

**Tabled by Jeremy Hearne (representing Maxetag)  
at the  
Review 2006 public hearing on 23 May 2006**

**From:** Tracy Schrans [tschrans@focalresearch.com]  
**Sent:** Thursday, 18 May 2006 11:13 PM  
**To:** 'Jeremy @ Maxetag'  
**Cc:** tony.schellinck@dal.ca  
**Subject:** RE: maxetag  
Dear Jeremy,

Thank you very much for your email and I am gratified to hear that you could put some of our research and thoughts to work. Also very exciting to hear what you are up to re maxetag. I also am very familiar with the regulators in Queensland and suspect that they will look favorably upon your work.

I am about to go to Lake Tahoe to present on using loyalty data to identify problem gambling. Focal is the research company that developed the algorithm for iCare Gaming and the iView Systems's new player protection program. Incidentally we are not part of either company. As a first in the world we spent much of last year analyzing the loyalty data for Saskatchewan Gaming Corporation's (SGC) two casino's Casino Regina and Casino Moose Jaw to determine if it is possible to use this data to identify problem gamblers with a "know" degree of accuracy. Dr. Tony Schellinck, our CEO, my longtime research partner, professor at Dalhousie University, Director of Dal's MBA Program and FC Manning Chair in Business Economics, was the mathematician behind the algorithm. He has been involved in the Informatics Initiative at Dalhousie University for a number of years. Tony, I and Focal Research Consultants were selected by SGC to provide this service to ensure research independence and integrity and because we have a unique combination of data mining, responsible gaming, problem gambling identification expertise... a bit of a rare combination. I am happy to say that not only is it possible but it looks like it has already raised the bar and may become a standard such that if you are able to identify problematic (or other specified) patterns of play you will be obligated to provide such a service. I had speculated that the first response of some industry folks will be to dump the loyalty databases as quickly a possible rather than seeing this as an important point of differentiation to ensure sustainable "safer" gambling and reduce liability. I believe this is a highly significant development that time will likely mark as a critical moment for the gaming industry (making history sort of thing). This is especially important given the reluctance of insurance companies to underwrite casino's etc for problem gambling (Lloyd's of London has carved this out of coverage for casinos in Canada). I would think that you will be very interested in my presentation that will occur Monday of next week.

My colleagues here at Focal and I are very happy for you to quote any of our work. Please do not hesitate to contact us if you feel we could be of service to you. While we feel that the iCare product is an important step in the right direction we feel that there will be a need to customize the mathematics of the model for each market and in that regard we are uniquely positioned to be of help. Hopefully such a feature will become a standard for the various customer reward, loyalty and protection programs worldwide. We believe that this will definitely differentiate one program from another.

Regards,

Tracy

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