



Maryland

**Sports Wagering Application
Review Commission (SWARC)
Meeting
6/26/2024**

Taft/



SWARC Application Process

- On September 6, 2022, SWARC released its sports wagering license applications for the Class B and mobile sports wagering licenses.
- All applications were due to SWARC on October 21, 2022.
- By the application deadline, SWARC received a total of **27** applications –
 - **21** mobile sports wagering license applications
 - **6** Class B sports wagering facility license applications
- As applications were received, they were distributed to each SWARC Commissioner and SWARC’s consultants, Taft and Spectrum Gaming Group.
- To date, SWARC has awarded **21** licenses - **16** mobile and **5** Class B facility licenses and **1** applicant for a mobile license has withdrawn its application before being considered by SWARC.

MLGCC Qualification

- At its meeting on May 23, 2024, Maryland Lottery and Gaming Control Commission (“**MLGCC**”) found **one** mobile sports wagering license applicant “qualified” to hold a sports wagering license.
- In making these findings, MLGCC determined that, by clear and convincing evidence, the Applicant established:
 - its financial stability, integrity, and responsibility;
 - integrity of its financial backers, investors, mortgagees, bondholders, and holders of other indebtedness that bear a relation to the application;
 - its good character, honesty, and integrity; and
 - its business ability and experience.

Applications for SWARC Consideration

- Today, SWARC will consider 1 applicant for award of a mobile sports wagering license.
- In considering the application today, we will proceed as follows:
 - SWARC’s consultants will present an overview of the Applicant;
 - SWARC Commissioners will be given an opportunity to ask questions of SWARC’s consultants concerning the Applicant; and
 - SWARC Commissioners will discuss and consider the application and, if inclined, take action concerning the application.

SWARC Evaluation Criteria

In considering sports wagering license applications, SWARC will consider each application based upon the following criteria:

1. Experience, business ability and track record that evidences the Applicant's, or the Applicant's identified sports wagering operator's, ability to establish and operate a successful sports wagering operation;
2. Demonstrated ability to comply with applicable sports wagering laws and regulations, including regulatory compliance in other jurisdictions and past cooperation with regulatory authorities;
3. Demonstrated culture of, and investments in, responsible gaming programs and an effective governance and compliance program;
4. Demonstrated financial stability, resources, integrity, and business ability and acumen and the Applicant's ability to compete in the Maryland sports wagering market;

SWARC Evaluation Criteria (Con't)

5. If an Applicant sought investors, evidence of the Applicant's serious, good-faith efforts to solicit and interview a reasonable number of minority and women investors and whether or not any of those investors have purchased an equity share in the Applicant;
6. The maximization of sports wagering revenues including projected proceeds to the State;
7. Ability to commence sports wagering operations within a reasonable period of time after the award of the sports wagering license;
8. The extent to which the proposed sports wagering operation preserves existing Maryland jobs or creates new Maryland jobs and the anticipated wages and benefits for new Maryland jobs that would be created;
9. Demonstrated willingness and commitment to make investments in Maryland;

SWARC Evaluation Criteria (Con't)

10. Whether the Applicant's proposed sports wagering business would appeal to a unique market;
11. Responsiveness of the Applicant to requests of SWARC and MLGCC;
12. Whether the award of the sports wagering license is in the public interest and is consistent with the purposes of the Sports Wagering Law; and
13. Any other criteria deemed by SWARC to be in the public interest and consistent with the Sports Wagering Law.

Public Interest Considerations

- If SWARC is inclined to award a sports wagering license to the Applicant considered today, then SWARC must determine and declare that the award of the license is in the ‘public interest.’
- In awarding sports wagering licenses previously, SWARC has found the award of the license to be in the public interest due to the following factors:
 - enhanced State fiscal resources for education (achieved through sports wagering tax revenue);
 - economic development and employment opportunities spurred by the sports wagering industry; and
 - the regulation of an otherwise unregulated illegal sports wagering market that lacks consumer protections, undermines the integrity of sports, and offers distasteful betting options that are contrary to public interest.

Public Interest Considerations (Con't)

- Additional public interest factors could include the following:
 - The license 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;
 - Applicant agreed to submit to SWARC a diversity plan that will include strategies for obtaining a diverse group of owners, investors, employees, and contractors;
 - Wagers are protected by Applicant maintaining cash reserves and performance bonds; and
 - Applicant addresses problem gaming through self-exclusion programs and industry-standard responsible gaming tools.

Mobile Sports Wagering License Applicant

Betr MD, LLC dba Betr



- **Ownership**

- Wholly-owned subsidiary of Betr Holdings, Inc. organized August 4, 2022 (formerly known as Instabet Inc.)
- Betr Holdings, Inc. is privately-held.
- Per a Profits Interest Grant Agreement, Applicant has granted Bet on Gaming Holdings, LLC a 5% profits interest.

- **Compliance with Ownership Criteria**

- Each of the two individuals owning Bet on Gaming Holdings, LLC satisfy the personal net worth requirement of SWARC's regulations (COMAR 36.11.02.19).

- **Nature of Ownership**

- Profits interest

Betr MD, LLC dba Betr



- **Experience**

- Applicant, with the assistance of its parent company, Betr Holdings, Inc., will conduct all sports wagering operations.
- Betr operates sports wagering in two states (OH and VA) and has received a temporary license in IN.

- **Financial Information**

- Applicant is newly-formed for the purpose of pursuing mobile sports wagering in Maryland and has no operating history.
- Applicant will rely upon the financial support of its parent, Betr Holdings, Inc., to fund Applicant's start-up of operations and operating shortfalls.
- Financial information of Applicant (and its affiliates) is not publicly reported; however, SWARC Commissioners have access to such information in the application.

Next Steps

- After today's meeting there remain **3** mobile sports wagering license applications and **1** Class B sports wagering facility license application.
- As Applicants are qualified by MLGCC and reviewed by SWARC Commissioners and SWARC's consultants, they will be presented to SWARC for consideration.
- SWARC's next meeting: July 17, 2024