

Gaming Authorization & Social Sweepstakes Compliance Model

OnPoint Administration LLC

OnPoint Administration LLC, a Delaware limited liability company ("**OnPoint**," "**we**," "**us**," or "**our**"), operates OnPointCasino.com (the "**Platform**"), a social sweepstakes casino for adults in permitted U.S. jurisdictions. This document explains the basis on which the Platform operates, how its social sweepstakes model is structured, and the legal, operational, and financial crime controls OnPoint maintains. It is intended for payment processors, banking institutions, business partners, and other stakeholders.

OnPoint does not offer real-money gambling. Sweeps Coins are never sold, no purchase is ever necessary to participate in sweepstakes or win a Prize, and a purchase does not increase any participant's chances of winning. Sweepstakes are void where prohibited by law.

Company Overview

ITEM	DETAILS
Legal entity	OnPoint Administration LLC, a Delaware limited liability company
Business model	Social sweepstakes casino using a dual-currency model (Gold Coins and Sweeps Coins)
Market	Adults 18+ (or the age of majority, if higher) located in permitted U.S. jurisdictions
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01 EXECUTIVE SUMMARY

The Platform is built on a compliance model with ten core pillars, each described in this document:

PILLAR	SUMMARY
Promotional sweepstakes structure	Designed so that the element of consideration is absent from sweepstakes participation
Dual-currency model	Gold Coins for entertainment only; Sweeps Coins are free and are the only path to Prizes
No purchase necessary	Multiple free methods of entry, including an always-available mail-in method
Jurisdictional controls	Restricted states blocked through geolocation, identity verification, and legislative monitoring
Identity and age verification	Tiered KYC, with full verification required before any Prize redemption
AML and sanctions compliance	Risk-based AML program, OFAC and PEP screening, and transaction monitoring
Payment and redemption controls	Own-name payment methods, verified redemptions, and play-through requirements
Responsible gaming	Purchase limits, cool-off periods, self-exclusion, and support resources
Consumer protection	A complete, published policy suite and a structured complaint process
Governance	Designated compliance leadership, outside counsel review, and ongoing policy review

02 GAMING AUTHORIZATION STATUS

OnPoint does not offer real-money casino gaming or lottery products and does not hold a state gaming license. The Platform is structured and operated as a promotional sweepstakes under U.S. state sweepstakes and promotion laws. Under this model, participants never pay to enter a sweepstakes, which is the basis on which OnPoint operates without a gaming license in permitted jurisdictions.

OnPoint's authorization framework is built on four principles:

- **Operate only where permitted.** The Platform is available only in jurisdictions where OnPoint, with the guidance of counsel, has determined that the social sweepstakes model may be offered.
- **Restrict promptly.** Where a state prohibits dual-currency sweepstakes, requires a license OnPoint does not hold, or presents enforcement risk that OnPoint determines is unacceptable, that state is added to the Restricted Jurisdictions list and geo-blocked.
- **Comply with promotion laws.** Where state promotion laws impose registration, bonding, or disclosure requirements, OnPoint evaluates and complies with those requirements with the assistance of counsel.
- **Monitor continuously.** Legislative, regulatory, and enforcement developments are tracked on an ongoing basis, and controls are updated as the legal landscape changes.

Important: This document is a summary of OnPoint's compliance model. It is not a gaming license, a legal opinion, or a guarantee regarding the legal status of sweepstakes in any jurisdiction. Laws governing social sweepstakes vary by state and are changing rapidly. The Terms and Conditions, Sweepstakes Rules, and other published policies govern the relationship between OnPoint and its users.

03 LEGAL FRAMEWORK: SWEEPSTAKES VS. GAMBLING

Under the laws of most U.S. states, an activity is generally treated as gambling or an unlawful lottery when three elements are present together: a **prize**, an outcome determined by **chance**, and **consideration** paid to participate. Lawful promotional sweepstakes offer prizes awarded by chance but remove the element of consideration by ensuring that no purchase or payment is required to enter or win.

ELEMENT	PRESENT?	HOW THE MODEL ADDRESSES IT
Prize	Yes	Eligible Sweeps Coins may be redeemed for Prizes in accordance with the Sweepstakes Rules.
Chance	Yes	Game outcomes are determined by random number generation.
Consideration	Designed to be absent	Sweeps Coins are never sold and can be obtained through free methods of entry. Gold Coins are sold as an entertainment product with no redemption value, and any Sweeps Coins provided alongside a Gold Coin package are a free promotional bonus. Sweeps Coins obtained for free are identical to all other Sweeps Coins.

State laws are not uniform. A growing number of states have enacted statutes that specifically prohibit dual-currency sweepstakes models, regardless of the availability of free entry. OnPoint treats those states as Restricted Jurisdictions (see Section 6).

At the federal level, the Unlawful Internet Gambling Enforcement Act (UIGEA) applies to bets or wagers that are unlawful under the applicable federal or state law where they are made. Because the model is designed so that participants never pay to enter a sweepstakes, and because the Platform is restricted in states that prohibit the model, OnPoint's controls are designed to keep Platform activity outside that scope.

04 THE DUAL-CURRENCY MODEL

FEATURE	GOLD COINS	SWEEPS COINS
Purpose	Entertainment play only	Participation in sweepstakes promotions
Can be purchased?	Yes, or obtained free	Never. Always provided free of charge
How obtained	Purchase, promotions, free rewards	Free methods of entry, promotions, or a free bonus with Gold Coin packages
Monetary value	None	None, unless validly redeemed
Redeemable for Prizes?	Never	Yes, subject to KYC, play-through, and the Sweepstakes Rules
Transferable?	No	No

Gold Coins and Sweeps Coins are maintained as separate balances. Users are informed at the point of purchase that they are purchasing Gold Coins, that Gold Coins cannot be redeemed, and that no purchase is necessary to participate in sweepstakes.

05 NO PURCHASE NECESSARY AND FREE ENTRY

Free entry is central to the model. As detailed in the Alternative Method of Entry Policy, eligible players may obtain Sweeps Coins for free through the Daily Wheel, daily, weekly, and monthly quests, website requests, postal mail-in requests, social media bonus drops, community chat drops, and other free promotions. The model is governed by the following equal-treatment principles:

- **Identical coins.** Sweeps Coins obtained for free have exactly the same value, play-through requirements, redemption minimums, and Prize eligibility as all other Sweeps Coins.
- **Always-available mail-in.** A postal mail-in method remains available for as long as the sweepstakes promotion is offered.
- **No purchase advantage.** Purchasing Gold Coins never improves a participant's odds of winning a Prize.
- **Clear disclosures.** "No Purchase Necessary" and "Void Where Prohibited" statements appear in the Terms and Conditions, Sweepstakes Rules, AMOE Policy, and at the point of purchase.

06 JURISDICTIONAL CONTROLS

STATUS	MEANING	CONTROLS
Permitted	Jurisdictions where OnPoint has determined the model may be offered	Full access for eligible, verified users
Under Review	Jurisdictions with pending legislation, regulatory inquiries, or enforcement activity	Heightened monitoring and counsel review; restriction implemented if warranted
Restricted	Jurisdictions where the model is prohibited or OnPoint has elected not to operate	Blocked at registration, purchase, gameplay, and redemption

As of the date of this document, the following states are Restricted Jurisdictions:

- California
- Connecticut
- Idaho
- Indiana
- Louisiana
- Maine
- Michigan
- Montana
- Nevada
- New Jersey
- New York
- Oklahoma
- Tennessee
- Washington

The Platform is also unavailable outside the United States. Jurisdictional status is enforced through the following controls:

- **Geolocation.** IP-based and, with permission, device-based location checks at registration, login, purchase, and redemption.
- **Location masking detection.** Detection and blocking of VPNs, proxies, and other location-spoofing tools.
- **Residency verification.** Residential address verification through KYC, so that residents of Restricted Jurisdictions cannot participate from elsewhere.
- **Legislative monitoring.** Ongoing tracking of state legislation and enforcement activity with counsel, with geo-blocks implemented on or before the effective date of any prohibition.
- **Wind-down procedures.** When a state is newly restricted, affected users are notified and handled in accordance with the Terms and applicable law.

07 ELIGIBILITY AND IDENTITY VERIFICATION

All users must be at least 18 years of age (or the age of majority in their jurisdiction, if higher), reside in and be located in a permitted U.S. jurisdiction, and hold only one Account. Identity verification is performed with a specialized third-party provider using a tiered approach:

STAGE	WHEN IT APPLIES	WHAT IS VERIFIED
Registration	Account creation	Name, date of birth, address, email, phone, age, and location
Full KYC	Before the first Prize redemption, at risk-based thresholds, or on risk indicators	Government-issued photo ID, selfie and liveness check, proof of address, sanctions and PEP screening
Enhanced Due Diligence	High-risk Accounts or unresolved red flags	Source of funds and source of wealth, with senior compliance review

Duplicate Accounts, underage users, and users whose identity cannot be verified are blocked, and any associated Virtual Coins are voided in accordance with the Terms.

08 AML AND SANCTIONS COMPLIANCE

OnPoint maintains a risk-based anti-money laundering and sanctions compliance program, described in its Anti-Money Laundering Policy and designed with reference to the Bank Secrecy Act, the USA PATRIOT Act, OFAC regulations, and FinCEN guidance. Key elements include:

- A designated AML Compliance Officer reporting directly to OnPoint's members;
- Customer risk ratings and enhanced due diligence for higher-risk Accounts;
- Screening against OFAC and other U.S. sanctions lists at onboarding and on an ongoing basis, together with PEP and adverse media screening;
- Automated and manual transaction monitoring for red flags, such as minimal-play redemptions, structuring, and linked Accounts;
- Reporting of suspicious activity to FinCEN and other authorities as required or permitted by law;
- Record retention for a minimum of five (5) years; and
- Staff training at least annually and periodic independent testing of the program.

09 PAYMENT AND REDEMPTION CONTROLS

CONTROL	DESCRIPTION
Payment processing	Payments are processed by third-party payment processors. Card data is tokenized, and OnPoint does not store full card numbers.
Own-name payments	Purchases may only be made with payment methods registered in the Account holder's name. No cash, money orders, or third-party payments are accepted.
Verified redemptions	Prizes are paid only after full KYC, to a verified redemption method in the Account holder's name.
Play-through requirements	Sweeps Coins must be played through before redemption, preventing the Platform from being used to move funds without genuine gameplay.
No peer-to-peer transfers	Virtual Coins cannot be transferred, gifted, sold, or exchanged between Accounts.
Limits	Purchase, redemption, and velocity limits are applied based on risk and responsible gaming settings.
Chargeback management	Disputes are handled under the Refund Policy, with Account suspension for pending chargebacks and closure for abuse.
Tax reporting	Taxpayer information is collected where required, and IRS information returns are issued as required by law.
Digital currency	Where offered, wallet addresses and transactions are screened using blockchain analytics by OnPoint or its payment partners.

10 RESPONSIBLE GAMING

OnPoint is committed to keeping the Platform a safe form of entertainment. Responsible gaming measures include:

- Player-controlled purchase limits, cool-off periods, and self-exclusion, as described in the Responsible Gaming Policy;
- The ability for OnPoint to impose limits or close Accounts where there are concerns about a user's wellbeing;
- Age verification controls and a strict prohibition on use by minors;
- Exclusion of self-excluded users from marketing communications; and
- Prominent display of support resources, including the National Problem Gambling Helpline at 1-800-GAMBLER.

11 GAME INTEGRITY AND FAIR PLAY

- Game outcomes are determined by random number generation, and game rules and paytables are displayed within each Game.
- Server-side records are the binding record of all gameplay, transactions, and balances, and a malfunction voids all affected pays and plays.
- Bots, automation, collusion, multiple Accounts, and exploitation of errors are prohibited and actively monitored.
- Promotions are subject to published terms, and promotional rewards obtained through abuse are voided.

12 MARKETING AND AFFILIATE STANDARDS

Marketing is a key compliance risk area, and several states extend liability for unlawful sweepstakes to promoters and affiliates. OnPoint and its affiliate partners must follow these standards:

- Marketing must not target minors, self-excluded individuals, or residents of Restricted Jurisdictions, and geo-targeting must exclude Restricted Jurisdictions.
- All marketing that references Sweeps Coins or Prizes must include "No Purchase Necessary" and "Void Where Prohibited" disclosures.
- Marketing must not describe the Platform as real-money gambling, promise winnings, or present Prize redemption as a source of income.
- Affiliates must comply with OnPoint's marketing guidelines, and non-compliant affiliates are suspended or terminated.

The Platform and its marketing use consistent sweepstakes terminology:

USE	INSTEAD OF
Purchase Gold Coins	Deposit, buy chips, or fund an account
Play	Bet or wager
Redeem Sweeps Coins for Prizes	Withdraw or cash out
Social sweepstakes casino	Online casino or real-money casino

13 CONSUMER PROTECTION AND TRANSPARENCY

OnPoint publishes a complete policy suite that governs the Platform and is available to all users:

DOCUMENT	WHAT IT COVERS
Terms and Conditions	Eligibility, Restricted Jurisdictions, Virtual Coins, purchases, redemptions, prohibited conduct, and dispute resolution
Sweepstakes Rules	Sweeps Coins, play-through requirements, redemption minimums, and Prize terms
Alternative Method of Entry Policy	All free methods of obtaining Sweeps Coins, including mail-in requirements
Privacy Policy	Collection, use, sharing, and protection of personal information, including state privacy rights
Refund Policy	Purchases, limited refund circumstances, and chargebacks
Customer Complaint Policy	Complaint submission, handling timelines, escalation, and next steps
Anti-Money Laundering Policy	AML and sanctions program, due diligence, monitoring, and reporting
Responsible Gaming Policy	Player protection tools and support resources

Complaints are acknowledged within 2 business days, with a target response within 10 business days and a senior management escalation path, as set out in the Customer Complaint Policy.

14 DATA PROTECTION AND SECURITY

Personal information is handled in accordance with the Privacy Policy. Security measures include TLS encryption in transit, encryption of sensitive data at rest, role-based access controls, vendor due diligence, and regular security assessments. Biometric data used for identity verification is subject to specific consent, retention, and destruction requirements, and OnPoint does not sell personal information for monetary consideration.

15 COMPLIANCE GOVERNANCE AND ONGOING REVIEW

FUNCTION	RESPONSIBILITY
Members	Approve compliance policies, oversee the compliance program, and receive regular compliance reporting
AML Compliance Officer	Day-to-day oversight of KYC, AML, sanctions, monitoring, investigations, reporting, and training
Outside counsel	Review of the sweepstakes model, policy suite, and jurisdictional status as laws change
Policy review	All compliance policies reviewed at least annually, and sooner when laws, products, or risks change
Vendor oversight	Due diligence on identity verification, payment, geolocation, and game content providers
Independent testing	Periodic testing of the AML program by a qualified independent party

OnPoint cooperates with payment partners, banking institutions, and regulators, and will provide additional documentation in support of partner due diligence upon request.

16 CONTACT US

For compliance inquiries, partner due diligence requests, or questions about this document, please contact us using the subject lines below.

REQUEST TYPE	SUBJECT LINE
Payment partner or banking due diligence	Partner Due Diligence
Questions about this document or the compliance model	Compliance Inquiry
Regulatory or law enforcement inquiries	Compliance Request

ONPOINT ADMINISTRATION LLC — COMPLIANCE

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