

MARYLAND LOTTERY AND GAMING CONTROL COMMISSION SEPTEMBER MINUTES

DATE: September 25, 2025

TIME: 10:00 a.m.

PLACE: In-Person at Maryland Lottery Headquarters
and virtual

PRESENT: Chair Everett D. Browning, Sr.
Vice Chair E. Randolph Marriner
Commissioner Ade Adebisi
Commissioner Diane Croghan
Commissioner Harold Hodges
Commissioner Nicholas Mosby
Commissioner James Stakem

John Martin, Director
James Nielsen, Deputy Director, Chief Operating Officer
James Butler, Assistant Deputy Director, Chief of Staff
Craig Lindsey, Managing Director, Administration
Michael Eaton, Managing Director, Gaming
John Mooney, Managing Director, Regulatory Oversight
Paula Yocum, Managing Director, Chief Financial Officer
Solomon Ramsey, Managing Director, Sales and Marketing
Seth Elkin, Managing Director, Communications
Holly Citko, Principal Counsel, Attorney General's Office
Jennifer Tosky, Deputy Principal 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
Representatives from Scientific Games
Representative from Pollard Banknote
Representative from IGT

Everett D. Browning, Sr., Chair

E. Randolph Marriner, Vice Chair; Commissioners: Ade Adebisi, Diane Croghan, Harold E. Hodges, Nicholas J. Mosby, James J. Stakem

QUORUM ESTABLISHED

Chair Browning announced that there was a quorum established for the meeting. Also present in person were: Commissioners Ade Adebisi, Diane Croghan, Harold Hodges, Nicholas Mosby, and James Stakem. Vice Chair Randy Marriner was virtual.

CALL TO ORDER

After establishing there was a quorum, Chair Browning called the meeting of the Maryland Lottery and Gaming Control Commission to order at 10:00 a.m.

APPROVAL OF THE AGENDA

Chair Browning said that the Agenda had been circulated, and asked for a motion to approve the Agenda. Commissioner Stakem motioned, Commissioner Mosby seconded, and the motion was unanimously approved.

APPROVAL OF THE MINUTES

Chair Browning asked if there were any corrections or alterations to the Open Session minutes of the August 28, 2025. There being none, Chair Browning asked for a motion to approve the Open Session minutes from those Commission Members that were in attendance. Commissioner Stakem motioned, Commissioner Mosby seconded, and the motion was approved by 6 of the Commissioners. Commissioner Croghan abstained, as she was absent last month.

CONSENT AGENDA

Chair Browning said the Consent Agenda contains:

1. Six new Instant Ticket Games
 - a. \$3 #784 *Bonus Crossword 8th Edition*
 - b. \$1 #785 *Cash Tripler*
 - c. \$5 #786 *Winning Streak*
 - d. \$10 #787 *Money*
 - e. \$25 #788 *\$1,000,000 Crossword*
 - f. \$50 #789 *\$5,000,000 LUXE*
2. Consent Agreements – Regulatory Violations
 - a. Hollywood Casino – May 2025
 - b. Live! Casino – December 2024; March, April and May 2025
3. Consent Agreements - Mobile Sports Wagering Violations
 - a. Bally's Interactive Maryland, LLC – March 2025
 - b. BetMGM, LLC – May 2025
 - c. Caesars Entertainment, Inc. – May 2025
 - d. Veterans Services – Bee-Fee, LLC - LetsBetMd – May 2025
4. Consent Agreements – Sports Wagering Violations
 - a. Caton Gaming, LLC – April 2025
5. Consent Agreements – Underage Violations
 - a. Canton Gaming, LLC – Case Nos. 2025-07-003 to -005
 - b. Live! Casino – Case Nos. 2025-03-012 to -020
6. Gaming License Application Denials/Revocations

7. Staff Reports: James Nielsen, James Butler, Craig Lindsey, Michael Eaton, John Mooney, Paula Yocum, Solomon Ramsey, Seth Elkin, and Holly Citko.

Chair Browning asked if any Commissioners cared to remove and discuss any items on the Consent Agenda. Commissioner Hodges said he would like to briefly pull out the third item of the Consent Agreements for discussion, the ones regarding Caesars Entertainment and BetMGM.

Chair Browning asked for a motion to remove these items from the Consent Agenda. Commissioner Hodges motioned; Commissioner Mosby seconded. Commissioners Hodges and Mosby voted "Yes" to remove, and Chair Browning, Vice Chair Marriner and Commissioners Adebisi, Croghan, and Stakem voted "No" to removing the items. The motion did not pass.

Chair Browning then asked for a motion to approve the Consent Agenda. Commissioner Stakem motioned, Commissioner Adebisi seconded, and the motion passed 6 to 1, with Commissioner Hodges opposed.

Chair Browning then moved onto the Operator Reports, with a change of Ms. Bobbi Jones from Ocean Downs Casino going first.

OPERATOR REPORTS

Ocean Downs Casino

Bobbi Jones, General Manager, reported that August coin in was up 5% year-over-year. Table game drop was up 2% year-over-year, and gaming revenue was up 3.7% year-over-year, with the second highest growth year-over-year in the State. The average bets for sports wagering were down 31.2%. The GGR was \$98,000, up year-over-year due to lower hold the prior year. The casino had several marketing promotions throughout the month bringing in great attendance. In the community, Ocean Downs worked with the Worcester County Chamber Car, Truck and Jeep Show, which was a good event for the casino, with over 100 antique cars on the track. There were several crossover racing promotions to draw people into the casino. In the community, the casino through Ways of Giving made \$3,000 in cash donations that went to the Shepherd's Hook and Knights of Columbus for food drives. Ocean Downs raised over \$10,000 for the Worcester Goes Purple. There were several events for team members at the property in August. MBE spend for the casino is currently .28% due to an accounting issue with some invoices not being received in time to be processed in order to be considered part of the August spend.

Chair Browning asked if any Commissioners had questions. There were no questions.

Hollywood Casino Perryville

Ms. Amy Brennan, General Manager, reported that August gross gaming revenue was down 10.9% year-over-year. There were hold challenges in slots, table games and sportsbook. Year-to-date gross gaming revenue is down 2.9%. The casino had several promotions in August. The Payday Progressive did not hit in August and is now \$90,000, with a drawing this Saturday night as it is the casino's 15th Anniversary. In the community, Ocean Downs "adopted" a highway right outside of the casino, and contributed to four charitable organizations, including a \$2,000 donation to the Maryland Veteran's Trust Fund. Team members attended an Aberdeen Iron Birds baseball game, and for those who were unable to attend, there was a tailgate party at the casino. Hollywood Casino is hosting an MBE event this morning at the property. Last month MBE numbers were incorrectly reported. The actual percentage was 12.6% last month, one of the highest percentages ever, and this month has been 6.6%. The decrease is due to challenges from a huge carpeting and re-wiring project that is being completed right now. There are no MBE vendors for that project.

Chair Browning congratulated the casino on the 15-year anniversary.

Commissioner Hodges said at the last meeting Ms. Brennan addressed the level of areas where MBEs are working. He wanted to know where they come from and what types of services. Ms. Brennan said the biggest MBE spend is with TITO tickets that come in and out of the machines. There are also some tools and kitchen utensils, and one portion of food and beverage that is part of the MBE spend. There are challenges for the casino getting vendors, even ones that have already been approved by the State, to come out to Cecil County because of the distance from Baltimore. An example is an HVAC company that the casino would like to use, but the company is not willing to come out to Cecil County. The casino also struggles with getting some of the other vendors in the facilities world. This is a request that Ms. Brennan made this morning of the casino's purchasing manager to see if the casino is able to find any of those vendors at today's MBE event, that are willing to come to the property.

Commissioner Hodges asked if there was a problem with the quality of vendors? Ms. Brennan said it is not quality issues but sometimes it is a supply issue as the casino sometimes needs more than the vendor can supply, and sometimes it is a matter of pricing. If an MBE is 50% higher than another vendor, the casino may not be able to use them.

Commissioner Mosby asked if it was challenging to find a carpeting vendor? Ms. Brennan said the casino does not have an MBE carpet vendor. The one being used is not an MBE and, as a result there is a significant spend on the carpet and electrical due to the project being worked on, and that has skewed the numbers lower for this month. Those numbers could again impact the overall spend.

Commissioner Mosby asked, when there is a larger spend, is that an opportunity to unbundle the project for an MBE opportunity? He wanted to know if the casino had ever looked at that strategy. Ms. Brennan said things like carpet are challenging to unbundle, but that the casino could add it to the list. The casino tries to get more than one quote, with a goal of at least three quotes for all projects regardless of what kind of vendor it is to ensure that the casino is getting a fair price. She said they cannot always get an MBE or WBE to participate in the bid process.

Commissioner Mosby asked for the MBE percentage again. Ms. Brennan said 6.6%. Commissioner Mosby then asked what that was down from, and Ms. Brennan said 12.6%.

Commissioner Mosby then offered a recommendation looking into opportunities to unbundle. With carpet, there could be multi-floors, or multi-rooms where there are opportunities to unbundle to ensure the casino is meeting the goals that they have. He said he wanted to make that potential recommendation for the future.

Ms. Brennan thanked the Commission for the best wishes on the 15th Anniversary. She said there was no big party planned currently because of the floor construction going on at the casino. Toward the end of the year when the project has been completed, the casino will have a big celebration.

Chair Browning asked if the casino was still having any impacts from the small fire last month. Ms. Brennan said it was electrical disruption and there was no impact. It was caused by a generator switch failure, and the casino put a temporary solution in place. It will take approximately 4 – 6 months for the permanent solution. No one was hurt as a result of the disruption.

Live! Casino

Mr. Ryan Eller, General Manager, reported that August gaming revenue was up 3.8% year-over-year. Slot revenue was up 2%, table games were up 6.7%, poker was up 7.5% year-over-year. Retail sportsbook is in the black with \$200,000, in the prior year the casino was in the negative, so it was an improvement year-over-year. There were several promotions, gift giveaways, tournaments and events at the casino in

August. Approximately 10,000 guests attended events in August. A school supply drive and sale were held for team members to raise money for the Sunshine Fund, and to provide back-to-school supplies to team members. In the community, Live! Casino donated robes to the Baltimore City Center for Hope. The casino hosted and sponsored the Anne Arundel County Chamber of Commerce Pickle Ball Tournament in the Hall. Team members volunteered at Bay Brook Elementary School and the SPCA, and sponsored a Block Party for another local elementary school. The MBE spend year-to-date is over 24%, exceeding last year which finished at 23%. The MBE goal for Live! Casino is 19%.

Commissioner Hodges asked Mr. Eller to talk about what industry classifications MBEs are in, and if they were trending a certain way, concentrating on one area. Mr. Eller said the casino uses MBE vendors in a variety of different areas, but predominantly in contracting, where there are large projects, and in professional services such as contracts for security and cleaning, but also on the technical side, including IT. Those two represent the most common areas. The casino has over 50 vendors on the vendor list, some large and some small. Live! Casino cultivates the list to be able to portion out parts of contracts. The Baccarat displays are procured by small MBE vendors.

Commissioner Hodges asked if the vendors are from Baltimore City, Baltimore County or across the State. Mr. Eller said the vendors are across the State. Mr. Eller stated that he did not have the information available on what the concentration is from each area, but would be able to provide that information later if the Commission was interested. Commissioner Hodges stated he was interested.

Rocky Gap Casino

Mr. Brian Kurtz, General Manager, reported that gaming revenue was down 1% year-over-year. Slot revenue was down 2% year-over-year despite great volume, up 5% in overall drop, but with less hold. Table game revenue was up 8% with flat drop, but better overall hold. Despite the decline, the casino is happy with the volume being seen it is a great rebound. Occupancy in the hotel was up over July, and up 4% year-over-year at 90%. It has been great weather and the golf course had 330 rounds of golf. Volume at the property has seen a rebound compared to the first six months of the year that had dramatic weather events. The casino held several promotions and gift giveaways in August. Similar to Perryville, Rocky Gap's "Rolling on Riches" is up to \$15,000, as no one hit in August, with the next drawing this weekend. In the community, team members helped "Stuff the Bus" with a record of over 1,200 items for the event. Rocky Gap is collecting through October for the Western Maryland Food Bank, collecting nonperishable food items to donate to the community distribution centers. The casino is also sponsoring the Western Maryland Health Annual Golf Dinner and Outing raising over \$250,000 for UPMC's Hospice Care. The compliance rate for MBE at Rocky Gap is 17%, with the casino currently hovering at 28%. Mr. Kurtz thanked the Governor's Office of Small Business Administration (GOSBA) and Special Secretary Martinez for the Ready Set Grow Event where between 75-100 vendors came together, opening eyes to the counties in Western Maryland for great partnerships. All State entities were there to help explain the licensing process. The casino treated team members with a pizza truck in August. The casino is working on the yearly compliance training which will be completed by Friday. The training includes Title 31, Responsible Gaming and human trafficking, and some IT training also.

Commissioner Hodges said that since he cannot speak about the casino's performance, he would like to ask Mr. Kurtz to talk about MBE industries being used and how they are spread out throughout the State. He wanted to know if it is all in Baltimore or throughout the State. Mr. Kurtz responded that 70-80% of the spend goes through services such as slot labor handled by Full Circle, an MBE out of Baltimore. Commissioner Hodges asked if that was Baltimore City or Baltimore County. Mr. Kurtz said he believes Full Circle is located in Baltimore County. Full Circle supplies all of the labor, and has supplied it for a long time. The casino just signed a three-year extension of the contract with them. Marketing spend with MBEs is mainly for promotional gifts, with small technical MBEs focusing on IT and penetration testing. Rocky Gap Casino constantly goes out looking for other routes that they can go to get new businesses, and have created great partnerships. Mr. Kurtz said that Rocky was originally a stand-alone resort prior to the

casino being added. The majority of the food and beverage for the hotel is outside the compliance rate for the casino. All outdoor activities are provided by a local WMBE. This includes ice cream vendor which is not part of the compliance rate, but is a good business for the resort. Mr. Kurtz told the procurement team at the Ready, Set, Grow Event to forget about the 17% MBE, and just go out and look for good partnerships. As a result, the casino has found partnerships that are good for the casino and the vendors.

Commissioner Hodges thanked Mr. Kurtz for the information and said he just wanted to know the percentages. Mr. Kurtz said he did not have them with him, but he can make that information available to the Commission. The information is sent to Gerald Stinnett every month in the casino's MBE compliance report. Rocky Gap spoke to four vendors at the event and are assisting those vendors in getting registered to allow them to be used in the future. He said Commissioner Mosby made a good point, there have been several projects in the past that the casino has unbundled; however, there are times when it does not make sense to unbundle.

Commissioner Hodges wanted to know if Rocky Gap has had problems with MBEs in the past? Mr. Kurtz said no, but there are challenges due to the location of the casino. Similar to Perryville, it does not make sense for smaller vendors to go all the way out there if the casino is not buying enough. Rocky Gap retains the information on those businesses, in the event that the demand is scaled up in the future and the business may be used later. With help Rocky Gap gave to a local coffee shop, it was able to scale up, and they are now able to offer product for the casino.

Commissioner Adebisi said he appreciated what the casino has been doing to make sure it looks out for the smaller local businesses as it can be difficult. Commissioner Adebisi noted that sometimes with businesses, people take the easy route, and he commends Rocky Gap for using local smaller businesses to help those business out. Mr. Kurtz said that the easy route is to use larger contractors, the player demographic is coming from the city centers where large vendors operate. Being able to use local vendors, the players enjoy the quaintness and it helps those businesses.

Commissioner Mosby wanted to know if historically the casino has outpaced compliance or was this caught on lately? Mr. Kurtz said historically no, prior to 2017 the MBE spend was below 17%. The casino has been working with the Commission very diligently to get it up to the compliance rate. With the change to Rocky Gap's ownership to Century, it does not just look at new companies, but looks at opportunities, not just percentage numbers. The casino has sat down and had conversations on what is needed, what the casino can absorb if there is cost increase, building relationships, and to reach out later if not able to do it now. For the past several years, the casino has been significantly above the MBE spend amount.

Commissioner Mosby said his question was around sustainable connectivity and relationship building. He said it seems the casino has done that and Commissioner Mosby wanted to note Rocky Gap's approach to the importance of using small local MBE and woman owned businesses. Mr. Kurtz said there have been several long-standing partnerships they intend to keep and continue to grow in the future.

Chair Browning thanked Mr. Kurtz for his report.

Horseshoe Casino

Mr. Jacob Witmer, Senior Vice President, General Manager, reported that August gaming revenue was up 3.7%. Casino net revenue was up 6.4% for the quarter. August was the sixth consecutive month of market-share growth for Horseshoe Casino. Nongaming revenue was up 44%, coin-in was up just under 11%, table drop was up 16%. ETG volumes were down slightly, due to the carpet renovations in July and August, but still increased in volume and revenue. The casino has a new poker manager, and the casino is starting to show growth in poker. Portions of entertainment proceeds are being allocated to veterans for shows at the casino. Two large-scale shows averaged 2,200 guests per event. MBE spend slipped a little, due to an accounting mess issuing a credit back to a consultant, which has been corrected, and the casino is

pacing around 20%, with goal of closing the year at 25% similar to last year. Most MBE spend is relatively local, but Mr. Witmer did not have the percentages available. In the community, the casino partnered with the Ravens to donate to Great Gowns, which donates gowns to children struggling with pediatric cancer, with the goal to accommodate every child in Maryland. The casino is focusing on areas for youth projects, activities and education with the City of Baltimore, which is a key area for team members.

Chair Browning said it was exciting to see the growth since his coming on-board last year, and that he appreciates the turnaround of the casino, and the investment being made to the local community. Chair Browning said the Commission will continue to work with the casinos to help with that path, getting people hired, reducing the list of open vacancies.

MGM National Harbor

Ms. Melonie Johnson, President, CEO, reported that gaming revenue was down 7%, attributable to a decrease in slot revenue, down 4%. Slot hold decreased year-over-year. Table revenue was down 11% year-over-year, due mainly to a decrease in baccarat volume. Poker revenue was up 4%, and sportsbook issued 27,627 tickets up from 26,364 tickets last year. There were 3 blackjack tournaments in August. The casino is trying to bring in celebrity chefs to the steak house or a high-profile restaurant and they have a big party and it is good for the casino. The casino had several promotions in August, and several sold out shows in the theater. The entertainment is being used as an acquisition tool drawing in customers including from Northern Virginia. In the community, MGM National Harbor team members prepared meal kits by Nourish Now and donated them to local churches. Team members were allowed to wear sports jerseys in exchange for a donation to the Foundation. MGM Resorts International has its own foundation, and money goes to the nonprofits. In September, the casino held a charitable golf tournament, and the money was donated to the foundation and turned into grants. MGM held a college opportunity program where students enroll online to Nevada State Institutions and the tuition is paid 100% by the casino. Team members volunteered at the 23rd Annual Chinese Festival. MBE spend is currently at 21%, with approximately 62 vendors. The vendors utilized are security, the trades, such as plumbing, painting, carpentry, and electrical. The casino outsources environmental services, and has vendors on the professional services side, along with vendors for wine and spirits.

Commissioners Hodges asked how much of the MBE spend goes to Baltimore City versus the entire State. Ms. Johnson said the vast majority of the vendors reside in Prince George's County, where the casino operates, but the casino does have vendors through the State.

Commissioner Stakem said the entertainment is a good thing, and helps with going up against Virginia. He said he was glad the casino is doing well. Ms. Johnson said the casino is watching Northern Virginia, as there are currently talks about Tyson's Corner having a casino coming soon which would impact business at MGM National Harbor not only in revenue, but talent as well, as there is no talent in that area.

Chair Browning thanked all of the casinos for what is being done, and said the casinos should let the Commission know how it can help more. He thanked the casinos for working with Gerald Stinnett from GOSBA and his team. Chair Browning said he appreciated that the casinos open their doors to local communities for events, such as graduations.

VENDOR REPORTS

Scientific Games (SciGames)

Mr. Jeff Hale, General Manager, reported that MBE utilization is at 40.8% versus the 20% goal. For contract to date, SciGames is at 21.42%. He said that VSBE was 6.7%. Contract to date is at 3.5%, and they are working on getting that number up. SciGames recently supported MLGCA at the State Fair, and at that

event, SciGames rolled out debit sales at the counter terminal, and that was very successful. SciGames is now rolling it out to the Ravens events. He said they hope to have 150 rolled out into the field in some of the higher volume locations by the end of this year. There will be a holiday raffle launch on November 3, going through January 2. New initiatives will be coming in Spring of 2026. The Toys for Tots Drive is getting ready to start in October.

Pollard Banknote

Chair Browning asked Mr. Priest from Pollard Banknote to briefly talk about service Pollard provides MLGCA.

Mr. Travis Priest, Director, Lottery Marketing, reported that Pollard serves as the primary printer for scratch games for MLGCA, and support in that manner. Pollard has print facilities in Canada and in Michigan. There are currently 11 games in production, and 9 out in the market. Total scratch games are up 4.2% year-over-year. Outside of Maryland, scratch games current Fiscal Year growth rate is 1.1%, with Maryland sitting comfortably in the top 10 of US Lotteries that report in to Pollard. MBE spending is 39.2%, which is above the contract rate of 10%, and Pollard continues to identify opportunities primarily in services used, including freight, paper supplies and printing services, and professional development services, which include IP and trademark searches. Mr. Priest said that Pollard attended the NASPL annual conference in Canada and looks forward to continuing to support MLGCA.

International Game Technology (IGT)

Chair Browning asked Ms. Vegas from IGT to briefly describe the services IGT provides to MLGCA.

Ms. Carmen Vegas, Datacenter Manager, reported that IGT is the central system of record, and supports MLGCA in the capacity that IGT retains all financial and security data for the slot machines and Electronic Table Games throughout the jurisdiction. She said that this past August, IGT delivered the SOC 2 audit report, and as the year winds down IGT is now entering into a quiet time. This is when IGT traditionally does preventative maintenance, schedules a service patch deployment, including a fail over test and vulnerability patch management for cyber security.

Commissioner Hodges asked if there had been any breaches? He wanted to know if there were any issues that IGT will need to look out for in the future? Ms. Vegas said locally the answer is no. Maryland was not impacted by the data breach at the IGT Corporate Offices in Rhode Island several months ago, which does not impact MLGCA at a site level. The way the system is layered, it would take quite a bit of effort to penetrate the central system because it is encompassed in a bubble and does not have any outside access. While not impenetrable, IGT does operate different layers of preventative maintenance throughout the year and penetration testing.

DIRECTOR'S REPORT

Director's Report — John Martin, Director

Director John Martin reported that August was a good month for Lottery due in part to the tremendous Powerball run, which was won in September by 1 person in Missouri and 1 person in Texas. The jackpot when it hit was \$1.8 billion and was the second largest jackpot in US Lottery history. It bodes well for the remainder of the Fiscal Year. Sales were up 3.9%, and profit was up 7.2%. On the Casino side, revenue was down 2.3% year-over-year, with contributions down .8%. Sports wagering is performing well, with a hold of 12.2% after two months, and contributions in August were over \$9 million, and year-to-date are over \$16.2 million.

Commissioner Hodges said a few months ago Director Martin spoke about changing the amount of money going into education versus other areas. Commissioner Hodges believe “they” were going to vote on it, is it increasing or changing, or is it the same as last year? He believes it was 5% of what MLGCA is bringing in. He asked Director Martin to talk on that a little.

Director Martin said the beneficiaries have not changed. Each of the three sectors have different beneficiaries. On the lottery side, the vast majority of that profit goes to the General Fund. From there, it is distributed based on legislative guidelines, and that will change year-to-year, and the profit contribution to the General Fund, and all causes, is roughly 26% of Lottery proceeds. On the casino side, the primary beneficiary is the Education Trust Fund. For sports wagering, it is exclusively the Blueprint for Maryland’s Future Fund. Each segment has separate beneficiaries, all of which are pretty static at this point, with some variation year to year.

Commissioner Adebisi wanted to know if there has been an increase in the number of retailers? Director Martin said no, it has been pretty steady with about 4,300 retailers for the last few years. There is a lot of volatility with smaller businesses that come and go for a variety of reasons. There are some gains with some corporate partners. There is some growth on the corporate side, and the independent side is more churn, with several new business coming on, others going out.

Chair Browning thanked Director Martin for MLGCA’s back of the house work, keeping the Commission informed and the interaction done daily with the vendors and casinos and said that it is truly appreciated.

COMMISSION ACTION ITEM

Chair Browning stated that the Commission would be holding a hearing today and outlined the procedures. He said that Mr. John Mooney would be conducting the hearing and summarizing MLGCA’s investigations. Chair Browning stated that he would collectively administer the oath to anyone who may testify or answer questions in any of the hearings. Chair Browning said at the end of each hearing anyone present on behalf of an interested party may speak, and the Commission may ask questions of Staff or a representative of the interested party. At the end of each hearing, Chair Browning said that he would ask for specific motions associated with each hearing.

Chair Browning then collectively administered the oath to all individuals who may testify or answer questions. Those sworn in from MLGCA were: John Mooney, Phil Metz, and Mark Ermer; there was no one present from Crab Services. Jay Saperstein was previously virtual, but left the meeting prior to the start of the hearing.

Managing Director, Regulatory Oversight – John Mooney

Commission Action Item – Qualification Hearing – Sports Wagering Facility Operator License Application – Crab Services, Inc. (Pikesville)

Mr. Mooney stated the Commission is familiar with this licensee as the Commission had already approved the license for Canton Gaming in the Canton location in the summer, and now the current request is for Crab Services to handle the operation at the Pikesville location. Last month the Commission approved the move of the sports book from Towson to Pikesville.

Mr. Mooney said there would be a qualification hearing for Crab Services, Inc. for a sports wagering facility operator license, and that the Commission must determine whether Crab Services has proven by clear and convincing evidence its qualifications under the Sports Wagering Law. Mr. Mooney outlined the requirements necessary in order to obtain the license.

Mr. Mooney said Crab Services, Inc., who was previously qualified by the Commission for an online sports wagering license and a sports wagering facility license in May, began operating in June of 2025. It has submitted a new sports wagering facility operator application to the Commission. Agency Staff conducted a suitability background license investigation of Crab Services, Inc. in connection its application for an additional sports wagering facility operator license.

Mr. Mooney provided background information on Crab Services. He said Crab Services will continue to provide comprehensive operational services to support regulated sports wagering for an additional location for Canton Gaming at its new Pikesville location. The services that Crab Services will provide includes end-to-end sportsbook management services across retail channels, covering trading and risk management, customer relationship management service, marketing and promotions, and affiliate and partnership programs.

Mr. Mooney provided information on ownership of Crab Services. He said that Crab Services had entered into a 3-year Operating Agreement with Canton Gaming, LLC d/b/a Finest Flag Gaming to operate its retail sportsbook located at 1007 Reisterstown Road, Pikesville, Maryland. This is the location the Commission approved at its August 28, 2025, meeting. Under the terms of the Operating Agreement, Crab Services manages the daily operations of the sportsbook, supplies Canton Gaming with required financial and operational reports, ensures compliance with all applicable gaming regulations, and ensures that the sportsbook operation meets responsible gaming and anti-money laundering requirements.

On December 11, 2024, Crab Sports, Inc., which is an affiliate of Crab Services, entered into a Services and Equipment Agreement with Internet Sports International, Ltd. (ISI), a Commission-licensed Sports Wagering Contractor that is a provider of retail sportsbook solutions for small to medium sized commercial and tribal casinos. Mr. Mooney described the agreement between ISI and Crab Sports, Inc.

Crab Services was recently formed and has been operating as a sports wagering facility operator in Maryland since June 2025. During this time period, Crab Services has operated in accordance with all of its regulatory responsibilities.

Mr. Mooney described the investigation that was conducted on Crab Services stating that there are no material issues involving the known financial backers of the Applicant; the Applicant possesses the requisite good character, honesty and integrity; and no significant issues surfaced concerning the Applicant's qualifications, nor were there any material issues discovered pertaining to the Applicant's record of regulatory compliance or litigation matters.

Although Crab Services is only recently formed, Mr. Mooney explained how its principal owners, who are licensed by the Commission have credible sports wagering experience as owners of Crab Sports, which possesses a Mobile Sports Wagering License issued by the Commission and has been in operation since July 12, 2023.

The Applicant submitted the completed applications, adequate proof of bonds and paid all required fees. The investigation also confirmed that the Applicant has sufficient financial resources and found no derogatory information regarding the Applicant's qualifications. Staff recommends that the Commission find Crab Services, Inc. qualified for a Sports Wagering Facility Operator License by clear and convincing evidence.

Chair Browning noted that no one from Crab Services was in attendance at this hearing to speak.

Chair Browning then asked if any of the Commissioners had any questions.

Commissioner Hodges asked if Mr. Mooney had just said that Crab Sports just started or how long has it been in existence? He wanted to know if it was a new company. Mr. Mooney responded that Crab Sports

has been operating for two years, and is an online Mobile Sports Wagering Operator. They then partnered with Canton Gaming and ISI just recently to handle the retail sportsbook for Canton. They currently have two retail locations, one in Canton and one in Pikesville for Canton Gaming, but they have over two years of experience handling mobile sports wagering.

Commissioner Hodges said he was trying to understand the pathway. He said this is a relatively new company, but they were able to show performance history by MLGCA's investigator as being capable even though they really have no experience in this area? Mr. Mooney stated again, they have two years' experience handling mobile sports wagering operations here in Maryland.

Commissioner Hodges asked, in terms of the agreement itself, if this was an agreement for three or five years. Mr. Mooney said it is a five-year agreement where they can stop the agreement after three years with proper written notice.

Commissioner Stakem stated that the Regulatory Oversight unit has done a great job conducting the investigations.

Chair Browning asked for a motion to find that Crab Services Inc. has established, by clear and convincing evidence, its qualifications for a Sports Wagering Facility Operator License. Commissioner Stakem motioned, Commissioner Adebisi seconded, and the motion was unanimously approved.

Chair Browning asked for a motion to delegate to Staff the authority to draft the Commission's decision statement on the qualification of Crab Services Inc. for a Sports Wagering Facility Operator License. Commissioner Stakem motioned, Commissioner Adebisi seconded, and the motion was unanimously approved.

CLOSED SESSION

Chair Browning said the next item on the agenda is a closed session to consult with counsel to obtain legal advice. Closed session may also be to discuss a pending procurement before contract award when the discussion is directly related to the contents of the proposals. Public discussion and disclosure of the contents of the proposals would adversely impact the competitive proposal process.

Chair Browning asked for a motion to go into closed session pursuant to General Provisions Article Section 3-305(b)(7) (b)(8) and (b)(14) to consult with counsel to obtain legal advice and discuss a pending Lottery Central Monitoring and Control System procurement including contents of the proposals, which would otherwise adversely impact the ability of the Commission to participate in the proposal process and impermissibly disclose confidential or pre-decisional and deliberative information. Also, in the course of the legal advice sought, may discuss potential litigation arising out of the pending procurement. Commissioner Stakem motioned, Commissioner Adebisi seconded, and the motion was unanimously approved.

At 11:13 a.m., Chair Browning explained that they would go into closed session in 10 minutes, to allow for a brief break for him to sign some documents and to head to another conference room for the Closed Session. The Closed Session began at 11:23 a.m. In the closed session, the Commission consulted with counsel to obtain legal advice. Additionally, the pending Lottery Central Monitoring and Control System Contract procurement was discussed with the staff and counsel. This included a discussion of the contents of the proposals. The Closed Session Form was completed. A copy of the form is attached to these minutes. The Closed Session ended at 12:58 p.m.

RETURN TO OPEN SESSION

Upon returning to Open Session, Chair Browning said that during the Closed Session, the Commission discussed the pending Lottery Central Monitoring and Control System Contract, sought legal advice concerning the procurement and discussed potential litigation with counsel arising out of the pending procurement.

The Commission considered the Procurement Officer's Determination recommending award of the contract to the 1st ranked responsive offeror, Scientific Games, LLC and its accompanying attachments. The Commission acknowledged the Procurement Officer's Determination rejecting Intralot's proposal as non-responsive. The Commission is not voting on that determination, as the Commission's July 15 recommended award of the contract has no legal effect now.

The Commission considered:

- 1) The Procurement Officer's Determination recommending award to Scientific Games based on the process and the need for stability of the Lottery;
- 2) The Legal Advice provided to the Commission;
- 3) The unfortunate facts that brought us here today;
- 4) General timing related to the process;
- 5) The fact that the prices were disclosed, which may affect any future process;
- 6) Inclusion of a non-responsive offeror through the entire process, which could have impacted the process and most specifically BAFOs;
- 7) Proper assessment of the process;
- 8) Importance of this contract to the State; and
- 9) Ensuring the full confidence of the public and the people who we serve.

Chair Browning then asked for a Motion to take a vote on whether to approve the Procurement Officer's Determination recommending award of the Lottery Central Monitoring and Control System Contract to Scientific Games, LLC. Commissioner Hodges motioned, and Commissioner Stakem seconded. Chair Browning then took a roll-call vote. Chair Browning called out each Commissioner by name and the vote was as follows:

Commissioner Adebisi	-	No
Commissioner Croghan	-	Yes
Commissioner Hodges	-	No
Vice Chair Marriner	-	Yes
Commissioner Mosby	-	No
Commissioner Stakem	-	Yes
Chair Browning	-	No

The motion did not pass, and will go back to the Procurement Officer for a future determination.

DATE AND TIME OF NEXT MEETING

Chair Browning announced the next Commission meeting will be held on Thursday, October 23, 2025, at 10:00 a.m. in person at Lottery Headquarters.

ADJOURNMENT

There being no further business, Chair Browning adjourned the meeting at 1:01 p.m.

Respectfully submitted,



John Martin
Director