

# **DECISION OF THE SPORTS WAGERING APPLICATION REVIEW COMMISSION**

## **Application for Sports Wagering Facility License Kathe P. Hospitality Services, LLC d/b/a Michael's on the South River**

**License Applicant No. SW- 2022-40**

**before  
The Sports Wagering Application Review Commission  
February 15, 2023**

On February 15, 2023, the Sports Wagering Application Review Commission (“SWARC”) held a virtual public meeting during which it considered whether Kathe P. Hospitality Services, LLC d/b/a Michael’s on the South River (“Applicant”) shall be awarded a Class B–2 sports wagering facility license under Title 9, Subtitle 1E of the State Government Article.

### **EVALUATION OF APPLICATION**

The Applicant submitted to SWARC a Sports Wagering Facility License Application (“SWARC Application”) for a license to conduct and operate sports wagering at a sports wagering facility located at 3027 Riva Road, Riva, MD 21140. Each member of SWARC received a copy of Applicant’s SWARC Application. In addition, staff provided SWARC members with a summary of the SWARC Application to facilitate review.

As provided under § 9–1E–15(j) of the State Government Article, SWARC may not award a sports wagering facility license until the State Lottery and Gaming Control Commission (“SLGCC”) has found the Applicant qualified for the license. Qualifying criteria include (1) timely submission of the SWARC Application and payment of the application fee; (2) the Applicant is not eligible for or does not hold a Class A–1 or A–2 sports wagering facility license; and (3) the Applicant’s proposed sports wagering facility is not located within an exclusion zone as described in § 9–1E–06(a)(3) of the State Government Article.

In evaluating Applicant’s SWARC Application, SWARC applied the relevant statutory and regulatory criteria and considered the public interest. SWARC’s regulations require that it evaluate applications based upon the criteria set out in COMAR 36.11.01.13, which are to be considered in no particular order and with no particular weight assigned. As provided under § 9–1E–15(o) of the State Government Article, SWARC may not award a sports wagering license unless it determines and declares that the award is in the public interest and consistent with the purposes of State Government Article, Title 9, Subtitle 1E.

### **FINDINGS OF FACT**

1. On January 26, 2023, staff of the State Lottery and Gaming Control Agency (“SLGCA”) transmitted to SWARC notice that SLGCC, at its January 26, 2023 meeting, determined that the Applicant is qualified for a sports wagering facility license.

2. In the document detailing SLGCC's decision that the Applicant is qualified, SLGCC found that the Applicant submitted a completed SLGCC Application, all required fees, and proof of adequate bond.

3. On October 20, 2022, the Applicant submitted to SWARC its SWARC Application.

4. SWARC has reviewed the Applicant's SWARC Application in accordance with § 9-1E-15(f) of the State Government Article.

5. On February 15, 2023, SWARC determined that the Applicant has met the applicable requirements of Title 9, Subtitle 1E, of the State Government Article and COMAR 36.11. SWARC finds that there were no material omissions or deficiencies in the SWARC Application.

6. SWARC finds that award of a sports wagering facility license to the Applicant is in the public interest for the following reasons: (1) enhanced State fiscal resources for education; (2) economic development and employment opportunities spurred by the sports wagering industry; (3) the regulation of an otherwise unregulated illegal sports wagering market that lacks consumer protections, undermines the integrity of sports, and is contrary to public policy; (4) the award provides opportunities for individuals who satisfy the personal net worth requirements under COMAR 36.11.02.19 to participate in the sports wagering industry; (5) the Applicant agreed to submit to SWARC a diversity plan that will include strategies for obtaining a diverse group of owners, investors, employees, and contractors; (6) wagers are protected by the Applicant maintaining cash reserves and performance bonds; and (7) the Applicant addresses problem gaming through self-exclusion programs and industry-standard responsible gaming tools.

### **CONCLUSIONS OF LAW**

1. SLGCA notified SWARC of SLGCC's determination that the Applicant has established by clear and convincing evidence that the Applicant is qualified for, and is not disqualified from, a sports wagering facility license.

2. SWARC has determined that the award of a Class B-2 sports wagering facility license to the Applicant is in the public interest and is consistent with the purposes of Title 9, Subtitle 1E of the State Government Article.

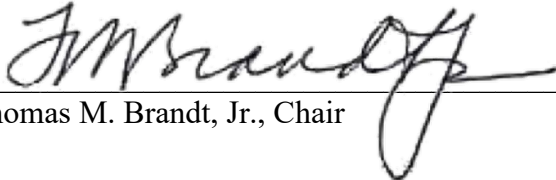
3. SWARC hereby awards a Class B-2 sports wagering facility license to the Applicant to conduct and operate sports wagering at 3027 Riva Road, Riva, MD 21140 contingent on the Applicant entering into a Memorandum of Understanding with SWARC, as required by § 9-1E-15(i)(2) of the State Government Article, by which the Applicant will commit to engaging in good-faith efforts to interview minority and women investors in future attempts to raise venture capital or attract new investors.

4. As indicated at the time of submission of the Applicant's SWARC Application, the Applicant:

(i) shall submit to SWARC a Diversity Plan, as required in Section B of the Addendum to the SWARC Application, within thirty (30) calendar days after the license award; and

(ii) agrees to make a good faith effort to meet the diversity objectives outlined in its Diversity Plan and to periodically report diversity metrics, which, along with the Diversity Plan, may be made available to the public.

5. Upon the Applicant entering into the Memorandum of Understanding required by § 9-1E-15(i)(2) of the State Government Article, staff for SWARC shall transmit notice of this license award to SLGCC.

  
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Thomas M. Brandt, Jr., Chair

2/15/2023  
Date