

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

**Application for Sports Wagering Facility License  
Arundel Amusements, Inc. D/B/A Bingo World**

**License Applicant No. 2021-SW-19**

**Qualification Hearing before  
the Maryland Lottery and Gaming Control Commission  
February 24, 2022**

On February 24, 2022, the Maryland Lottery and Gaming Control Commission (“Commission”) held a meeting during which it conducted a hearing to determine whether Arundel Amusements, Inc. d/b/a Bingo World (“Applicant” or “Arundel Amusements”) 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 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 COMAR 36.10.03.02, 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. Arundel Amusements submitted a B-1 Sports Wagering Facility License Application to the Commission and the Maryland Lottery and Gaming Control Agency (“MLGCA”) conducted an investigation to determine whether Arundel Amusements is qualified for a B-1 Sports Wagering Facility License.

**Qualification Hearing – February 24, 2022**

6. Staff of the MLGCA’s Licensing Division provided the Applicant with written notice of the hearing. Randy Clemens was present 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 Arundel Amusements. Mr. Mooney made publicly available Staff’s executive summary of the background investigation, and Staff’s recommendations.

**Applicant’s Background**

7. Arundel Amusements is an S corporation formed in Maryland on September 6, 1992, and conducts operations as Bingo World.

8. Bingo World is located in Anne Arundel County at 4901 Belle Grove Road and is Maryland’s largest bingo hall.

9. On November 17, 2021, Arundel Amusements and RSI MD, LLC (“RSI MD”) entered into a 15-year online sports wagering cooperation and retail sports wagering services agreement.

### **Ownership of Applicant**

10. Arundel Amusements is privately-owned by Mr. Ernest Joseph Litty, Jr. and Mr. Randy Robert Clemens who own 80% and 20%, respectively.

11. Mr. Litty holds the title of Chairman of the Board and Mr. Clemens serves as Arundel Amusements’ President.

### **Licensing Inquiry**

12. Arundel Amusements has submitted a B-1 Sports Wagering Facility License Application.

13. Mr. Litty and Mr. Clemens have each submitted a Principal Employee License Application to the Commission.

14. RSI MD has filed a Sports Wagering Facility Operator License Application with the Commission.

### **Discussion of Financial Performance**

15. MLGCA performed a detailed analysis of Arundel Amusements, Inc.’s operating performance and financial condition for the period beginning January 1, 2016 and ending December 31, 2020 by reviewing the following:

- Revenues and Expenses;
- Balance Sheets;
- Liquidity and Cash Flow;
- Trend Analysis:
  - Current Ratio and Quick Ratio;
  - Operating Profit Margin and Net Profit Margin;

- Return on Equity and Return on Assets;
- Debt to Equity Ratio and Debt Ratio; and
- Interest Coverage Ratio;
- Litigation;
- Tax Returns; and
- Credit Bureau Reports.

16. A supplemental review of Arundel Amusements' operating performance for the first nine months of calendar year 2021 and its financial position as of September 30, 2021 was also conducted.

17. Overall, MLGCA had no concerns with licensure of Arundel Amusements, Inc. as a Sports Wagering Facility Licensee or with Mr. Ernest Joseph Litty, Jr. and Mr. Randy Clemens as Sports Wagering Principal Licensees.

#### **Results of Background Investigation**

18. 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 Arundel Amusements; and conducting interviews of key personnel, focusing on required qualification criteria involving integrity and financial stability.

19. MLGCA adhered to well-defined and approved investigative protocols in assembling the factual information incorporated in the MLGCA's 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 Arundel Amusements 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 B-1 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**

Arundel Amusements, Inc. (d/b/a) Bingo World has sufficient business ability and experience.

**e) Potential disqualifying factors**

The Applicant is not disqualified from being issued a B-1 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**

20. 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**

21. The Applicant submitted a completed B-1 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.

22. MLGCA Staff is not aware of information that would indicate Arundel Amusements, Inc. fails to meet the Commission's qualification requirements.

23. MLGCA Staff recommends that the Commission determine the Applicant has established that it is qualified, by clear and convincing evidence, for a Class B-1 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 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.



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E. Randolph Marriner, Chair

2/24/22

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Date