

MARYLAND LOTTERY AND GAMING CONTROL COMMISSION OCTOBER MINUTES

DATE: October 26, 2023

TIME: 10:00 a.m.

PLACE: Maryland Lottery and Gaming Headquarters
Studio in person and via video conference call

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

John Martin, Director
James Nielsen, Deputy Director, Chief Operating Officer
James Butler, Assistant Deputy Director, Chief of Staff
Michael Eaton, Managing Director, Gaming
John Mooney, Managing Director, Regulatory Oversight
Solomon Ramsey, Managing Director, Sales and Marketing
Paula Yocum, Managing Director, Chief Financial Officer
Seth Elkin, Managing Director, Communications
Holly Citko, Principal Counsel, Attorney General's Office
Jennifer Tosky, Deputy Counsel, Attorney General's Office
Kathy Lingo, Executive Assistant

OTHERS: Representative from Hollywood Casino Perryville
Representative from Ocean Downs Casino
Representative from Live! Casino
Representative from Rocky Gap Casino Resort
Representative from Horseshoe Casino Baltimore
Representative from MGM National Harbor
MLGCA Licensing Staff

E. Randolph Marriner, Chair

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. Present in person were: Vice Chair George Doetsch and Commissioner James Stakem. Present via video conference were Chair Marriner, and Commissioner Diane Croghan. Present via audio conference was Commissioner Harold Hodges. Commissioner Jerry Williams was absent.

CALL TO ORDER

Chair Marriner called the meeting of the Maryland Lottery and Gaming Control Commission to order at 10:00 a.m.

APPROVAL OF THE REVISED AGENDA

Chair Marriner reported that the Commissioners were provided with a copy of the revised agenda. Chair Marriner asked for a motion to approve the revised agenda. Vice Chair Doetsch motioned to approve, Commissioner Stakem seconded, and the motion was unanimously approved.

APPROVAL OF THE MINUTES

Chair Marriner asked if there were any corrections or changes to the minutes of the September 28, 2023, Open Session. There being none, Chair Marriner asked for a motion to approve the minutes. Vice Chair Doetsch motioned to approve, Commissioner Stakem seconded, and the motion was unanimously approved.

CONSENT AGENDA

Chair Marriner said the Consent Agenda contains:

1. Five new instant ticket games for the Commission's approval: #677 (\$3) *Bonus Crossword 6th Edition*; #678 (\$5) *Power Up*; #679 (\$10) *\$100,000 Payout*; #680 (\$20) *\$500,000 Crossword 2nd Edition*; #681 (\$50) *\$5,000,000 CASH*;
2. EGD Games and Component Testing - Certified Lab Software, Hardware and Game Certifications: VLTs, Table Game Components, Instant Bingo Machines, Sports Wagering Systems and Kiosks (9/26/23 - 10/24/23);
3. Consent Agreements - Regulatory Violations
 - a. Hollywood Casino - June 2023
 - b. Horseshoe Casino - June 2023
 - c. Live! Casino - March, April, May, June 2023
 - d. Ocean Downs Casino - May and June 2023
 - e. Rocky Gap Casino - May and June 2023
4. Consent Agreements - Mobile Sports Wagering Violations
 - a. BetMGM - December 2022; May 2023
 - b. DraftKings - January 2023
 - c. Hollywood-Penn Interactive - June 2023
5. Consent Agreements - Sports Wagering Violations
 - a. Bingo World - June 2023
6. Consent Agreements - Underage Violations
 - a. Live! Casino - Case No. 2023-03-009 to -017
7. Gaming License Application Denials/Revocations;
8. Lottery Retailer License Revocation.

Mr. Nielsen informed Chair Marriner that there were additional Consent Agenda items on the second page, who then stated for the record that the Consent Agenda includes the Staff Reports.

9. Staff Reports: James Nielsen, Deputy Director, Chief Operating Officer; James Butler, Assistant Deputy Director, Chief of Staff; Michael Eaton, Managing Director, Gaming; John Mooney, Managing Director, Regulatory Oversight; Solomon Ramsey, Managing Director, Sales and Marketing; Paula Yocum, Managing Director, Chief Financial Officer; Seth Elkin, Managing Director, Communications; and Holly Citko, Principal Counsel, Office of the Attorney General.

Chair Marriner then asked if any Commissioners cared to discuss any items on the Consent Agenda. There being no discussion or requests, Chair Marriner asked for a motion to approve the consent agenda. Vice Chair Doetsch motioned to approve, Commissioner Stakem seconded, and the motion was unanimously approved.

OPERATOR REPORTS

Hollywood Casino

Ms. Amy Brennan, General Manager, reported that September gross revenue was down 2.4% year-over-year. Revenue was down in all segments, particularly in the sportsbook. The restaurant was packed for two events, the second launch party with former Baltimore Oriole Adam Jones and on September 15th the Flying Ivories Dueling Pianos. Team members made wreathes which were silent auctioned to raise money for a local breast cancer awareness organization. The casino held an Octoberfest meal for team members. The executive staff continues to do the Walk a Mile program visiting various departments of the casino. In the community, the casino participated in Paws in the Park annual walk to raise money for House of Hope Animal Rescue. Hollywood was a sponsor of the Susquehanna Wine and Seafood Festival in Havre de Grace.

Ocean Downs Casino

Ms. Bobbi Jones, Interim General Manager, reported that September net slot revenue was down 8% year-over-year, table games were down 1%, and table hold was down \$242,000 from the prior year. In September, the casino had the Cash Flash Sweepstakes, delivering a \$25,000 check to the door of the winner. At the time of the drawing, coin in was 45% over the prior year. There were 200 participants in the Jackpot Jamboree driving the coin in over prior year. Ocean Downs celebrated Responsible Gaming Month. Promotions included 2,500 participants in the Quack on the Track, truck giveaway. Money was raised to benefit three local charities. Ocean Downs participated in the Walk for Recovery, with the team members winning Best Team Spirit. The final charity slot tournament for the month raised over \$2,100 for Worcester County Purple Recovery Efforts.

Live! Casino

Ms. Yvonne Mrha, Senior Vice President, Chief Financial Officer, reported that slot gaming revenue was good for the month of September, up 6.1% year-over-year. Table game revenue was down 6.9%, and poker was flat year-over-year. Retail sportsbook revenue had a low hold. In September, the online sportsbook continued to grow, up 67.6% year-over-year. In August, the restaurant KoHo opened, with September being the first full month of operation. Live! had a Labor Day grill gift giveaway. The casino hosted a MIT VIP party for Asian guests. Team members donated canned food items to the Anne Arundel County Food Bank in honor of September's Hunger Month. Items were also given to the Anne Arundel County Veterans Treatment Sports Program. In the community, the casino hosted the Live! Casino and Hotel Local Council 2024 Grant Announcement event recognizing \$18.7 million in grants that will be distributed to Anne Arundel County Public

Services nonprofit for community organizations. Live! hosted the Korean Festival celebrating diversity. The Governor's Office of Small Minority and Women Business Affairs held the Ready Set Grow event at the casino. The casino was recognized by Governor Wes Moore at this event.

Chair Marriner stated that he attended the event and thanked the casino for their hard work.

Rocky Gap Casino

Mr. Brian Kurtz, General Manager, reported that gaming revenue was down 6.5%, similar trend to August. In September, coin in was down 4.7% with a slight decrease in hold, under a point. Table game revenue was up 3% with an increase in drop, and a decrease in overall hold of 4 points. September was the first time that there was a decline in year-over-year non-gaming segments. Occupancy was still strong at over 81% for the month. The casino continues holding various weekly promotions. The Bonkerz Comedy Club was at the casino in September. The Signatures Bar and Grill had a variety of entertainment. On September 9th, the casino had the YouTube Decades Tribute Band. In the community, team members participated in a clothes drive for local charities. Rocky Gap was a cash sponsor of Dragon Boat Races on Lake Habib to support the local YMCA. Rocky Gap sponsored a local crab feast held by the Health and Human Services Division. Team members were treated to a meal from Oak Barrel Restaurant. In October, it was slower on the casino side, but not as impactful, looking to have a strong finish for the month. The casino is currently working diligently on a system conversion. Assets from Aristocrat Technologies are on the property this week doing on-site training in preparation for the conversion.

Horseshoe Casino

Mr. Randy Conroy, Vice President and General Manager, reported that September table games revenue was \$3.9 million, slot machine revenue was \$10.5 million, and sports betting was \$361,000.

As reported last month, there was a \$1 million jackpot win at table games, and another one on the day of the meeting for \$290,000, and in October a \$366,000 jackpot, all on \$5 bets. Horseshoe continues to have Black Jack and Baccarat tournaments, and also had a poker tournament. Horseshoe introduced the Legends Bar which caters to the higher-end customers. New slot machines have been added. Next week the casino will be adding an Aristocrat NFL slot. Promotions at the casino comprise many Ravens gifts, including a stadium experience where the best customers were able to walk on field. If the Ravens win a game, customers get \$20 in free slot play on Monday. Horseshoe recognized team members for the third quarter of the year giving prizes, including \$500 cash each. For Breast Cancer Awareness Month, the casino held the annual Battle of the Bras event. The casino has been busy with benefits enrollment and trainings. Horseshoe Casino will be doing its annual turkey giveaway to team members in November.

Commissioner Stakem hopes that the Ravens continue to do well.

MGM National Harbor

Mr. Jeffrey Shrader, Vice President and Legal Counsel, reported that September revenue was down 3% year-over-year. Table revenue was down 1%, slot machine revenue was down 5%. Poker revenue was up 6%, and the Sportsbook wrote over 41,000 tickets with a 5.21% hold, with a total handle of \$6.7 million. The restaurants at MGM are featuring special menus during football season, and will be having live radio broadcasts in conjunction with the partnership with the Washington Commanders.

MGM hosted its first Slot Influencer, Ryan Christopher, for an event for his followers who had

various opportunities for customer engagement throughout his week-long stay at the property. In mid- September, the casino unveiled the Conservatory Fall Display, and wrapped up the 4-event partnership with NBC Four and Telemundo 44, for their Heritage Series in celebration of Hispanic Heritage Month at Diablos Cantina. In September, MGM continued the monthly gift series, including self-care items, 2 kiosk game promotions with a grand finale luxury watch package or \$50,000 cash. Entertainment at the casino included Earthquake, Rickey Smiley, Tony! Toni! Toné! presented by Rafael Sedeek, and the Price is Right. In the community, team members volunteered with multiple local charities including the Allice Ferguson Foundation for a Potomac River trash pick-up, Friends of Greenspring Fall Festival, and the Susan G. Komen Foundation More than Pink Walk.

DIRECTOR'S REPORT

Director's Report — John Martin, Director

Director Martin reported that September 2023 was flat year-over-year. There has been an increase in Powerball sales, the \$1.765 billion jackpot was won on October 11 in California. October will be a challenging sales month as MLGCA is up against the rising jackpot from last year that became the all-time highest multi-state jackpot of \$2.04 billion, which was also won in California. October's results next month will include the holiday scratch offs which launch this week, and a wild ride with our Multi-Match in-state game where jackpots have been won on three of last four draws. Year-to-date Lottery sales are up 2.7% after the first quarter of Fiscal 2024, with profit contribution to the State up 7.4% after the first quarter. Casino contributions in aggregate after the first quarter were down 3.8% on casino revenue, and down 3.3% on casino contributions to State. Sports wagering total handle year-to-date after the first quarter of the fiscal year is \$953,000,000, year to date contributions a little over \$9 million.

CLOSED SESSION

There was no need for the Commission to go into a closed session.

DATE AND TIME OF NEXT MEETING

The next Commission meeting will be held virtually only on Tuesday, November 28, 2023, at 9:00 a.m.

ADJOURNMENT

There being no further business, Chair Marriner adjourned the meeting at 10:24 a.m.

Respectfully submitted,


John Martin
Director