

PALACE CASINO RESTRUCTURING ANNOUNCEMENT

Today, David Elmslie, the Chief executive officer of gateway casinos contacted your union negotiator, Tom Hesse.

Mr. Elmslie apologized for his ongoing inability to communicate regarding the financial restructuring of the company as he described it as very complex and sensitive.

However, today at 1:30pm Mr. Elmslie told Mr. Hesse that the BC Courts have now approved a financial restructuring of gateway casinos. He told Mr. Hesse that the restructuring was not a bankruptcy but it did involve a substantial reduction of debt before the company.

Mr. Elmslie told Mr. Hesse that the Company would now have two new major investment firm players. One of them was a group called Catalyst based out of Toronto. Mr. Elmslie further advised that the matter was subject to AGLC and BC gaming approval but that was expected in September.

The company will be providing some sort of communication to its employees at the palace casino today.

The company will be meeting with your union to further discuss this matter when collective bargaining recommences in Edmonton on September 21st. Mr. Elmslie told Mr. Hesse that there would be no workforce reductions as a result of this restructuring and that it would be "business as usual". Mr. Elmslie also acknowledged the successor ship rights of the union.

As a matter of comment it is important to know that your union is not and has not been privy to the nature of the internal financial workings of gateway. Gateway is not a publicly traded company but is privately held.

From a union point of view generally, we believe that the best way to approach such matters is to view them through the eyes of an employee. Everyone in a modern capitalist society realizes that almost any business can undergo a sale, a restructuring, managerial changes and other such ups and downs at virtually anytime. Employees, through their union, should remain focused on their day to day terms and conditions of employment. Put another way, regardless of where the business is headed, it is critical that wages and workplace conditions be fair and proper.

No union and no employee can predict the exact future of any business. What we can predict is that if employees stick together with union solidarity even an uncertain future and the road to that future can witness the best possible wages and working conditions at a workplace that reaches to a high standard of employee, dignity and respect.

Please call your union representative with any questions that you may have.