

Maryland Lottery and Gaming Control Commission

Wes Moore, Governor



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MARYLAND LOTTERY AND GAMING CONTROL COMMISSION FEBRUARY MINUTES

DATE: February 22, 2024

TIME: 10:00 a.m.

PLACE: Maryland Lottery and Gaming Headquarters
and virtual

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 Live! Casino
Representative from Rocky Gap Casino Resort
Representative from Horseshoe Casino Baltimore
Representative from MGM National Harbor

E. Randolph Marriner, Chair

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

QUORUM ESTABLISHED

Chair Marriner, present in person, announced that there was a quorum present for the meeting. Present virtually were: Vice Chair George Doetsch, Commissioners Diane Croghan, Harold Hodges, and James Stakem. Commissioner Jerry Williams was absent.

CALL TO ORDER

After some technical difficulties with the Live-feed, Chair Marriner called the meeting of the Maryland Lottery and Gaming Control Commission to order at 10:16 a.m.

APPROVAL OF THE AGENDA

Chair Marriner asked for a motion to approve the 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 comments or corrections to the minutes of the January 25, 2024, 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: #696 (\$3) *Diamond Bingo 5th Edition*; #697 (\$5) *Lots of Cash*; #698 (\$10) *Win \$50, \$100 or \$200 2nd Edition*; #701 (\$5) *Joker's Wild*; and #704 (\$20) *Millionaire's Club*;
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 (1/22/24 – 2/20/24);
3. Consent Agreements – Regulatory Violations:
 - a. Horseshoe Casino – October 2023;
 - b. Live! Casino – October 2023;
 - c. MGM National Harbor – October 2023;
 - d. Ocean Downs Casino – August and October 2023; and
 - e. Rocky Gap Casino – October 2023;
4. Consent Agreements – Mobile Sports Wagering Violations:
 - a. Arundel Amusements, Inc. d/b/a Bingo World / RSI MD, LLC, Rush Street Interactive, LP –October 2023;
 - b. Bingo World – Rush Street – October 2023;
 - c. Crab Sports – September and October 2023;
 - d. DraftKings – April 2023; and
 - e. Live Casino, Maryland/FanDuel Sportsbook – Regulatory Violations – October 2023;
5. Consent Agreements – Sports Wagering Violations:
 - a. Canton Gaming – October 2023; and
 - b. Riverboat on the Potomac – Regulatory Violation – October 2023;
6. Consent Agreements – Underage Violations:
 - a. Horseshoe Casino – Case Nos. 2023-05-008 and -009; and
 - b. Live Casino, Maryland –Case Nos. 2023-03-028 to -031;

7. Gaming License Application Denials/Revocations;
8. Lottery Retailer License Revocations; and
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 asked if any Commissioners cared to remove and 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

The report for Hollywood Casino was provided to the Commissioners in writing this month. A copy of the report is attached to these minutes.

Ocean Downs Casino

Ms. Bobbi Jones, General Manager, was not present at the meeting.

Live! Casino

Mr. Ryan Eller, General Manager, reported that gaming revenue in January was \$57.2 million, down 3.6%, driven by slot machines down almost 10% year-over-year. Weather was a contributing factor. Slots took a down turn year-over-year, table games were up 1.7% year-over-year due to hold and stable table volumes. Poker was down 8.5%, retail sportsbook was up 50% year-over-year with a positive hold impact. Retail handle continues to decrease at robust double-digit figures as mobile continues to gain traction. In January, Live! Casino continued recurring monthly promotions that were well received, including a second chance jackpot drawing, with the monthly Baccarat and Blackjack Tournaments. The casino had a special birthday promotion for any January birthdays earning entries into a drawing. In honor of the Lunar New Year, Live! had a red envelope kiosk game, and a VIP red envelope event. There were a variety of gift giveaways in January. Entertainment at the casino included a concert featuring Bobby Brown with 2,200 tickets sold. In the community, Live! casino ramped up contributions to Vet Tix, a veterans' charity giving 300 tickets to the concert to veterans. There were a number of specials for team members in the TDR for New Year's and in honor of Martin Luther King, Jr. weekend. Live! Casino hosted and sponsored the 36th Annual Martin Luther King, Jr. Dinner, with 600 in attendance, including Governor Moore. Team members volunteered for the MLK Day of Service at the City of Refuge Food Pantry and the Casey Cares Foundation. The casino sponsored the Anne Arundel County Legislative Chamber of Commerce breakfast meeting.

Rocky Gap Casino

Mr. Brian Kurtz, General Manager, reported that gaming revenue was down 36%, impacted by several weather events on multiple weekends. There was a substantial drop in coin-in and table

games as visitation was down. The hotel had a 17-point decrease in occupancy, with cancellations due to the weather. For comparison, January of 2023 was a record year for Rocky Gap up 17.8% with much warmer weather last year. February has had a lighter pattern with weather impacting this year, whereas last February was substantially warmer with over 600 rounds of golf. Promotions included the same variety of weekly promotions in January. Entertainment included one comedy show for the month, with light attendance due to snow that day. In the community, Rocky Gap kicked off the collection for the Windy Pines Animal Shelter which runs through February 24, 2024, with a chance for one winner to win up to \$2,000 in free slot play. The HR team gave team members candy and snacks from Bedford Candies. Rocky Gap celebrated the team members of the month. On March 23, the casino will be holding a Jeep Gladiator Mojave vehicle giveaway. The casino will be holding Blackjack tournaments on Tuesdays in the month of March.

Horseshoe Casino

Mr. Randy Conroy, Vice President and General Manager, reported January slot machine revenue of \$9.5 million, table game revenue of \$5.1 million, and sports betting at \$287,000. Horseshoe held several free play promotions in January focused on the Ravens being in the playoffs, with Caesars bringing in a number of players from out of town. In January, there were a number of Blackjack and Baccarat Tournaments. This past weekend, Horseshoe held a Craps Tournament. Horseshoe Casino celebrated Lunar New Year with a number of receptions. The casino had 4th Quarter Founders Awards for the legendary team member of the year, with the top six team members honored at Gordon Ramsey Steak. There have been numerous compliance trainings. Mr. Conroy said the casino has changed to a new payroll and time clock system which will work better notifying staff of staffing requirements. From a community perspective, Horseshoe had a fun Valentine's Day, going to the Cottages of Perry Hall for some fun activities at the assisted living facility. Next Monday, the casino will host the CIAA President's Reception, to be attended by the Governor and the Mayor of Baltimore, and an after party.

MGM National Harbor

Mr. Jeffrey Shrader, Vice President and Legal Counsel, reported that January gaming revenue was down 8.7% year-over-year, due to volume and weather issues and low hold on both table games and slot machines. Slot machine revenue was down 12%, table games down 3.9%, poker down 5.6%. Sportsbook wrote over 41,000 tickets in January with 17.41% hold with total handle over \$4.6 million. MGM had several kiosk games and giveaways in January. MGM National Harbor opened the Lunar New Year Conservatory display in January, with a gift series including a noodle bowl set, chopsticks and a cauldron wok and rice cooker. The casino had two \$88,000 Baccarat drawings. The theatre hosted Dancing with the Stars Live, and Charlie Wilson. In the community, team members partnered with Sasha Bruce Youthwork for the MLK Day of Service, painting a mural at the Prince George's Drop In Center for homeless youth.

DIRECTOR'S REPORT

Director's Report — John Martin, Director

Director Martin reported that January was extremely challenging for the traditional Lottery business, up against difficult year-over-year figures from January 2023, due to high jackpots in both Mega Millions and Powerball. It was also a difficult month-to-month comparison with December 2023 which had strong sales with promotional activity and holiday tickets. January started off weak in comparison to previous month and previous year. Year-to-date numbers on

the Lottery side were down 3.1% in sales, and down 3.9% in profit. Casino total revenue was also challenging, down 7.5% year-over-year, with casino contributions down 5.7% year-over-year. Sports wagering contributions set benchmarks in January, the largest month since inception, with contributions to the State over \$8.2 million, based on a handle of over \$540 million, and a generous hold of 14.7%. Year-to-date on the handle side is over \$3 billion, and contributions to the State is \$32.8 million.

Chair Marriner said that it will be interesting to see what happens with the Super Bowl in sports wagering. Director Martin agreed and noted Super Bowl, while a big event, is a single event and January had several strong events with the playoffs. While not the numbers that January had, there should be a good year-over-year comparison.

CLOSED SESSION

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

DATE AND TIME OF NEXT MEETING

Chair Marriner announced that the next Commission meeting will be held on Thursday, March 28, 2024, at 10:00 a.m. in person at Lottery Headquarters and via video conference; however, it will now be fully virtual via video conference.

ADJOURNMENT

There being no further business, Chair Marriner adjourned the meeting at 10:36 a.m.

Respectfully submitted,


John Martin
Director

Attachment to February 22, 2024 Minutes

Hollywood Casino Perryville Report

February 22, 2024, Commission Meeting

Revenue – January (GGR down 5.3% YOY)

Slots <ul style="list-style-type: none"> • Revenue <u>down 5.9%</u> YOY • Coin In <u>down 7.4%</u> YOY • Hold is 9.79%, last year 9.66% • Free play is <u>up 1.7%</u> 	Table Games <ul style="list-style-type: none"> • Revenue is <u>down 15.2%</u> YOY • Drop is <u>down 11.9%</u> • Hold is 32.09%, last year 33.03%
Poker <ul style="list-style-type: none"> • Revenue <u>up 4.8%</u> YOY 	Sportsbook <ul style="list-style-type: none"> • Revenue is <u>up 54.6%</u> YOY • Handle is <u>up 2.3%</u> • Hold is 20.07%, last year 9.32%

2024 YTD GGR YOY% at end of:

Jan	-5.3%	July	
Feb		August	
Mar		September	
Apr		October	
May		November	
June		December	

Marketing & Promotions

January:

- We introduced a yearlong promotion, Progressive Pay Day. We started the jackpot at \$10,000 cash. The jackpot will continue to grow by \$10,000 each month until it is won. No one won the Jackpot, so our prize increases to \$20,000 in February. By the end of 2024, we guarantee to give away \$120,000 cash during this promotion. Guests earn entries all year long.
- Wednesday Nights means Half-Priced Wings for our friends in the Hospitality Industry. Half-priced wings available from 6pm to midnight in the Sportsbook Restaurant.
- High Voltage, the area’s best AC/DC tribute rocked the house on Friday January 12th. They played to a full restaurant and had fans lining up by the wall along the Casino floor to catch the show.
- VIPs are invited to participate in exclusive promotions. Events include Slot Pulls, Tier Drawings, and a VISA Gift card giveaway.

February:

- We will be celebrating the Lunar New Year throughout the month with festive decorations throughout the Casino. The event will culminate on February 18th with the

Grand Opening of our Asian Gaming Pit, a Dragon Dance and a VIP Buffet of Asian inspired delicacies.

- On Saturday February 10th, we are having our Valentine's Day Candy Giveaway. Players who earn 25 same day tier points will receive a Russel Stover's Heart Shaped Box of Chocolates.
- Beatlemania Returns on February 10th as well to honor the 60th Anniversary of the Beatles' famous appearance that sparked their international fame.
- For the Big Game, we are hosting an open to the public buffet of your tailgate favorites. VIPs will be eligible to participate in our game drawings that award PENN Bonus Play for touchdowns, field goals, and other events that happen during the game.
- The Battle of the Bands is back! Bigger than ever. We are having 12 bands compete in the Audition round. These bands will battle it out for the \$5,000 grand prize, a contract for 6 gigs at the Casino and a 98 Rock Promotion package. Audition Dates begin on Thursday February 15th at 8pm and run every Thursday to March 7th. The Finale will be held on Friday March 15th at 8pm.
- On Leap Day, we are hosting an "Extra Day, Extra Cash" Hot Seat. One Hot Seat will be chosen every 15 minutes from 6pm to 9pm. The Lucky Hot Seat Winner will receive \$100 cash.

Team Member Engagement/Events:

January

- Little Free Library
- Aces of PENN 4th Quarter Winners Announced

February

- National Wear Red Day on February 2, 2024
- Hello Heart Day February 23, 2024

March

- Team Member Favorite: Baked Potato Bar on March 16, 2024
- ACES of PENN 2023 Team Members of the Year Dinner

Community Involvement

November/December

- Angel Tree Donation Drive
- Toys for Tots Donation Drive

January

- Presented Checks with Matching Funds to 3 Charities:
 - House of Hope Animal Rescue: \$4,516
 - Deep Roots Homeless Shelter: \$2,520
 - Christiana Breast Health Initiative: \$1,065