

**SUBJECT: GENERAL INFORMATION**

**13.1 GENERAL INFORMATION**

- 13.1.1 A VGER is a separate room within the facility of a retailer location which contains a minimum of 15 VLTs and a maximum of 25 VLTs, and is subject to the facility standards and operating requirements described in this Section.
- 13.1.2 A VGER retailer with fewer than 25 VLTs may be allocated additional VLTs based on terminal availability, VGER capacity and consumer demand, up to the maximum of 25 VLTs.
- 13.1.3 The AGLC will assess consumer demand on a quarterly basis at each VGER location. The AGLC may adjust the type and number of VLTs (see Section 12.8) as follows:
- a) A VGER retailer with 17 or more VLTs may have up to two (2) VLTs removed;
  - b) A VGER retailer with 16 VLTs may have one (1) VLT removed; and
  - c) A VGER retailer with 15 VLTs may have five (5) VLTs removed. In addition, a VGER that has been reduced to ten (10) VLTs will become part of the VLT Retailer network and continue to be subject to the AGLC VLT allocation policies for retailers.
- 13.1.4 The VGER network is limited to a maximum of 1,500 VLTs, subject to availability.
- 13.1.5 The AGLC may from time to time review and alter:
- a) the maximum number of VGER locations allowed to operate in the province, and/or
  - b) the maximum number of VLTs available in the province that are allocated to VGERs.
- 13.1.6 Unless otherwise specified, the policies and procedures relating to Video Lottery and Class A Minors Prohibited liquor licences also apply to a VGER.

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13.1.7 See Policy 1.53 for definitions applicable to both Sections 12 and 13.

13.1.8 A VGER shall not be located in a community that, through a plebiscite, voted to have VLTs removed from the community. These communities are listed in Section 12.1.4.

13.1.9 A VGER retailer must notify the AGLC immediately if there is a change amongst any of the VGER retailer's ownership, executive or key employees such as the business or property manager.

13.1.10 Licensed gaming facilities shall be ineligible for a VGER as part of their existing gaming floor.

**REFERENCE:**

Policy 1.54

**SUBJECT: ELIGIBILITY**

**13.2 ELIGIBILITY**

13.2.1 To be eligible for a VGER, a retailer must:

- a) possess a valid, active Class A Minors Prohibited liquor licence;
- b) hold a Retailer Agreement with the AGLC; and
- c) have ten (10) VLTs in the VLT location and comply with all AGLC policies related to entry into the VGER network.

13.2.2 A retailer eligible for a VGER is subject to a background investigation and audit (referred to as a background due diligence investigation), as described in Section 13.3.

13.2.3 A retailer with ten (10) VLTs whose location qualifies for additional VLTs through the VLT allocation process (see Section 13.7) may be notified by the AGLC of its eligibility for a VGER, dependent on availability within the VGER Network and consumer demand.

13.2.4 Where, after a Retailer Agreement is issued, the VGER retailer intends that a person acquire a financial interest [as defined in Section 1(1)(e) of the GLR] in the retailer, the retailer's business or in the premises to which the licence relates, in a manner other than by way of a sale, assignment or transfer:

- a) the retailer must report the financial interest to the AGLC;
- b) the AGLC must approve the financial interest prior to the date on which the financial interest takes effect.

13.2.5 The existing Retailer Agreement is terminated on the day the liquor licence is cancelled due to a change of ownership.

13.2.6 Applicants that acquire operating control of a facility with a VGER through the change of operator process may be approved by the AGLC for the existing number of VLTs in the VGER. The following conditions apply:

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- a) where there is a sale, assignment or transfer of a portion of the business under which the activities authorized by a liquor licence relating to liquor are carried out; and
- b) the sale, assignment or transfer of five (5)% or more of a business results in a change in control of the business.

13.2.7 The AGLC may, in respect of a financial interest requiring its approval as per 13.2.4:

- a) approve it without conditions,
- b) approve it subject to conditions,
- c) approve it subject to the variation or rescission of existing conditions; or
- d) refuse to approve it.

13.2.8 Where the AGLC refuses to approve a financial interest under 13.2.7d) after the effective date of the acquisition of the financial interest, the AGLC may treat the retailer as ineligible to continue to hold the Retailer Agreement.

**SUBJECT: BACKGROUND/DUE DILIGENCE INVESTIGATION**

**13.3 BACKGROUND/DUE DILIGENCE INVESTIGATION**

13.3.1 A thorough background/due diligence investigation is conducted into:

- a) a retailer who meets the eligibility criteria set out in Section 13.2.1, has been recommended for a VGER by the AGLC and applies in writing for a VGER. These retailers may include:
  - i) an individual, an adult (18 years of age or older); and a Canadian citizen or lawfully admitted to Canada for permanent residence;
  - ii) a corporation, incorporated or continued by or under the *Business Corporations Act*, *Companies Act*, *Societies Act*, or any other enactment, or registered under Part 21 of the *Business Corporations Act* or Part 9 of the *Companies Act* (a corporation includes the officers and directors of the corporation); or
  - iii) a partnership, registered under the *Partnership Act* with the partners being subject to the investigation described in this part; (a partnership includes each partner);
- b) an applicant who acquires control of a facility with an existing VGER through the change of operator process (see Section 13.2.6);
- c) any person acquiring financial interest [less than five (5)% may be exempted] of a facility with an existing VGER; and
- d) any other key persons, as defined by the AGLC, associated or connected with the retailer or applicant. These may include:
  - i) the operations manager of the VGER;
  - ii) the property manager of the VGER;
  - iii) an employee of the facility;
  - iv) the person holding a position specified by the AGLC as related to the business proposed by the retailer.

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- v) any person or entity that has a financial interest in the retailer, in the retailer's business, or in the proposed VGER;
- vi) if the retailer is an individual or partnership in which one or more of the partners is:
  - the spouse of the individual or a person with whom the individual is living in a relationship of interdependence;
  - any relative of the individual or of the spouse referred to in Section 13.3.1a) iii) if the relative has the same residence as the individual;
  - any corporation controlled by the individual, the corporation's officers and directors and any person or entity that has a financial interest in the corporation. A corporation is controlled by a person or entity if:
    - securities of the corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation are controlled, other than by way of security only, directly or indirectly by the person or entity; and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the corporation; or
    - the person has in relation to the corporation any direct or indirect influence which, if exercised, would result in control in fact of the corporation.
- vii) any corporation that is affiliated with the corporation referred to in Section 13.3.1a) ii), the affiliated corporation's officers and directors, and any person or entity having a financial interest in the affiliated corporation. A corporation is affiliated with another corporation if:

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- one (1) of the corporations controls the other; or
- both of the corporations are controlled by the same person, entity, or such group

viii) if the retailer is a corporation or a partnership in which one or more of the partners is a corporation, any other corporation that is affiliated with the retailer's corporation, the affiliated corporation's officers and directors, and any person or entity that has a financial interest in the affiliated corporation.

13.3.2 The investigation is to ensure criminal interests, or those who otherwise would be a detriment to the integrity or lawful conduct of gaming in the province, are prevented from operating, or having an association with, a VGER.

13.3.3 Applications are subject to review and approval by the AGLC.

13.3.4 The applicant shall ensure that they, and all other parties to the application for a VGER, submit all documents or provide information as requested by the AGLC as deemed necessary to complete the investigation within the time frame specified in the document or information request. Failure to submit the documents or information within the time frame specified will result in denial of the application.

13.3.5 The AGLC may refuse to allow a retailer to have a VGER if the retailer, any of the retailer's employees, any of the retailer's associates or any person associated with the retailer fails to pass a due diligence investigation.

13.3.6 A person does not pass a records check if the person:

- a) has within the five (5) years prior to the submission of the application been charged with or convicted of;
  - i) an offence under the *Criminal Code* (Canada), the *Excise Act* (Canada), the *Food and Drugs Act* (Canada) or the *Controlled Drugs and Substances Act* (Canada); or

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ii) an offence under a Foreign Act or regulation that, in the Board's opinion, is substantially similar to an offence referred to in 13.3.6.a) i).

b) has at any time been charged with or convicted of:

i) an offence under the *Criminal Code* (Canada), the *Excise Act* (Canada), the *Food and Drugs Act* (Canada) or the *Controlled Drugs and Substances Act* (Canada); or

ii) an offence under a foreign Act or regulation that, in the board's opinion, is substantially similar to an offence referred to in 13.3.6.b) i).

If in the AGLC's opinion the offence is sufficiently serious enough that it may detract from the integrity with which gaming activities or provincial lotteries are to be conducted in Alberta or may be detrimental to the orderly or lawful conduct of activities authorized by a liquor licence or a registration relating to liquor; or

c) has within the five (5) years prior to the submission of the application been serving a term of imprisonment of three (3) years or more.

13.3.7 The AGLC may refuse to allow a retailer to have a VGER if the AGLC is satisfied the retailer, any of the retailer's employees or associates, or any person or entity connected to or associated with the retailer:

a) is a person who has not acted or may not act in accordance with the law, with honesty and integrity or in the public interest, having regard to the past conduct of the person;

b) would be a detriment to the integrity or lawful conduct of gaming or liquor activities or provincial lotteries; or

c) is a person whose background, reputation and /or associations may result in adverse publicity for the gaming or liquor industry in Alberta.

Furthermore, the AGLC may terminate the Retailer Agreement with the retailer.

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13.3.8 The AGLC may refuse to allow a retailer to have a VGER if the retailer, any of the retailer's employees, any of the retailer's associates or any person associated with the retailer has, within the five (5) years prior to being notified by the AGLC of its eligibility for a VGER, contravened:

- a) the GLA or the GLR;
- b) a predecessor of the GLA or the GLR; or
- c) a condition imposed on a licence or registration issued or made under the GLA or a predecessor of the GLA.

Furthermore, the AGLC may terminate the Retailer Agreement with the retailer.

13.3.9 The AGLC may refuse to allow a retailer to have a VGER if within five (5) years prior to being notified by the AGLC of eligibility for a VGER, a licence or registration issued or made under the GLA or predecessor of the GLA or a foreign licence or registration of the retailer, any of the retailer's employees, any of the retailer's associates or any person associated with the retailer has been cancelled by the issuing authority. Furthermore, the AGLC may terminate the Retailer Agreement with the retailer.

13.3.10 Notwithstanding Sections 13.3.1 through 13.3.9, the AGLC may refuse to allow a retailer to have a VGER.

13.3.11 If all the requirements for a VGER (legislative, regulatory, policy and municipal or local) are met by the retailer, then the AGLC may allow the retailer to have a VGER.

**SUBJECT: FACILITY STANDARDS AND OPERATING REQUIREMENTS**

**13.4 FACILITY STANDARDS AND OPERATING REQUIREMENTS**

13.4.1 Each VGER must have:

- a) VLT gaming area;
- b) cashier area;
- c) bar/lounge;
- d) dining area with table service that meets the food service requirements of a Class A Minors Prohibited Licence (see Section 4.3).;
- e) entrance area;
- f) closed-circuit television (CCTV) cameras;
- g) CCTV monitoring area;
- h) secured CCTV camera video tape storage area;
- i) washrooms (wherever possible located in the VGER or adjacent to it); and
- j) a minimum of three (3) other types of entertainment (e.g., pool games, television viewing, National Trivia Network (NTN), or other amusement games) that comply with the Entertainment and Games Schedule or otherwise approved by the AGLC (see Section 9.10).

13.4.2 Each VGER shall have a minimum ceiling height of at least three (3) metres [ten(10) feet] above the VLT area(s).

13.4.3 The entrance to the VGER must be easily accessed from a clearly marked external entrance and/or building lobby if applicable.

13.4.4 Patrons of a VGER must not be able to directly access any licensed premises adjacent to the VGER.

13.4.5 The VLT gaming area in the room must be in plain view from the entrance and cashier area.

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- 13.4.6 Each VGER shall have adequate lighting within the facility for the safety of patrons and staff, and to allow for proper viewing by security cameras during operating hours.
- 13.4.7 Effective July 1, 2006 Automated Teller Machines (ATMs) will be required to be a minimum of 15 feet from the nearest VLT.
- 13.4.8 The kitchen must be in the same facility as the VGER (i.e., the kitchen is not required to be in the VGER).
- 13.4.9 The kitchen must be accessible by the VGER's dining area staff.
- 13.4.10 The VLTs in a VGER must not be readily visible from areas outside the VGER.
- 13.4.11 There must be a minimum of one (1) dedicated 15 amp circuit for every four (4) VLTs; these electrical outlets must not be accessible to players or other patrons (See Section 12.2.9b).
- 13.4.12 Physical layout:
- a) the physical layout and design plans for a VGER must be submitted by the Retailer to the Gaming Products and Services Division of the AGLC;
  - b) The physical layout must comply with Class A Minors Prohibited liquor licence requirements, as well as requirements set out in this Section;
  - c) Any new construction or renovation, undertaken by a Retailer prior to approval of design plans and completion of the background/due diligence investigation, is done at the Retailer's own risk; and
  - d) The Retailer must have written approval by the AGLC in advance of construction or renovation (see Sections 12.9.2 and 12.9.3).

**SUBJECT: MINIMUM SIZES**

**13.5 MINIMUM SIZES**

13.5.1 The following minimum floor area applies to a VGER:

- a) VLTs: 2.3 sq. metres (25 square feet) per VLT; and
- b) Public use area outside of the VLT gaming area: 60% of the total usable floor space (i.e., for dining area, bar/lounge, entrance, cashier area, etc.), with this calculation excluding "back-of-house" spaces such as corridors, food preparation areas, and washrooms.

13.5.2 A minimum of 1.2 metres [four(4) feet] must exist between walls and VLT patron seating, and 1.5 metres [five (5) feet] between end cap VLTs and walls.

**SUBJECT: RENOVATIONS/CLOSURE DUE TO FIRE, FLOOD ETC.**

**13.6 RENOVATIONS/CLOSURE DUE TO FIRE, FLOOD, ETC.**

- 13.6.1 In this part, "renovation" is defined as physical improvements to the premise (i.e., painting, carpet laying, or construction).
- 13.6.2 The AGLC must be notified in advance, in writing, of any renovations, and notified in writing of any damage to the premises caused by fire, flood or other causes, which may result in the premises being closed. The VGER retailer must mail or fax a letter to the AGLC.
- 13.6.3 If the premises will be closed for an extended period of time, but less than one (1) year, the VLTs will be temporarily removed.
- 13.6.4 VLTs will be reinstalled as soon as possible, subject to availability, once the renovations or repairs are complete and the premise is open for business.
- 13.6.5 A retailer who is planning to undertake any structural change(s) or repairs to the VLT location must contact the AGLC and obtain approval before making any change(s) (see Section 9.4).
- 13.6.6 If the premises is closed for a period of more than one (1) year, the AGLC may terminate the Retailer Agreement.
- 13.6.7 If a relocation of VLTs or VMT is required refer to Section 12.9.

**SUBJECT: HOURS OF OPERATON**

**13.7 HOURS OF OPERATION**

- 13.7.1 A VGER must operate within the maximum hours of operation specified in Section 12.15.1.
- 13.7.2 VGERs must be open to the public for a minimum of 15 hours per day, Monday through Sunday, except statutory holidays.
- 13.7.3 Full-menu dining service, as provided in Section 8.4, shall be available to the patrons in the VGER during the VGER's operating hours. A licensee may terminate food service, or provide limited food service, after 11:00 p.m.
- 13.7.4 Any change in the operating hours of a VGER must be approved in advance by the AGLC.

**SUBJECT: SECURITY STANDARDS**

**13.8 SECURITY STANDARDS**

13.8.1 Each VGER retailer shall have a surveillance plan containing the following information:

- a) a floor plan of the gaming and cashier area of each premises showing the placement of all surveillance equipment;
- b) a description of the surveillance equipment and its capabilities for each VGER location; and
- c) CCTV (closed circuit television) Camera Coverage.

13.8.2 The VGER retailer shall provide a colour CCTV system that:

- a) has a closed circuit colour TV camera system with all cameras linked to a secure area, e.g., a lockable cabinet. Other links within the VGER facility can only be made to this secure area with AGLC approval.
- b) cannot be viewed by the public.
- c) has all of the cameras dedicated to the VLT gaming floor with the cameras enclosed in ceiling domes.
- d) has all cameras linked to video cassette recorders direct or via quad or matrix switchers and be recorded in real time (30 frames per second [fps]) with date and time generation.

13.8.3 Digital recording units must meet the following minimum standards:

- a) the Digital Video Recorder (DVR) shall record at 30 fps per camera with a minimum pixel image Common Interchanger Format (CIF) recording;
- b) the DVR shall provide for seven (7) days continuous storage for each and all cameras attached to it in the gaming floor area;
- c) the DVR may house a built-in Security Data Container (SDC) or may use external storage devices such as a

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Network Attached Storage (NAS) device or Redundant Array of Independent Disks (RAID) attached storage;

- d) the DVR shall be capable of archiving information data to a CD or DVD in compressed, authenticable format. A viewing or playback tool must also be available to review this video, as well as a method for ensuring the authenticity of the video excerpt;
- e) cameras linked to a DVR must have a minimum of 480 lines of resolution; and
- f) non-gaming areas may be recorded with time lapse or with motion sensitive activation of a minimum of 15 fps.

13.8.4 Each VGER must have a minimum ratio of cameras to VLTs of one (1) camera for each three (3) VLTs unless authorization to change this ratio is received from the AGLC.

- a) Cameras must be installed to provide coverage of all VLT machines. The retailer must provide the actual number and placement of the cameras as required by the AGLC.
- b) Cameras must be capable of allowing for clear identification of players at all VLTs and must be positioned to compliment each other.
- c) Cameras must be strategically placed so that there are no blind spots in the VLT area and the cameras must provide for clear identification of all staff, players and customers.
- d) A minimum of one (1) colour monitor with both split-screen and full-screen viewing capabilities must be used.

13.8.5 A stationary camera with appropriate lens must be installed so there is complete, full-time coverage of each entry/exit (not required for "emergency only" exits).

13.8.6 A dedicated stationary camera is required overhead of each cashier's position and must be supplemented by a secondary camera to capture an unobstructed view of the patrons.

13.8.7 Original videotapes must be properly labelled and be held in secure storage for a minimum of seven (7) days before being

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re-used. When requested, videotapes shall be provided to AGLC Investigators/Inspectors. Tapes must be properly disposed of by having them erased or destroyed.

13.8.8 Videotapes shall be replaced at least once every six (6) months. If the clarity of a videotape is compromised in any way, the videotape shall not be re-used.

13.8.9 All equipment must be maintained and be in proper working order. The AGLC must be notified if CCTV coverage falls below these minimum standards.

13.8.10 A VGER retailer must notify the AGLC Hotline (see Section 12.20) of any suspicion or evidence of the following, which may require investigation and/or corrective action by the VGER or the manager of the room:

- a) cheating at play;
- b) theft (by patrons, staff or employees);
- c) robbery or attempted robbery in the VGER;
- d) passing of counterfeit currency; or
- e) any breach of security, or procedures or other items inconsistent with or in violation of the Retailer Agreement.

13.8.11 All related videotapes or digital recordings must be held until turned over to an AGLC Investigator/Inspector.

**SUBJECT: ADVERTISING, PROMOTIONS AND SIGNAGE**

**13.9 ADVERTISING, PROMOTIONS AND SIGNAGE**

- 13.9.1 The VGER must be clearly distinguished through exterior signage, provided by the AGLC, at each entrance/exit to the room.
- 13.9.2 The VGER retailer must provide and post signage respecting the following:
- a) minors prohibited (at all entrances/exits);
  - b) hours of operation
  - c) rules of play;
  - d) identification of the cashier area; and
  - e) height markers at each entrance/exit (for security).
- 13.9.3 The signage requirement as provided in Section 12.18.4 must be posted in areas within the VGER specified by the AGLC.
- 13.9.4 Any advertising, promotions, signage for or respecting, a VGER must be approved by the AGLC in writing prior to its use.

**SUBJECT: VIOLATION OF AGLC POLICIES**

**13.10 VIOLATION OF AGLC POLICIES**

- 13.10.1 Violation of AGLC policies applicable to VGER retailers may result in the removal of the VLTs and termination of the Retailer Agreement. If the Retailer Agreement is terminated, the retailer will be advised in writing by the AGLC and will not be eligible for a new Retailer Agreement at the site where the violation occurred for a minimum of six (6) months (see Section 12.19) Any new application will only be considered for the VLT Retailer Network with three (3) VLTs as outlined in Section 12.7.6.