

**DECISION OF THE MARYLAND LOTTERY AND
GAMING CONTROL COMMISSION**

**Application for a B-2 Sports Wagering Facility License
Greenmount OTB, LLC**

License Applicant No. 2021-SW-18

**Qualification Hearing before
the Maryland Lottery and Gaming Control Commission
December 16, 2021**

On December 16, 2021, the Maryland Lottery and Gaming Control Commission (“Commission”) held a meeting that had a virtual option during which it conducted a hearing to determine whether Greenmount OTB, LLC (“Applicant” or “Greenmount OTB”) is qualified for a sports wagering facility license under Maryland’s Sports Wagering Law.

FINDINGS OF FACT

Background Process

1. Sports wagering in Maryland is governed by the Sports Wagering Law, found in State Government Article (“SG”), Title 9, Subtitle 1E, Annotated Code of Maryland, and the regulations of the Maryland Lottery and Gaming Control Commission (“Commission”), found in the Code of Maryland Regulations (“COMAR”) 36.10. The Sports Wagering Law also incorporates the Gaming Law, which governs casino operations in Maryland, found in SG, Title 9, Subtitle 1A, and COMAR 36.03.

2. The Commission is authorized to issue licenses necessary for sports wagering in the State, one of which is a sports wagering facility license. Unless a person holds a valid sports wagering facility license issued by the Commission, the person may not conduct, offer, or operate in-person sports wagering at a location in the State.

3. An applicant for a sports wagering-related license must submit an application to the

Commission. Before it can be issued a license, an applicant must meet all applicable qualification requirements in the Sports Wagering Law, and prove to the Commission, by clear and convincing evidence, that it is qualified under SG § 9-1E-07(e), and not disqualified under SG § 9-1E-07(g)(1). The Commission is required to deny the license application of an applicant that does not meet qualification requirements.

4. An applicant must submit to the Commission all information that is necessary for the Commission to determine its qualifications, and those of its principals, its principal entities, and any other necessary qualifiers.

5. Greenmount OTB, LLC submitted a Sports Wagering Facility License Application to the Commission and the Maryland Lottery and Gaming Control Agency (“MLGCA”) conducted an investigation to determine if Greenmount OTB is qualified for a Sports Wagering Facility License.

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6. Staff of the MLGCA’s Licensing Division provided the Applicant with written notice of the hearing. Christopher Richards and David Richardson were present through the virtual option at the meeting on behalf of the Applicant. In advance of the meeting, John J. Mooney, MLGCA’s Managing Director of Regulatory Oversight, provided the Commission the confidential full investigative report on Greenmount OTB, LLC. Mr. Mooney made publicly available Staff’s executive summary of the background investigation, and Staff’s recommendations.

Applicant’s Background

7. Greenmount OTB, LLC was incorporated in Maryland on July 20, 2017, to operate an off-track betting facility.

8. The facility began operations in January 2018, and is located in the Greenmount Station Restaurant at 1631 North Main Street, Hampstead, Carroll County, Maryland.

9. Greenmount OTB, LLC intends to hold a Class B-2 Sports Wagering Facility License and locate the sports wagering facility in the Greenmount Station Restaurant.

Ownership of Applicant

10. Mr. Christopher Richards is the sole owner of the Greenmount off-track betting facility and the sports wagering facility will be equally owned by Mr. Richards and Mr. David Richardson.

Licensing Inquiry

11. Greenmount OTB, LLC has filed a Sports Wagering Facility License Application with the Maryland Lottery and Gaming Control Agency.

12. Mr. Christopher Richards and Mr. David Richardson have each filed a Sports Wagering Principal Employee License Application with the Agency.

Discussion of Financial Performance

13. MLGCA performed a detailed analysis of Greenmount OTB's operating performance and financial condition for the calendar years ending December 31, 2018 through December 31, 2020 and the first nine months of 2021 by reviewing the following:

- Revenue;
- Operating Expenses and Net Profits;
- Assets and Liabilities;
- Profit Margins;
- Return on Equity and Return on Assets;
- Impact of the COVID-19 Pandemic;
- Dun & Bradstreet;
- Tax Returns; and

- Litigation.

14. Overall, MLGCA had no concerns with licensure of Greenmount OTB as a Sports Wagering Facility Licensee.

Results of Background Investigation

15. MLGCA conducted a complete and thorough background investigation as authorized under the Sports Wagering Law by analyzing corporate records and documents, scrutinizing the business operations, practices, and transactions of Greenmount OTB, and conducting interviews of key personnel, focusing on required qualification criteria involving integrity and financial stability.

16. MLGCA adhered to well-defined and approved investigative protocols in assembling the factual information incorporated in its report. The results of the investigation for the specific qualification criteria enunciated in SG§ 9-1E-07(e) and COMAR 36.10.03.02 and that Greenmount OTB is qualified under SG § 9-1E-07(e), and not disqualified under SG § 9-1E-07(g)(1), are summarized:

a) Financial Stability, Integrity and Responsibility

A comprehensive review was conducted of all of the consolidated financial statements for the last five years. The Applicant satisfied the standards for financial stability, integrity and responsibility in connection with the Sports Wagering Facility License Application.

b) Integrity of financial backers, investors, mortgages, bondholders, and other holders of indebtedness

Based on MLGCA review, there are no material issues involving the known financial backers of the Applicant.

c) Good character, honesty, and integrity

MLGCA found that the Applicant possesses the requisite good character, honesty, and integrity. No significant issues surfaced concerning the qualifications of the Applicant. There were no material issues discovered pertaining to the Applicant's record of regulatory compliance or litigation matters.

d) Sufficient business ability and experience

Greenmount OTB began operations as an off-track betting facility in January 2018. Greenmount OTB has consistently generated positive cash flows from operations and maintained sufficient liquidity to satisfy its financial obligations. The Applicant clearly possesses the requisite business ability and experience.

e) Potential disqualifying factors

The Applicant is not disqualified from being issued a Sports Wagering Facility License under SG § 9-1E-07(g)(1) based on any of the criteria listed in SG § 9-1E-07(e) and COMAR 36.10.03.02.

Applicant and Principal Entities

17. The Applicant and its principal entities satisfy the applicable qualification criteria under SG § 9-1E-07(e) and COMAR 36.10.03.02, and are not disqualified under SG § 9-1E-07(g)(1).

Sports Wagering Facility License Application

18. The Applicant 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.

19. MLGCA Staff is not aware of information that would indicate Greenmount OTB, LLC fails to meet the Commission's qualification requirements.

20. MLGCA Staff recommends that the Commission determine the Applicant has established that it is qualified, by clear and convincing evidence, for a Class B-2 Sports Wagering Facility License.

CONCLUSIONS OF LAW

1. The Applicant has established by clear and convincing evidence that it is qualified for, and is not disqualified from, a Class B-2 Sports Wagering Facility License.

2. The Applicant remains under an ongoing obligation to comply with all qualification requirements and to notify the Commission if any of the information submitted to the Commission or MLGCA changes.

3. If MLGCA Staff 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.

4. The Secretary of the Commission will transmit this decision statement to the Sports Wagering Application Review Commission.

REVIEW RIGHTS

A party aggrieved by this final administrative Decision may file a petition for judicial review with the circuit court for the county where any party resides or has a principal place of business within thirty days of the date of this Decision. SG § 10-222; Maryland Rules 7-201 – 7-211.



E. Randolph Marriner, Chair

12/16/21
Date