



Lottery and Gaming Control Commission

1800 Washington Boulevard, Suite 330, Baltimore, MD 21230

**In Re the Application of
BetMGM, LLC
d/b/a Roar Digital**

**ONLINE SPORTS WAGERING
OPERATOR LICENSE APPLICANT**

**License Applicant Number SW-2022-26
Report Date: October 17, 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 Agency will work with the operator to ensure that all applicable requirements are met prior to issuing a license to operate.

Process

As a prerequisite to being eligible for an Online Sports Wagering Operator License, an applicant must submit an Online Sports Wagering Operator 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 36.10.06.02 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 BetMGM, LLC d/b/a Roar Digital ("BetMGM" or "Applicant") in connection with its application for an Online Sports Wagering Operator License. BetMGM is a Delaware limited liability company that was formed on July 30, 2018. BetMGM is the exclusive sports betting division of MGM, both online and in MGM casinos nationwide. BetMGM is also the headline brand for online casino gaming alongside sister brands Borgata

Online (New Jersey), Party Casino and Party Poker. BetMGM is currently licensed and active in twenty (20) states, as well as Puerto Rico.

BetMGM was qualified by the Commission by application of alternative licensing standards for a Sports Wagering Facility Operator License on November 4, 2021. BetMGM was issued a Sports Wagering Facility Operator License on November 18, 2021 and is MGM National Harbor’s sports wagering operator.

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 an Online Sports Wagering Operator 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

BetMGM is a partnership between MGM Resorts International and Entain Holdings that was formed on July 30, 2018. BetMGM’s Corporate Headquarters is located in Jersey City, New Jersey, and currently operates mobile and retail sports wagering across 20 jurisdictions in the United States. 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 BetMGM that would disqualify it from holding an Online Sports Wagering Operator License.

Ownership of Applicant

BetMGM is a partnership between MGM Resorts International and Entain Holdings.

Principal Qualifiers

The following individuals have been identified as Principals and are currently licensed by the Commission:

- Matthew Thomas Prevost - Revenue Officer (Principal License Approved: 11/18/2021);
- Gary Allan Deutsen - Chief Financial Officer (Principal License Approved: 11/18/2021); and
- Adam Bryce Greenblatt - Chief Executive Officer (Principal License Approved: 11/18/2021).

Licensing Inquiry

BetMGM submitted a Request for Application of Alternative Licensing Standards in support of its request for an Online Sports Wagering Operator License. Although BetMGM holds a Maryland-issued Sports Wagering Facility Operator License, because it was qualified by application of alternative licensing standards in Maryland, its current licenses in these Commission-approved states are pertinent. BetMGM stated that it holds a current license in these Commission-approved states:

- Pennsylvania Gaming Control Board
 - Type of License: Sports Wagering Operators License
 - Expiration Date: 10/27/2025
 - Status: License is in Good Standing

- Michigan Gaming Commission
 - Type of License(s): Commercial Supplier, Internet Gaming & Sports Betting
 - Expiration Date: 08/09/2025
 - Status: License is in Good Standing

- Virginia Lottery
 - Type of License: Permit Holder License
 - Approved 05/12/2021
 - Status: License is in Good Standing

CONCLUSION AND RECOMMENDATIONS

Along with the Request for Application of Alternative Licensing Standards and Affidavit, the Applicant has submitted: a completed Online Sports Wagering Operator License Application, adequate proof of bond, and all required fees.

MLGCA's inquiry with the states identified above confirms that the licenses issued by those states are current and valid. Staff is not aware of information that would indicate BetMGM, LLC d/b/a Roar Digital fails to meet the Commission's qualification requirements.

Staff recommends that the Commission find BetMGM, LLC qualified for an Online Sports Wagering Operator License based on 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 BetMGM, LLC d/b/a Roar Digital has established by application of alternative licensing standards that it is qualified for an Online Sports Wagering Operator License by clear and convincing evidence; and

2. Delegate to Staff the authority to draft the Commission’s decision statement on the qualification of BetMGM, LLC d/b/a Roar Digital.