

# Maryland Lottery and Gaming Control Commission

Larry Hogan, Governor



Montgomery Park Business Center  
1800 Washington Blvd., Suite 330  
Baltimore, Maryland 21230

Tel: 410-230-8800  
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## MARYLAND LOTTERY AND GAMING CONTROL COMMISSION SPECIAL MEETING - SPORTS WAGERING MINUTES

DATE: November 4, 2021

TIME: 10 a.m.

PLACE: Maryland Lottery and Gaming Control Agency  
(Meeting conducted via audio/video conference call)

PRESENT: Chair E. Randolph Marriner  
Vice Chair George L. Doetsch, Jr.  
Commissioner F. Vernon Boozer  
Commissioner Michelle Fager  
Commissioner James Stakem  
Commissioner Jerry E. Williams

John Martin, Director  
James Nielsen, Deputy Director, Chief Operating Officer  
James Butler, Assistant Deputy Director, Chief of Staff  
James Logue, Managing Director, Gaming  
John Mooney, Managing Director, Regulatory Oversight  
Carole Gentry, Managing Director, Communications  
Holly Citko, Principal Counsel, Attorney General's Office  
Jennifer Tosky, Deputy Counsel, Attorney General's Office  
Kathy Lingo, Executive Assistant

OTHERS: Representative from American Wagering, Inc.  
Representative from Betfair Interactive US, LLC d/b/a FanDuel Sportsbook  
Representatives from Penn Sports Interactive, LLC  
MLGCA Licensing Staff

**E. Randolph Marriner, Chair**

F. Vernon Boozer, George L. Doetsch, Jr., Michelle R. Fager, Harry E. Hodges, James J. Stakem, Jerry E. Williams

## **ROLL CALL**

Chair Marriner conducted a roll call to establish that a quorum was present. Present via audio/video conferencing for the meeting with Chair Marriner were: Vice Chair George Doetsch and Commissioners Vernon Boozer, Michelle Fager, James Stakem and Jerry Williams. Harold Hodges was not present.

## **CALL TO ORDER**

Chair Marriner called the meeting of the Maryland Lottery and Gaming Control Commission to order at 10 a.m.

## **STAFF REPORT**

### *Regulatory Oversight – John Mooney, Managing Director*

Mr. John Mooney presented five qualification hearings for sports wagering facility operator licenses.

### *Commission Action Items — **FIVE QUALIFICATION HEARINGS***

Mr. Mooney reported that before the Commission are five hearings in which MLGCA is requesting the Commission to determine whether the applicants are qualified for a sports wagering facility operator license:

1. BetMGM
2. American Wagering, Inc.
3. BetFair Interactive US, LLC d/b/a FanDuel Sportsbook
4. Churchill Downs Interactive Gaming, LLC
5. Penn Sports Interactive, LLC

The Commission has delegated to Agency Staff its authority to decide whether to apply an alternative licensing standard to an applicant. Staff has implemented a policy as to the minimum number of other valid and current licenses an applicant must hold before Staff will grant an applicant's request to apply alternative licensing standards to satisfy the Commission's qualification requirements: If an applicant holds a current, valid Maryland issued casino-related license issued by this Commission, that alone is a sufficient basis upon which Staff may grant a request to apply alternative licensing standards to satisfy qualification requirements. Maryland's qualification standards for casino-related licenses are identical to, and specifically incorporated in, the Sports Wagering Law, so they are clearly sufficient for qualifying an applicant for a sports wagering license on that basis. If an applicant does not hold a current, valid Maryland casino-related license, then the applicant must have a current, valid license in at least 3 of the 16 Commission-approved states that have licensing standards which are comprehensive and thorough, and provide similar and adequate safeguards to those in the Sports Wagering Law. The

Sports Wagering Law requires the Commission to regulate sports wagering to the same extent that it regulates casino licensing and operations under the Gaming Law (SG, Title 9, Subtitle 1A).

The applicants before the Commission for qualification hearings today hold current, valid sports wagering related licenses issued by at least 3 of the 16 Commission-approved states. They each have submitted requests for the application of alternative licensing standards as the basis for determining their qualifications for a sports wagering facility operator license, based on their licenses issued by other Commission-approved states.

Staff has decided to apply alternative licensing standards to these applicants to satisfy their qualification requirements before the Agency conducts a full background investigation. Staff will complete an extensive background investigation in due course. Following each sports wagering facility operator license applicant's qualification hearing, Staff will recommend the Commission find each applicant qualified for a sports wagering facility operator license by application of alternative licensing standards.

Mr. Mooney reported that 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.

Chair Marriner stated that the Commission would conduct qualification hearings for five applicants for Sports Wagering Facility Operator Licenses, which are: BetMGM; American Wagering, Inc.; Betfair Interactive US, LLC d/b/a FanDuel Sportsbook; Churchill Downs Interactive Gaming, LLC; and Penn Sports Interactive, LLC. Chair Marriner collectively administered the oath to those who may testify or answer a question in any of the hearings. He stated that Mr. Mooney would conduct a separate hearing for each applicant, and describe the results of Staff's investigation into each applicant. Chair Marriner stated that anyone on the call for the hearing on behalf of the Applicant may speak. The Commission may also ask questions of Staff or an applicant representative. At the end of each hearing, Chair Marriner will ask for a motion to find the applicant qualified by application of alternative licensing standards for a Sports Wagering Facility Operator License. If found qualified, he will ask for a motion to direct Staff to draft a decision statement. Chair Marriner then administered the oath to: MLGCA staff - John Mooney; Phil Metz; and Michael Pfisterer; as well as, Jason Weintraub, outside Counsel on behalf of BetFair Interactive US, LLC d/b/a FanDuel Sportbook, Gordon Feinblatt LLC; Robert Ruben, outside Counsel on behalf of American Wagering, Duane Morris LLP; Jeffrey Hendricks, Senior Vice President, Assistant General Counsel, Regulatory and Compliance on behalf of American Wagering, Inc.; Rhea Loney, Vice President, Compliance & Regulatory Affairs, on behalf of Penn Sports Interactive LLC. There were no representatives from BetMGM or Churchill Downs Interactive Gaming, LLC present on the call.

Mr. Mooney proceeded to present each of the five applicants for approval.

#### ***Commission Action Item — BetMGM — Qualification Hearing***

Mr. Mooney reported that BetMGM is a partnership between MGM Resorts International and Entain Holdings. MGM Resorts International and Entain Holdings signed a joint venture on July 30, 2018. BetMGM's Corporate Headquarters is located at 210 Hudson St., Harborside Plaza #3, Suite #602, Jersey City, New Jersey, BetMGM has applied for a sports wagering facility operator license.

Mr. Mooney reviewed the regulatory history, ownership of applicant and the principal qualifiers of BetMGM. He noted that BetMGM submitted its request for a Sports Wagering Facility Operator License, and listed the states in which BetMGM currently holds a sports wagering-related license including: Pennsylvania, Michigan and Virginia. Mr. Mooney said that MLGCA Staff recommends that the Commission entertain motions to find that BetMGM has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility Operator License by clear and convincing evidence; delegate to Lottery staff the authority to draft a written

statement of the Commission's decision on the qualification of the BetMGM and submit it to the applicant as soon as possible.

There were no representatives for BetMGM on the call. There were no questions from the Commission.

Chair Marriner asked for a motion to find that BetMGM has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility Operator License by clear and convincing evidence. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a motion to direct Staff to draft a decision statement of the Commission on the Commission's decision on the qualification of BetMGM. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

#### ***Commission Action Item — American Wagering, Inc. — Qualification Hearing***

Mr. Mooney reported that American Wagering, Inc. ("AWI"), was incorporated in the State of Nevada in August 1995, and was a publicly traded company. William Hill PLC, entered into agreements to acquire American Wagering Inc. in May 2011. In April 2021, Caesars Entertainment, Inc. ("Caesars") completed its acquisition of William Hill PLC. American Wagering, Inc. has applied for a Sports Wagering Facility Operator License.

Mr. Mooney reviewed the regulatory History of AWI. He noted that AWI submitted its request for a Sports Wagering Facility Operator License, and listed the states in which AWI currently holds a sports wagering-related license including: Virginia, Nevada, New York, Mississippi, and Pennsylvania. Mr. Mooney said that MLGCA confirmed that the licenses issued in the other states are current and valid, and Staff recommends that the Commission entertain motions to find that American Wagering, Inc. has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility Operator License by clear and convincing evidence; to delegate to Staff the authority to draft a decision statement of the Commission's decision on the qualification of AWI and submit it to the applicant as soon as possible.

Jeffrey Hendricks thanked the agency staff for their hard work. There were no questions from the Commission.

Chair Marriner asked for a motion to find that American Wagering, Inc. has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility Operator License by clear and convincing evidence. Vice Chair Doetsch moved, Commissioner Williams seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a motion to direct Staff to draft a decision statement of the Commission on the Commission's decision on the qualification of American Wagering, Inc. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

#### ***Commission Action Item — Betfair Interactive US, LLC d/b/a FanDuel Sportsbook — Qualification Hearing***

Mr. Mooney reported that Betfair Interactive US LLC, d/b/a FanDuel Sportsbook ("FanDuel" or "the Applicant") is currently the largest sports betting operator in the United States by volume.

FanDuel Group Inc., which is the parent company of Betfair Interactive US LLC, operates a number of leading gaming products in the U.S., to include retail and mobile sports wagering products. Betfair Interactive US LLC has applied for a Sports Wagering Facility Operator License.

Mr. Mooney reviewed the regulatory history and ownership of FanDuel. He noted that FanDuel submitted its request for a Sports Wagering Facility Operator License, and listed the states in which FanDuel currently holds a sports wagering-related license including: Michigan, Mississippi, New York, Pennsylvania, and Virginia. Mr. Mooney said that MLGCA Staff recommends that the Commission entertain motions to find that Betfair Interactive US LLC, d/b/a FanDuel Sportsbook has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility Operator License by clear and convincing evidence; delegate to Staff the authority to draft a written statement of the Commission's decision on the qualification of the FanDuel and submit it to the applicant as soon as possible.

Jason Weintraub thanked the agency staff for their hard work. There were no questions from the Commission.

Chair Marriner asked for a motion to find that Betfair Interactive US LLC, d/b/a FanDuel Sportsbook has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility Operator License by clear and convincing evidence. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a motion to direct staff to draft a decision statement of the Commission on the Commission's decision on the qualification of the Betfair Interactive US LLC, d/b/a FanDuel Sportsbook. Vice Chair Doetsch moved, Commissioner Williams seconded, and the motion was unanimously approved by roll call vote.

#### ***Commission Action Item — Churchill Downs Interactive Gaming, LLC — Qualification Hearing***

Mr. Mooney reported that Churchill Downs Interactive Gaming, LLC ("CDIG") was incorporated on September 5, 2013, and its corporate offices are located at 600 N. Hurstbourne Parkway, Suite #400, Louisville, KY, 40222. CDIG primarily operates in the gambling and lottery services industry within the amusement and recreation services sector. Churchill Downs Interactive Gaming, LLC has applied for a Sports Wagering Facility Operator License.

Mr. Mooney reviewed the regulatory history and ownership of CDIG. He noted that CDIG submitted its request for a Sports Wagering Facility Operator License, and listed the states in which CDIG currently holds a sports wagering-related license including: Colorado, Michigan, Mississippi, and Pennsylvania. Mr. Mooney said that MLGCA Staff recommends that the Commission entertain motions to find that Churchill Downs Interactive Gaming, LLC has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility Operator License by clear and convincing evidence; delegate to Staff the authority to draft a written statement of the Commission's decision on the qualification of the Churchill Downs Interactive Gaming, LLC and submit it to the applicant as soon as possible.

There were no representatives for Churchill Downs Interactive Gaming, LLC on the call. There were no questions from the Commission.

Chair Marriner asked for a motion to find that Churchill Downs Interactive Gaming, LLC has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility Operator License by clear and convincing evidence. Vice Chair Doetsch moved, Commissioner Williams seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a motion to direct staff to draft a decision statement of the Commission on the Commission's decision on the qualification of the Churchill Downs Interactive Gaming, LLC. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

***Commission Action Item — Penn Sports Interactive, LLC — Qualification Hearing***

Mr. Mooney reported that Penn Sports Interactive, LLC ("Penn Interactive" or "the Applicant") is a subsidiary of Penn National Gaming, Inc. ("PNGI"). PNGI currently holds a Maryland Video Lottery Operation License. Penn Sports Interactive, LLC has applied for a Sports Wagering Facility Operator License.

Mr. Mooney reviewed the regulatory history and ownership of Penn Interactive. He noted that Penn Interactive submitted its request for a Sports Wagering Facility Operator License, and listed the states in which Penn Interactive currently holds a sports wagering-related license including: Michigan, Pennsylvania, and Virginia. Mr. Mooney said that MLGCA Staff recommends that the Commission entertain motions to find that Penn Interactive has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility Operator License by clear and convincing evidence; delegate to Staff the authority to draft a written statement of the Commission's decision on the qualification of the Penn Sports Interactive, LLC and submit it to the applicant as soon as possible.

Rhea Loney thanked the Agency Staff and Commissioners for their review. There were no questions from the Commission.

Chair Marriner asked for a motion to find that Penn Sports Interactive, LLC has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility Operator License by clear and convincing evidence. Vice Chair Doetsch moved, Commissioner Williams seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a motion to direct staff to draft a decision statement of the Commission on the Commission's decision on the qualification of Penn Sports Interactive, LLC. Vice Chair Doetsch moved, Commissioner Williams seconded, and the motion was unanimously approved by roll call vote.

**DATE AND TIME OF NEXT MEETING**

The next regular Commission meeting will be held on Thursday, November 18, 2021, at 10:00 a.m., in-person at Maryland Lottery headquarters and via audio/video conference.

**ADJOURNMENT**

There being no further business, Chair Marriner adjourned the meeting at 10:34 a.m.

Respectfully submitted,

  
John Martin  
Director