



Lottery and Gaming Control Commission

1800 Washington Boulevard, Suite 330, Baltimore, MD 21230

**In Re the Application of
PointsBet Maryland LLC**

For a Sports Wagering Facility Operator License

License Applicant Number 2021-SW- 12

QUALIFICATION HEARING

November 18, 2021

**EXECUTIVE SUMMARY
OF BACKGROUND INVESTIGATION**

EXECUTIVE SUMMARY

Introduction

PointsBet Maryland LLC (“PointsBet” or “the Applicant”) is a newly formed Limited Liability Company for the purpose of operating the “PointsBet” brand sports book in the State of Maryland. PointstBet is a corporate bookmaker with operations in Australia and the United States. PointsBet has developed a scalable cloud-based wagering platform through which it offers its clients innovative sports and racing wagering products. PointsBet Maryland LLC has applied for a Sports Wagering Facility Operator 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.

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:

1. 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.
2. 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.

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

PointsBet is currently licensed in Australia and ten U.S. states. Staff is not aware of any unresolved issues that negatively impact the Applicant's qualifications and has otherwise found no derogatory information regarding PointsBet's qualifications to be licensed for a Sports Wagering Facility Operator License.

Ownership of Applicant

PointsBet Maryland LLC is a wholly owned Limited Liability Company with the ultimate holding company being PointsBet Holdings Limited, which is a publicly traded company listed on the Australian Stock Exchange.

Principal Qualifiers

The following individuals have been identified as principals and have submitted the required Principal Employee License Application to the MLGCA:

- John Aitken;
- Kate Chesney;
- Kosha Gada;
- Becky Harris;
- Peter McCluskey;
- Brett Paton;
- Manjit Singh;
- Samuel Swanell; and
- Anthony Symons.

Licensing Inquiry

PointsBet Maryland LLC submitted a Request for Application of Alternative Licensing Standards in support of its request for a Sports Wagering Facility Operator License. PointsBet stated that it holds a current sports wagering-related license in these Commission-approved states:

- Colorado Department of Revenue
 - Type of License: Sports Betting & Internet Sports Betting Operator
 - Expiration Date: 03/20/2022

- Status: Active and In Good Standing
- Illinois Gaming Board
 - Type of License: Sports Betting (Management Services Provider)
 - Expiration Date: Temporary License Issued
 - Status: Active and In Good Standing
- Michigan Gaming Control Board
 - Type of License: Sports Betting & Internet Sports Betting Operator
 - Expiration Date: Temporary License Issued
 - Status: Active and In Good Standing
- New Jersey Division of Gaming Enforcement
 - Type of License: Sports Wagering License
 - Expiration Date: Temporary License Issued
 - Status: Active and In Good Standing
- Pennsylvania Gaming Control Board
 - Type of License: Certified & Registered Gaming Service Provider (Affiliate License #137469)
 - Expiration Date: N/A
 - Status: Active and In Good Standing

Conclusion and Recommendations

Along with the Request for Application of Alternative Licensing Standards and Affidavit, the Applicant has submitted: a completed Sports Wagering Facility Operator License Application, payment of 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. Staff is not aware of information that would indicate PointsBet fails to meet the Commission's qualification requirements.

Staff recommends that the Commission find PointsBet Maryland LLC qualified for a Sports Wagering Facility Operator 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 PointsBet Maryland 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; and
2. Delegate to Staff the authority to draft a decision statement of the Commission's decision on the qualification of PointsBet Maryland LLC.