

**HEARING BEFORE A PANEL
OF THE BOARD OF THE
ALBERTA GAMING AND LIQUOR COMMISSION**

**IN THE MATTER OF the Gaming and Liquor Act
Revised Statutes of Alberta 2000, Chapter G-1
current as of June 12, 2013
and the Regulation**

and

**IN THE MATTER OF
Little League Baseball Alberta
2425 North Parkside Drive
Lethbridge, Alberta
T1J 4W3**

concerning alleged contraventions

DATE OF HEARING:	May 19, 2015
HEARING PANEL:	Mr. T.L. Lawrence, Panel Chair Mr. W.J. Anhorn, QC, Panel Member
ORGANIZATION REPRESENTATIVES:	Mr. P., Chairman Mr. O., Treasurer
COMPLIANCE AND SOCIAL RESPONSIBILITY:	Ms. F., Hearing Officer Mr. A., Resource Officer

DECISION OF THE HEARING PANEL

I. Jurisdiction and Preliminary Matters

As a result of receiving an incident report dated January 16, 2015 from the Director of Audit Services, the Compliance and Social Responsibility (CSR) Division of the Alberta Gaming and Liquor Commission (AGLC) imposed an administrative sanction under Section 91(2) of the *Gaming and Liquor Act*, without a hearing, on Little League Baseball Alberta (the Association).

The Association subsequently applied for a hearing under Section 94(1) of the *Gaming and Liquor Act*. A Hearing Panel of the Board of the AGLC met to hear the following alleged contraventions:

1. Section 4.4 Charitable Gaming Policies Handbook: Gaming proceeds shall only be spent on charitable and religious purposes approved by the Commission;
2. Section 2.1.1 Charitable Gaming Policies Handbook: To be eligible for gaming licensing, the applicant group must have:
(a) a broad based volunteer membership which represents the community at large; (b) Alberta resident volunteer

members who establish, maintain control of and deliver the group's programs; (c) 75% of more of its executive democratically chosen from its volunteer base; (d) no paid members, directors or officers; (e) programs that benefit a significant segment of the community, not member's self-interest; (f) a not-for-profit objective; (g) groups applying for a licence for which licence fees are charged must be incorporated; (h) applicants who are incorporated under any statute must have by-laws that upon dissolution of the applicant group, require any assets remaining after paying debts and liabilities to be: (i) disbursed to eligible charitable or religious groups or purposes; or (ii) transferred in trust to a municipality until such time as the assets can be transferred from the municipality to a charitable or religious group or purpose approved by the Board; and

3. Section 4.4.5 Charitable Gaming Policies Handbook: Changes to the approved use of proceeds after the gaming licence is issued must be approved by the Regulatory Division prior to the disbursement of proceeds. Two executive members of the licensed group must sign the letter of request for the change in the use of proceeds.

The Panel and the Association were provided with a hearing file containing the incident report dated January 16, 2015 and Notice of Hearing dated March 9, 2015. The CSR Division provided a further disclosure binder, which was delivered to the Association on April 7, 2015. The hearing file and disclosure binder were entered into evidence by the CSR Division as Exhibit 1.

Ms. F. presented the case on behalf of the CSR Division and Mr. P. and Mr. O. represented Little League. Mr. O. confirmed the Association received the Notice of Hearing dated March 9, 2015.

II. The Issue

Did the Association contravene Sections 4.4, 2.1.1 and/or 4.4.5 of the Charitable Gaming Policies Handbook?

III. Evidence

CSR Division

The matter before the Panel relates to contraventions of the Charitable Gaming Policies Handbook, Section 4.4 for unapproved use of gaming proceeds totaling \$10,729 and Section 2.1.1 for a member of the volunteer executive also being a paid employee. The Association agrees with contravention three (Section 4.4.5) relating to the expenditure of gaming funds without first obtaining the approval of the AGLC. Based on the Association's response to the preliminary audit report and conversations with the Association subsequent to receiving the Notice of Administrative Sanction, it appears the Association and the CSR Division differ primarily on item I, II and IV of contravention one and contravention two.

The CSR Division prepared a summary sheet outlining the areas of agreement/disagreement. This sheet was provided to the Association in advance of the hearing. The CSR Division entered the summary sheet into evidence as Exhibit 2.

Mr. K. – evidence led by Ms. F.

Mr. K. is an Auditor with the Audit Services Division of the CSR Division of the AGLC. He has worked for the AGLC for approximately six years, the last four of which were with the Audit Services Division. An audit was conducted on the Association as a result of a public complaint indicating there may be a conflict of interest within the organization. The complainant indicated the President of the Association, in a volunteer elected position, was also being paid as the CEO of the organization. The same President also owned a company that leased or rented the office space to the Association. In addition, there was a concern that the Association was collecting charter fees from the districts and those fees were being deposited to the Association's non-gaming account. Little League Canada was then, in turn, paid the fees out of the Association's gaming account.

Four key issues were identified during the audit. Firstly, the audit determined that approximately \$10,729 of gaming funds were used on unapproved use of proceeds. Secondly, the volunteer elected executive position of President was being filled by Mr. K. Kv. and he was also employed under contract and paid as the CEO of the organization. Mr. Kv. holds sole ownership of Baseball 2000 Inc. and the Association was paying that company for rent and administrative services. Thirdly, there were unapproved items discovered during the audit where the AGLC assisted the Association in receiving post-audit approval for those items.

Contravention 1, Item I (Coaching Kits)

This contravention relates to coaching kits that were sold with an unapproved use of proceeds of \$6515. The Association charged the leagues \$10 per coaching kit and gathered \$8340 in revenue. As well, there was \$1825.12 that was paid from the Association's non-gaming account. Mr. K. was able to verify that those monies were paid out against the Association's non-gaming account. The difference between those two numbers is \$6,514.88 however the Association spent \$15,426.74 on coaching kit related expenditures. On the basis of cost recovery, the Association should have exhausted all of their revenues first before employing gaming funds towards those costs. The AGLC asked the Association to repay \$6,514.88 back to the gaming account. Section 5.10.3 of the Charitable Gaming Policies Handbook states that "equipment or supplies that are used in any activity or operation which is intended to produce income cannot be purchased with gaming proceeds". Section 2.1.7 identifies "groups that charge fees for their programs or services for the purpose of generating a profit rather than on a cost-recovery basis are ineligible for gaming licensing".

The results of the audit were presented to the Association in the preliminary audit report and the Association responded as follows:

Association's Response 1(a) - The \$10.00 fee charged for the kit was and admin, shipping and handling fee to cover the overhead of the Association. Mr. K. was able to determine that there were shipping fees applied against the cost of the kits. Several expenditures paid from non-gaming funds were for shipping and postage expenditures for the kits.

Association's Response 1(a)(i) - Little League Canada donates \$11,525.00 to Little League Alberta worth of manuals. We could in the future pay for these from casino funds and then they could make a donation in return to assist with our operations. The manuals were not included in Mr. K.'s calculations in determine cost recovery. The manuals were provided to the Association to be forwarded to the districts and leagues at no costs; it did not represent an expense to the Association. The response the Association provided appears to be a way to circumvent AGLC policy and turn gaming money into non-gaming money, which is not supported by the AGLC.

Association's Response 1(a)(ii) - Staff time to package the kits was provided by Baseball 2000 staff, in the amount of 220 hours of time from January to May at a cost of \$3960. Staff time to prepare the kits was not considered in preparing the cost recovery information. Mr. K. asked Mr. Kv. to provide supporting documentation to show that those expenses for staff time were paid by the Association, either out of their gaming or non-gaming account, and he was not able to provide that documentation. Mr. K. was unable to verify that there was any expense paid by the Association for that purpose.

Association's Response 1(a)(iii) - Photocopying and printing of inserts into the coaching kits was not accounted for. It was not a significant amount but valued at \$455. Mr. K. did not include this amount in his calculation. He was not provided with any supporting documentation to show that the Association paid for those costs.

Association's Response 1(a)(iv) - The time to bill, receive payment and do other accounting relating functions are part of the cost of the project; estimated at \$540. Again, this amount was not included in the calculation as no supporting documentation was provided to show the relation to the coaching kits.

Association's Response 1(a)(v) - The time performed by the President/CEO to monitor and implement the project from start to finish has a value of \$1200. Mr. K. was unable to include Mr. Kv.'s time because at the time the kits were prepared, he was the elected volunteer President and volunteers cannot be paid for their services. In his role as CEO, Mr. Kv. is paid a salary and his salary does not change regardless of whether he spends time on coaching kits. His salary would not represent a direct cost to the coaching kits.

In developing the cost recovery analysis for the coaching kits, Mr. K. considered any direct costs that the Association incurred, whether paid from gaming or non-gaming, which were supported or could be verified by invoice. The \$10 cost for the coaching kits was not considerable nominal and permitted to cover general administrative costs. In the Association's meeting minutes and through conversation with Mr. Kv., the districts were advised they would be charged \$10 per kit. That revenue was directly related to the coaching kits. The fees that the Association collected for membership/league fees were used for general administrative expenses. The Association's licence provides them with the ability to spend 10% of their gaming proceeds on general administrative expenses.

Contravention 1, Item II (Administrative Travel)

The amount in disagreement is \$860, of \$2686. Section 5.21.7 of the Charitable Gaming Policies Handbook states “gaming proceeds cannot be used for travel expenditures that are recreational, social or administrative in nature”. During the audit period, approximately \$10,000 worth of travel was approved for the Association. Mr. K. provided the Panel with an overview of the expenses in dispute. There was a \$500 expense related to the attendance of S. F. at a meeting in Calgary. Mr. K. was unable to obtain an agenda from Mr. Kv. to show what occurred at the meeting and whether any training was provided that Mr. F. could share with the Association in the way of program delivery. When Mr. K. looked further into the meeting minutes, he determined there was an administrative issue discussed at the meeting. Mr. F. was chosen as the representative of the Association with respect to a disciplinary action against a district administrator. Mr. K.’s understand was that Mr. F. was at the meeting to represent the Association for that purpose. He was not provided with any supporting documentation to show that he acquired any training at that meeting.

The other two expenses in the amount of \$180 each are mileage for Mr. Kv. to travel between Lethbridge and Calgary. One amount relates to “promotions” and the other is for “brand development”. That is the only indication that was provided to Mr. K. with respect to those expenses. Mr. K. asked Mr. Kv. to provide him with an agenda or emails between he and the groups he was going to visit, so he could verify the purpose of the trip was program delivery for the Association.

Contravention 1, Item III (Miscellaneous)

This amount is not in dispute.

Contravention 1, Item IV (Umpire Shirts)

The amount in dispute is \$630 for umpire shirts. Section 5.10.4(b) of the Charitable Gaming Policies Handbook states “the item is provided to the player or participant during the season and at the end of the season is returned to the licensed group” in order to be eligible to using gaming funds for those items. When Mr. K. spoke with Mr. Kv. he acknowledged that the umpires kept the shirts and were, in fact, provided in lieu of payment because the umpires volunteered their services and were not paid. When Mr. K. conducted research on the Little League Alberta website and reviewed some of the surrounding districts, he found advertisements for paid umpire positions. It appears umpires are paid for their services. According to the Charitable Gaming Policies Handbook, the shirts are then considered personal items and not eligible for purchase with gaming proceeds.

Contravention 1, Item IV (Excess Concession Expenses)

This amount is not in dispute.

Contravention 2 (Conflict of Interest)

The President and CEO of the Association was paid a wage from non-gaming funds and solely owns the company the Association rents their facility from. Section 2.1.1(b) of the Charitable Gaming Policies Handbook identifies that to be eligible for gaming licensing, the applicant group must have “Alberta resident volunteer members who establish, maintain control of and deliver the group’s programs”. Section 2.1.1(d) of the Charitable Gaming Policies Handbook further states the applicant group must have “no paid members, directors or officers”. The list of elected executives filed with the AGLC at the time of the audit indicates Mr. Kv. was the elected executive President. Mr. Kv.’s salary was paid from the Association’s non-gaming account. The Association also made payments from their gaming account to Baseball 2000 Inc. for facility rent and administrative costs. The Government of Alberta Corporate Registration System shows that Baseball 2000 Inc. is owned by Mr. Kv. and a numbered company. Mr. Kv. also owns 100% of the numbered company.

There is AGLC policy in place which prevents the executive members of an organization to be paid for their services, whether from gaming or non-gaming funds, to ensure that members of the volunteer executive are not making decisions for the charity for personal gain.

Contravention 3 (No Prior Approval)

The Association is in agreement that they did not receive prior approval to pay out some costs.

At the end of the audit period of December 31, 2013, the gaming account for the Association had a balance of \$3010 and the non-gaming account \$35,315.

Mr. K. – cross-examined by Little League

Mr. K. was advised that each group was charged \$10 for a coaching kit. Mr. Kv. provided Ms. F. with a description of the contents of each kit. Given the contents of the kit, Mr. K. believes the price charged for each kit was more than reasonable. However, the audit did not consider what was included in the kits but rather what the Association spent on the kits. The issue is not whether the Association made a profit from the kits. If the Association had hired an outside organization to purchase the materials and assemble the kits, the costs associated would most likely have been an eligible expense from gaming funds.

When Mr. K. reviewed the administrative costs paid to Baseball 2000 Inc. and considered Mr. Kv.'s role within the Association, Mr. K. did not believe the rent or invoices were unreasonable or unusual. Mr. K. asked Mr. Kv. to step down as volunteer President and did not take issue with the fact he was being paid and had a connection to Baseball 2000 Inc. The AGLC requested the Association obtain competitive quotes with respect to the administrative costs to protect the charity in the future.

With respect to the amount claimed for wages to assemble the coaching kits, Mr. K. was looking for an invoice from Baseball 2000 Inc. to the Association for wages, which could specifically be attributed to the coaching kits. There was no supporting documentation to show the Association paid for wages related to the coaching kits from either the gaming or non-gaming account. Mr. K. does not recall reviewing any documentation which showed the number of hours claimed and the rate of pay per hour.

An item that would be considered recreational or social in nature would be a meeting where there is an evening banquet component. Annual general meetings are generally deemed administrative in nature; sometimes there is a training aspect involved but often there is not. Mr. K. requested a copy of an agenda to show what took place at the meeting Mr. F. attended but an agenda was not provided.

The Association is the governing body for all the districts, so rather than sending everyone to a conference to receive training, they will send one representative who can share the information with the group at a later date. Mr. K. was looking for an agenda for the meeting to show that Mr. F. received training he could bring back to share with the Association. Mr. K. was unable to determine whether there was any charitable or training aspect to the meeting. The form Mr. F. completed and provided to the Association sets out the purpose for attending the meeting however, no specific supporting documentation was provided.

During the audit, Mr. K. did not uncover any evidence to suggest the Association pays for umpires. He did obtain information to confirm the districts themselves pay for umpire services. Mr. K. was attempting to verify whether the umpires were paid; who they were paid by was not relevant. Mr. K. did not find that any money had been paid directly by the Association for umpire services.

Mr. K. did not find any evidence to support the public complaint regarding the collection of charter fees from the districts.

Little League – evidence provided by Mr. O.

Mr. Kv. wanted to be at the hearing but was unable to attend at the last minute.

With respect to the umpire shirts, there are three levels within the Association in Alberta; the league level, the district level and Little League Alberta. Each district has their own costs associated with tournaments, including umpire costs. That is the reason why he asked Mr. K. if he uncovered any evidence to suggest the Association pays for umps. The Association did cover the cost of umpire uniforms to say thank you to the umpires for their services. The Association does not pay umpires directly for games. They could have collected the shirts at the end of the season but there is really no way to reuse the shirts within the Association. They are specifically crested for particular events or districts. There is no lasting benefit to Association in keeping the uniforms. The Association puts on specific tournaments that all the district champions come and play in.

Mr. F. was a coach who coached at many different levels. There is no specific administrative function, other than attending meetings to assist with coaching development. If there is a function within the Little League organization, it is nearly impossible to provide an agenda for the function, based on the nature of the organization. Sometimes it is not possible to provide an agenda and in those cases, the AGLC should look at what is being charged and whether it is reasonable.

The Association charged the leagues \$10 for each coaching kit and was not making any money on those kits. \$8340 was collected in fees and the non-gaming costs were determined to be \$1825. The Association distributed a total of 834 kits, which leads to the assumption there were non-gaming expenditures of \$2.18 per kit. It is not possible, from a cost recovery perspective, that the only cost to the Association was \$2.18 per kit. There may be some difficulty in tracking down the documentation to support the actual cost to produce the kits was but the cost of the kit was reasonable. The Association did not make a profit from the sale of the kits.

Mr. Kv. is not part of the Board of Directors but he is paid by the Board to act as the President. He makes presentations to the Board but he does not vote. The members of the Board of Directors are the only individuals who vote at the meetings. In the past, Mr. Kv. was the second signatory on the cheques but the Association has now changed that. They did not believe they were in contravention of AGLC policy, given Mr. Kv. does not hold a vote.

Little League, Mr. O. – cross-examined by Ms. F.

Other than gaming funds, the Association draws revenue by charging fees to the districts. In addition, the Alberta Amateur Baseball Council allocates funds to the different organizations, including the Association. Mr. O. cannot specifically say the funds from one source are allocated to a particular expense but they go toward the overall budget for the Association. There is no fee for the districts to attend tournaments hosted by the Association.

Mr. F.'s attendance at the meeting in Calgary was not related to attendance at an AGM. The leagues host coaching development events for their coaches. As the events happen throughout Alberta, the Association provides a representative to assist with the event and coaching development. It is possible that the Association or Mr. F. could provide some documentation to support his attendance at the clinic in Calgary.

The Chairman and Vice Chairman are on the Board of Directors for the Association and the President/CEO is a paid, non-voting position. The Association does not dispute that Mr. Kv. was listed as the President of the Association with AGLC and was signing gaming cheques/requests in the past. The process for signing cheques has been changed and Mr. Kv. will no longer be signing any cheques related to gaming funds.

Little League, Mr. O. – questioned by the Panel

With respect to the meeting Mr. F. attended, the term "national meeting" is misleading in that Mr. F. attended the meeting to provide coaching support. It was not an AGM or a meeting of that nature.

CSR Division – questioned by the Panel

Gaming proceeds can be used to cover travel expenses if the expenses relate to program delivery. If there was a meeting with a coaching component during the day and a banquet in the evening, the travel and hotel expenses related to coaching could be paid from gaming funds but not any expenses which can be specifically attributed to the banquet. During an audit, if the Auditor has any questions regarding the eligibility of an expense, the Auditor will work with the organization and may request additional documentation to provide clarification.

IV. Summation

Ms. F.

The coaching kits were sold for \$10, which may be a nominal fee, but the districts specifically paid the Association for the kits. If the Association had decided not to charge for the coaching kits, because they are an approved use of proceeds, all of the expenditures could have been paid for with gaming funds. In this case, the Association collected \$8340, which was put into their non-gaming account. They only incurred \$1825 worth of direct expenses that they could prove were paid from the non-gaming account. The AGLC determined that the Association had an extra \$6500 in their non-gaming account that should have been used for the associated expenditures. The Association paid \$15,000 in expenditures from the gaming account for the score cards and various items that were part of the coaching kit. Accordingly, the extra revenue in the non-gaming account should have been used first, prior to using gaming funds. That is the reason why the CSR Division is asking that the \$6500 be used to pay for those expenses that gaming paid for, prior to the additional expenses being paid for.

The Association was asked on several occasions to provide supporting documentation for the administrative expenses. Those invoices were not provided to show that the administrative costs were associated with the coaching kits. The CSR Division is not specifying how much the Association should have charged for the kits, it is up to the Association to determine how much they wish to charge. It is possible that 100% of the cost of the kits could be paid for with gaming funds.

The statement from the Association in response to the preliminary audit report is concerning; that in the future the Association will be paying for the manuals to Little League Canada and in return will be receiving a donation from Little League Canada to spend as they wish. Those funds will be deposited into the non-gaming account. It appears the Association is trying to circumvent AGLC policies.

With respect to administrative travel, the Auditor asked the Association for supporting documentation for the \$860 and he was not provided with that documentation. If the Association comes forward and provides emails or any other supporting documentation to show there was program delivery at the meeting, the CSR Division will reduce the amount of the required repayment by that amount.

Regarding the umpire shirts, AGLC policy states that the item must be returned to the licensed group at the end of the season. Whether the umpires were paid for their services is irrelevant. The umpire shirts were not returned to the Association at the end of the season. The shirts were given to the umpires in lieu of payment. The policy is clear that they need to be returned.

For Contravention 2, Mr. Kv. was a paid employee and was signing gaming account requests and cheques. The Association has agreed that Mr. Kv. will remain off the volunteer executive and will not be signing gaming requests or cheques in the future.

Having a gaming licence is a privilege and not a right. The privilege creates an obligation to spend gaming funds appropriately and in accordance with the guidelines and policies, to report on those funds and provide the required supporting documentation. Gaming funds must be spent with integrity and part of that integrity is to establish there are arms length transactions to ensure the people making the decisions for the organization do not have the potential for any personal benefits.

The CSR Division respectfully submits the following:

1. The Association receive a \$50 fine for \$10,729 worth of unapproved use of proceeds, for a contravention of Section 4.4 of the Charitable Gaming Policies Handbook;
2. The Association receive a warning for a contravention of Sections 2.1.1 and 4.4.5 of the Charitable Gaming Policies Handbook for the payment of officers of a charitable group and for not obtaining approval prior to using gaming proceeds;
3. The Panel direct Little League Baseball Alberta to reimburse the gaming account \$10,729 within 30 days of the date of the hearing decision and provide evidence to the Director of Audit Services within 15 days of that payment date;
4. Licence conditions one and two be upheld and that Mr. Kv. must remain off the voluntary executive as long as he is paid for any of his services or any of his companies provide services to the Association; and
5. Licence condition number three be upheld, such that the Association must obtain competitive quotes in order to ensure that any purchases from Baseball 2000 Inc. are at or below market value.

Little League – Summation provided by Mr. P.

The Association provided the Panel with a document entitled “Little League Baseball Alberta – AGLC Hearing Statement, May 19, 2015”, written by Mr. Kv.. The document was entered into evidence by the Association as Exhibit 3. The document set out an overview of the Association’s position with respect to the matters before the Panel.

As far as cost recovery, the intention of the Association in charging \$10 for the coaching kits was to find ways to reduce the overall cost of the program, both to the Association’s members and to gaming. With respect to the administrative expenses, the 220 hours is documented and the Association wrote cheques to Baseball 2000 Inc. to cover those expenses. With those cheques, the Association received confirmation of the number of hours being claimed. The Association simply did not obtain a breakdown of the hours and are therefore unable to provide a breakdown to the CSR Division.

It was agreed that if the Association had not charged \$10 per kit, then all of the fees and expenses could have been covered by gaming funds. It was never the intention of the Association to use the money for fundraising and it would not be their intention to “farm out” the kits, only for the Association to incur a greater expense. The reason for doing it the way they did was to

reduce costs and deliver a program. If you consider the financial statements, the Association is not a high profit organization. All of the monies they take in are spent and accounted for in their budget and business plan. When the Association considered the cost recovery section, they feel that they did the right thing in trying to reduce their costs and it was the administration of the costs that may have been an issue.

With respect to travel expenses, the Association often sends individuals to training sessions or coaching clinics. The Association asks those individuals to go on their behalf as volunteers. Sometimes there is travel involved. In many cases, there is no formal documentation that outlines what occurred at each session.

The Association never pays umpires for services at their tournaments. They are expected to come and volunteer their time. The uniforms must be purchased but they are not usable to the Association after the tournament for which they were purchased. The date and location of the tournament is changed each year. The Association feels it is overly cumbersome to ask each umpire to return the shirt just to store the shirt and never use it again. The Association believes the CSR Division should take a reasonable approach when considering the issue. The uniforms in question were not player or team uniforms that can be reused time after time.

The Association would love for Mr. Kv. to assume his previous role but understand that the rules are in place for protection of gaming funds. They have made changes to ensure Mr. Kv. does not sign any requests/cheques with respect to gaming funds.

V. Finding

The Panel finds there was a violation of Sections 4.4, 2.1.1 and 4.4.5 of the Charitable Gaming Policies Handbook. The Panel felt that the testimony of Mr. K. was compelling and there was no evidence that the Association responded to requests for supporting documentation. The facts outlined in the supporting documentation prepared by CSR clearly outlined the violations. The Association was provided with ample opportunity to provide the supporting documentation requested by the CSR Division, but failed to do so. The CSR Division worked with the Association over a reasonable period of time to resolve the discrepancies and concerns identified in the audit.

The Panel directs Little League Baseball Alberta to reimburse its gaming account \$10,729 from non-gaming funds within 30 days of the date of this decision or on or before Thursday, August 13, 2015 and provide evidence of repayment to the Director of Audit Services within 15 days of the payment being made.

In addition, the following licence conditions, imposed by the CSR Division on January 29, 2015, will remain in effect:

License Condition 1: Mr. Kv. is to remain off the Board of Little League Alberta as long as he is paid for any of his services or any company that he controls provides services to the Association.

License Condition 2: Mr. Kv. cannot be in control of financial operations of the Association, including signatory of bank accounts.

License Condition 3: Little League Alberta must obtain competitive quotes in order to ensure that any purchases from Baseball 2000 Inc. are at or below market value

VI. Penalty

1. In accordance with Section 91(2) of the *Gaming and Liquor Act*, the Panel imposes the following penalty for a violation of Section 4.4 of the Charitable Gaming Policies Handbook:

A \$50 fine. The fine is to be paid within 30 days of the date of this decision or on or before Thursday, August 13, 2015.

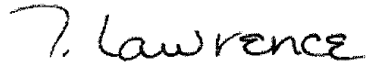
2. In accordance with Section 91(2) of the *Gaming and Liquor Act*, the Panel imposes the following penalty for a violation of Section 2.1.1 of the Charitable Gaming Policies Handbook:

A warning.

3. In accordance with Section 91(2) of the *Gaming and Liquor Act*, the Panel imposes the following penalty for a violation of Section 4.4.5 of the Charitable Gaming Policies Handbook:

A warning.

Signed at St. Albert this 14th day of July, 2015.

A handwritten signature in black ink that reads "T.L. Lawrence". The signature is written in a cursive style with a large, stylized initial "T".

T.L. Lawrence, Hearing Panel Chair