
**MARYLAND LOTTERY and
GAMING CONTROL COMMISSION**

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

COMMISSION REPORT



**In Re the Application of
Bee-Fee LLC
a/k/a Bee-Fee Limited**

**ONLINE SPORTS WAGERING OPERATOR
LICENSE APPLICANT**

License Applicant Number SW-2022-54

Report Date: May 9, 2023

“PUBLIC REPORT”

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 Regulatory Licensing and Investigations 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 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 Maryland Lottery and Gaming Control Agency (“Agency,” “we” or “our”), conducted a suitability background license investigation of Bee-Fee LLC, a/k/a Bee-Fee Limited (“Bee-Fee” or “the Applicant”), in connection with its application for an Online Sports Wagering Operator License.

INVESTIGATION INTO APPLICANT

Background and Ownership

Bee-Fee Limited was incorporated in London, United Kingdom on August 2, 2013, and operated originally under the name Electronic Money and Payment System Limited until August 30, 2014. The Applicant is a slot game development studio and information technology service provider for online casinos and sports betting. Bee-Fee’s main offices are located in London, United Kingdom. Bee-Fee is a private company owned solely by Mr. Adam Lamentowicz. Bee-Fee is not currently licensed by any gaming authorities in the United States, but it does hold gaming licenses in Canada, Greece, Malta, Romania and the United Kingdom. Bee-Fee has filed an Online Sports Wagering Operator License Application with the Commission, and Mr. Lamentowicz has filed a Principal Employee License Application with the Commission.

On June 30, 2022, Bee-Fee entered into a revenue sharing agreement with Veterans Services Corporation (“VSC”) to operate VSC’s mobile and online sports wagering

platforms. The revenue sharing agreement is part of a broader joint venture that the two parties have entered into to pursue lottery and gaming opportunities globally. Bee-Fee will supply and license the online sports wagering platform to VSC, provide managed services, support and maintenance of the product, provide support and maintenance training to VSC's employees, and co-develop gaming software enhancements with VSC. Additionally, Bee-Fee has contracted with Data Bridge Sites to provide gaming platform hosting services and will incur all related costs.

FINANCIAL REVIEW

Review of Financial Operating Results

We performed a detailed analysis of Bee-Fee's operating performance and financial condition for the five-year period from September 1, 2017 to August 31, 2022. For the fiscal years ending August 31, 2018 to 2020, Bee-Fee's financial statements were audited. However, beginning in 2021, Bee-Fee was no longer required to have its financial statements audited due to an exemption provided to small companies under the laws of the United Kingdom. Thus, we performed a three-year review of the Applicant's audited financial statements from September 1, 2017 to August 31, 2020, and a supplemental review of the Applicant's unaudited financial statements for the period of September 1, 2020 to August 31, 2022.

Financial Analysis

Bee-Fee's operating performance was generally positive during the five-year review period in spite of the downturn caused by the adverse impacts of the COVID-19 pandemic and the recent rise in operating expenses in fiscal year 2022. Specifically, the Applicant recognized net profits of \$1.6 million during the five-year review period despite a net loss in fiscal year 2020. The Applicant's operating performance improved quickly post-pandemic, and Bee-Fee returned to profitability and has continued to improve its financial strength. These improvements were driven by Bee-Fee's ability to increase total revenue and effectively manage costs overall. Additionally, the Applicant has generated significant

amounts of positive cash flows from operating activities and has used this cash to satisfy its capital needs. Bee-Fee’s debt load has not had a materially adverse impact on the Applicant’s operating results or cash flows, and the bulk of its long-term debt was retired in October 2022.

There is no indication that Bee-Fee is experiencing any financial distress, and its financial ratios and margins are very sound and compare favorably to those of its competitors. There are no areas of concern with Bee-Fee’s financial suitability for licensure as an Online Sports Wagering Operator.

FINDINGS

The Agency 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 Bee-Fee, LLC, a/k/a Bee-Fee Limited, 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 36.10.06.02, and not disqualified under SG § 9-1E-07(g)(1), are summarized as follows:

- 1) Bee-Fee LLC was found to have financial stability, integrity and responsibility
- 2) There were no material issues involving the known financial backers
- 3) Bee-Fee LLC possesses the requisite good character, honesty and integrity
- 4) Bee-Fee LLC has sufficient business ability and experience
- 5) There were no potential disqualifying factors

Applicant and Principal Entities

The Applicant and its principal entity satisfy the applicable qualification criteria under SG § 9-1E-07(e)(6) and COMAR 36.10.03.02 and 36.10.06.02, and are not disqualified under COMAR 36.10.03.02C and SG § 9-1E-07(g)(1).

Principal Qualifiers

We identified the following individuals as principals of the Applicant. Each has submitted a Principal Employee License Application to the Commission.

- Adam Lamentowicz, Chief Executive Officer - Poland
- Aleksandra Piatkowska, Financial Controller
- Biernat Radoslaw, Chief Marketing Officer
- Michal Bozalek, Chief Technology Officer
- Grabarczyk Jerzy Wiktor, Legal Counsel
- Ewa Kazmierska, Chief Executive Officer

CONCLUSION AND RECOMMENDATIONS

The Applicant has submitted a completed Online Sports Wagering Operator License Application, 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 36.10.06.02, we conclude that the Applicant has established by clear and convincing evidence the qualifications required for an Online Sports Wagering Operator License.

Staff recommends that the Commission find Bee-Fee, LLC, a/k/a Bee-Fee Limited, qualified for an Online Sports Wagering Operator 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 Bee-Fee, LLC, a/k/a Bee-Fee Limited has established, by clear and convincing evidence, its qualifications for an Online Sports Wagering Operator License; and

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2. Delegate to Staff the authority to draft the Commission’s decision statement on the qualification of Bee-Fee, LLC, a/k/a Bee-Fee Limited for an Online Sports Wagering Operator License.