
**MARYLAND LOTTERY and
GAMING CONTROL COMMISSION**

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



**In Re the Application of
Canton Gaming, LLC (Canton)**

**SPORTS WAGERING FACILITY
LICENSE APPLICANT**

License Applicant Number SW- 2022-41

Report Date: January 12, 2023

“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 summarized 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 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 is qualified under SG § 9-1E-07(e) and COMAR 36.10.03.02 and 36.10.04 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 Maryland Lottery and Gaming Control Agency (“Agency,” “we” or “our”), conducted a suitability background license investigation of Canton Gaming, LLC (“Canton Gaming” or “Applicant”) in connection with its application for a Sports Wagering Facility License.

You (the Commissioners) have been provided with the complete investigative report on the applicant. 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.

The Applicant

Canton Gaming, LLC was organized in Maryland on September 6, 2022, and was formed for the purpose of conducting retail sports wagering activities at two Baltimore area facilities. Both facilities will be located in Greene Turtle sports bars located at 3803 Boston Street, Baltimore, MD (“Canton”) and 319 York Road, Towson, MD (“Towson”).

INVESTIGATION INTO APPLICANT

Background

The Canton sportsbook will go into an existing vacant restaurant space while the Towson sportsbook will be housed in a two-story stand-alone space that is currently under construction. It is estimated that the necessary renovations and construction of the facilities will be completed by the end of January 2023.

Ownership of Applicant

Canton Gaming, LLC is privately owned by Mr. Mark Sapperstein (93%), Ms. Nancy Aviles (2%), Ms. Sheila O’Connell (2.5%), and Ms. Martha McKenna (2.5%), and its principal address is located at 1500 Whetstone Way, Baltimore, Maryland.

Agreement for a Sports Wagering Facility Operator

Canton Gaming, LLC and Parx Interactive Maryland, Inc. d/b/a BetPARX, have entered into a non-binding term sheet agreement (“Agreement”). BetPARX was formed in Delaware on January 4, 2022 and is a subsidiary of Koorinal

Holdings Limited; International Turf Investment Co., Inc.; and Greenwood Racing Inc. (each of which are owned by Mr. Watche Manoukian).

The Agreement is for a ten-year initial term with two five-year term extensions. Under the terms of the Agreement, Canton Gaming is responsible for the build-out costs of both the Canton and Towson locations to house the sports wagering facilities. BetPARX will be the exclusive retail sports betting provider to Canton Gaming at both the Canton and Towson locations.

The Greene Turtle Franchising

Canton Gaming, LLC entered into letters of intent for an Operations Consulting Agreement and a Sublease Agreement with The Greene Turtle Franchising Corporation and its wholly-owned subsidiary, The Turtle Rises, LLC. Both agreements allow Canton Gaming, LLC to conduct sports wagering activities at the respective Canton and Towson Greene Turtle sports bars.

Sports Wagering License Applications

Canton Gaming, LLC has filed a Sports Wagering Facility License Application for each of its two locations and Koorinal Holdings Limited; International Turf Investment Co., Inc.; and Greenwood Racing, Inc., have filed Sports Wagering Principal Entity Disclosure Forms with the Commission. Additionally, Mr. Mark Sapperstein and Mr. Watche Manoukian have filed Principal Employee License Applications with the Commission.

Financial Review

General

As a recently formed entity, Canton Gaming, LLC has had very limited financial activity and has filed no income tax returns to date. Canton Gaming’s sole financial backer has been its majority owner, Mr. Mark Sapperstein. The cost of the sportsbook build-out, sports wagering gaming equipment and startup costs will be funded by Mr. Sapperstein and Green Turtle. Mr. Sapperstein advised further that all costs incurred by Canton Gaming have been and will be funded from equity capital contributed solely by him to Canton Gaming using his extensive personal assets.

BetPARX will be responsible for providing the required betting reserves for both the Canton and Towson locations.

Financial Analysis

Canton Gaming, LLC’s operating history is limited as the Applicant was formed only recently for the purpose of conducting sports wagering activities at two locations in Maryland. As a result of the lack of an extensive operating history, there is a level of unpredictability concerning the Applicant’s future prospects. However, Canton Gaming appears to have sufficient cash reserves to fund its initial operations and all required betting reserves are the responsibility of BetPARX. Additionally, there are no issues involving Mr. Mark Sapperstein, the sole financial backer of the Applicant. There are no financial concerns with the issuance of a Sports Wagering Facility License to Canton Gaming, LLC or with Koorinal Holdings Limited; International Turf Investment Co., Inc.; and Greenwood Racing, Inc. as Sports Wagering Principal Entities.

FINDINGS

The Agency 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 Canton Gaming, LLC, and conducting interviews of key personnel, focusing on required qualification criteria involving integrity and financial stability. The Agency 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)(6) and COMAR 36.10.03.02 and 36.10.04, and not disqualified under SG § 9-1E-07(g)(1) are summarized as follows:

- 1) Canton Gaming, LLC was found to have financial stability, integrity and responsibility
- 2) There were no material issues involving the known financial backers
- 3) Canton Gaming, LLC possesses the requisite good character, honesty and integrity
- 4) Canton, LLC has sufficient business ability and experience
- 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)(6) and COMAR 36.10.03.02 and 36.10.04, and are not disqualified under COMAR 36.10.03.02.C and SG § 9-1E-07(g)(1).

Principal Qualifiers

We identified the following principals who are associated with the Applicant and its principal entities. Each has filed a Principal Employee License Application with the Agency.

- 1) Mark Sapperstein (Principal License Application Pending); and
- 2) Watche Manoukian (Temporary Principal License Issued: 08/25/2022).

CONCLUSION AND RECOMMENDATIONS

The Applicant has submitted a completed Sports Wagering Facility 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’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 and 36.10.04, we conclude that the Applicant has established by clear and convincing evidence the qualifications required for a Sports Wagering Facility License.

Staff recommends that the Commission find Canton Gaming, LLC (Canton) qualified for a Sports Wagering Facility License based on the provisions of the Sports Wagering Law by clear and convincing evidence.

Staff recommends the Commission entertains motions to:

- 1) Find that Canton Gaming, LLC has established, by clear and convincing evidence, its qualifications for a Sports Wagering Facility License;

- 2) Delegate to Staff the authority to draft the Commission’s decision statement on the qualification of Canton Gaming, LLC for a Sports Wagering Facility License; and
- 3) Direct the Secretary of the Commission to transmit the decision statement to the Sports Wagering Application Review Commission.