



Lottery and Gaming Control Commission

1800 Washington Boulevard, Suite 330, Baltimore, MD 21230

**In Re the Application of
Long Shot's LLC**

**MOBILE SPORTS WAGERING
LICENSE APPLICANT**

License Applicant Number SW-2022-10

Report Date: October 11, 2022

**EXECUTIVE SUMMARY
OF BACKGROUND INVESTIGATION**

"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 Licensing 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 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. If the applicant is found qualified, the decision statement of the Commission will be forwarded to the Sports Wagering Application Review Commission for it to determine whether to award a license.

Process

As a prerequisite to being eligible for a Mobile Sports Wagering License, an applicant must submit a Mobile Sports Wagering 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 is qualified under SG § 9-1E-07(e) and COMAR 36.10.03.02 and 36.10.05 and not disqualified under 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 Applicant

The Agency (“MLGCA,” “we” or “our”), conducted a suitability background license investigation of Long Shot’s LLC (“Long Shot’s” or “Applicant”) in connection with its application for a Mobile Sports Wagering License.

Long Shot’s LLC was incorporated in Maryland on March 15, 2021, for the sole purpose of holding retail and mobile sports wagering licenses. It was found qualified for a Sports Wagering Facility License by the Commission on December

2, 2021 after undergoing a full background investigation by the Agency. It is currently undergoing further regulatory review in preparation of the issuance of its Sports Wagering Facility License. Long Shot’s has applied for a Mobile Sports Wagering License.

ALTERNATIVE LICENSING

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 this State or 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. SG 9-1E-05(c). 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.

Because Maryland’s qualification standards for other sports wagering-related licenses are identical to and are a part of the Sports Wagering Law, they are therefore, clearly sufficient for qualifying an applicant for a different sports wagering license on that basis.

Alternative Licensing 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 permitted under SG § 9-1E-05(c) and 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 sports wagering-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 all sports wagering-related licenses are identical, so they are clearly sufficient for qualifying an applicant for a mobile sports wagering license on that basis.
2. If an applicant holds a current, valid Maryland 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; or
3. If an applicant does not hold a current, valid Maryland casino-related license, but the applicant has 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.

INVESTIGATION INTO APPLICANT

Regulatory History of Applicant

Long Shot’s LLC and BetFred Sports (Maryland), LLC entered into a sports wagering facility and online operating agreement on June 27, 2022. Long Shot’s LLC was found qualified by the Commission for a Sports Wagering Facility License on December 2, 2021 after undergoing a full background investigation by the Agency. BetFred Sports was qualified for a Sports Wagering Facility Operator License on August 10, 2022. Both entities are currently undergoing further regulatory examination by the Agency in preparation of the issuance of their sports wagering facility-related licenses and commencing operations.

MLGCA Staff is not aware of any unresolved issues that negatively impact the Applicant’s qualifications and MLGCA has otherwise found no derogatory information regarding Long Shot’s LLC that would disqualify it from holding a Mobile Sports Wagering License.

Ownership of Applicant

Long Shot’s is wholly-owned by Ms. Alyse Cohen. Ms. Cohen is currently licensed as a Principal Employee by the Commission. There have been no changes in ownership since Long Shot’s was found qualified by the Commission for a Sports Wagering Facility License.

5400 Holiday Entertainment, LLC (“5400 HE”) was established in Maryland on July 2, 2018 and markets and manages a restaurant and off-track betting facility doing business as “Long Shot’s” located in the Clarion Inn Frederick Events Center at 5400 Holiday Drive, Frederick, Maryland. Cohenterprises, Inc. is a Maryland corporation established January 1, 1994, and serves as the management company for several businesses, including 5400 HE. Cohenterprises employs all of the office and hospitality staff for the Clarion Inn including Long Shot’s restaurant and off-track betting facility. Both 5400 Holiday Entertainment, LLC and Cohenterprises, Inc. are currently licensed as Principal Entities by the Commission.

Licensing Inquiry

Long Shot’s submitted a Request for Application of Alternative Licensing Standards in support of its request for a Mobile Sports Wagering License. Long Shot’s LLC was found qualified by the Maryland Lottery and Gaming Control Commission for a Sports Wagering Facility License on December 2, 2021 after undergoing a full background investigation.

CONCLUSION AND RECOMMENDATIONS

Along with the Request for Application of Alternative Licensing Standards and Affidavit, the Applicant has submitted: a completed Mobile Sports Wagering

License Application, an affidavit attesting to the minority- and women-owned interests of the Applicant, adequate proof of bond, and all required fees.

The Agency can confirm that this Commission qualified the Applicant for a Sports Wagering Facility License and that it continues to work with the Applicant and BetFred towards issuance of their sports wagering facility-related licenses. Staff is not aware of information that would indicate Long Shot’s LLC fails to meet the Commission’s qualification requirements.

Staff recommends that the Commission find Long Shot’s LLC qualified for a Mobile Sports Wagering License based on application of 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 Long Shot’s LLC has established by application of alternative licensing standards that it is qualified for a Mobile Sports Wagering License by clear and convincing evidence;
2. Delegate to Staff the authority to draft the Commission’s decision statement on the qualification of Long Shot’s LLC; and
3. Direct the Secretary of the Commission to transmit the decision statement to the Sports Wagering Application Review Commission.