

Suite 811, Europort Gibraltar

Tel: +350 20074636 Fax: +350 20072166

e-mail: gambling@gra.gi

url: http://www.gra.gi

Your ref:

Our ref:

2000Q

Date:

19 June 2008

Mr Liu Changchun NO 116-601 Jinshijiayuan Hebei District Tianjin China

Dear Mr Changchun

RE: Complaint Resolution Procedure – Proposed Determination

I am writing in connection with your Complaint Resolution Request Form ("CRRF") received on 11 March 2008 against Hillside (Gibraltar) Limited ("Bet365").

The Gibraltar Regulatory Authority ("GRA") has processed the CRRF as per the Complaint Resolution Procedure. The necessary enquiries were made and information has been provided by Bet365 and Playtech (the game/casino platform provider) in addition to the material you submitted. I have considered all the material available in relation to the complaint to reach a proposed determination.

I have established from your CRRF and information provided that you played a live dealer Black Jack game at Bet365's casino on 27 November 2007 when it appeared the game did not operate correctly - the software appeared to reveal the total points of the dealer's un-scanned cards, apparently before you had completed your turn. You consequently allege that the dealer can predict the cards that have not yet been scanned and that the dealer knew the total points of these throughout the game, and that as a consequence the dealer can manipulate the game by deceitfully encouraging a player to 'hit' for another card. You believe the incidence amounts to and illustrates that the game is unfair and that Bet365's games are fraudulent. Furthermore, you state that Bet365 have been unable to offer a reasonable explanation for the incident and that this demonstrates the game is fraudulent.

It is a legal requirement that the software and equipment used by Gibraltar remote gambling licence holders is tested by an independent testing facility approved by the licensing authority, to ensure the integrity and fairness of these.

The game in question operates in a live environment, to ensure the integrity and fairness of the game the game is carefully monitored and any fraudulent activity would be noticed. Furthermore shuffling procedures and cutting of cards in random locations is undertaken. All live dealer gaming is recorded and footage can be viewed

by the operator at any time (within three months after the game is played) using the on-demand video playback tool in the backend, thereby ensuring the integrity of the live gaming experience and protecting against fraud and dealer-player collusion. In addition, though operated in a live environment, the output (cards) of the games are included in Technical Systems Testing's ("TST") calculations and reported within TST's game payout certification on a monthly basis. TST is an international and independent testing facility approved by the Gibraltar licensing authority and many other regulators. TST certificates both for Bet365 and Playtech can be found on their respective websites (http://casino.bet365.com and http://casino.bet365.com and http://www.playtech.com/html/index.php?page=63).

Other than the material provided by you there is no independent or other evidence to suggest unfairness.

I have established that Bet365 attempted to explain and resolve the dispute and that greater efforts could have been made by Bet365 and I make a note of this. However, the case identified a highly unusual transmission defect previously unreported, and not the more common transmission slippage error that occasionally affects the video stream that it may reasonably have been misunderstood or confused with.

Playtech is one of the world's major casino platforms that provide services to over 160 sites/operators. It has been established that the incorrect operation of the game software as described has not previously (or since) been reported to Playtech, Bet365, or the GRA. Furthermore there were a number of other players in the game in question for whom the game appears to have progressed as normal. It appears that in your case there was a delay in transmission specific to you, caused by a data packet loss that affected the video stream as well as the game software causing the anomalous display illustrated in the images you submitted. This accounts for the frozen (or delayed) picture with the dealer apparently pointing to the cards as if she was waiting for a decision i.e. the hand gesture referred to in your complaint, and for the sections of the software interface (e.g. actions frame, dealer's cards) that were no longer synchronised with the live dealer game. The game had actually finished and the dealer already had the result of 17, i.e. the game progressed and was completed following the game logic and results were registered in the database properly, whereas you were viewing the delayed image of the live dealer and unsynchronised game card values and software.

To summarise:

- There are strict procedures in place that ensure the integrity and fairness of the live dealer game, in addition to the game payout certification of an independent testing facility.
- Other than the material provided by you there is no independent or other evidence to suggest unfairness.
- I make a note of and recognise that Bet365 attempted to explain and resolve the dispute however the matter may have been confused or misunderstood at some points.
- It appears that the interface for the game in question was affected by a packet loss in data transmission between the server and the client, however the game progressed and was completed following the game logic.

The GRA shall continue to monitor Bet365's online casino activities, however given the circumstances as I now understand them, I cannot conclude that the game is fraudulent and that Bet365 return to you your losses.

From your CRRF I understand that you will lose your property as a result of your gambling, I would advise you to give further consideration to the advice of gambling support organisations in order to manage your gambling, or if you have not already done so, consult the Gamcare website (www.gamcare.org.uk) or any equivalent advice you can access.

If you wish to dispute this conclusion by way of further information that demonstrates I have been misinformed or misrepresented the information I have obtained, then please provide this as soon as possible and in any case within 14 days of receiving this letter.

Thank you for brining this matter to our attention.

Yours Sincerely

Phill Brear

Head of Gambling Regulation

On behalf of the Gambling Commissioner