

Maryland Lottery and Gaming Control Commission

Larry Hogan, Governor



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

MARYLAND LOTTERY AND GAMING CONTROL COMMISSION DECEMBER 1 SPECIAL COMMISSION MEETING MINUTES

DATE: December 1, 2022

TIME: 9:00 a.m.

PLACE: Maryland Lottery and Gaming Control Agency
(Meeting conducted via audio/video conference call)

PRESENT: Chair E. Randolph Marriner
Vice Chair George L. Doetsch, Jr.
Commissioner F. Vernon Boozer
Commissioner Diane M. Croghan
Commissioner Harold E. Hodges
Commissioner James J. Stakem
Commissioner Jerry Williams

John Martin, Director
James Nielsen, Deputy Director, Chief Operating Officer
James Butler, Assistant Deputy Director, Chief of Staff
James Logue, Managing Director, Gaming
John Mooney, Managing Director, Regulatory Oversight
Solomon Ramsey, Managing Director, Sales and Marketing
Carole Gentry, Managing Director, Communications
Holly Citko, Principal Counsel, Attorney General's Office
Jennifer Tosky, Deputy Counsel, Attorney General's Office
Kathy Lingo, Executive Assistant

OTHERS: MLGCA Licensing Staff
Representatives from Bally's Interactive Maryland, LLC and Bally's Interactive LLC

E. Randolph Marriner, Chair

F. Vernon Boozer, Diane M. Croghan, George L. Doetsch, Jr., Harold E. Hodges, James J. Stakem, Jerry E. Williams

QUORUM ESTABLISHED

Chair Marriner announced that there was a quorum present for the meeting. Also present virtually were: Vice Chair George Doetsch, and Commissioners Diane Croghan, Harold Hodges, James Stakem and Jerry Williams. Commissioner Vernon Boozer joined the call at 9:19 a.m.

CALL TO ORDER

Chair Marriner called the meeting of the Maryland Lottery and Gaming Control Commission to order at 9:00 a.m.

COMMISSION ACTION ITEMS

Managing Director, Regulatory Oversight — John Mooney

Chair Marriner stated that Mr. Mooney will conduct a separate hearing for each Applicant and describe the results of Staff's investigation. The Commission may ask questions of Staff or a representative of the Applicant. Anyone here on behalf of the Applicant may address the Commission, and take questions, if necessary. At the end of each hearing, Mr. Mooney will ask for a motion to find the Applicant qualified for the sports-wagering related license the Applicant is seeking. If found qualified, Mr. Mooney will ask for a motion to direct the Staff to draft a decision statement. If the sports-wagering related license the Applicant is seeking must be awarded by the Sports Wagering Application Review Commission (SWARC), Mr. Mooney will ask for a motion to transmit the decision statement to SWARC.

Chair Marriner collectively administered the oath to anyone who may testify or answer a question in any of the hearings. The individuals sworn in included: MLGCA Staff - John Mooney, Barry Laurent, and Raynard Jones; representatives for Bally's Interactive Maryland, LLC and Bally's Interactive, LLC - Steve Wise and Adi Dhandhanian; there was no representative for WSI SU, LLC d/b/a WynnBet.

Mr. Mooney said because Bally's and WSI are seeking both a Mobile Sports Wagering License and an Online Sports Wagering Operator License, he would consolidate their qualification hearings into one presentation. He would summarize the reports that were sent to the Commission prior to this meeting and have been available on the Agency's website prior to this meeting. There would be four qualification hearings for sports wagering-related licenses: two were mobile sports wagering license Applicants (Bally's Interactive Maryland, LLC; and WSI US, LLC d/b/a WynnBet); and two were online sports wagering operator Applicants (Bally's Interactive, LLC; and WSI US, LLC d/b/a WynnBet).

Mr. Mooney noted that the investigative reports were provided to Commission members prior to the meeting and added that publicly available summaries of the reports are available at mdgaming.com. Mr. Mooney then read a statement that pertained to all four hearings, which outlined the laws and regulations that govern the sports wagering licensing qualification standards. To qualify for any sports wagering-related license, an Applicant must submit the appropriate application and prove to the Commission by clear and convincing evidence that it meets the qualification criteria of the sports wagering law.

All Applicants must prove that they are qualified under State Government (SG) Article § 9-1E-07(e) and Code of Maryland Regulations (COMAR) 36.10.03.02 and must not be disqualified under SG § 9-1E-07(g)(1). Additionally, Mobile sports wagering Applicants must meet the requirements in

COMAR 36.10.05; and online sports wagering operator Applicants must meet the requirements in COMAR 36.10.06.02.

Mr. Mooney also described SG § 9-1E-05(c) that authorizes the Commission to establish an abbreviated process for qualifying and licensing an Applicant that holds a valid license in Maryland or another state, if the Commission determines that the licensing standards of the other state are comprehensive and thorough and provide similar safeguards to those in Maryland's sports wagering law. This alternative standard is implemented by COMAR 36.10.02.12. Staff has identified 16 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. On October 6, 2021, the Commission unanimously approved these 16 states and Maryland as having licensing standards that are comprehensive and thorough, and provide similar and adequate safeguards to those in Maryland's sports wagering law. Additionally, on October 6, 2021, the Commission delegated to staff the authority to decide whether to apply alternative licensing standards to an Applicant who requests they be applied.

Maryland's qualification requirements for sports wagering-related licenses and casino-related licenses are identical to and are a part of the sports wagering law. If an Applicant is already qualified by the MLGCC for a casino or sports wagering-related license, then they are clearly qualified for a different sports-wagering related license. This would be applying alternative licensing standards as authorized by law and the Commission.

If a request for application for alternative licensing standards is granted the Applicant may be qualified for a license before the Agency conducts a full background investigation. The MLGCA will conduct a full background investigation in due course.

The MLGCC may only apply the alternative licensing process if an Applicant:

1. Holds a current, valid Maryland sports wagering-related license issued by this Commission.
2. Holds a current, valid Maryland casino-related license issued by this Commission.
3. Does not hold a current, valid Maryland casino-related or sports wagering-related license, but has a current, valid license in at least 3 of the 16 Commission-approved states. Staff may apply alternative licensing standards to satisfy qualification requirements.

The MLGCC'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.

If MLGCA staff learns, whether through a background investigation or otherwise, that the Applicant does not meet a Commission requirement, the Commission may take appropriate enforcement action, up to and including revocation of a license. Each Applicant has acknowledged this by affidavit.

All Applicants presented today have submitted a completed application for the license they are seeking, adequate proof of bond and all required fees.

Mr. Mooney began with the mobile sports wagering license Applicant qualification hearings. After each hearing, MLGCA staff recommends that the Commission entertain three motions:

1. Find that the Applicant 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 the Applicant; and
3. Direct the Secretary of the Commission to transmit the decision statement to SWARC.

Chair Marriner stated that Mr. Mooney will conduct a separate hearing for each Applicant and describe the results of Staff's investigation. Anyone who is present for the hearing on behalf of the Applicant may speak. The Commission may ask questions of Staff or a representative of the Applicant. Anyone here on behalf of the Applicant may address the Commission, and take questions, if necessary. At the end of each hearing, Mr. Mooney will ask for a motion to find the Applicant qualified for the sports-wagering related license the Applicant is seeking. If found qualified, Mr. Mooney will ask for a motion to direct the Staff to draft a decision statement. If the sports-wagering related license the Applicant is seeking must be awarded by the Sports Wagering Application Review Commission (SWARC), Mr. Mooney will ask for a motion to transmit the decision statement to SWARC.

Commission Action Item –

Bally's Interactive Maryland, LLC Mobile Sports Wagering License

Bally's Interactive, LLC Online Sports Wagering Operator License

Mr. Mooney consolidated both of Bally's reports because the parent company associated with both Bally's applications was Bally's Corporation. Mr. Mooney summarized the publicly available Executive Summaries of the MLGCA's investigative report on Bally's Interactive Maryland, LLC and Bally's Interactive, LLC. Staff is not aware of any information that would indicate Bally's, fails to meet the Commission's qualification requirements. Staff recommended Bally's Interactive Maryland, LLC, be found qualified for a mobile sports wagering license and Bally's Interactive, LLC be found qualified for an Online Sports Wagering Operator License based on its Sports Wagering licensure in 3 of the 16 Commission-approved states: Louisiana, Colorado and New Jersey and by application of the alternative licensing standards provisions by clear and convincing evidence.

Chair Marriner asked if any representatives of the Applicant wished to address the Commission. Adi Dhandhanian, COO of Bally's Interactive Maryland, LLC, thanked the commission for their consideration and stated he was available to answer any questions. There were no questions. Steve Wise, Counsel, stated he was also available to answer any questions, but had nothing to add at this time.

There being no further discussion, Chair Marriner asked for a motion to find that the Bally's Interactive Maryland, LLC has established by application of alternative licensing standards that it is qualified for a Mobile Sports Wagering License by clear and convincing evidence. Vice Chair Doetsch motioned, Commissioner Stakem seconded, and the motion passed 5-0-1, Commissioner Hodges abstained.

Chair Marriner then asked for a motion to delegate to Staff the authority to draft the Commission's decision statement on the qualification of the Applicant. Commissioner Williams motioned, Vice Chair Doetsch seconded, and the motion passed 5-0-1, Commissioner Hodges abstained.

Chair Marriner asked for a motion to direct the Secretary of the Commission to transmit the decision statement to SWARC. Vice Chair Doetsch motioned, Commissioner Williams seconded, and the motion passed unanimously.

Mr. Mooney then requested approval of Bally's Interactive, LLC for an Online Sports Wagering Operator License.

Chair Marriner asked if anyone had any questions. There were no questions.

There being no further discussion, Chair Marriner asked for a motion to find that Bally's Interactive, LLC has established by application of alternative licensing standards that it is qualified for an Online Sports Wagering Operator License by clear and convincing evidence. Vice Chair Doetsch motioned, Commissioner Williams seconded, and the motion passed 5-0-1, Commissioner Hodges abstained.

Chair Marriner then asked for a motion to delegate to Staff the authority to draft the Commission's decision statement on the qualification of the Applicant for an Online Sports Wagering Operator License. Vice Chair Doetsch motioned, Commissioner Stakem seconded, and the motion passed 5-0-1, Commissioner Hodges abstained.

Commissioner Vernon Boozer joined the call at 9:19 a.m., and therefore did not vote on the Bally's Mobile Sports Wagering License or the Bally's Online Sports Wagering Operator License, but was available on the call and voted on the WSI SU, LLC d/b/a WynnBet applications.

Commission Action Item —

WSI US, LLC d/b/a WynnBet: Mobile Sports Wagering License Online Sports Wagering Operator License

Mr. Mooney consolidated both of WSI US, LLC d/b/a Wynn Bet's applications because the same entity was seeing both a Mobile Sports Wagering License and an Online Sports Wagering Operator License. Mr. Mooney summarized the publicly available Executive Summaries of the MLGCA's investigative reports on WSI US, LLC d/b/a WynnBet. Staff is not aware of any information that would indicate WSI US, LLC d/b/a WynnBet fails to meet the Commission's qualification requirements. Staff recommended WSI US, LLC d/b/a WynnBet be found qualified for a mobile sports wagering license and an online sports wagering operator license based on its Sports Wagering licensure in 3 of the 16 Commission-approved states: Michigan, Colorado and New Jersey and by application of the alternative licensing standards provisions by clear and convincing evidence.

Chair Marriner asked if any representatives of the Applicant wished to address the Commission. There was no one on the call for the Applicant.

There being no further discussion, Chair Marriner asked for a motion to find that the Applicant has established by application of alternative licensing standards that it is qualified for a Mobile Sports Wagering License by clear and convincing evidence. Vice Chair Doetsch motioned, Commissioner Stakem seconded, and the motion passed 6-0-1, Commissioner Hodges abstained.

Chair Marriner then asked for a motion to delegate to Staff the authority to draft the Commission's decision statement on the qualification of the Applicant Vice Chair Doetsch motioned, Commissioner Stakem seconded, and the motion passed 6-0-1, Commissioner Hodges abstained.

Chair Marriner asked for a motion to direct the Secretary of the Commission to transmit the decision statement to SWARC. Commissioner Boozer motioned, Vice Chair Doetsch seconded, and the motion passed 6-0-1, Commissioner Hodges abstained.

Commissioner Stakem thanked John Mooney for his hard work making summaries and investigations.

Chair Marriner asked if anyone had any questions regarding the Online Sports Wagering Operator License for WSI SU, LLC d/b/a WynnBet. There were no questions.

Chair Marriner asked for a motion to find that the Applicant has established by application of alternative licensing standards that it is qualified for a Mobile Sports Wagering License by clear and convincing evidence. Vice Chair Doetsch motioned, Commissioner Stakem seconded, and the motion passed 6-0-1, Commissioner Hodges abstained.

Chair Marriner then asked for a motion to delegate to Staff the authority to draft the Commission's decision statement on the qualification of the Applicant Vice Chair Doetsch motioned, Commissioner Boozer seconded, and the motion passed 6-0-1, Commissioner Hodges abstained.

Mr. Mooney thanks his staff for their hard work, and noted there have been 47 hearings to date, and thanked the Commission for their time.

DATE AND TIME OF NEXT MEETING

The next regular Commission meeting will be Thursday, December 15, 2022, at 10:00 a.m., one week earlier due to the holiday, in-person at Maryland Lottery and Gaming headquarters in Baltimore and via audio/video conference.

ADJOURNMENT

There being no further business, Chair Marriner adjourned the meeting at 9:25 a.m.

Respectfully submitted,



John Martin
Director