

**Alcohol and Gaming
Commission of Ontario**

90 Sheppard Avenue East
Suite 200
Toronto ON M2N 0A4
Toll Free 1-800-522-2876
Fax 416-213-7827

**Commission des alcools
et des jeux de l'Ontario**

90, avenue Sheppard Est
Bureau 200
Toronto ON M2N 0A4



VIA E-MAIL

May 13, 2019

Frank Roth
Barrister and Solicitor
4646 Dufferin Street
Suite 6
Toronto, ON M3H 5S4

Dear Mr. Roth:

On Tuesday, June 19, 2019, Compliance Official Troy Moffatt and I met with members of the Horse Persons Alliance of Ontario, ("HPAO"), your client, and yourself at your law office. Present during that meeting were: James Whelan, Brian Tropea, John Brnjac and Bruce Pollock. At that meeting your group provided details of a complaint including a number of documents. Troy Moffatt and I were asked to further explore the allegations.

Prior to that meeting the Registrar, the Alcohol and Gaming Commission of Ontario, ("AGCO"), received three written communications on behalf of HPAO ("the complainant"). In part, they indicated that there were significant concerns of horse people as to a lack of transparency from Racing Associations, particularly Woodbine Entertainment Group, ("WEG"). Financial arrangements surrounding among other things - the handling of purse money. According to the HPAO, had not been provided with an accounting of the purse monies. One of the concerns, according to your group was that it was difficult for horse people to make long term business decisions for their racehorses (breeding) given the limited information that is available. The HPAO also suggested that there have been breaches of the Rules of Racing applicable to purse money.

As a result of your original complaints and the information you provided at that meeting, the AGCO carried out an audit of the management of purse accounts by WEG. The objective was to assess its compliance with the Rules of Racing. Members of the AGCO Audit team met multiple times with representatives of WEG and reviewed accounting processes and related documents for that purpose.

Upon conclusion of the Audit it was determined that purse funds were appropriately disbursed for prize payments to horse people. Nothing came to our attention during the course of the Audit that would suggest a misuse of funds. However, we identified compliance improvements including the requirement that WEG maintain separate accounts for purse monies.

Page 2
May 13, 2019

In addition, monthly statements provided to the Horsemen's Benevolent and Protective Association of Ontario and Central Ontario Standardbred Association did not contain all of the necessary information about actual payments. WEG has responded positively to our audit. We are monitoring completion of their action plans to address these findings. I hope this satisfies your inquiry.

Sincerely,



Russ Fernandes
Acting Senior Manager
Regulatory Compliance Branch/Operations Division

c.c. Brent Stone – Director, Regulatory Compliance Branch
Rob McKinney – Director, Regulatory Compliance Branch
Sukvinder Singh – Director, Audit and Financial Investigations