



IN THE SUPREME COURT OF VICTORIA
AT MELBOURNE
COMMERCIAL COURT
GROUP PROCEEDINGS LIST

Case: S ECI 2020 04566
Filed on: 21/12/2022 10:22 AM

No. S ECI 2020 04566

BETWEEN

GREG LIEBERMAN

Plaintiff

AND

CROWN RESORTS LTD (ACN 125 709 953)

Defendant

**REJOINDER TO REPLY TO DEFENCE TO SECOND FURTHER AMENDED
STATEMENT OF CLAIM**

Date of document: ~~19 November 2021~~

21 December 2022

Filed on behalf of: the defendant

Prepared by:

Allens

Lawyers

101 Collins Street

Melbourne VIC 3000

Solicitor code: 21455

Tel: 03 9614 1011 Fax: 03 9614 4661

Ref: BHTM:JHMM:120986230

Email: Belinda.Thompson@allens.com.au

NOTE: This rejoinder adopts terms as defined in Crown's defence to the second further amended statement of claim (defence).

In answer to the plaintiff's reply to the defence (reply), Crown says as follows.

1. Save where otherwise specifically pleaded in this rejoinder, Crown joins issue with each allegation in the reply.
2. As to paragraph 3 of the reply, Crown:

- (a) refers to and repeats paragraph 146A of its defence;
- (b) says that, to the extent the Actual General Compliance Representations were representations as to present fact, they were true;
- (c) says that, to the extent the Actual General Compliance Representations were representations of opinion, they were opinions that Crown held and that Crown had a basis, alternatively a reasonable basis, for holding; and

Particulars

Crown held and had a basis, alternatively a reasonable basis, for holding the following opinions at the time the representations of opinion were made:

- (i) Crown endeavoured at all times to comply fully with its legal and regulatory obligations and to operate in accordance with guidance provided by regulators;
- (ii) there was a need for all major companies with extensive operations continually to improve on compliance, and Crown was committed to such improvement and strengthening of its compliance function;
- (iii) Crown attended to its AML/CTF compliance with commitment and rigour;
- (iv) Crown had a comprehensive AML/CTF Program;
- (v) Crown's management had devised and implemented risk management systems appropriate to Crown.

Crown refers to the particulars to paragraphs 283(b), 289(b) and 292(b) of its defence.

Further particulars will be provided through and/or following the service of Crown's evidence.

- (d) in the premises, denies paragraph 3 of the reply.

3. As to paragraph 6 of the reply, Crown:

- (a) refers to and repeats paragraph 148A of its defence;
- (b) says that, to the extent the Actual Regulator Relationship Representations were representations as to present fact, they were true;

- (c) says that, to the extent the Actual Regulator Relationship Representations were representations of opinion, they were opinions that Crown held and that Crown had a basis, alternatively a reasonable basis, for holding.

Particulars

Crown held and had a basis, alternatively a reasonable basis, for holding the following opinions at the time the representations of opinion were made:

- (i) Crown took its regulatory obligations seriously;
- (ii) Crown worked closely with all of its regulatory agencies, including law enforcement, both state and federal;
- (iii) Crown attended to its AML/CTF compliance with commitment and rigour;
- (iv) Crown had a comprehensive AML/CTF Program;
- (v) when human errors occurred, as they could in a business the size and complexity of Crown's, Crown's response was to work hard to rectify any underlying issues and improve on relevant systems and operating procedures, where appropriate.

Crown refers to the particulars to paragraphs 283(b), 289(b) and 292(b) of its defence.

Further particulars will be provided through and/or following the service of Crown's evidence.

- (d) in the premises, denies paragraph 6 of the reply.

4. As to paragraph 8 of the reply, Crown:

- (a) refers to and repeats paragraph 149A of its defence;
- (b) says that the Actual Corporate Governance Representations were true; and
- (c) in the premises, denies paragraph 8 of the reply.

5. As to paragraph 11 of the reply, Crown:

- (a) refers to and repeats paragraph 151A of its defence;
- (b) says that, to the extent that the Actual Junket Program Compliance Representations were representations as to present fact, they were true;

- (c) says that, to the extent the Actual Junket Program Compliance Representations were representations of opinion, they were opinions that Crown held and that Crown had a basis, alternatively a reasonable basis, for holding; and

Particulars

Crown refers to the particulars to paragraph 2(c) above.

Further, Crown held and had a basis, alternatively a reasonable basis, for holding the following opinions at the time the representations of opinion were made:

- (i) the junket operators with whom Crown dealt were identified with appropriate Know Your Customer (KYC) procedures, had due diligence undertaken on them and appropriate reports were submitted to AUSTRAC and relevant gaming regulators as required by law;
- (ii) Crown had, as at 30 July 2019, a robust process for vetting junket operators with whom it dealt and undertook regular ongoing reviews of those operators in the light of new or additional information that came to its attention; and
- (iii) Crown dealt with junkets and their customers in essentially the same way as other international casinos. Macau-based junkets were required to be licensed there and are subject to regulatory oversight and probity checks. There were also other casino regulators in Australia and overseas which review junket operators and their dealings with licensed casinos.

Crown refers to the particulars to paragraph 298(b) of its defence.

Further particulars will be provided through and/or following the service of Crown's evidence.

- (d) in the premises, denies paragraph 11 of the reply.

6. As to paragraph 11B of the reply, Crown:

- (a) refers to and repeats paragraph 153NA of its defence;
- (b) says that, to the extent that the Actual Tax Representations were representations as to present or past fact, they were true;
- (c) says that, to the extent that the Actual Tax Representations were representations as to future matters, Crown had reasonable grounds for making them; and

Particulars

As to the representation in paragraph 153NA(a) of the defence, at the time the representation was made, Crown Melbourne had agreed with the State that it would pay \$250 million upon the implementation of certain regulatory changes and that it would make a further payment of \$250 million to the State in 2033.

As to the representation in paragraph 153NA(b) of the defence, at the time the representation was made, Crown Melbourne had contractual obligations to the State consistent with the representation.

(d) in the premises, denies paragraph 11B of the reply.

Dated: ~~19 November 2021~~ 21 December 2022

W A HARRIS

K A LOXLEY

H C WHITWELL

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Allens

Solicitors for the defendant