
MARYLAND LOTTERY AND GAMING CONTROL COMMISSION

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

COMMISSION REPORT



**In Re the Application of
Penn Cecil Maryland, LLC
d/b/a Hollywood Casino Perryville**

Sports Wagering Facility License

RENEWAL

License Number 2021-SW-04

Report Date: July 22, 2026

“Public Report”

INTRODUCTION

Role of the Maryland Lottery and Gaming Control Commission

A Sports Wagering Facility License (“facility license”) may be renewed by the Maryland Lottery and Gaming Control Commission (“Commission”) following the initial 5-year term. State Gov’t (“SG”) § 9-1E-06(c); COMAR 36.10.03.05; COMAR 36.10.03.06. On proper application for renewal of the facility license and payment of the license renewal fee, the Commission shall renew the license. SG § 9-1E-06(c)(2). COMAR 36.10.03.06B provides that if (1) the licensee establishes, by clear and convincing evidence, that it meets applicable license qualification requirements; (2) submits to a background investigation as required by the Commission; (3) reimburses the Commission for all costs associated with the background investigation; and (4) pays the required license renewal fee the Commission shall renew the facility’s license.

The applicant for renewal of a facility license must prove to the Commission, by clear and convincing evidence, that it remains qualified to hold an facility license. SG § 9-1E-07; COMAR 36.10.03.06. Specifically, 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. SG § 9-1E-07.

Process

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. The findings of the investigation are compiled into a report which the Commission uses to determine whether the Applicant is qualified to hold a license. 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.

As a prerequisite to being eligible for the renewal of a Sports Wagering Facility License, an applicant must submit a Sports Wagering Facility License Renewal Application

to the Commission. Specifically, for renewal of the Sports Wagering Facility License, the licensee must prove that it remains qualified under SG § 9-1E-07(e) and COMAR 36.10.03.02 and not disqualified under SG § 9-1E-07(g)(1). A licensee seeking renewal of its facility license must provide all information to the Commission that is necessary for a qualification determination as to the licensee, its principals, and its principal entities.

The Applicant

The Agency conducted a suitability background license investigation of Penn Cecil Maryland, LLC d/b/a Hollywood Casino Perryville (“Penn Cecil” or “Applicant”) in connection with its application for renewal of its Sports Wagering Facility License. Penn Cecil Maryland, LLC d/b/a Hollywood Casino Perryville was qualified for a Sports Wagering Facility License by the Commission on October 21, 2021. It began offering sports wagering at its facility on December 23, 2021 and its current 5-year license expires on December 22, 2026.

INVESTIGATION INTO APPLICANT

Background

Penn Cecil was formed in Maryland on June 29, 2021, and conducts business as Hollywood Casino Perryville, the first casino to open in the State of Maryland on September 27, 2010. In January 2009, the Applicant was originally formed as Penn Cecil Maryland, Inc., as a wholly-owned subsidiary of Penn National Gaming, Inc. (“Penn National”). In August 2022, Penn National was renamed PENN Entertainment, Inc. (“PENN Entertainment”). Hollywood Casino Perryville is located at 1201 Chesapeake Overlook Parkway, Perryville, Maryland.

Hollywood Casino Perryville offers approximately 675 slot machines, a wide variety of table games, a poker room, a retail sportsbook and several dining options. The retail sportsbook at Hollywood Casino Perryville began operations on December 20, 2021 and is operated by Penn Sports Interactive, LLC. Penn Cecil has submitted a Sports Wagering Facility License Renewal Application to the Commission. Penn Sports Interactive, LLC is currently licensed as a Sports Wagering Facility Operator in Maryland and PENN

Entertainment has previously submitted a Principal Entity Disclosure Form to the Commission.

Ownership of the Applicant

Penn Cecil is a wholly-owned subsidiary of PENN Entertainment, which is publicly traded on the NASDAQ Stock Exchange under the symbol “PENN.” In its most recent Proxy Statement filed with the U.S. Securities and Exchange Commission, PENN Entertainment reported that as of April 27, 2026, it had 133,705,284 shares of common stock outstanding. The following entities held beneficial ownership of 5% or more of the outstanding shares:

- Black Rock, Inc. – 17,659,980 shares owned (13.2%); and
- The Vanguard Group, Inc. – 16,496,265 shares owned (12.3%).

Both entities are institutional investors and have previously been granted an Institutional Investor Waiver by the Commission.

Discussion of Financial Performance

Agency Staff performed a detailed analysis of the Penn Cecil’s operating performance and financial condition for the period from January 1, 2021 to December 31, 2025.

Penn Cecil’s overall operating performance was consistently positive despite some fluctuation in revenue, with net profits totaling \$36.7 million over the five- year review period. Throughout the review period, Penn Cecil generated substantial liquidity and cash flows from its operating activities and used these resources to satisfy its capital demands and finance lease obligations, as well as make regular distributions to its parent company. Additionally, its financial condition remained very positive over the period reviewed as Penn Cecil has had no long-term bank debt and is not highly leveraged.

Penn Cecil has sufficient liquidity to meet its financial obligations and working capital requirements in the ordinary course of business for the foreseeable future. It also appears poised to continue its positive operating performance and maintain its financial strength moving forward. Penn Cecil’s auditors have not expressed any concerns with its financial condition, results of operations or continuation as a going concern, and its financial ratios and margins are generally sound and compare favorably with those of its competitors.

There are no financial concerns with the re-licensure of Penn Cecil Maryland, LLC as a Sports Wagering Facility Licensee.

FINDINGS

The Agency conducted a complete and thorough background investigation as authorized under the Sports Wagering Law of Penn Cecil Maryland, LLC d/b/a Hollywood Casino Perryville by 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 because Penn Cecil Maryland, LLC d/b/a Hollywood Casino Perryville applied for renewal of its Sports Wagering Facility License under COMAR 36.10.03.06, as well as, confirming that it is not disqualified under SG § 9-1E-07(g)(1), are summarized as follows:

1) Financial stability, integrity and responsibility

The Applicant satisfies the standards for financial stability, integrity and responsibility in connection with renewal of its Sports Wagering Facility License.

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

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

3) Good character, honesty, and integrity

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

4) Sufficient business ability and experience

The Applicant has sufficient business and experience and is not disqualified from holding a Sports Wagering Facility License. The Applicant has held a Sports Wagering Facility License in Maryland since December 23, 2021.

5) Potential Disqualifying factors

The Applicant is not disqualified from holding a Sports Wagering Facility License based on any of the criteria listed in COMAR 36.10.03.02. and SG § 9-1E-07(g)(1).

The Applicant is qualified for renewal of its license by the Commission.

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 are not disqualified under COMAR 36.10.03.02C and SG § 9-1E-07(g)(1).

CONCLUSION AND RECOMMENDATIONS

The Applicant has submitted a completed Sports Wagering Facility License Renewal Application; submitted to a background investigation; paid the required license renewal fee; and provided adequate proof of bond. 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 requirements and criteria in SG § 9-1E-07(e)(6), SG § 9-1E-06, and COMAR 36.10.03.06, and COMAR 36.10.03.02, we conclude that the Applicant has established by clear and convincing evidence the qualifications required for renewal of its Sports Wagering Facility License.

Staff recommends that the Commission find Penn Cecil Maryland, LLC d/b/a Hollywood Casino Perryville qualified for renewal of its Sports Wagering Facility License and, based on the provisions of the Sports Wagering Law by clear and convincing evidence.

Staff recommends the Commission entertains motions to:

1. Find that Penn Cecil Maryland, LLC d/b/a Hollywood Casino Perryville has established, by clear and convincing evidence, its qualifications for renewal of its Sports Wagering Facility License for a 5-year term in accordance with § 9-1E-06, and COMAR 36.10.03.06;
2. As provided in COMAR 36.10.03.06B, "the Commission shall renew the license if the licensee:
 - a. Establishes, by clear and convincing evidence, that the licensee meets applicable license qualification requirements;

- b. Submits to a background investigation as required by the Commission;
 - c. Reimburses the Commission for all costs associated with the background investigation; and
 - d. Pays the required license renewal fee”; and
- 3. Direct Staff to draft a Decision Statement on the qualification of Penn Cecil Maryland, LLC d/b/a Hollywood Casino Perryville for the renewal of its Sports Wagering Facility License and Order for the license renewal term to commence upon the expiration of its current license and to begin on December 23, 2026.