

MARYLAND LOTTERY and GAMING CONTROL COMMISSION

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

COMMISSION REPORT



**In Re the Application of
Maryland Stadium Sub, LLC
For a Sports Wagering Facility License**

License Applicant Number: 2021-SW-28

Report Date: August 1, 2022

“COMMISSION PRESENTATION”

INTRODUCTION

Role of the Maryland Lottery and Gaming Control Commission ("Commission")

The Commission is required to determine whether sports wagering applicants have proven, by clear and convincing evidence, that they meet the qualifications for licensure under the Sports Wagering Law. Requirements for qualification include: (1) applicant's financial stability and integrity; (2) integrity of any financial backers related to the application; (3) applicant's good character, honesty, and integrity; (4) applicant's business ability; and (5) whether there are any mandatory disqualifiers that prevent the applicant from proving its qualifications by clear and convincing evidence. The Commission cannot issue a license unless it determines that the applicant is qualified.

The Regulatory Licensing and Investigations Division of the Maryland Lottery and Gaming Control Agency ("Agency") conducts the required background investigation of an applicant's qualifications. A report of the background investigation is provided to the Commission to assist it in determining whether the applicant described in this Report has proven that it is qualified.

The full report is confidential, and is available to the Commission on the Agency's shared drive. The Executive Summary that will be presented by Staff

at the Commission meeting is a public document, which will be provided in the Commission packets, and is also available on the Agency website with other Commission meeting documents.

Process

As a prerequisite to being eligible for a Sports Wagering Facility License, an applicant must submit a Sports Wagering Facility License Application to the Commission. The applicant must prove to the Commission, by clear and convincing evidence, that it meets the qualification criteria set forth in the Annotated Code of Maryland, State Gov't Article ("SG"), § 9-1E 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 § 9-1A, and COMAR 36.03 (collectively, "the Gaming Law"), which establishes requirements for all casino-related licenses.

Specifically, the applicant must prove that it meets applicable qualification requirements in the Sports Wagering Law, and prove 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 COMAR 36.10.03.02C and SG 9-1E-07(g)(1). An applicant must provide all information to the Commission that is

necessary for a qualification determination as to the applicant, its principals, and its principal entities.

The Agency (“MLGCA,” “we” or “our”), conducted a suitability background license investigation of Maryland Stadium Sub, LLC (“Maryland Stadium Sub,” or “the Applicant”) in connection with its application for a sports wagering facility license. The investigation, conclusions, and recommendations provided herein are limited solely to the Agency’s authority under Maryland law to conduct a background investigation for a sports wagering facility and principal employee license. The investigation was limited to the facts that were available to the Agency pursuant to the Sports Wagering Law and Gaming Law in the course of this investigation.

We are conducting a hearing on the A-1 Sports Wagering Facility License Application submitted by Maryland Stadium Sub, LLC. The Maryland Lottery and Gaming Control Agency is required by “The Gaming Law” to conduct an investigation to determine if Maryland Stadium Sub is qualified to be awarded a Class A-1 Sports Wagering Facility License.

You (the Commissioners) have been provided with the complete investigative report on Maryland Stadium Sub. You have also received a copy

of the public report that was in your packets and made available to everyone on the agency website. I will summarize the reports that have been given to you.

Background

In accordance with the Sports Wagering Law, Maryland Stadium Sub, LLC is the designee of FedEx Field in Landover, Maryland. Maryland Stadium Sub, LLC was incorporated in Delaware on September 29, 2021, for the purpose of operating a sports wagering facility at FedEx Field (home of the “Washington Commanders”). Maryland Stadium Sub, LLC is registered to do business in Maryland. The Applicant has submitted a Sports Wagering Facility License Application to the Commission.

Ownership of the Company

Maryland Stadium Sub, LLC is solely owned by Daniel Marc Snyder. Daniel Snyder is the majority owner of the “Washington Commanders” (NFL franchise). Mr. Snyder has filed a Sports Wagering Principal Employee License Application with the Commission.

Discussion of Financial Performance of the Company

Maryland Stadium Sub, LLC has had no financial activity since it was established. All costs associated with the formation of Maryland Stadium Sub, LLC as well as all license application fees were borne solely by Mr. Snyder.

Litigation - Investigations

An internet records search was conducted for any bankruptcy, civil or criminal litigation involving Maryland Stadium Sub, LLC. No criminal cases were noted; however, several noteworthy issues involving the Washington Commanders (formerly known as the “Washington Football Team” (“WFT”) and the “Washington Redskins”) and the owner, Mr. Snyder, were identified.

On June 8, 2022 at approximately 9:30 a.m., Mr. Snyder was interviewed by MLGCA investigators via a “Zoom” meeting in reference to the noteworthy issues. MLGCA investigators have also met with attorneys Mali Friedman, Chief Legal Officer and SVP, Business Affairs at Washington Commanders, James McCarroll, and Jordan Siev, counsel for Mr. Snyder of Reed Smith LLP. During the meeting, the issues involving Mr. Snyder and the Washington Commanders were discussed.

After a thorough review of all the information provided on behalf of Maryland Stadium Sub, LLC and Mr. Snyder and following a personal interview with Mr. Snyder, Staff is unable to substantiate any of the allegations against Mr. Snyder. Furthermore, Mr. Snyder is not currently under investigation by any law enforcement agency or government entity for any criminal-related matters.

Congressional Testimony of Mr. Snyder

On Thursday, July 28, 2022, Mr. Snyder testified under oath before the United States House of Representatives Oversight Committee (“the Committee”) in relation to its ongoing probe into the alleged toxic workplace culture within the Washington Commanders organization. Subsequent to Mr. Snyder’s testimony before the Committee, MLGCA staff spoke with James McCarroll (attorney with Reed Smith LLP), Mr. Snyder’s counsel. Mr. McCarroll ensured staff that Mr. Snyder’s testimony was consistent with the testimony and information he provided during our investigation and interview with him. Mr. McCarroll further reported that a transcript of Mr. Snyder’s testimony before the Committee is not yet available; however, when it becomes available he will ensure that MLGCA Staff is promptly provided with a copy.

Other Sports Betting Jurisdictions

Further investigation revealed that on January 21, 2021, the Virginia Lottery granted a joint sports betting permit to the Commanders with Betfair Interactive US, LLC (d/b/a FanDuel). The Commanders, in conjunction with Betfair Interactive US, LLC have remained in good standing with the Virginia Lottery. The Virginia Lottery also confirmed that on April 24, 2022, Mr.

Snyder was granted a Sports Betting Principal license which expires on April 1, 2025.

FINDINGS

The 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 Maryland Stadium Sub, LLC and conducting interviews of key personnel, focusing on required qualification criteria involving integrity and financial stability.

A comprehensive review was conducted of all of the consolidated financial statements. The Applicant satisfies the standards for financial stability, integrity and responsibility in connection with the Sports Wagering Facility License Application. We offer the following comments:

- 1) Maryland Stadium Sub was found to have financial stability, integrity and responsibility;
- 2) There are no material issues involving the known financial backers of the Applicant;
- 3) Maryland Stadium Sub possesses the requisite good character, honesty and integrity;

- 4) Maryland Stadium Sub has sufficient business ability and experience;

and
- 5) There were no potential disqualifying factors.

APPLICANT AND PRINCIPAL ENTITIES

The Applicant satisfies the applicable qualification criteria under SG § 9-1E-07(e)(6) and COMAR 36.10.03.02, and is not disqualified under COMAR 36.10.03.02C and SG § 9-1E-07(g)(1).

PRINCIPAL QUALIFIERS

We identified the following natural person qualifier (“principal”) who is associated with the Applicant. We conducted an extensive due diligence investigation on the qualifier, as described in our full report. We found that the principal has satisfied the applicable qualification criteria under SG § 9-1E-07(e)(6) and COMAR 36.10.03.02 and 36.10.06.05, and is not disqualified under COMAR 36.10.03.02C.

1. Daniel Marc Snyder (Owner)

CONCLUSION AND OPINION

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)(6) and COMAR 36.10.03.02, we conclude that the Applicant and its principal has established by clear and convincing evidence their qualifications for a Class A-1 Sports Wagering Facility License.