

Casino developer sues lottery corp

Lawsuit claims Crown corporation misled North Vancouver gaming entrepreneur

Jane Seyd / North Shore News

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file photo Mike Wakefield, North Shore News

A casino company headed by a North Vancouver man has launched a lawsuit against the province and the B.C. Lottery Corp., saying Pinnacle Gaming Solutions was misled by the lottery corporation about the possibility of opening a casino on Tsleil-Waututh land.

According to the lawsuit, filed in B.C. Supreme Court Jan. 8, Pinnacle, owned by North Vancouver resident David Moretto, was retained by leaders of several First Nations including the Tsleil-Waututh, as far back as October 2007, to advance their economic interests through, among other things, “the prospect of developing gaming facilities on their lands.”

The Tsleil-Waututh subsequently made an agreement to have Pinnacle act as an agent in developing a casino on their land, which would include the company talking to the lottery corporation and going through the necessary process for licences, according to the lawsuit.

In return, Pinnacle was to be paid a percentage of the casino's gross revenues.

Between 2008 and 2015, the company attended meetings with the lottery corporation and studied the viability of proposed gaming facilities which they concluded had the potential to generate “significant profits,” according to the lawsuit.

The lottery corporation gave Pinnacle the impression an application for a casino would likely be approved, according to the lawsuit.

“BCLC was particularly in favour of the proposed gaming facility on Tsleil-Waututh lands as there were no casino or gaming facilities on the North Shore and no other gaming facilities proposed for the North Shore,” the company stated

in court documents.

A feasibility study requested and presented to the lottery corporation in June 2012 showed “market demand and suitable conditions for the Tsleil-Waututh’s proposed gaming project was largely consistent with an earlier study conducted by BCLC,” according to the lawsuit.

But later, Moretto and Pinnacle found out that BCLC had already granted an exclusive right to develop a gaming facility on the North Shore to another casino developer, Playtime Gaming, owned by Tom Nellis.

Pinnacle contends the company incurred substantial financial losses because the lottery corporation misled them. “In particular, the representations made by BCLC ... about the likelihood of being granted approval for the proposed gaming facility on Tsleil-Waututh lands were entirely false,” according to the lawsuit.

The lottery corporation also failed to consult with First Nations prior to awarding an exclusive right to develop gambling facilities to Playtime, according to the suit.

None of the allegations has been proven in court and no response has yet been filed to the suit.

Pinnacle has asked the court to award damages based on “negligent misrepresentation and interference with economic relations” but did not name a figure in the lawsuit.

The lawsuit comes after Playtime’s proposal to build a community gaming centre in the Shipyards district of North Vancouver was turned down last year by City of North Vancouver council.

First proposed in 2013, Playtime sought to build a 40,000-square-foot “community gaming centre” on the North Vancouver waterfront which would feature approximately 300 video gaming machines and an estimated daily attendance of 1,000.

The majority of council rejected the proposal citing the possible social problems it would bring to the area.

The decision was mired in additional controversy over the fact a company owned by Nellis, who also owned Playtime at the time, donated more than \$11,000 to City of North Vancouver Mayor Darrell Mussatto’s election campaign in 2014.

During public meetings regarding Playtime’s application last year, Moretto appeared before council and demanded to know when Playtime had been given the exclusive rights to gaming facilities on the North Shore.

Both Nellis and Greg Walker of the lottery corporation said then they had been working on the idea for about five years.

Nellis added his company had been given permission from the lottery corporation to transfer an existing gaming licence in Nanaimo to North Vancouver if the project was approved.

No one with the B.C. Lottery Corp., Pinnacle Gaming or the Tsleil-Waututh Nation was available to provide a comment about the casino proposal.

Playtime Gaming was sold to Gateway Casinos and Entertainment at the end of December.

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