

Our ref: JHS.MR 167454-0001  
Ask for: John Sykes  
Your ref:

Email: [mark.davies@camberton.com](mailto:mark.davies@camberton.com)

**Mark Davies**  
**Camberton Strategic Communications**  
**5th Floor**  
**One Hammersmith**  
**Broadway**  
**London W6 9DL**

**COMMERCIAL LAW GROUP**  
DIRECT TEL : 0113-280-2113  
DIRECT FAX : 0113-280-2163  
e-mail : [john.sykes@lf-lp.com](mailto:john.sykes@lf-lp.com)

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Dear Sir

### **Campaign for Fairer Gambling**

#### **Your article under the heading 'What is the Campaign for Fairer Gambling'**

We act for Prime Table Games UK and Derek Webb. Our clients have asked us to read the article referred to above which our clients believe was first published sometime in 2013.

As you are clearly aware, the social impact B2 gaming machines, otherwise known as FOBTs is the subject of much debate and part of a formal consultation by Government. Certain parties with an opposing position to our clients and the Campaign have made statements about our clients in relation to an alleged 'commercial interest' in the outcome of the debate.

You should be under no doubt that allegations or statements that, or which give the strong impression that, Prime Table Games UK and/or Mr Webb have a commercial interest in the restriction of B2 gaming machines are false and defamatory.

Our client repeats his reasoned explanation to you so that you can be in no doubt as to the correct position.

Galaxy Gaming Inc (Galaxy) is a US business of which its UK operations are a small part. A less than 5% shareholding by each of Mr Webb and Hannah O'Donnell, in a predominantly US business, does not represent the sort of commercial interest which has been asserted

Mr Webb's interest in the Campaign, and his backing of it, is transparent. He has no active interest in the gambling sector. His small shareholding in Galaxy is a legacy from the sale of his business to Galaxy. There is no commercial interest. The funding costs of the Campaign far outweigh any possible commercial benefit which might arise if what you falsely allege were true.

For Galaxy to benefit, FOBT gamblers would have to start gambling in casinos and gamble at the games that Galaxy offered. There is no evidence that the demographic of the FOBT gambler is the same as the demographic of the casino gambler. Casinos are geographically far less convenient to access than betting shops, particularly for persons without private transport.

less convenient to access than betting shops, particularly for persons without private transport. Casino gross revenue has grown around 50% since the introduction of FOBTs. There is no evidence of casino crossover to FOBTs and therefore no predicate for assuming or asserting that FOBT restrictions would result in crossover from FOBT gambling to casino gambling.

The percentage of roulette as a primary FOBT activity, by gross turnover and gross profit, far exceeds the percentage of roulette as a primary casino activity. Therefore, even if FOBT gamblers crossed over to casino gambling, the likelihood is that this would result in an increased demand for casino roulette. Galaxy does not have an operational roulette product in any casino so an increase in casino roulette play is of no commercial benefit to Galaxy.

In fact an increase in casino roulette is a detriment to Galaxy, as casinos only have limited space and an increase in roulette tables could result in the removal of some tables with Galaxy games. Even with no change in table numbers, staff allocation to busiest tables would mean an increase in roulette would result in other tables with Galaxy games being open less often. As the Galaxy business model is based on tables being open and used, this would result in a decline in Galaxy revenue. There is no basis for any assumption or assertion that FOBTs gamblers crossing over to casino gambling would have a positive effect on Galaxy's business. On the contrary, if it had any effect at all, it would be more likely to have a negative effect.

The Association of British Bookmakers (ABB) is a lobbying organisation set up and funded by bookmakers in the UK and which is actively and aggressively lobbying on the issue of FOBTs on their behalf. Its members have a direct and substantial commercial interest in the Campaign for Fairer Gambling failing. Whilst our clients recognise your right to engage in the debate, such right does not extend to publishing false and defamatory statements or malicious falsehoods about our clients.

There is absolutely no justification for you or anyone else to publish allegations that our clients' have a commercial interest in the successful outcome of the campaign and in the restriction of B2 gaming machines, in particular based on Mr Webb's shareholding in Galaxy. We reserve our client's rights in respect of your publication of the article under the title 'What is the Campaign for Fairer Gambling' and any further publication of this false libel and/or malicious falsehood.

Presently we require you to publicly acknowledge your previous false statements regarding the Campaign's commercial interest and provide an undertaking not to repeat such or the allegation of bias.

We look forward to your early response.

Yours faithfully



**Lupton Fawcett Lee & Priestley**