

**DECISION OF THE MARYLAND LOTTERY AND  
GAMING CONTROL COMMISSION**

**Application for a Mobile Sports Wagering License  
SBOpco, LLC d/b/a SuperBook  
License Applicant No. 2022-SW-44**

**Qualification Hearing before  
the Maryland Lottery and Gaming Control Commission  
January 26, 2023**

On January 26, 2023, the Maryland Lottery and Gaming Control Commission (“Commission”) held a meeting during which it conducted a hearing to determine whether SBOpco, LLC d/b/a SuperBook (“SBOpco” or “Applicant”) is qualified for a mobile sports wagering license under Maryland’s Sports Wagering Law.

**FINDINGS OF FACT**

**Background Process**

1. Sports wagering in Maryland is governed by the Sports Wagering Law, found in State Government Article (“SG”), Title 9, Subtitle 1E, Annotated Code of Maryland, and the regulations of the Commission, found in the Code of Maryland Regulations (“COMAR”) 36.10. The Sports Wagering Law also incorporates the Gaming Law, which governs casino operations in Maryland, found in SG, Title 9, Subtitle 1A, and COMAR 36.03.

2. The Commission is authorized to issue licenses necessary for sports wagering in the State, one of which is a mobile sports wagering license. Unless a person holds a valid mobile sports wagering license issued by the Commission, the person may not conduct, offer, or operate mobile sports wagering in the State.

3. An applicant for a sports wagering-related license must submit an application to the Commission. Before it can be issued a mobile sports wagering license, an applicant must meet all applicable qualification requirements in the Sports Wagering Law, and prove to the Commission,

by clear and convincing evidence, that it is qualified under SG § 9-1E-07(e) and COMAR 36.10.03.02, and COMAR 36.10.05, and not disqualified under SG § 9-1E-07(g)(1). The Commission is required to deny the license application of an applicant that does not meet qualification requirements.

4. An applicant must submit to the Commission all information that is necessary for the Commission to determine its qualifications, and those of its principals, its principal entities, and any other necessary qualifiers.

5. SBOpco, LLC submitted a Mobile Sports Wagering License Application to the Commission and the Maryland Lottery and Gaming Control Agency (“MLGCA”) conducted an investigation to determine whether the Applicant is qualified for a Mobile Sports Wagering License.

#### **Qualification Hearing – January 26, 2023**

6. Staff of the MLGCA’s Licensing Division provided the Applicant with written notice of the hearing. Mark Starr, Chief Compliance Officer and Rob Ruben, outside counsel were present on behalf of the Applicant. In advance of the meeting, John J. Mooney, MLGCA’s Managing Director of Regulatory Oversight, provided the Commission the confidential full investigative report on SBOpco. Mr. Mooney made publicly available Staff’s executive summary of the background investigation, and Staff’s recommendations.

#### **Applicant’s Background**

7. SBOpco, LLC was formed in Nevada on January 6, 2020, as a limited liability company and does business under the names of SuperBook and SuperBook Sports.

8. Applicant is a multi-state mobile and retail sports entertainment and gaming company that offers users opportunities to place sports wagers on its website, mobile applications,

and a retail sportsbook facility. SBOpco has been issued sports wagering and gaming related licenses in Colorado, New Jersey, Arizona, Tennessee, Iowa, and Ohio.

9. SBOpco operates its business under the SuperBook trade name through intellectual property owned by Westgate Las Vegas Resort, LLC, through sublicensing agreements held with SuperBook USA, LLC in exchange for monthly license fees.

### **Ownership of Applicant**

10. SBOpco, LLC is a private company and is authorized to issue 10 million member units consisting of 8,850,000 Class A shares, which are voting class; 1,050,000 Class B shares, non-voting class; and 100,000 Class C shares, non-voting class.

11. Mark Lipparelli and Mark Waltrip are managers of SBOpco and hold 47.1% and 52.9% of the Class A shares outstanding, respectively, which gives them control over the voting rights on a non-diluted basis.

12. David A. Siegel Irrevocable Trust and Hannaford Investments, LLC hold 5% or more of the shares on a diluted basis. Both Mr. Siegel and Mr. Marder are Trustees of the Trust; Mr. Siegel has given his control to Mr. Marder via a Proxy Agreement.

### **Licensing Inquiry**

13. SBOpco, LLC has submitted a Mobile Sports Wagering License Application to the Commission.

14. The following individuals are Principals of the Applicant and each has submitted a Temporary Principal Employee License Application or a Principal License Application to the Commission:

- Peter Walsh – (Temporary Principal License Application Pending);
- Michael Marder – (Temporary Principal License Application Pending);
- Robert J. Kornegay – (Temporary Principal License Issued: 07/26/2022);

- Mark Allen Waltrip – (Principal License Issued: 08/08/2022);
- Mark Star – (Temporary Principal License Application Pending);
- Joseph Wilson Leavitt – (Principal License Issued: 05/11/2022);
- Linda Elizabeth Tobin – (Principal License Issued: 09/23/2022);
- Kristin Michelle Mackey – (Principal License Issued: 09/23/2022); and
- Mark Allan Lipparelli – (Principal License Application Pending).

15. Hannaford Investments, LLC has filed a Principal Entity Disclosure Form with the Commission

### **Discussion of Financial Performance**

16. MLGCA performed a detailed analysis of SBOpco's operating performance and financial condition for the period of January 6 to December 31, 2021 and the first ten months of 2022 by reviewing the following:

- Revenues and Cost of Revenue;
- Operating Expenses;
- Other Income and Expense and Net Income;
- Assets, Liabilities and Member Equity;
- Liquidity and Cash Flow;
- Long-Term Debt
- Trend Analysis:
  - Current Ratio and Quick Ratio;
  - Operating Profit Margin and Net Profit Margin;
  - Return on Equity and Return on Assets;
  - Debt to Equity Ratio and Debt Ratio; and
  - Interest Coverage Ratio;
- Independent Audit of Annual Financial Statements;
- Litigation Search;
- Tax Returns; and
- Credit Reporting Agencies.

17. The Applicant's overall operating performance during its partial start-up year in

2020 was poor and did not improve during its first full-year of operating in 2021, nor during the first ten months of calendar year 2022. This was due in large part to the costs needed to expand into new markets in the United States and to compete to acquire and retain customers. The Applicant also incurred substantial amounts of upfront costs and fees that are required to support its efforts to expand its operational footprint.

18. Despite SBOpco's poor operating performance, the Applicant has significant resources and borrowing capacity available if needed and its auditors have not expressed any concerns with its operations or its ability to continue. The Applicant's credit reports did not contain any derogatory information and its financial ratios were generally comparable to those of competitors operating in its industry.

19. There are no overwhelming factors that would lead MLGCA Staff to conclude that SBOpco, LLC is financially unsuitable for a Mobile Sports Wagering License, but a review of its operating performance is recommended annually. There are no concerns with licensure of Hannaford Investments, LLC as a Principal Entity.

### **Results of Background Investigation**

20. 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 SBOpco, LLC; and conducting interviews of key personnel, focusing on required qualification criteria involving integrity and financial stability.

21. MLGCA adhered to well-defined and approved investigative protocols in assembling the factual information incorporated in the MLGCA's report. The results of the investigation for the specific qualification criteria enunciated in SG§ 9-1E-07(e) and COMAR 36.10.03.02 and 36.10.05 and that SBOpco, LLC is qualified under SG § 9-1E-07(e),

and not disqualified under SG § 9-1E-07(g)(1), are summarized:

**a) Financial Stability, Integrity and Responsibility**

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 Mobile Sports Wagering License Application.

**b) Integrity of financial backers, investors, mortgages, bondholders, and other holders of indebtedness**

Based on MLGCA review, there are no material issues involving the known financial backers of the Applicant.

**c) Good character, honesty, and integrity**

MLGCA found that the Applicant possesses the requisite good character, honesty and integrity. No significant issues surfaced concerning the qualifications of the Applicant or its individual qualifiers. There were no material issues discovered pertaining to the Applicant's record of regulatory compliance or litigation matters.

**d) Sufficient business ability and experience**

The Applicant was formed in Nevada on January 6, 2020, as a limited liability company and does business under the names of SuperBook and SuperBook Sports. The Applicant is a multi-state mobile and retail sports entertainment and gaming company that offers users opportunities to place sports wagers on its website, mobile applications, and a retail sportsbook facility. The Applicant clearly possesses the requisite business ability and experience.

**e) Potential disqualifying factors**

The Applicant is not disqualified from being issued a Mobile Sports Wagering License under SG § 9-1E-07(g)(1) based on any of the criteria listed in COMAR 36.10.03.02.C. The Applicant is qualified to be issued a license by the Commission.

### **Applicant and Principal Entities**

22. The Applicant and its principal entity satisfy the applicable qualification criteria under SG § 9-1E-07(e) and COMAR 36.10.03.02 and 36.10.05, and are not disqualified under COMAR 36.10.03.02.C and SG § 9-1E-07(g)(1).

### **Mobile Sports Wagering License Application**

23. The Applicant submitted a completed Mobile Sports Wagering License Application; an affidavit attesting to the minority and women-owned interests of the applicant; all required fees; and proof of adequate bond.

24. MLGCA Staff is not aware of information that would indicate SBOpco, LLC fails to meet the Commission's qualification requirements.

25. MLGCA Staff recommends that the Commission determine the Applicant has established that it is qualified, by clear and convincing evidence, for a Mobile Sports Wagering License.

### **CONCLUSIONS OF LAW**

1. The Applicant has established by clear and convincing evidence that it is qualified for, and is not disqualified from, a Mobile Sports Wagering License.

2. The Applicant remains under an ongoing obligation to comply with all qualification requirements and to notify the Commission if any of the information submitted to the Commission or MLGCA changes.

3. If MLGCA Staff 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.

4. The Secretary of the Commission will transmit this decision statement to the Sports Wagering Application Review Commission.

**REVIEW RIGHTS**

A party aggrieved by this final administrative Decision may file a petition for judicial review with the circuit court for the county where any party resides or has a principal place of business within thirty days of the date of this Decision. SG § 10-222; Maryland Rules 7-201 – 7-211.



E. Randolph Marriner, Chair

1-26-25

Date