MARYLAND LOTTERY and GAMING CONTROL COMMISSION

1800 Washington Blvd., Suite 330, Baltimore, Maryland 21230

COMMISSION REPORT



In Re the Application of Arundel Amusements, Inc. d/b/a Bingo World For a Sports Wagering Facility License

License Applicant Number 2021-SW- 19

Report Date: February 10, 2022

"Commission Presentation"

Introduction

We are conducting a hearing on the Sports Wagering Facility License Application submitted by Arundel Amusements, Inc. d/b/a/Bingo World. The Maryland Lottery and Gaming Control Agency is required by "The Sports Wagering Law" to conduct an investigation to determine if Arundel Amusements, Inc., is qualified for a Sports Wagering Facility License.

You (the Commissioners) have been provided with the complete investigative report on Arundel Amusements, Inc. You have also received a copy of the public report that was in your packets and made available to the public on the agency website. I will summarize the reports that have been given to you.

Background

Arundel Amusements, Inc. (the "Company") is an S corporation formed in Maryland on September 6, 1992, and conducts operations as Bingo World. Located in Anne Arundel County at 4901 Belle Grove Road, Bingo World is Maryland's largest bingo hall. The Company is privately-owned by Mr. Ernest Joseph Litty, Jr. and Mr. Randy Robert Clemens who own 80% and 20%, respectively. Mr. Litty holds the title of Chairman of the Board and Mr. Clemens serves as the Company's President. On November 17, 2021, Arundel Amusements, Inc. and Rush Street Interactive MD, LLC ("RSI") entered into a 15-year online sports wagering cooperation and retail sports wagering services agreement. Rush Street Interactive MD, LLC has been granted the exclusive right to provide sports wagering development and on-going support services to Arundel Amusements' retail operation.

Arundel Amusements, Inc. has submitted a B1 Sports Wagering Facility License Application to the Maryland Lottery and Gaming Control Commission, and Mr. Litty and Mr. Clemens have each submitted a Principal Employee Application to the Commission. Additionally, Rush Street Interactive MD, LLC has filed a Sports Wagering Facility Operator Application with the Commission.

Findings

The MLGCA conducted a complete and thorough background investigation as authorized under the Gaming Law by analyzing corporate records and documents; scrutinizing the business operations, practices, and transactions of Arundel Amusements, Inc.; and conducting interviews of key personnel, focusing on required qualification criteria involving integrity and financial stability. MLGCA adhered to well-defined and approved investigative protocols in assembling the factual information incorporated in this report. The results of the investigation for the specific qualification criteria enunciated in SG § 9-1E-07(e) and COMAR 36.10.03.02 are summarized as follows:

- Arundel Amusements, Inc. was found to have financial stability, integrity and responsibility;
- There are no material issues involving the known financial backers of the Applicant;
- Arundel Amusements, Inc. possesses the requisite good character, honesty and integrity;
- 4) Arundel Amusements, Inc. has sufficient business ability and experience; and
- 5) There were no potential disqualifying factors.

Applicant and Principal Entities

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).

In addition to the completed Sports Wagering Facility License application that the Applicant submitted, it also submitted an affidavit attesting to the minority and women-owned interests of the applicant; all required fees; and proof of adequate bond.

Conclusion and Recommendations

MLGCA's investigation has confirmed that the Applicant has sufficient financial resources and found no derogatory information regarding the Applicant's qualifications. Based on the criteria in SG § 9-1E-07(e) and COMAR 36.10.03.02, we conclude that the Applicant has established by clear and convincing evidence the qualifications required for a B1 Sports Wagering Facility License, and is not disqualified under SG § 9-1E-07(g)(1).

Commission Action Requested:

Motion: Motion to find that Arundel Amusements, Inc. has established, by clear and convincing evidence, its qualifications for a B1 Sports Wagering Facility License.

Motion: Motion to direct Staff to draft a decision statement of the Commission on the qualification of Arundel Amusements, Inc. for a B1 Sports Wagering Facility License.

Motion: Motion to direct the Secretary of the Commission to transmit the decision statement to the Sports Wagering Application Review Commission.