

Chairman Brandt's Opening Remarks for SWARC Meeting — 2/16/2022

- I'd like to begin today by recapping where we are in our process, as many in the state are anxious for SWARC to invite applications for additional Class B facility licenses and mobile sports wagering licenses.
- The May 2021 law requires SWARC to seek to achieve racial, ethnic and gender diversity to the extent permitted by law, encouraging applicants who qualify as minority business enterprises or who are small, minority- or women-owned business entities to apply for sports wagering licenses.
- So to comply with state and federal law, we were advised last September that a survey of the industry must be conducted for SWARC and its advisors, indicating whether disparities exist in the sports wagering industry between the availability of, and the utilization of, firms owned by minorities and women. Upon its completion, our commission can determine whether it has a strong basis for implementing race- and gender- conscious measures when issuing the new licenses. The State's Office of the Attorney General has been cautious in commissioning such a study, and we will get an update on that today.
- In the meantime, SWARC and the Maryland Lottery Agency are continuing to prepare regulations for the application process, and evaluation criteria for the license awards, so that we may issue license applications and commence the bidding process for the sports wagering licenses as quickly as possible after receipt of the industry survey.
- At our January meeting, we authorized a request for information to known participants in the sports wagering industry inviting input on matters relating to SWARC's approach to licensing sports wagering in Maryland. Responses are due at the end of this week and they will be considered in establishing Maryland's licensing process. We'll get an update on that work today too.
- Our advisors have also summarized general information for prospective applicants concerning the sports wagering opportunities in Maryland. This has been posted to the SWARC website provided by DLS and will be posted to SWARC's new improved website, which will be available soon. The staff are also working to create public presentations, webinars, FAQs, and other materials to educate Maryland businesses on steps they can take to begin the gathering application information so that they may be prepared to respond once we establish the process.
- We have asked our staff and advisors to use information developed from these processes to curate a list of businesses interested in participating in Maryland's sports wagering industry.
- So with that background, are there any objections to the agenda which was published in advance of this meeting?

Summary of Mr. Stamper's Disparity Analysis Update

David Stamper (Office of the Attorney General) updated SWARC on the status of the industry analysis procurement. He informed SWARC that there are some minor details to work out, but he expects that those details will be resolved quickly, and shortly thereafter a finalized contract will be submitted to the Department of Legislative Services for approval.

Summary of Taft Stettinius & Hollister LLP's Update to SWARC Concerning Industry Survey

Kim Copp (Taft Stettinius & Hollister LLP, outside consultant to SWARC) updated SWARC on the status of SWARC's Sports Wagering Industry Survey (also referred to as a request for information), which SWARC authorized for distribution at its January 19, 2022 meeting. Ms. Copp reminded SWARC that the purpose of the survey is to seek input from existing participants in the sports wagering industry on matters relating to SWARC's upcoming process of awarding Class B facility licenses and Mobile licenses.

Ms. Copp reported that Taft distributed the survey to nearly 50 sports wagering companies that it knows are currently operating in the U.S., as well as to other industry contacts such as industry trade associations. Ms. Copp said the survey is available on SWARC's website at www.swarc.org under "Additional Resources." She added that Taft has received some responses to the survey, but that it expects to receive many more responses as the deadline of February 18, 2022 at 2 p.m. ET approaches. Finally, Ms. Copp stated that once the survey responses are received, Taft will curate them and provide a future update to SWARC concerning the responses.