wealth</u></li> <li><u>Deposit levels per customer – need to be approved. Card not used here. Check limitations. Off site.</u></li> <li><u>... Same as what we're currently doing</u></li> <li><u>...SMR obligations – they will request but not on instructions....</u></li> <li><u>Customer concern? CUP – transactions being individually identified'</u></li> </ul> |   |
| <del>8510</del> | 26/05/2016 | Draft Standard Operating Procedure for Pre-Approved Bank Transactions in Perth. D Tegoni's handwritten notes state 'Perth Policy – didn't implement'.  | <a href="#">CRW.523.001.0045</a>  |
| <del>8610</del> | 07/06/2016 | <p><u>Regal Crown and Ezybonds</u></p> <p>Handwritten notes by D Tegoni of call with B Felstead and J O'Connor. Notes state:<br/>'Is there a way to transfer money only via Crown/our controlled accounts? This being a threshold commercial matter then <u>if</u> we get clarify and comfort on this <u>then</u> I will do compliance and legal due diligence.'</p>   | <a href="#">CRW.523.003.0095</a>  |
| <del>8710</del> | 09/06/2016 | <p><u>Regal Crown</u></p> <p>Email from G McIntosh to R Theiler and J O'Connor promoting Regal Crown product. Email states:<br/>'it means that no matter where your client is, be it on site or remotely located, they can by using the MPOS transfer funds in real time.'</p>   | <a href="#">CRW.523.003.0001</a> , .0014<br>Key document: Discussions with Regal Crown. |



|                      | Date                       | Document description   | Document ID  |
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| <a href="#">8810</a> | 15/06/2016                 | Email from D Tegoni to herself appears to relate to call with J O'Connor. Email states:<br><i>'Resort vouchers for no gaming chips and can uses China UnionPay cards.<br/>... Process several times per day<br/>No problems with it<br/>Marina bay sands 30 and 50 million a month they do<br/>Resort vouchers available for redeemed for anything for non neg gaming chips – program vouchers<br/>Hotel cash out we are processing<br/>They are selling a voucher...'</i> | <a href="#">CWN.517.012.7956</a><br><br>Key document: Suggests Marina Bay Sands may have been using similar process. South China Morning Post article from 04/05/2017 (see below) confirms this. |
| <a href="#">8910</a> | 16/06/2016                 | Email from P Batsakis to multiple recipients distributing updated policy and template for pre-approved bank transactions. Email states one of the changes is a new maximum transaction of A\$500k per card per day.  | <a href="#">CRW.523.001.0019</a> , .0021   |
| <a href="#">109</a>  | <a href="#">19/05/2016</a> | <a href="#">Meeting between J O'Connor, M Luttick and NAB in person</a>  | [Document ID to be added once available]   |
| <a href="#">9011</a> | 26/06/2016                 | Email from J Maguire states: <i>'I think you will find the same wording in the Crown Melbourne NAB agreement'</i> .<br>J O'Connor replied to J Maguire: <i>'The NAB deal allows us to do what we are currently doing. The CBA deal wouldn't.'</i><br>R Theiler replied: <i>'That's correct. We looked at this a couple of years ago.'</i>  | <a href="#">CWN.565.014.4890</a>   |
| <a href="#">111</a>  | <a href="#">16/07/2016</a> | <a href="#">D Tegoni forwarded Financial Times article to herself titled 'So you want to get your money out of China?'</a>   | <a href="#">CRW.528.004.0004</a>   |
| <a href="#">9411</a> | 25/07/2016<br>[date]       | D Tegoni's handwritten notes state:<br><i>'CUP – Restrictions</i><br>• <i>Mainland moving out</i>  | <a href="#">CRW.523.002.0019</a> , .0019-.0020<br><br>Key document: Regulatory changes in China appear to prompt   |

|                      | Date              | Document description   | Document ID   |
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|                      | almost illegible] | <ul style="list-style-type: none"> <li>• View of gambling</li> <li>• Account debt loophole</li> <li>• NOT permitted</li> </ul> <p>Process:</p> <ul style="list-style-type: none"> <li>• PAWN SHOPS [illegible] in Macau</li> <li>• Not shut down. Singapore MBS <u>doesn't</u> deal with CUP.'</li> </ul> <p>...</p> <p>'Exposure. Conservative position. CUP NO.</p> <p>The can purchase in Macau but can't pay for gaming [illegible]</p> <p>Hotel / Purchased / NO / won't accept.</p> <p>Resorts World – CUP ok and pay resort vouchers. Customers can use gaming chips.</p> <p>BARRY – Understands what we're doing.</p> <p>JOSH. BARRY detail process. Legal post and bank and CUP.</p> <p>[illegible] summary [illegible]</p> <p>Locally – high level [illegible]</p> <p>Comfortable. Risks.</p> <p>Accuse us. Exposed. Breach. Contract'</p> | consideration of the CUP Process in Melbourne.                                  |
| <a href="#">9211</a> | 01/08/2016        | <p>Email from Lindawaty Sujantik to VIP International Business Ops distribution list seeking approval for a \$60k pre-approval bank transaction for a patron.</p> <p>Attachment: Completed 'Pre-Approved Bank Transactions From Hotel Guests – Approval Template (October 2015)'</p>   | <p><a href="#">CWN.518.012.7336</a></p> <p><a href="#">CWN.518.012.7337</a></p> |
| <a href="#">9311</a> | 05/08/2016        | <a href="#">Regal Crown and EzyBonds</a>   |   |

|                      | Date                       | Document description   | Document ID                              |
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|                      |                            | Email from J Williamson to insurer querying whether there is any potential insurance product to cover transactions conducted via Regal Crown or Ezybonds.  |  |
| <a href="#">9411</a> | 09/08/2016                 | Example request for a pre-approved bank transaction for a patron.  | <a href="#">CWN.514.030.7812</a>         |
| <a href="#">9511</a> | 07/09/2016                 | Email from P Batsakis to Shannon Blake regarding establishing CUP transaction process in Perth.<br>Email states:<br><i>'Hi Shannon</i><br><br><i>Have attached a copy of the Melbourne policy for pre-approved bank transactions, for Perth we recommend the following approval matrix:...'</i>  | <a href="#">CRW.523.001.0016</a>         |
| <a href="#">9611</a> | 12/09/2016                 | <u>Regal Crown</u><br><br>Email from D Tegoni to G Macintosh. D Tegoni states Crown will not consider further due diligence and other matters regarding Regal Crown, including AML, until Regal Crown can confirm that funds transferred via Regal Crown are underwritten so there is no risk for the patron or Crown.   | <a href="#">CRW.523.003.0074</a>         |
| <a href="#">9711</a> | 14/09/2016                 | <u>Regal Crown</u><br><br>Internal email exchange in which D Tegoni suggests exploring whether money transfers can be made directly via a banking institution rather than via Regal Crown.   | <a href="#">CRW.523.003.0054</a> , .0055 |
| <a href="#">119</a>  | <a href="#">15/09/2016</a> | <u>Email chain between D Tegoni and R Theiler regarding discussions with Western Union about sending funds outside of China. D Tegoni states:</u><br><br><i>'I am actually head of AML and on this I think I would best be involved but I would like to understand first what you and Barry discussed with them – not sure I want to be talking in detail about our AML compliance unless I know what they have to offer so the context is important.'</i> | <a href="#">CRW.528.002.0014</a>         |
| <a href="#">9812</a> | 26/09/2016                 | Email chain between P Batsakis, J Maguire and others regarding steps required to implement CUP main cage purchase facility for hotel guests in Perth.  | <a href="#">CWN.514.031.3372</a>         |
| <a href="#">9912</a> | 26/09/2016                 | Email from P Batsakis to J Maguire and J O'Connor states:<br><br><i>'Will have bank transactions at perth by end of week'.</i>   | <a href="#">CWN.514.031.3383</a>         |

|                 | Date                       | Document description  | Document ID  |
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| <del>1001</del> | 27/09/2016                 | Email from Lonnie Bossi to Neil de Lima regarding setting up CUP Process in Perth. Email states:<br><i>'Are you okay for us to advise the Sales Team that we have CUP facility available from 3 October once the Hotel and the Cage have both confirm their agreed processes?'</i>  | <a href="#">CWN.514.006.9412</a><br><br>Key document: Discussions about commencing the CUP Process in Perth.   |
| 123             | <a href="#">28/09/2016</a> | <a href="#">D Tegoni's notes of call with Western Union and R Theiler regarding methods of repaying debts from China. Notes do not refer to CUP or the CUP Process.</a>   | <a href="#">CRW.528.002.0007</a>   |
| 124             | Undated                    | D Tegoni's handwritten notes re 'CUP' state:<br><i>'...CUP terms / can't buy casino chips<br/>City of Dreams</i><br><ul style="list-style-type: none"><li>• <a href="#">Jewellery stores in arcade</a></li><li>• <a href="#">CUP sell chips to jewellery stores</a></li><li>• <a href="#">\$30-40m (\$5m day)</a></li><li>• <a href="#">CUP – Buy chips for jewellery stores</a></li><li>• <a href="#">Reputation turn a blind eye</a></li><li>• <a href="#">Can't open new one...'</a></li></ul>   | <a href="#">CRW.528.002.0009</a><br><br>Key document: Suggests D Tegoni may have been aware that similar transactions were conducted in pawn shops in Macau. |
| <del>1011</del> | 29/09/2016                 | <a href="#">Email from D Tegoni approving</a> the use of bank cards with no name, provided the patron could confirm ownership of the card via their online account.<br><br><a href="#">D Tegoni's file note of discussion with P Batsakis states:</a><br><br><i>'Also from an AML risk perspective I said that it was a money laundering risk unless we had some mitigating controls to identify the person presenting with the identity of the card. Phil said they could do this by the person logging onto their bank account to show the card is linked to them and I said as long as the match was identical such that the individual name and person presenting is exactly the same and a screen shot or something else could be taken such that it could be audited from an AML perspective then we could not do it.... Phil said he understood what was required and will work on a process...'</i> | <a href="#">CRW.523.001.0035</a><br><br>(email)<br><br><a href="#">CRW.528.003.0001 (file note)</a><br><br>Key document: Reduced customer identification.    |

Allens &lt; Linklaters

|                      | Date       | Document description  | Document ID  |
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| <a href="#">4021</a> | 06/10/2016 | <p><u>Regal Crown</u></p> <p>Emails between G Macintosh and J O'Connor arranging a test money transfer via Regal Crown. G Macintosh proposed a revised payment system in which Crown would not be directly involved in the payment process, and would direct client to transfer funds to Crown via Regal Crown. G Macintosh wrote that this <i>'will give Crown the ability to transfer their clients funds and at the same time keep Crown removed from the process, thus protecting Crown and it's management. This will give Crown all of the benefits and none of the negatives.'</i></p> | <a href="#">CRW.523.003.0046</a> , .0051   |
| <a href="#">4031</a> | 06/10/2016 | <p>Email from J O'Connor to P Batsakis regarding implementing CUP Process in Perth. Email states: <i>'Don't forget to let the sales team know once it's in place, but be careful what you say. Just say something like "customers can now use their CUP cards in Perth in the same way as Melbourne".'</i></p>  | <a href="#">CWN.514.038.5092</a>   |
| <a href="#">4041</a> | 11/10/2016 | <p><u>Regal Crown</u></p> <p>File note states that Regal Crown test money transfer was approved by B Felstead and M Johnston.</p>   | <a href="#">CRW.523.003.0053</a>   |
| <a href="#">4051</a> | 13/10/2016 | <p>Email from P Batsakis to J O'Connor regarding commencing CUP Process in Perth. Email states: <i>'Getting close – will tee up some time with key stakeholders to resolve outstanding items.'</i></p>  | <p><a href="#">CWN.514.006.8844</a></p> <p><b>Key document: CUP Process was appears to have been due to commence in Perth immediately prior to the China arrests on 15 October 2016.</b></p> |
| <a href="#">4061</a> | 17/10/2016 | <p><u>Regal Crown</u></p> <p>M meeting to discuss the Regal Crown test money transfer was cancelled following the China arrests. R Theiler stated they would <i>'reschedule for another time'</i>.</p>  | <a href="#">CRW.523.003.0046</a>   |
| <a href="#">4071</a> | 19/10/2016 | <p>Crown Resorts Board minutes refer to <i>'measures being adopted in the VIP international business to ensure no inadvertent breaches of Chinese law... These measures included no further direct dealings with Chinese premium customers, including the provision of credit and commissions'</i>.</p>   | <a href="#">CRL.512.002.0058</a>   |
| <a href="#">4081</a> | 23/10/2016 | <p>Last transaction recorded in 'Main Cage Purchase' spreadsheet.</p>   | <a href="#">CRW.512.044.0113</a>   |

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| 133             | <a href="#">24/10/2016</a> | Document titled ' <a href="#">China Status – 24 Oct 16</a> ' states:<br><br><i>'Funds:...</i><br><i>3. China Union Pay discontinued'</i>   | <a href="#">CRW.512.048.0003</a>   |
| 134             | <a href="#">26/10/2016</a> | Emails from R Theiler to L Hanrahan (M Neilson's Executive Assistant) attaching minutes of VIP Work Streams meetings from 2013 and 2014 ' <a href="#">as requested by MN</a> ' [M Neilson].<br><br>Allens' document searches to date have not identified minutes or notes from this meeting.   | <a href="#">CRW.529.011.7966</a>   |
| 135             | <a href="#">02/11/2016</a> | Document titled ' <a href="#">China Customers – 2 Nov 16</a> ' states:<br><br><i>'Funds:...</i><br><i>3. China Union Pay transactions discontinued'</i><br><br>Next page is titled ' <a href="#">China Issues – 3 Nov 16 – Meeting MJ, RC, KB, MN, BF, AM, RT</a> '. Notes state:<br><i>'China Union Pay</i><br><i>1. Where is the no gambling clause in the agreement? Ask Deb Tegoni – RT</i><br><i>2. How much has been put through CUP? – RT done.</i> | <a href="#">CRW.512.048.0001</a><br><br>Key document: <a href="#">CUP appears to have been on the agenda immediately following the China arrests</a> . This meeting was attended by M Johnston, K Barton and B Felstead. |
| <del>1091</del> | <a href="#">11/11/2016</a> | Email from Paul Rushton (Crown Melbourne) to R Theiler states:<br><br><i>'I need some advice around CUP drawdown via NAB and Luke suggested giving you a call. Please let me know if you are free this morning and I will call you directly.'</i>  | <a href="#">CWN.565.023.6537</a>   |
| 137             | <a href="#">26/11/2016</a> | VIP Operations meeting (1 hour). Calendar invitation was sent by R Craigie to M Johnston, B Felstead, R Theiler, J Maguire, M Neilson, D Tegoni. Calendar invitation does not include an agenda.   | <a href="#">CRW.515.001.0009</a>   |
| 138             | <a href="#">30/11/2016</a> | VIP Operations meeting (1 hour). Calendar invitation was sent by R Craigie to M Johnston, B Felstead, R Theiler, J Maguire, M Neilson, D Tegoni and M Isaacs. Calendar invitation does not include an agenda.  | <a href="#">CRW.515.001.0561</a>   |

|  | Date                       | Document description  | Document ID   |
|--|----------------------------|---|---|
| 139  | <a href="#">01/12/2016</a> | <a href="#">VIP Operations meeting (1 hour). Calendar invitation was sent to M Johnston, B Felstead, R Theiler, J Maguire, M Neilson, D Tegoni and M Isaacs. Calendar invitation does not include an agenda.</a>  | <a href="#">CRW.526.006.2527 (calendar invitation)</a><br><a href="#">CRW.526.006.2528 (recipients)</a> |
| <del>140</del>   | 12/12/2016                 | Email from M Arbib to R Rankin copying M Johnston and others forwarding AFR article titled 'Macau gaming stocks not a one-way bet'.   | <a href="#">CRW.515.004.7311</a>  |
| 141  | <a href="#">20/12/2016</a> | <a href="#">VIP Operations meeting agenda for meeting on 20 December 2016 does not contain any references to China UnionPay.</a>  | <a href="#">CRW.002.002.5102</a>  |
| 142  | <a href="#">30/12/2016</a> | <a href="#">Email from D Tegoni to M Fielding forwarding article titled 'Marino Bay Sands' UnionPay voucher program risks Beijing's ire'</a>  | <a href="#">CRW.528.004.0001</a>  |
| <b>2017 – Discussions about recommencing CUP Process using non-CUP bank cards; legal advice sought</b> |                            |   |   |
| <del>141</del>   | 18/02/2017                 | Email from Sherrie Wong to Indran Subramaniam about a patron. Email states:<br><i>'I've advised Mr Zhang prior his departure that Crown is no longer accepting Unionpay.'</i>   | <a href="#">CRL.586.001.5639</a>  |
| <del>142</del>   | 19/04/2017                 | Letter from NAB requesting information about a transaction.   | <a href="#">CWN.569.005.3829</a>  |
| <del>143</del>   | 03/05/2017                 | Email from J Preston to D Tegoni regarding the NAB dispute letter states:<br><i>'I am comfortable releasing the information however before doing so, I am keen to touch base with you tomorrow to ensure you are comfortable with the release of the documents (specifically the reference to Main Cage Purchase).'</i>   | <a href="#">CWN.569.003.3802</a>  |
| <del>144</del>   | 04/05/2017                 | Email from D Tegoni to J Preston and Richard Murphy (Minter Ellison) states:<br><i>'I refer to our conversation this morning regarding Cage Purchase transactions for international patrons staying at the hotel using CUP cards.</i><br><i>As you know, the decision was immediately made to cease making available this option as soon as our staff were detained in China.</i><br><i>In the new VIP operating model, I understand that the question of reintroducing the use of CUP cards has been raised. My personal view is that, unless we can get intelligence that this is not</i> | <a href="#">CWN.569.002.8537</a><br><b>Key document: Knowledge by Richard Murphy (Minter Ellison).</b>  |

|                      | Date       | Document description   | Document ID  |
|----------------------|------------|--|--|
|                      |            | <p><i>sensitive such that it would not pose further risk or issues to our staff who remain in detention in China, we should not reintroduce the acceptance of CUP cards. This of course could be reconsidered once the detained staff are released at which point we may have better information on the use of CUP and any potential issues from a Chinese authority perspective...</i></p> <p><i>I just spoke with KB on another matter and asked him to check the sensitivity of the issue and he agreed to check will come back to you/me.</i></p> <p><i>Assuming he is able to provide the comfort sought, Minters advice should also be sought on any reintroduction in the context of the new operating model going forward.</i></p> <p><i>I have included Richard for the purpose of seeking that legal advice.'</i></p> <p>[Allens note: Document searches have not located the requested advice.]</p> |  |
| <a href="#">4451</a> | 04/05/2017 | <p>Email from D Tegoni to J Preston and R Murphy (Minter Ellison) forwarding South China Morning Post article titled 'Marina Bay Sands – UnionPay voucher program risks Beijing's ire'. Article states:</p> <p><i>'Earlier this month, the South China Morning Post reporting that Marina Bay Sands was running a "resort entertainment" voucher program that allowed China UnionPay cardholders to purchase gambling chips, in apparent violation of card policy.</i></p> <p><i>Informed of Sands' chip purchasing program, Xie Zhong, payment settlement director of the People's Bank of China, told the SCMP that UnionPay cards "should certainly not be used in casinos".'</i></p>   | <p><a href="#">CWN.569.003.2640</a> (email)</p> <p><a href="#">CWN.569.003.2641</a> (article)</p> <p>Key document: D Tegoni shares article regarding similar transactions at Marina Bay Sands.</p> |
| <a href="#">4461</a> | 04/05/2017 | <p>Email from M Luttick to S Softley (NAB) states:</p> <p><i>'We have evidence the patron signed the transaction and we have not heard any rumblings from her (one of our top clients), and are wondering what would have prompted these transactions to get queried'.</i></p> <p>Response from Adam Menassa (NAB) states:</p> <p><i>'I just had a look at the transaction date on the dispute as it seems to be fairly old 04/01/2016 which is unusual, I will be querying this when I speak with our disputes team'.</i></p>   | <a href="#">CRW.510.052.0035</a>   |



|   | Date                       | Document description   | Document ID  |
|---|----------------------------|--|--|
| <a href="#">149</a>   | <a href="#">05/05/2017</a> | <a href="#">Teleconference organised by Steve Hanson (NAB) titled 'Union Pay Discussion' sent to M Luttick, J Preston, Alan McGregor and others from NAB.</a>  | <a href="#">CRW.512.048.0066</a><br><br><b>Key document: Discussion between Crown and NAB about China UnionPay.</b>                                |
| <a href="#">4471</a>  | 17/05/2017                 | Email from M Luttick to A Menassa re 'disputed' transactions. Forwarded to J Preston.  | <a href="#">CRW.510.052.0037</a>   |
| <a href="#">4481</a>  | 15/11/2017                 | Email from T Costin to S Softley (NAB) stating:<br><br><i>'We are getting queries from customers whether they would be able to head into a branch of NAB with a China Union debit card and withdraw funds from their account? As you are aware we have stopped using the terminals at Crown for purchases so the customers are wanting to know how to get funds and this was suggested as possible alternative.'</i>   | <a href="#">CRL.605.015.8321</a><br><br><b>Key document: Correspondence with NAB describes the transactions as 'purchases', not cash out.</b>      |
| <a href="#">4491</a>  | 18/11/2017                 | Email from S Softley (NAB) to T Costin states:<br><br><i>'China Union Pay rules state that UnionPay cards cannot be used for over the counter transfer and cash withdrawal while abroad. UnionPay cardholders can also withdraw cash from approved ATMs up to Y10,000 equivalent RMB in the relevant foreign currency per day.'</i>  | <a href="#">CRL.605.015.8321</a>   |
| <b>2019 – Discussions about recommencing CUP Process in Perth</b> |                            |  |  |
| <a href="#">4201</a>  | 03/04/2019                 | Email exchange between M Fielding and Justin Butler (Manager, Program Compliance) regarding commencing engagement with Regal Crown.  | <a href="#">CRW.523.003.0001</a>   |
| <a href="#">4211</a>  | 24/07/2019                 | Email from P Hulme to J Maguire and others regarding 'International Patrons – Electronic Drawdown of Fund at Crown Perth Hotels'. Email outlines approved process for a cash voucher procedure in Perth. Email states:<br><br><i>'As the business has not used this facility for many years, should the business decide to recommence the use of these procedures:</i><br><br><i>1. Josh Preston has advised that we are not to use China Union Pay.</i><br><br><i>2. it is our opinion it will be necessary, to liaise with the various business units involved in this procedure so as to ensure staff are re-trained, the draw down authorisation form is in place, and</i> | <a href="#">CRW.523.001.0001</a><br><br><b>Key document: Willingness to recommence the CUP Process using bank cards other than China UnionPay.</b> |

|   | Date       | Document description   | Document ID  |
|---|------------|--|--|
|   |            | <p><i>standard operating procedure needs to be put in place for hotel staff to following as they are unfamiliar with this process; and</i></p> <p><i>3. it would also be prudent to check the contractually arrangements in place in regards to the use the EFTOS facility we are using, for limits on withdrawals, use of funds etc.'</i></p> <p>Email contains extract from the 'Casino Manual (Operations)' outlining the process.</p>  |  |
| <a href="#">1221</a>                      | Undated    | <p>Document titled 'Overview on Bank Transactions' states:</p> <p><i>'Was originally approved by legal in 2014' .</i></p> <p>No author details.</p>  | <a href="#">CRW.523.001.0015</a>   |
| <a href="#">1231</a>                      | 12/12/2019 | <p>A presentation in Crown Resorts Board pack titled 'Strategic Review of the VIP Business' provides a summary of key regulatory changes from China including:</p> <ul style="list-style-type: none"> <li>in June 2012, UnionPay card issuing banks required to set a Rmb1m daily limit on any transaction;</li> <li>in May 2014, crackdown on use of illegal UnionPay terminals (i.e., mobile POS machines);</li> <li>in September 2015, introduction of an annual overseas cash withdrawal cap on UnionPay cards of Rmb 100k per card;</li> <li>in December 2015, launch of a real-time monitoring system over the use of UnionPay cards in Macau;</li> <li>in September 2017, monitoring of overseas transactions on UnionPay cards by Safe;</li> <li>on 1 January 2018, restrictions on UnionPay card overseas ATM cash withdrawals to Rmb100k per person;</li> <li>in June 2018, withdrawal of UnionPay POS machines by Macau banks from most pawnshops/jewellery stores inside casinos.</li> </ul> | <p><a href="#">CRW.507.001.8876</a>, .8921 (presentation)</p> <p><a href="#">CRW.507.004.5747</a> (Board pack)</p> <p><b>Key document: Useful overview of regulatory changes in China.</b></p> |
| <b>2020 – Documents submitted to ILGA</b> |            |  |  |
| <a href="#">1241</a>                      | 25/03/2020 | Email from R Meade to I Kirkman and J Preston regarding ILGA Summons. Email states:  | <a href="#">CRW.008.031.7237</a>   |

|  | Date       | Document description  | Document ID   |
|--|------------|---|---|
|  |            | <p>'Glen and I wanted to specifically call out document <a href="#">CRL.584.002.0065</a>, which is relevant to category 7, and states:</p> <p><i>Crown is currently accepting CUP debit cards for chip voucher purchase transactions via the hotel through NAB. Further investigation being conducted re Regal Crown on the back of DH recent discussions with Genting.'</i></p> <p>The document Rob refers to has DocID <a href="#">CRW.008.031.7239</a> in Allens' system. It is the agenda for a VIP Review Work Streams meeting on 3 March 2014. In addition to the above extract, the document states:</p> <p><i>'JO to meet with Gordon MackIntosh (of Regal Crown) in December to further discuss and assess potential use by Crown on back of DH Genting discussion. Gordon thinks we misread the legal situation.'</i></p> <p>J Preston responded <i>'I am comfortable for the documents to be produced'</i>.</p> <p>There are no other responses to this email chain.</p> | <p>Key document: This document refers to the CUP Process and was produced to ILGA.</p> <p><a href="#">CRW.008.031.7239</a></p> <p>[Royal Crown doc]</p> <p><a href="#">CRW.709.040.6509</a> J Preston's response)</p> |
| <a href="#">4251</a>                             | 30/12/2020 | <p>Draft advice from Minter Ellison includes a chronology of key interactions with a patron, Xie Xiongmeng. Chronology includes a document dated 14 May 2015 described in the Minter Ellison advice follows:</p> <p><i>'Crown receives a request from Xie to confirm there is no limit of transactions or drawdowns from his Union Pay credit card on Crown premises (<a href="#">CWN.564.006.6692</a>).'</i></p>   | <a href="#">CRW.518.004.3069</a>  |
| <b>2021 – Issue brought to Crown's attention</b> |            |   |   |
| <a href="#">4261</a>                             | 17/03/2021 | Surveillance log entry brings issue to management's attention.  | <a href="#">CRW.520.018.9523</a>  |

## 5 Search Record

The following table records preliminary searches conducted on Ringtail. Green shading indicates that search results have been reviewed.

| Search terms  | Ringtail Database | Results (source and attachments) | Review Notes  |
|---|-------------------|----------------------------------|---|
| Document content: Sanders<br>Document date: between 08/08/2012 and 30/09/2012                   | Minters           | 2834                             | Documents reviewed selectively based on Document Title. Identified information about genesis of the process; updated chronology.        |
| Document content: VIP International Credit and Debit Card Cash Out Review                       | Minters           | 12                               | All documents reviewed. Highly relevant; inserted into chronology.  |
| Document content: Main cage paid out  | Minters           | 90                               | Documents selectively based on Document Title. Highly relevant; most documents already included in chronology.                          |
| Document content: Main cage purchase  | Minters           | 297                              | Documents reviewed selectively based on Document Title. Highly relevant; updated chronology.  |
| Production: Has a value<br>Document content: CUP OR Union%Pay                                   | AUSTRAC           | 267                              | All documents reviewed. No references to CUP Process. <a href="#">CRW.500.003.0496</a> relates to Regal Crown.                          |
| Document content: Union%Pay<br>Document date: between 01/08/2012 and 01/01/2017                 | Minters           | 3821                             | Many relevant documents; not yet reviewed. Spot checks identified Regal Crown documents; requests for approval for patrons.             |
| Document content: Union%Pay<br>Production: All Vic RC productions referring to NTP-009 and 010. | AUSTRAC           | 153                              | Documents produced to ILGA. Recommend review.   |
| Credit and Debit Card Cash Out Policy   | Minters           | 863                              | Results appear relevant; many duplicates. Recommend spot check review.  |
| Pre-approved bank transaction   | Minters           | 1305                             | Results include requests for approval of transactions for patrons. E.g. <a href="#">CWN.501.001.6907</a> . Recommend spot check review. |

|   |                      |        |   |
|---|----------------------|--------|---|
| NAB Merchant Agreement  | Minters              | 8      | Copies of NAB Merchant Agreement from 2011 and 2015.  |
| Cage payout voucher OR cheque purchase voucher OR chip purchase voucher OR CPV OR chip exchange voucher OR CEV  | Minters              | 15,657 | Results difficult to narrow down.   |
| Cage payout voucher OR cheque purchase voucher OR chip exchange voucher OR CEV AND 01/01/2012 – 01/01/2017  | AUSTRAC              | 555    | Recommend spot check review.  |
| 'Credit Card Withdrawals Request'   | AUSTRAC              | 3      | All documents reviewed. Documents relate to Credit Card Withdrawals Request for patron Jin Yong.  |
|   | Minters Consolidated | 24     | All documents reviewed. Documents relate to Credit Card Withdrawals Request for patron Jin Yong and other patrons.  |
| Document content: Theiler AND Johnston<br>Document date: between 01/08/2012 and 01/01/2017<br>Document content: contains Union*Pay OR CUP<br>Document does not contain: Shift report                  | Minters              | 835    | Results include VIP Workstream documents and Regal Crown documents. Recommend review.   |
| Document content: Felstead<br>Document date: between 01/08/2012 and 01/01/2017<br>Document content: contains Union*Pay OR CUP<br>Document does not contain: Shift report<br>Document content: voucher | Minters              | 933    | Results include VIP Workstream documents and Regal Crown documents. Significant overlap with the above search regarding Theiler and Johnston. Recommend review. |
| Document content: IFTI AND Tegoni AND (CUP OR Union%Pay)  | AUSTRAC              | 166    | Documents reviewed selectively based on Document Title. Majority of documents irrelevant.   |
| Document content: VIP Review Work Streams   | [TBC]                | [TBC]  | Recommend checking that all VIP Work Stream minutes have been reviewed.   |

|  |         |      |   |
|--|---------|------|---|
| Document contains: Johnston AND Theiler<br>Document date: between 01/08/2020 and 30/09/2020                  | Minters | 85   | Documents reviewed selectively based on Document Title. Not relevant.   |
| Document contains: Johnston<br>Document date: between 01/08/2020 and 30/09/2020                              | Minters | 1233 | Documents reviewed selectively based on Document Title. Not relevant.   |
| Document content: (Union%Pay OR CUP) AND Tegoni<br>Document date: between 01/07/2016 and 31/08/2016          | Minters | 80   | Documents reviewed selectively based on Document Title. Majority of documents irrelevant; relevant documents already in chronology.   |
| Document content: (Union%Pay OR CUP) AND Tegoni<br>Document date: between 01/01/2016 and 31/12/2016          | Minters | 532  | Documents reviewed selectively based on Document Title. Relevant documents added to chronology. Note that results did not include any emails involving D Tegoni from October and November 2016 regarding the decision to cease the CUP Process.       |
|  | AUSTRAC | 59   | All documents reviewed. Majority of documents are news alerts relating to regulatory changes in China. Three documents regarding Ezybonds ( <a href="#">CRW.514.012.6956</a> ; <a href="#">CRW.510.050.3004</a> ; <a href="#">CRW.510.050.3006</a> ). |
| Document content: (Union%Pay OR CUP) AND O'Connor<br>Document date: between 01/10/2016 and 31/12/2016        | Minters | 600  | Documents reviewed selectively based on Document Title. Relevant documents added to chronology. Majority of documents irrelevant.   |
| Document content: (Union%Pay OR CUP) AND Theiler<br>Document date: between 01/10/2016 and 31/12/2016         | Minters | 353  | Documents reviewed selectively based on Document Title. Relevant documents added to chronology. Majority of documents irrelevant.   |
| Document content: (Union%Pay OR CUP) NOT "Melbourne Cup"<br>Document date: between 15/10/2016 and 30/10/2016 | Minters | 848  | Documents reviewed selectively based on Document Title. Majority of documents irrelevant.   |