



Lottery and Gaming Control Commission

1800 Washington Boulevard, Suite 330, Baltimore, MD 21230

**In Re the Application of
PPE Casino Resorts Maryland, LLC
d/b/a Live! Casino and Hotel**

For a Sports Wagering Facility License

**License Applicant Number 2021-SW-01
QUALIFICATION HEARING
October 6, 2021**

**EXECUTIVE SUMMARY
OF BACKGROUND INVESTIGATION**

EXECUTIVE SUMMARY

Introduction

PPE Casino Resorts Maryland, LLC (“PPECRM” or “the Company”) is the holder of the Video Lottery Operation License for Anne Arundel County, Maryland and is the owner and operator of Live! Casino and Hotel. Live! Casino and Hotel features 3,741 slot machines, 190 table games, nightly entertainment and lodging accommodations. PPECRM has applied for a sports wagering facility license.

Maryland’s Sports Wagering Law is found in State Government Article (“SG”), Title 9, Subtitle 1E, Annotated Code of Maryland and the Commission’s sports wagering regulations in Code of Maryland Regulations (“COMAR”) 36.10 (collectively, “the Sports Wagering Law”). The Sports Wagering Law also includes and incorporates applicable licensing requirements in SG, Title 9, Subtitle 1A, and COMAR 36.03 (collectively, the “the Gaming Law”), which establishes requirements for all casino-related licenses. An applicant for a license related to sports wagering must meet all applicable qualification requirements set forth in both the Sports Wagering Law and the Gaming Law.

The Maryland Lottery and Gaming Control Commission (“Commission”) must determine whether an applicant meets qualification requirements. Staff of the Maryland Lottery and Gaming Control Agency (“Agency”) is required to conduct a background investigation on all applicants for sports wagering licenses to ensure that they meet applicable qualification requirements.

Application of Alternative Licensing Standards

The Sports Wagering Law authorizes the Commission to establish an abbreviated process for qualifying and licensing an applicant that holds a valid license in another state, if the Commission determines that the licensing standards of the issuing agency in the other state are comprehensive and thorough, and provide similar safeguards to those in the Sports Wagering Law. Staff has identified several states with acceptable sports wagering license standards: Arkansas, Colorado, Illinois, Kansas, Louisiana, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, Virginia and Wisconsin.

Because Maryland's qualification standards for a casino-related license are identical to and specifically incorporated in the Sports Wagering Law, and are therefore, clearly sufficient for qualifying an applicant for a sports wagering license on that basis.

Process

An applicant for a sports wagering-related license may submit a written request for the Commission to find it qualified for a Maryland license under the alternative licensing process described in COMAR 36.10.02.12. If the request is granted, the applicant may be qualified for a license before the Agency conducts a full background investigation.

The Commission may only apply the alternative licensing process if the applicant holds a valid, current gaming or sports wagering-related license in at least one of the states identified as having acceptable comparative standards.

An applicant that submits a request for the application of alternative licensing standards specifically acknowledges that a full background investigation will be conducted, and that if Staff ever determines that the applicant or licensee, if licensed, does not meet a Commission standard, the Commission may take enforcement action, up to and including revocation of the license. These acknowledgements are memorialized in the Affidavit in Support of Applicant's Request to Apply Alternative Licensing Standards in Support of an Application for a Sports Wagering License ("Affidavit") the applicant has submitted.

The Commission's decision to abbreviate an applicant's licensing process on this basis is discretionary. The Commission may exercise its discretion to deny the request, place conditions on the license, or take any other necessary action to protect the State's interests.

Regulatory History of Applicant

On June 4, 2012, the Maryland Lottery and Gaming Control Commission ("MLGCC") awarded a Video Lottery Operation License to PPE Casino Resorts Maryland, LLC. The Company owns and operates Live! Casino and Hotel located in Anne Arundel County, Maryland. The video lottery operation license expires

June 3, 2027. Staff is not aware of any unresolved issues that negatively impact the Applicant's qualifications and MLGCA has otherwise found no derogatory information regarding PPECRM's qualifications to be licensed for a sports wagering facility license.

Ownership of Applicant

During the term of the Applicant's casino license, the Commission has approved several structural ownership changes. In 2009, PPE Casino Resorts Maryland, LLC ("PPECRM") was awarded a license to operate Maryland Live! Casino, which is currently doing business as Live! Casino and Hotel. PPECRM was wholly owned by Maryland Live Holdings, LLC which in turn was wholly owned by PPE Casino Resorts Maryland Developer, LLC. The members of PPECRM and their respective ownership interests at the time the operator license was awarded were:

- Jonathan A. Cordish (88%)
- Joseph S. Weinberg (10%)
- Charles F. Jacobs (2%)

During the past twelve years, the Cordish family has consolidated 80% of their interest into a limited liability company, Pratt Street Management, LLC.

Principal Qualifiers

The following individuals have been identified as principals and are currently licensed by the MLGCC:

- Jonathan A. Cordish
- Blake Cordish
- Reed Cordish
- Joseph S. Weinberg
- Charles F. Jacobs

Licensing Inquiry

PPE Casino Resorts Maryland, LLC submitted a Request for Application of Alternative Licensing Standards in support of its request for a Sports Wagering Facility License. PPE Casino Resorts Maryland, LLC stated that it holds a current license in these Commission-approved states:

- Maryland Lottery and Gaming Control Commission
 - Type of License: Video Lottery Operation License (Issued: 06/04/12)
 - Expiration Date: 06/03/27
 - Status: License is in good standing with the Commission

- Pennsylvania Gaming Control Board
 - Type of Licenses: (1) Live! Casino and Hotel Philadelphia was approved for a Category 2 license on 08/14/19; (2) Live! Casino Pittsburgh was approved for a Category 4 license on 08/14/19. On 10/30/19, the PGCB issued a sports wagering certificate which authorizes Live! Casino to operate a retail sportsbook at its Category 2 casino in Philadelphia and its Category 4 casino in Pittsburgh.
 - Expiration Date: The Category 2 and Category 4 license expire 08/13/2024
 - Status: All licenses are in good standing with PGCB

Conclusion and Recommendations

Along with the Request for Application of Alternative Licensing Standards and Affidavit, the Applicant has submitted: a completed Sports Wagering Facility License application, an affidavit attesting to the minority and women-owned interests of the applicant, all required fees, and proof of adequate bond.

MLGCA's inquiry with the states identified above confirms that the licenses issued by those states are current and valid. The applicant's Maryland Video Lottery Operation license is also current and valid, and Staff is not aware of information that would indicate PPE Casino Resorts Maryland, LLC fails to meet the Commission's qualification requirements.

Staff recommends that the Commission find PPE Casino Resorts Maryland, LLC qualified for a Sports Wagering Facility License based on the alternative licensing standards provisions in the Sports Wagering Law by clear and convincing evidence.

Staff recommends that the Commission entertains motions to:

1. Find that PPE Casino Resorts Maryland, LLC d/b/a Live! Casino and Hotel has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility License by clear and convincing evidence;
2. Delegate to Staff the authority to draft a written statement of the Commission's decision on the qualification of the PPE Casino Resorts Maryland, LLC d/b/a Live! Casino and Hotel and submit it to the Applicant as soon as possible; and
3. Direct the Secretary of the Commission to transmit the decision statement to the Sports Wagering Application Review Commission.