

Presented by



INTRODUCTION TO US SWEEPSTAKES LANDSCAPE

Rapid Evolution Into \$3 Billion Revenue Industry
& Next Steps for International Operators

WHAT ARE SWEEPSTAKES?

Sweepstakes are promotional games of chance (typically prize drawings) in which participants:

Have the opportunity to win prizes of real monetary value; and are not required to pay for entry.

ARE SWEEPSTAKES A FORM OF GAMBLING?

No. Under U.S. common law, an activity is considered gambling if it includes all three of the following elements:



Prize

A reward of real value.



Chance

Winners are determined by luck rather than skill.



Consideration

Participants must pay or provide something of value to enter.

Since sweepstakes do not require consideration, they are not classified as gambling under U.S. law.

THE LEGAL FOUNDATION OF SWEEPSTAKES CASINOS



Why It's Legal:

Sweepstakes casinos operate under U.S. Individual State sweepstakes laws (not Federal Law), which allow promotional contests as long as they offer a free method of entry. This exemption allows operators to offer casino-style gaming without requiring a gambling license.



Key Legal Precedents:

Successful social casinos operating under this model in the U.S. confirm its legitimacy.



Regulatory Exemption:

Unlike real-money gambling, sweepstakes casinos do not fall under gambling laws and thus avoid state gaming regulations and taxes.

THE TWO-COIN MODEL: HOW IT WORKS

Delivery Channels: online/mobile/Interactive



Gold Coins (GC) Play for Fun

- Players purchase Gold Coins for entertainment purposes.
- Gold Coins cannot be cashed out; they are purely for play.
- Additional Gold Coins are earned via promotions, bonuses, and engagement incentives.



Sweepstakes Coins (SC) - Redeemable for Cash

- Players receive Sweepstakes Coins as a bonus when purchasing Gold Coins or through free-entry methods (e.g., mail-in offers, social media giveaways).
- SC can be played in casino games and sports betting.
- Winnings from SC can be redeemed for real cash after a playthrough requirement.

WHAT GAMES CAN BE OFFERED?

Sweepstakes casinos can legally offer a full range of traditional real-money casino games, including:



Slots

Classic, video, and progressive jackpot slots.



Table Games

Blackjack, roulette, baccarat, craps.



Poker

Cash games, sit & go's, tournaments.



LIVE

Live Dealer Games:

Interactive live-streamed gaming.



Sports Betting:

Legally structured under sweepstakes mechanics, offering parlays, moneylines, and spreads using Sweepstakes Coins.

NO LICENSING, NO GAMBLING TAXES

No Gaming Licenses Required:

Unlike traditional online casinos, sweepstakes casinos do not require a gaming license.

No Gambling-Specific Taxes:

Operators avoid gaming taxes and much of the regulatory overhead associated with real-money gambling.

Minimal Payment Processing Issues:

Players purchase virtual currency (Gold Coins) in packages because they are not directly buying cash; instead, they are acquiring free-to-play tokens. These packages also include promotional Sweep Coins, which can be redeemed for cash. This structured setup ensures compliance with legal requirements while maintaining the entertainment-focused nature of the platform.

Separately, there are numerous payment options available for the platform, and we can facilitate introductions on behalf of our clients. This includes fiat as well as cryptocurrency. Note: US AML standards are more stringent, but we can provide the necessary policies.

MARKET POTENTIAL & COMPETITIVE ADVANTAGE

45 States, Including Key Markets:

Operate in California, Texas, Florida, and other major markets where traditional online gambling is prohibited.

High Player Demand:

Social casino gaming is a \$7+ billion market annually in the U.S., with increasing adoption of sweepstakes models.

Seamless Entry for Offshore Operators:

The model allows experienced gambling operators to enter the U.S. market legally and without licensing barriers.

Advertising is available:

Google/Meta and all traditional methods including access to Google Play and Apple Stores

UNPRECEDENTED GROWTH

**Explosive
Growth:**

**85% CAGR
(2019-2023);**

61% year-over-year
in 2023

**Bright
Forecast:**

**44% CAGR
through 2025**

2025, reaching \$11.4B
in player purchases
and \$4.0B in net
revenue

**Revenue
Surge:**

**\$5.6B in
purchases,**

\$2.0B in net
revenue in 2023

**Industry
Leader:**

**VGW's 3-year
CAGR**

of 156%
demonstrates huge
profit potential

NEXT STEPS & EXECUTION STRATEGY



Structuring Your Sweepstakes Model:

Ensuring full legal compliance with free entry options.



Game Integration & Platform Development:

Offering a robust gaming experience that mirrors traditional gambling.



Marketing & User Acquisition:

Leveraging social media, influencers, and targeted advertising to drive player growth.



Scaling Operations:

Expanding to maximize revenue potential while maintaining regulatory compliance.

Sweepstakes-first Brands

- Stake.us
- Chumbacasino.com (Malta-Based)
- Fliff Sportsbook App (getfliff.com) (Texas-Based)
- goldenheartsgames.com (Massachusetts-Based)
- Rebet Sportsbook (New Hampshire-Based)

WHAT WE OFFER

Sweepstakes casinos present a lightly-regulated and geographically diverse opportunity for offshore gambling operators to access the massive U.S. market. By leveraging the two-coin model, operators can offer a full suite of casino and sports betting options without falling under traditional gambling regulations.

Simply Alpha Capital, LLC offers everything an offshore operator needs to get legal and operational

Legal Opinion (required by a US law firm)

All documents (Sweeps rules, T&Cs, US AML Policies, etc..)

Legal Structuring Advice (how offshore operators can best organize their legal structure)

Limited Tax Advice (both Federal, State Income and Sales Tax)

Introduction to banking (offshore and domestic), US payment providers, and Geolocation providers (required since its not legal in all US States)

A hand is shown dropping a red die into a pool of other dice. The background is a dark, textured surface with a circular pattern, and the lighting is dramatic, highlighting the hand and the dice.

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Contact Us

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