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IN THE CIRCUIT COURT FOR THE THIRTEENTH JUDICIAL CIRCUIT FOR HILLSBOROUGH COUNTY, FLORIDA

OFFICE OF THE ATTORNEY GENERAL,
STATE OF FLORIDA,
DEPARTMENT OF LEGAL AFFAIRS,

Plaintiff,

Case No.
Division:

v.

VGW HOLDINGS U.S. INC, VGW U.S. INC.,
VGW LUCKYLAND, INC.,
VGW HOLDINGS PTY LTD.,
VGW MALTA LTD,
VGW MALTA HOLDING LIMITED,
VGW GAMES LIMITED,
YODLEE, INC.,
TRUSTLY, INC.
WORLDPAY HOLDCO, LLC,

Defendants.
_____/

COMPLAINT FOR EQUITABLE AND STATUTORY RELIEF
JURY TRIAL DEMANDED

1. Defendants operate and facilitate illegal online casinos in the State of Florida. They call them "sweepstakes" casinos as if that's some sort of talismanic cure-all. But if it looks, swims, and quacks like a duck, it's a duck. The VGW Defendants' "sweepstakes" casinos violate Florida laws, harm Florida citizens, and deprive the State of licensing, taxation, and other revenues from gambling entities that the State properly regulates.

2. Defendants scam Floridians by, among other things, deceptively advertising "free," "100% safe," and "100% legal" casino games,[1] providing easy 24/7 access, accepting credit cards and Apple Pay, and using influencers to deceive consumers into the online casino. These actions threaten vulnerable Floridians, including children and seniors, and cause Floridians to lose substantial amounts of real money—all while Defendants reap enormous, illicit, ill-gotten gains at their expense.

3. The Attorney General thus seeks to shut down Defendants' illegal gambling operations in the State, disgorge Defendants' ill-gotten gains obtained at the expense of Floridians, and otherwise hold Defendants accountable.

PARTIES

4. Plaintiff, Office of the Attorney General, State of Florida, Department of Legal Affairs, brings this action, by and through its Attorney General, James Uthmeier. The Attorney General is an enforcing authority of the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA"), Chapter 501, Part II, Florida Statutes, and is authorized to bring this action seeking equitable, injunctive, and other statutory relief, including equitable monetary relief, and civil penalties under FDUTPA for violations of FDUTPA and gambling statutes aimed at protecting Floridians. The Attorney General may also bring an action for violations of sections 849.08, 849.09, 849.11, 849.14 to 849.16, and 849.26 to 849.34, Florida Statutes regarding illegal gambling in violation of Florida law as a violation of FDUPTA.

[1] https://luckylandslots.com/.

5. Before this action, the Attorney General reviewed this matter and determined that this enforcement action serves the public interest.

6. Defendant VGW Holdings U.S. Inc. is a Delaware corporation with its principal place of business at 1881 9th Street, Suite 2002, Boulder, Colorado, 80302. VGW Holdings also maintains an office at 442 Post Street, Suite 900, San Francisco, California 94102.

7. Defendant VGW U.S. Inc. is a Delaware corporation with its principal place of business at 1881 9th Street, Suite 2002, Boulder, Colorado, 80302. VGW U.S. also maintains an office at 442 Post Street, Suite 900, San Francisco, California 94102.

8. Defendant VGW Luckyland, Inc. is a Delaware corporation with its principal place of business at 1881 9th Street, Suite 2002, Boulder, Colorado, 80302. VGW Luckyland also maintains an office at 442 Post Street, Suite 900, San Francisco, California 94102.

9. Defendant VGW Holdings Pty LTD. is a foreign corporation headquartered in Perth, Australia. Defendant VGW Holdings Pty does business through their online sweepstakes casinos in all counties within Florida.

10. Defendants VGW Malta LTD, VGW Malta Holding Limited, and VGW Games Limited are limited companies incorporated under Maltese law, with their principal places of business in Birkirkara, Malta, but who are operated by employees in Australia.

11. Defendants VGW Holdings U.S. Inc., VGW U.S. Inc., VGW Luckyland, Inc., VGW Holdings Pty LTD., VGW Malta LTD, VGW Malta Holding Limited, and VGW Games Limited are referred to collectively as the VGW Defendants. The VGW Defendants are led by Laurence Escalante, their founder, and by the same executive management. The VGW Defendants were collectively taken private by Escalante in 2025.

12. Defendant Yodlee, Inc. is a Delaware corporation with its principal place of business at 3600 Bridge Parkway, Suite 200, Redwood City, California 94065. Yodlee is a financial data aggregation company whose business includes linking consumers' financial accounts and collecting, maintaining, and organizing financial account and transaction data.

13. Defendant Trustly, Inc. is a Delaware corporation with its principal place of business at 555 El Camino Real, Suite 200, San Carlos, California 94070. Trustly is an open banking payment platform that enables account-to-account payments by connecting consumers' financial accounts with participating merchants and facilitating electronic transfers of funds.

14. Defendant Worldpay Holdco, LLC is a Delaware limited liability company with its principal place of business at 8500 Governors Hill Drive, Symmes Township, Ohio. Worldpay is a major global payment processing and merchant acquiring company that provides merchant acquiring, payment processing, payment gateway, payout, and related financial technology services to merchants worldwide.

15. Defendants Yodlee, Inc., Trustly, Inc., and Worldpay Holdco, LLC are referred to collectively as the Payment Processor Defendants.

16. Each Defendant played or plays a role in furthering Defendants' common enterprise with the common goal of facilitating and promoting illegal gambling by Florida citizens at the VGW Defendants' sweepstakes casinos.

JURISDICTION AND VENUE

17. This is an action for injunctive relief, disgorgement, consumer restitution, actual damages, civil penalties, attorney's fees and costs, and other statutory and equitable relief against Defendants, in excess of $50,000.00.

18. The granting of injunctive and other equitable and statutory relief is within the jurisdiction of the Circuit Court and the amount in controversy satisfies the jurisdictional threshold of the Circuit Court.

19. The statutory violations alleged here occurred in or affect more than one judicial circuit in the State of Florida, including, but not limited to, the Thirteenth Judicial Circuit in Hillsborough County.

20. This Court also has specific personal jurisdiction over Defendants under section 48.193, Florida Statutes because they contract to provide services and goods in this State, have caused injury in this State, and have transacted business with Florida consumers. At all times relevant here, Defendants targeted their sweepstakes casinos to individuals they knew were located in Florida, directly targeted advertising to individuals they knew resided in Florida, allowed individuals who had verified their identities using Florida-issued photo IDs and proof of residence

in Florida to gamble on the Sweepstakes Casino websites using Sweeps Coins purchased from the sweepstakes casinos, and injured these individuals in Florida.

21. The causes of action described here arise in whole or in part from (i) the VGW Defendants' active marketing of the sweepstakes casino platforms to residents of Florida without informing them of their illegality or the dangers associated with the platform, and (ii) Defendants' sale and use of its Sweeps Coins currency, by which they openly flout Florida's gambling laws and obtain ill-gotten gains from Floridians.

22. All these activities are aimed at Florida, and these activities create a substantial connection with Florida sufficient to make the exercise of personal jurisdiction over Defendants reasonable for the Florida courts.

23. This Complaint does not confer diversity jurisdiction upon the federal courts under 28 U.S.C.§ 1332, as the Attorney General is not a citizen of any state and this action is not subject to the jurisdiction of the Class Action Fairness Act of 2005.

24. Likewise, federal question jurisdiction under 28 U.S.C. § 1331 is not invoked by the Complaint, as it sets forth here exclusively viable state-law claims against the Defendants. Nowhere here does Plaintiff plead—expressly or implicitly—any cause of action or request any remedy that arises under federal law. The issues presented in the allegations of this Complaint do not implicate any substantial federal issues and do not turn on the necessary interpretation of federal law. No federal issue is important to the federal system as a whole under the criteria set by the Supreme Court in *Gunn v. Minton*, 568 U.S. 251, 260–61 (2013) (e.g., federal tax

collection seizures, federal government bonds). The causes of action asserted, and the remedies sought here, are founded upon the positive statutory, common, and decisional laws of the State of Florida. Further, the assertion of federal jurisdiction over the claims made here would improperly disturb the congressionally approved balance of federal and state responsibilities. Thus, any exercise of federal jurisdiction is without basis in law or fact.

25. In this Complaint, if Plaintiff may refer—either expressly or impliedly—to federal statutes and regulations, Plaintiff does so to state the duty owed under Florida law, not to allege an independent federal cause of action, and not to allege any substantial federal question under *Gunn*. Thus, any attempted removal of this Complaint based on a federal cause of action or substantial federal question lacks merit.

26. Venue is appropriate in Hillsborough Circuit Court under section 47.051 Florida Statutes, which applies to foreign corporations doing business in this State and allows venue in the county where the cause of action accrued, or where the property in litigation is located. Florida citizens gambled and lost money in this county, which Plaintiff now seeks to recover.

RELEVANT STATUTORY BACKGROUND

27. Except under very limited circumstances, none of which apply to the facts and circumstances here, all forms of gambling are illegal in the State of Florida.

28. "Florida has no history or tradition of allowing slot machines within its borders." *Gretna Racing, LLC v. Dep't of Bus. & Pro. Regul.*, 178 So. 3d 15, 17 (Fla.

1st DCA 2015), a*pproved sub nom. Gretna Racing, LLC v. Fla. Dep't of Bus. & Pro. Regul.*, 225 So. 3d 759 (Fla. 2017). "To the contrary, other than a very brief period in the State's history—a depression era lacuna from about 1935 to 1937 when the state legislature and the state supreme court were briefly in synch over their legality in highly limited circumstances—slot machines have been prohibited as unlawful lotteries from statehood until the recent passage of a constitutional amendment in 2004 authorizing referenda in Miami–Dade and Broward Counties to permit their usage." *Id*.

29. To effectuate that 2004 slots amendment, the Legislature in 2005 enacted Chapter 551, Florida Statutes, entitled "Slot Machines," which narrowly authorizes slot machines in Miami–Dade and Broward Counties and governs their regulation. Regarding authority, section 551.101 of the Florida Statutes, entitled "Slot machine gaming authorized," provides, and continues to provide as follows:

> Any licensed pari-mutuel facility located in Miami-Dade County or Broward County existing at the time of adoption of s. 23, Art. X of the State Constitution that has conducted live racing or games during calendar years 2002 and 2003 may possess slot machines and conduct slot machine gaming at the location where the pari-mutuel permitholder is authorized to conduct pari-mutuel wagering activities under such permitholder's valid pari-mutuel permit provided that a majority of voters in a countywide referendum have approved slot machines at such facility in the respective county. Notwithstanding any other provision of law, it is not a crime for a person to participate in slot machine gaming at a pari-mutuel facility licensed to possess slot machines and conduct slot machine gaming or to participate in slot machine gaming described in this chapter.

§ 551.101, Fla. Stat.

30. In 2009, the Legislature again amended Chapter 551 to further limit and define the universe of authorized operators by specifically defining an "Eligible Facility" as follows:

> "Eligible facility" means any licensed pari-mutuel facility located in Miami-Dade County or Broward County existing at the time of adoption of s. 23, Art. X of the State Constitution that has conducted live racing or games during calendar years 2002 and 2003 and has been approved by a majority of voters in a countywide referendum to have slot machines at such facility in the respective county; any licensed pari-mutuel facility located within a county as defined in s. 125.011, provided such facility has conducted live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required license fee, and meets the other requirements of this chapter; or any licensed pari-mutuel facility in any other county in which a majority of voters have approved slot machines at such facilities in a countywide referendum held under a statutory or constitutional authorization after the effective date of this section in the respective county, provided such facility has conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required licensed fee, and meets the other requirements of this chapter.

§ 551.102 (4), Fla. Stat. As the Florida First District Court of Appeal held in *Gretna Racing, LLC v. Dep't of Bus. & Pro. Regul.*, 178 So. 3d 15 (Fla. 1st DCA 2015), voter referenda and additional authority would be required for any other approval of slot machines played in the State of Florida.

31. Florida's treatment of slot machine gambling reflects the State's long-standing principle, further discussed below, that unless expressly authorized, games of chance are unlawful. Both the Legislature and Florida courts have preserved a

strict prohibition on unregulated gambling while permitting limited forms only through explicit statutory or constitutional endorsement.

32. Florida has also established a comprehensive criminal framework prohibiting possession, operation, use, and exhibition of gambling devices, including electronic or mechanical machines adapted for games of chance. *See* § 849.15(1), Fla. Stat.; § 551.101, Fla. Stat.; *see also* Art. X, § 23, Fla. Const.; § 849, Fla. Stat.

33. Under Florida law, a "'slot machine or device' means any machine or device or system or network of devices that is adapted for use in such a way that, upon activation, which may be achieved by, but is not limited to, the insertion of any piece of money, coin, account number, code, or other object or information, such device or system is directly or indirectly caused to operate or may be operated and if the user, whether by application of skill or by reason of any element of chance or any other outcome unpredictable by the user, may" "[r]eceive or become entitled to receive any piece of money, credit, allowance, or thing of value, or any check, slug, token, or memorandum, whether of value or otherwise, which may be exchanged for any money, credit, allowance, or thing of value or which may be given in trade." § 849.16(1)(a), Fla. Stat.

34. Other sections of the Florida penal code prohibit various activities associated with or attendant to gambling. For example, Section 849.01 prohibits the keeping of a gambling house, Section 849.02 makes an individual acting as a "servant, clerk, agent, or employee" of a person in violation of Section 849.01 guilty of the same offense, Section 849.03 prohibits the renting of a house or room for gambling

purposes, Section 849.11 prohibits plays at games of chance by lot, Section 849.14 prohibits betting on the outcome of contest of skill, and Section 849.04 makes it illegal to allow a minor or mentally incompetent individual to gamble. Section 849.05 makes the discovery of gambling devices prima facie evidence that the location where they were found is kept for the purposes of gambling. Section 849.07 prohibits the use of billiards tables for gambling purposes.

35. Florida's laws and regulations strictly limit the operation and facilitation of gambling within the State. Defendants are not authorized to operate or facilitate gambling websites or online casinos in Florida under Florida laws and regulations. *See, e.g.*, §§ 849.08, 849.231, Fla. Stat.

36. Florida criminalizes gambling devices broadly. Section 849.231(1) prohibits the manufacture, sale, purchase, or possession of gambling devices, and Section 849.233 imposes penalties for violations of that prohibition. Section 849.26 provides that all gambling debts or contracts are void and unenforceable. The penalties for violating Chapter 849 are significant. Most pertinently here, in addition to fines and imprisonment, they include forfeiture of the entire amount "won" to the State. *See* § 849.29, Fla. Stat.

37. Florida's gambling statutes also provide that "[t]here is a rebuttable presumption that a device, system, or network is a prohibited slot machine or device if it is used to display images of games of chance and is part of a scheme involving any payment or donation of money or its equivalent and awarding anything of value." § 849.16(3), Fla. Stat.

38. The Florida Gambling Loss Recovery Statute, section 849.12, Florida Statues, provides an independent statutory mechanism for the State to recover money or property lost through illegal gambling. It provides, in relevant part:

> All sums of money and every other valuable thing drawn and won as a prize, or as a share of a prize, or as a share, percentage or profit of the principal promoter or operator, in any lottery, and all money, currency or property of any kind to be disposed of, or offered to be disposed of, by chance or device in any scheme or under any pretext by any person, and all sums of money or other thing of value received by any person by reason of her or his being the owner or holder of any ticket or share of a ticket in a lottery, or pretended lottery, or of a share or right in any such schemes of chance or device and all sums of money and other thing of value used in the setting up, conducting or operation of a lottery, and all money or other thing of value at stake, or used or displayed in or in connection with any illegal gambling or any illegal gambling device contrary to the laws of this state, shall be forfeited, and may be recovered by civil proceedings, filed, or by action for money had and received, to be brought by the Department of Legal Affairs or any state attorney, or other prosecuting officer, in the circuit courts in the name and on behalf of the state; the same to be applied when collected as all other penal forfeitures are disposed of.

39. Section 849.29, meanwhile, defines "Persons against whom suits may be brought to recover on gambling contracts":

> The following persons shall be jointly and severally liable for the items which are authorized by this act to be sued for and recovered, and any suit brought under the authorization of this act may be brought against all or any of such persons, to wit: The winner of the money or property lost in the gambling transaction; **every person who, having direct or indirect charge, control or management**, either exclusively or with others, of the place where the gambling transaction occurs, procures, suffers or permits such place to be used for gambling purposes; **whoever promotes, sets up or conducts the**

> **gambling transaction** in which the loss occurs or has an interest in it as backer, vendor, owner or otherwise; and, as to anything of value other than money, the transferees and assignees, with notice, of the persons hereabove specified in this section; and the personal representatives of the persons specified in this section. [emphasis added].

Under this statute, Defendants are each persons who are in charge of—and have control of—illegal online gambling websites and promote, set up, or conduct illegal gambling transactions.

40. FDUTPA, sections 501.201, *et seq.*, broadly prohibits unfair methods of competition, as well as unconscionable, deceptive, or unfair acts or practices, in the conduct of any trade or commerce.

41. At all times material here, Defendants have engaged in "trade or commerce" as defined in Section 501.203(8), Florida Statutes. Defendants have each deceptively advertised, solicited, provided, offered, and/or distributed, the sweepstakes casinos to consumers in the State of Florida and have engaged in unfair and unconscionable business practices to obtain ill-gotten gambling winnings from Floridians.

42. FDUTPA authorizes public enforcement by the Florida Attorney General, who may sue to obtain a declaratory judgment that an act or practice violates FDUTPA, an action to enjoin any person who has violated, is violating, or is otherwise likely to violate, FDUTPA, and an action on behalf of one or more consumers or governmental entities for the actual damages caused by an act or practice in violation of FDUTPA. § 501.207, Fla. Stat.

FACTUAL ALLEGATIONS

I. Free-to-Play and the New Era of Online Gambling

43. The proliferation of internet-connected mobile devices has led to the growth of so-called "free-to-play" videogames. With free-to-play videogames, developers encourage consumers to download and play games for free while selling many low-cost items within the game itself. Developers aim to recoup their costs and make a profit by selling thousands of "in-game" items that start at just a dollar or two. These purchases are commonly known as "micro-transactions" and are paid while playing a game instead of charging an up-front fee to download the game itself.

44. The purported free-to-play video game model is particularly attractive to developers of games of chance (e.g., slot machine mobile video games) because it allows them to generate substantial profits. In the last decade, free-to-play games of chance have generated over tens of billions in worldwide revenue and that figure continues to grow.[2]

45. With free-to-play games of chance, developers have begun exploiting the same psychological triggers related to addiction like brick-and-mortar casinos. Experts have studied the effect free-to-play games have on consumers. In one study, the authors compiled several sources analyzing free-to-play games of chance (referred to as "casino" games below) and stated:

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[2] Hyoun S. Kim, Michael J. A. Wohl, et al., *Do Social Casino Gamers Migrate to Online Gambling? An Assessment of Migration Rate and Potential Predictors*, Journal of gambling studies / co-sponsored by the National Council on Problem Gambling and Institute for the Study of Gambling and Commercial Gaming (Nov. 14, 2014).

> [Researchers] found that [free-to-play] casino gamers share many similar sociodemographic characteristics (e.g., employment, education, income) with online gamblers. Given these similarities, it is perhaps not surprising that a strong predictor of online gambling is engagement in [free-to-play] casino games. Putting a dark line under these findings, over half (58.3%) of disordered gamblers who were seeking treatment stated that social casino games were their first experiences with gambling.
>
> …
>
> According to [another study], the purchase of virtual credits or virtual items makes the activity of [free-to-play] casino gaming more similar to gambling. Thus, micro-transactions may be a crucial predictor in the migration to online gambling, as these players have now crossed a line by paying to engage in these activities. Although, [sic] only 1–5% of [free-to-play] casino gamers make micro-transactions, those who purchase virtual credits spend an average of $78. Despite the limited numbers of social casino gamers purchasing virtual credits, revenues from micro-transactions account for 60% of all [free-to-play] casino gaming revenue. Thus, a significant amount of revenue is based on players' desire to purchase virtual credits above and beyond what is provided to the player in seed credits.[3]

46. The same authors looked at the link between playing free-to-play games of chance and gambling in casinos. They stated that "prior research indicated that winning large sums of virtual credits on social casino gaming sites was a key reason for [consumers'] migration to online gambling," yet the largest predictor that a consumer will transition to online gambling was "micro- transaction engagement." [4] In fact, "the odds of migration to online gambling were approximately eight times

[3] *Id.*
[4] *Id.*

greater among people who made micro-transactions on [free-to-play] casino games compared to [free-to-play] casino gamers who did not make micro-transactions."[5]

47. The proliferation of online gambling websites coincides with an increase in gambling addiction among minors under the age of 18.[6] Whereas brick-and-mortar casinos can exclude minors, the easy access to online gambling on websites like the Defendants' makes it easier for underage minors to participate in gambling. Websites like the VGW Defendants' sweepstakes casinos are contributing to a sharp rise in online gambling addiction among minors. *Id*.

48. The casino gaming industry is one of the most regulated businesses in the United States—including in Florida. A gambling license requires, among other things: (1) meeting state standards; (2) background checks on company officers and directors; (3) adherence to responsible gaming programs; (4) anti-money laundering measures; and (5) many other requirements concerning data privacy, security, and responding to customer complaints. The VGW Defendants intentionally skirt and attempt to evade these requirements by concealing the illegal gambling nature of their websites and market them as free-to-play sites rather than registering them as online gambling websites with the State.

[5] *Id.*

[6] Veselka et al., *Factors Associated With Social Casino Gaming Among Adolescents Across Game Types*, 18 BMC Public Health 1167 (2018).

II. The VGW Defendants Devised a Scheme, Based on Illegal Internet Cafés, to Use Free "Social Gaming" as a Front for Real Online Gambling, in Violation of Florida Gambling Laws and the Laws of Other States

A. Defendants' Online Gambling Scheme

i. Overview of Defendants' Scheme

49. The VGW Defendants own and operate the Sweepstakes Casino websites named ChumbaCasino.com, Luckylandslots.com, Luckylandcasino.com, and Globalpoker.com. On each of these websites, visitors gamble real money through many electronic versions of slot machine games and other games of chance. Below are various examples of the homepages of the VGW Defendants' websites.

Figure 1 – Chumba Casino Live Blackjack



Figure 2 – Chumba Casino Homepage

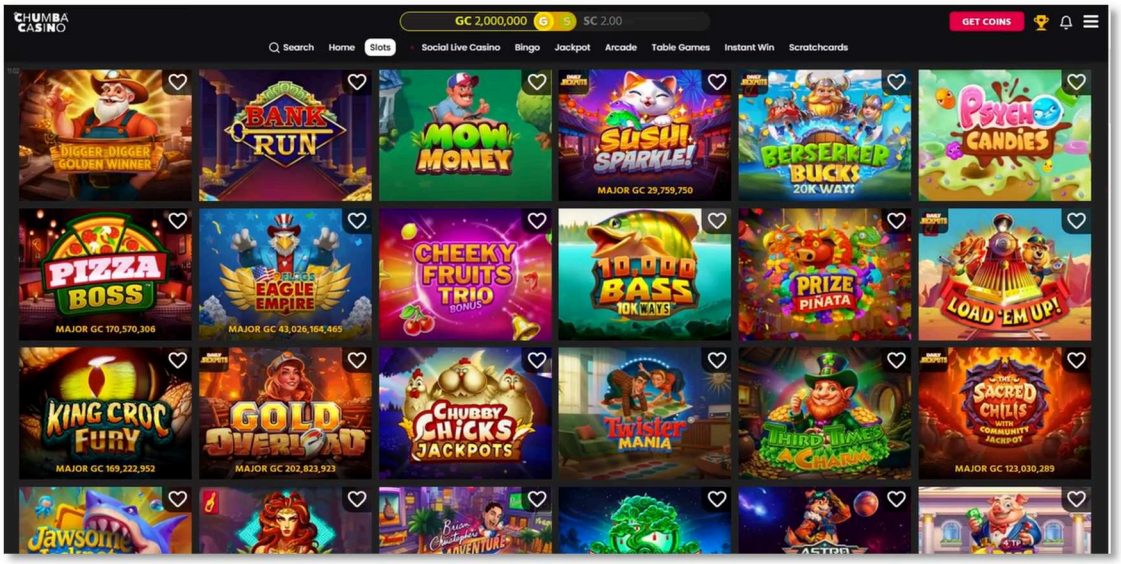


Figure 3 – Luckyland Casino Homepage

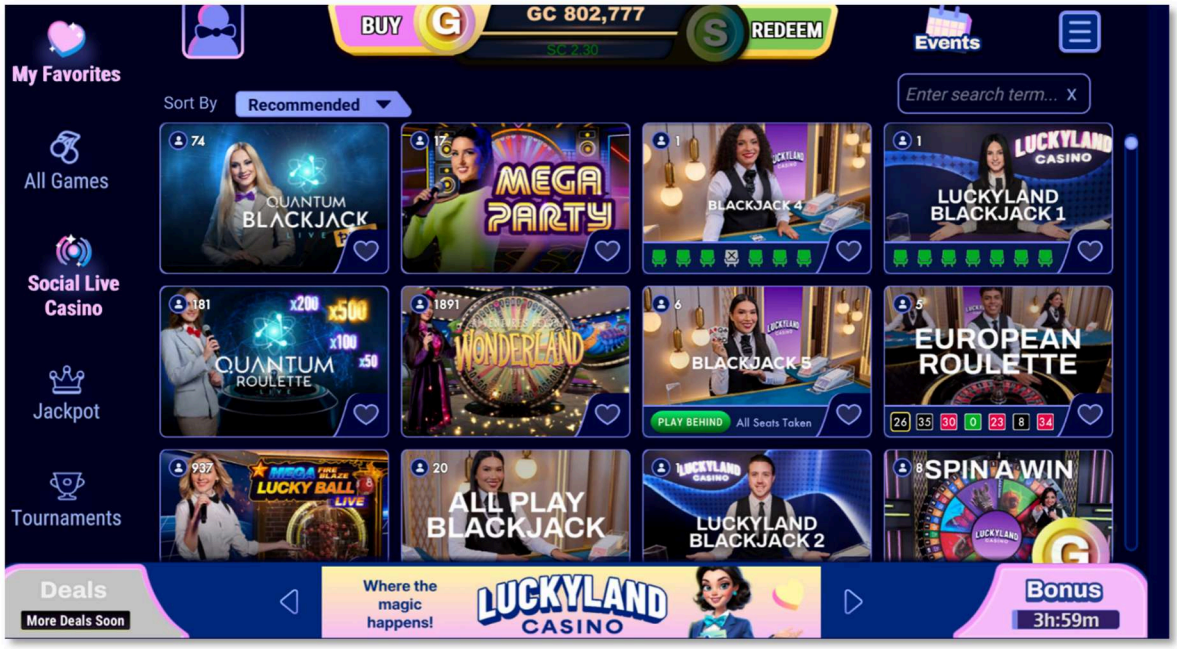


Figure 4 – Luckyland Slots Homepage

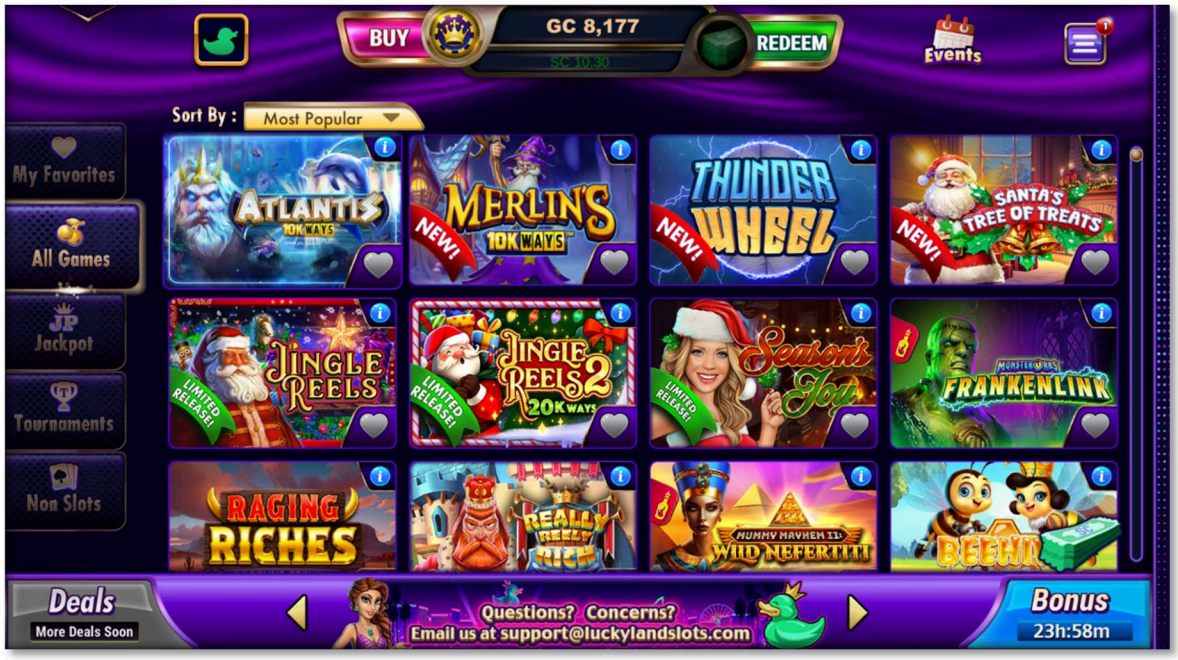


Figure 5 – Global Poker Homepage

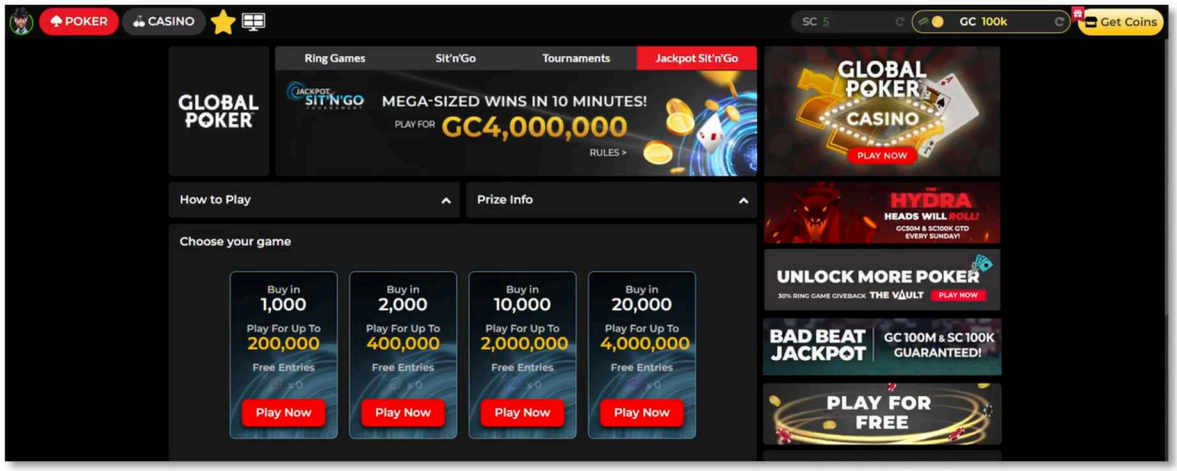
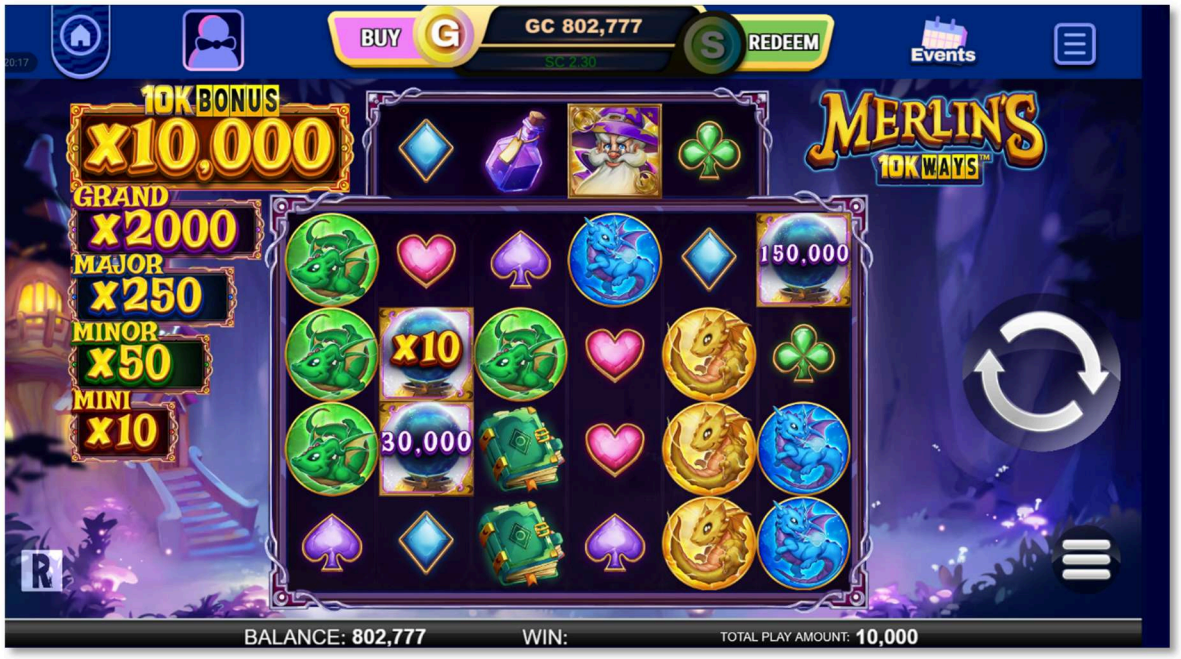


Figure 6 – Chumba Casino Slot Machine Exemplar



Figure 7 – Luckyland Casino Slot Machine Exemplar



50. The games of chance offered by the VGW Defendants' sweepstakes casinos are no different than the types of games of chance played in a Las Vegas, Nevada casino. Like a real casino, players purchase online coins (*i.e.*, gambling chips) and then redeem their winnings for cash or other forms of monetary consideration.

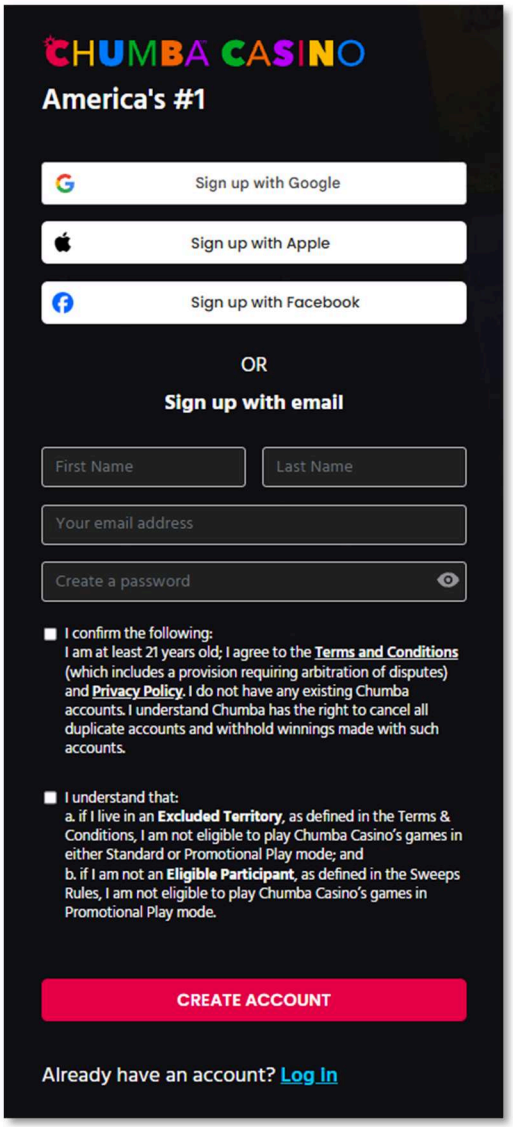
51. But to conceal their illegal gambling operations, the VGW Defendants claim VGW offers "'Social Plus' games—a freemium model whereby games are available to play at no cost, but include optional in-game purchases to enhance gameplay along with sweepstakes promotions, where players can collect free entries for the chance to win real-world prizes."[7] As explained below, the free "social casino" component of the VGW Defendants' websites is merely a pretext to conceal what is in truth and in fact, an illegal gambling operation.

[7] https://www.vgw.co/company/.

ii. Getting Started and Registering for an Account

52. The process for creating an account on any of the VGW Defendants' websites is straightforward. First, a user inputs basic information like their name and email address on the "Create Account" page. *See*, *e.g.*, **Figure 8** (Chumba Casino signup page).

Figure 8 – Chumba Casino Signup Page

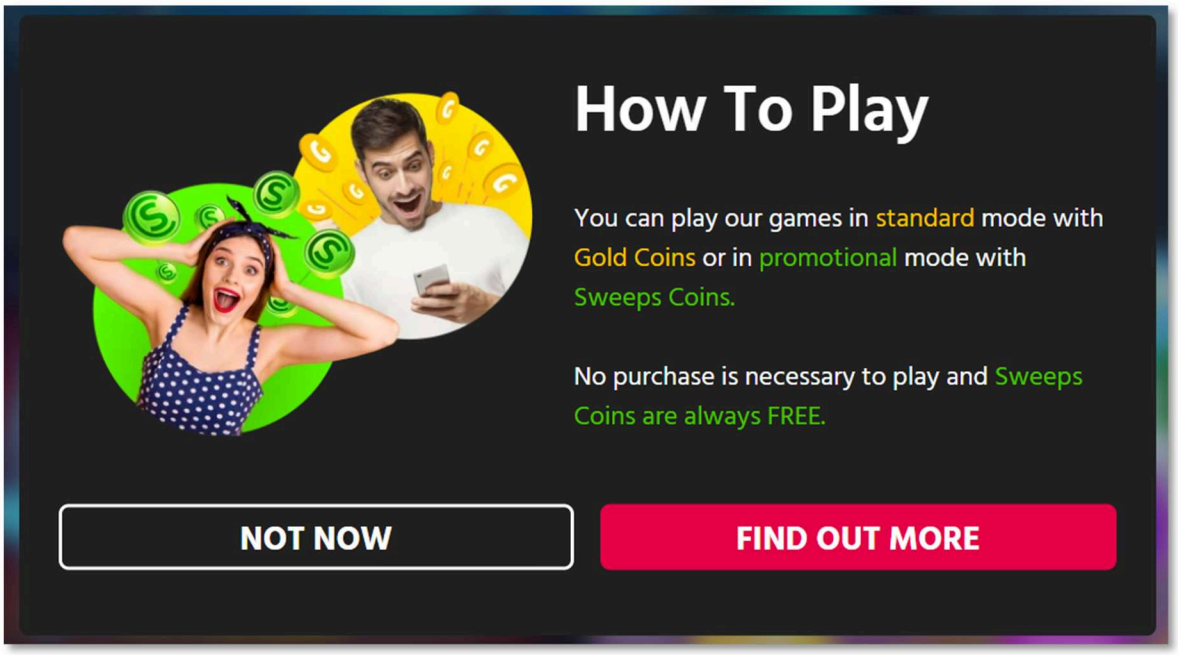


53. Once a user creates their account, that user completes a quick account verification process through their email.

54. After a user verifies their account, they are given a tutorial on how the Sweepstakes Casino operates. The website explains that the casino uses two different types of coins, which correspond to the social gaming and the gambling

distinction on its website: "Gold Coins" and "Sweeps Coins." Both coins can be used to play any of the games on the website, but a player can only win cash or cash equivalents for bets played with "Sweeps Coins."

Figure 9 – The VGW Defendants' "How to Play" Instructions for Gold Coins and Sweeps Coins



iii. The VGW Defendants Use "Free" Gold Coins to Falsely Advertise the Sweepstakes Casinos as Online Gaming, When the Use of Sweeps Coins Makes them Gambling Websites

55. When playing games using Sweeps Coins, one coin is equivalent to and redeemable for one U.S. dollar. For example, if someone has 25,000 Sweeps Coins in their account, they have the equivalent of $25,000 in their account.

56. When a consumer first sets up an account on the VGW Defendants' websites, they are given a free bundle of 100,000 Gold Coins and 2 Sweeps Coins equal to $2.00 USD. If consumers lose their initial allotment of coins, the VGW

Defendants try to sell them additional coins. Consumers cannot play on the website without coins.

57. Generally, the only way to obtain additional Sweeps Coins, apart from winning them in gambling on the sweepstakes casinos, is to directly purchase them from the VGW Defendants' websites. Defendants claim that they only sell Gold Coins for social gaming and players "[r]eceive Sweeps Coins as a free bonus when purchasing Gold Coins."[8]

58. Purchases for Sweeps Coins bundled with Gold Coins can be made via Apple Pay, credit card, or Skrill. Regardless of payment method, coins are instantly available for use on the VGW Defendants' websites.

59. Gold Coins alone can be used to play the casino games in "Standard Mode" mode with no potential to win money. When using Gold Coins only, a player can only win or lose Gold Coins. Using Gold Goins as a gateway drug to real money gambling with Sweeps Coins, the VGW Defendants lull consumers into a false sense that gambling is normal and not risky. Thus, when consumers purchase additional Gold Coins to continue what they may have started as a "social" game, they ignore the Gold Coins that will not generate "real" prizes in favor of the purportedly "free" Sweeps Coins.

60. The VGW Defendants' websites also offer a "Promotional" Mode, where Sweeps Coins can be used to play the casino-style games offered on the VGW Defendants' websites but for real monetary value. Sweeps Coins won on games

[8] https://www.chumbacasino.com/sweeps-rules.

played in "Promotional" mode can be redeemed for cash. To procure Sweeps Coins, players typically must purchase them in a package with Gold Coins. Defendants characterize the Sweeps Coins as a "free" bonus added to the sale of Gold Coins.

61. Sweeps Coins are a proxy for real money. Depending on the package bought, there is either a 1:1, or nearly 1:1, correlation between the number of dollars spent and the value of Sweeps Coins provided in each purchase.

62. For example, if a user spends $20, he or she receives 5 million Gold Coins but receives 20.50 supposedly "free" Sweeps Coins. Sweeps Coins have a redemption rate of one U.S. dollar, so 20.50 Sweeps Coins are equivalent to approximately $20.50—effectively the same amount that was purportedly charged for the Gold Coins.

63. Consumers who visit the VGW Defendants' websites pay money in exchange for Sweeps Coins just like gamblers pay money in exchange for poker chips at a brick-and-mortar casino. That the VGW Defendants choose to deceptively label the Sweeps Coins as a "bonus" for purchasing a bundle of Gold Coins does not change this fact.

64. Consumers can cash out their winnings, if any, through Defendants' payment platform once they have won a specified minimum of Sweeps Coins.[9] If a consumer never reaches that minimum, that user can never receive any cash from Defendants, despite having paid Defendants US Dollars for the Sweeps Coins.

[9] Chumba Casino allows cashout of Sweeps Coins for gift cards at 10 dollars, and cash payouts at 100 dollars. The VGW Defendants' other sweepstakes casinos require 50 Sweeps Coins to cash out.

65. The VGW Defendants maintain win and loss records and account balances for each consumer. Indeed, once the outcome of a game is determined, the VGW Defendants display the outcome to the consumer and then adjust the consumer's account balance. The VGW Defendants keep records of each wager, outcome, win, and loss for every player of the games.

66. Yet the word "gambling" is rarely used on the VGW Defendants' websites. Instead, the VGW Defendants market their games as "social play" and "sweepstakes," creating the false impression that the sweepstakes casinos offer lawful forms of online entertainment rather than illegal gambling. By using these labels and emphasizing the purportedly "free" nature of Gold Coins and Sweeps Coins, the VGW Defendants downplay the true nature of the risks and illegality of the gambling activity that occurs on their platforms.

67. As a tacit admission regarding harm that can occur from using the VGW Defendants' platforms, buried in the websites are links to a purported "Responsible Social Gameplay Policy," which provides information about organizations including Gambling Addicts Anonymous and the National Foundation for Credit Counseling for those whose "gameplay may have had, or is at risk of having, a negative impact on your mental health, finances or relationships with friends or family."[10]

68. The Responsible "Social Gameplay" Policy also explains the "Principles of Gameplay."[11] This includes the concept of "Return to Player (RTP), [which] is the

[10] *E.g.*, media.www.chumbacasino.com/vgwholdings89e8-vgw-prod-817c/media/250710-POL-CHU-RSG-4-0.pdf.

[11] *Id.*

average return on the winnings and prizes over the lifetime of a slot-type game. For example, if a slot type has an 8% advantage, then the average RTP will be 92%."[12] It also discloses the concept of "Advantage: All casino-type games are designed with a slight advantage that favors the operator."[13]

69. These disclosures do not mitigate the illegal nature of the VGW Defendants' activities, the deception that the VGW Defendants use to encourage gaming with consumers' money, and the potential that a "free" sweepstakes could result in a long-term gambling addiction that could affect consumers' finances and family relationships. Instead, they show that the VGW Defendants recognize their product for what it is—gambling.

70. To recap, the transaction where Defendants sell casino chips that can be cashed out for real money works as follows. A player visits one of the VGW Defendants' websites. The player pays real money for a bundled set of Sweeps Coins with real money value and Gold Coins with no real money value. The cost of the bundle is based on the amount of Sweeps Coins received in the transaction, priced at a roughly 1:1 ratio of U.S. Dollars to Sweeps Coins. The player then wagers the Sweeps Coins in casino games on the VGW Defendants' websites. After wagering at least the amount of the Sweeps Coins purchased in casino games, any remaining amounts of $100 or more in a player's virtual wallet can be redeemed for real money.

[12] *Id.*
[13] *Id.*

iv. Yodlee, Trustly, and Worldpay Provide the Financial Infrastructure that Enables Gambling on the Sweepstakes Casinos

71. VGW contracts with Yodlee, Trustly, and Worldpay to provide the financial infrastructure necessary for gamblers to fund their sweepstakes casino accounts, purchase Sweeps Coins, place wagers, and receive payouts. Acting together, Yodlee, Trustly, and Worldpay both set up and conduct the gambling transactions that occur on VGW's platforms. Yodlee, Trustly, and Worldpay enable the VGW Defendants to connect to gamblers financial accounts, authenticate and verify those accounts, authorize and process electronic payment transactions, transfer funds between gamblers and the VGW Defendants, and facilitate gambling-related transactions.

72. Although Yodlee, Trustly, and Worldpay perform distinct functions, their services are complementary and each of them independently plays a role in setting up and conducting the gambling transactions on the VGW Defendants' platforms.

73. Yodlee establishes and maintains the financial account connections between gamblers and the VGW Defendants' websites by linking gamblers bank accounts, verifying account ownership and available funds, and storing and maintaining the bank account information and connection data necessary to facilitate future transactions.

74. Trustly executes the electronic transfer of funds through those connections, enabling gamblers to exchange real money for Sweeps Coins and to receive gambling payouts through their linked accounts.

75. Worldpay serves as the payment processor that processes credit card and other electronic payment transactions between gamblers and the VGW Defendants, allowing gamblers to purchase Sweeps Coins and the VGW Defendants to receive those funds.

76. Without the integrated services provided by Yodlee, Trustly, and Worldpay, gamblers could not seamlessly fund their accounts, purchase Sweeps Coins, participate in gambling on the VGW Defendants' sweepstakes casinos, or receive payouts.

77. Worldpay publicly markets itself as a leading provider of payment solutions to the gaming industry, representing that it understands "the world of gaming, from technology and regulatory compliance to global business demands," serves more than 200 gaming operators worldwide, and provides specialized payment processing, merchant acquiring, payout, fraud prevention, and risk management solutions designed specifically for gaming operators and their customers.[14]

78. Worldpay's relationship with the VGW Defendants and their Chumba Casino platform has existed since at least 2018. In June 2018, the VGW Defendants publicly announced their partnership with Worldpay, with VGW's Founder and Chief

[14] *See* Worldpay, "Gaming Payment Solutions" https://www.worldpay.com/en/industries/gaming.

Executive Officer stating that Worldpay would provide Chumba Casino customers with a broader range of payment solutions, including credit card payments, e-wallet, and mobile payment options, and that Worldpay's services would be expanded across the VGW Defendants' gaming brands.[15]

79. That relationship continues today. Chumba Casino's Privacy Policy, updated July 13, 2026, identifies Worldpay as one of the third-party payment service providers with whom the VGW Defendants share customer information in connection with payment processing and related services, confirming that Worldpay continues to provide payment services for Chumba Casino.[16]

80. Through its payment processing platform, Worldpay authorizes, routes, clears, settles, and processes electronic payment transactions between gamblers and the VGW Defendants, enabling gamblers to exchange real money for Sweeps Coins used to gamble on the sweepstakes casino websites and enabling the VGW Defendants to receive those funds. In other words, Worldpay sets up and conducts the gambling transactions that occur on the VGW Defendants' platforms.

v. Yodlee, Trustly, and Worldpay Are Sophisticated Participants in the Gambling Enterprise

81. Trustly possesses specialized knowledge of the legal requirements governing online gambling transactions, including Florida's gaming laws. Trustly

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[15] *See* PlayNevada, "Chumba Casino Announces Worldpay Partnership" https://www.playnevada.com/3168/chumba-worldpay-deposit-changes.

[16] *See* Chumba Casino Privacy Policy (effective July 13, 2026) https://media.www.chumbacasino.com/vgwholdings89e8-vgw-prod-817c/media/260713_POL_CHU_Privacy_Policy_9-1.pdf.

publicly provides payment services to numerous licensed sports wagering and online gaming operators, including BetMGM, DraftKings, PointsBet, and Caesars Sportsbook, and is therefore familiar with the body of federal and state laws governing regulated gaming in the United States.

82. Yodlee likewise provides financial account connectivity and payment-enablement services to numerous regulated financial institutions and commercial enterprises and possesses specialized knowledge of the legal and regulatory requirements governing the financial services industry.

83. As a sophisticated global payment processor and merchant acquirer serving the regulated gaming industry, Worldpay publicly represents that it understands "the world of gaming, from technology and regulatory compliance to global business demands," serves more than 200 gaming operators worldwide, and provides payment solutions specifically designed for gaming operators. Worldpay thus understands the legal distinctions between licensed gaming operations and unlawful gambling enterprises, as well as the regulatory consequences that follow when gaming operators become the subject of enforcement actions by state regulators and attorneys general.

84. As sophisticated financial technology and payment companies whose businesses depend on regulatory compliance and risk management, Yodlee, Trustly, and Worldpay are equipped to evaluate the nature of the businesses they support and the transactions they facilitate.

85. Yodlee, Trustly, and Worldpay knew, or were willfully blind to the fact, that VGW's sweepstakes casinos had been the subject of enforcement actions, cease and desist letters, and other regulatory actions by state gaming regulators and attorneys general, resulting in VGW's withdrawal from multiple jurisdictions. Despite these obvious indicators that VGW's operations were the subject of significant regulatory scrutiny, Yodlee, Trustly, and Worldpay continued to provide the financial infrastructure and payment services that enabled gamblers, including Florida consumers, to fund their gambling activities, purchase Sweeps Coins, and receive gambling payouts.

B. Defendants' Sweepstakes Casinos Violate the Gambling Laws of Florida

86. The VGW Defendants' sweepstakes casinos are not authorized gaming under Florida law. Because the VGW Defendants' websites are "adapted for use in such a way that, upon activation," which may be achieved by "the insertion of any piece of money, coin, account number, code, or other object or information," the user "may ... [r]eceive or become entitled to receive any piece of money, credit, allowance, or thing of value ... which may be exchanged for any money, credit, allowance, or thing of value[,]" the Sweepstake Casinos violate Florida's gambling laws. *See* § 849.15(1) Fla. Stat.; § 849.16(1)(a) Fla. Stat.; *see also* § 849.09, Fla. Stat.

III. Sweepstakes Casinos Harm the State and its Citizens in Exchange for Enormous Profits

87. The VGW Defendants' motive to circumvent the gambling laws of Florida and other states is clear: enormous profits.[17]

88. The enormous financial opportunity presented by the sweepstakes casino model has long been recognized within the gaming industry. For example, a 2016 prospectus concerning the VGW Defendants sweepstakes casinos prepared by H2 Gambling Capital—which is described as "the leading authority regarding market intelligence on the global gambling industry"—included an independent industry report explaining that "Internet Sweepstakes Cafes [] reported to have turned over $10bn (€9.4bn) in 2015, with over 5,000 now operating in 12 states" (*See* Exhibit 1 at 69), and described the "significant opportunity" of adopting the "sweepstakes café model." *Id.* at 95-96. The prospectus refers to "gambling" 79 times, and noted that "despite significant prohibition, [the U.S.] remains by far the largest gaming market in the world." *Id.* at 69. The VGW Defendants' motive to circumvent the gambling laws of Florida and other states is clear: enormous profits.

89. Likewise, a press release by a company that had entered a conditional acquisition agreement with VGW stated that VGW "operates a sweepstakes social casino, targeting the global casino market, particularly the unrealised [sic] United

[17] Indeed, a federal district court has already held on summary judgment that one of VGW's competitors operating in materially the same way is an illegal gambling operation, and a jury later awarded close to $25 million in damages to a class of Washington state residents. *See Larsen v. PTT, LLC*, 737 F. Supp. 3d 1076 (W.D. Wash. 2024).

States real-money gaming market." *See* Exhibit 2. The same press release stated that ChumbaCasino.com was "proprietary technology in real-money gaming, enabling cash prizes to be paid to international players, particularly those located in the United States, via its social casino games." *See id.*

90. The VGW Defendants' sweepstakes casinos and other gambling websites are enormously profitable, bringing in billions of dollars per year. Before going private, for example, the VGW Defendants generated annual revenue—for just the year 2025—of more than $5 billion. $3.7 billion of the VGW Defendants' 2025 revenue was attributable to Chumba Casino alone.

91. Unsurprisingly, the success of ChumbaCasino.com and other VGW gambling websites spawned a massive wave of copycat websites. The industry reportedly grew at a 4-year Compound Annual Growth Rate (CAGR) of 60-70% from 2020 to 2024, with a significant increase during 2023-2024, largely due to new investment in the space.[18] Estimates in June 2025 placed 2024 industry gross and net revenues north of $10.6 billion and $3.4 billion, respectively.[19] At that time, projections for 2025 estimated gross and net revenues ranged above $14.3 billion and $4.6 billion, respectively.[20]

92. These enormous profits come at the expense of the sweepstakes casinos users, including Florida citizens.

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[18] https://kpmg.com/kpmg-us/content/dam/kpmg/pdf/2025/sweepstakes-gaming-emerging-industry-primer.pdf.

[19] *Id.*

[20] *Id.*

93. It is undeniable that Floridians and their families are harmed by the impact of illegal gambling, as well as government funds that have been expended to address the societal and fiscal harms caused by facilitators and providers of illegal gambling, such as Defendants.

94. Children are a particularly vulnerable class of citizens harmed by Defendants' conduct. According to the American Psychological Association, "people in their early 20s are the fastest-growing group of gamblers," and one national survey found that two-thirds of children ages 12 to 18 had "gambled or played gambling-like games in the previous year."[21] Starting young carries a particularly high burden of psychological distress and a greater risk of developing long-term gambling problems. Although most adults and adolescents in the United States have placed some type of bet without developing a disorder, a significant subset of individuals who begin gambling later develop gambling disorder.

95. The American Psychological Association further explains that gambling disorder is defined in the *Diagnostic and Statistical Manual of Mental Disorders (Fifth Edition)* ("*DSM-5*") as a persistent, recurrent pattern of gambling behavior associated with substantial distress or impairment. Until 2013, gambling problems, formerly known as pathological gambling, were classified as an impulse-control disorder. In the DSM-5, however, gambling disorder was reclassified as an addictive disorder, making it the first and, to date, only recognized behavioral addiction in the

[21] Emily Sohn, *How gambling affects the brain and who is most vulnerable to addiction*, American Psychological Association: Monitor on Psychology (July 1, 2023), https://www.apa.org/monitor/2023/07/how-gambling-affects-the-brain.

DSM's clinical section, with growing indications that video gaming disorder may eventually follow. Like substance-use disorders, gambling addiction is characterized by escalating tolerance, requiring increasing levels of gambling over time to achieve satisfaction. Individuals with gambling disorder also often experience withdrawal symptoms, including irritability and psychological distress, when they try to quit.

96. The *Harvard Gazette* reported that marketing gambling as "sweepstakes" allows the industry to evade age restrictions and attract younger audiences. Historically, well-recognized risk factors for gambling addiction included lower levels of education and lower socioeconomic status. Victor Ortiz, Director of the Massachusetts Office of Problem Gambling Services, explained that this paradigm is now shifting. Increasingly, individuals with higher levels of education and higher economic status are also at risk. As Ortiz noted, his office is now receiving calls from people in significant distress who do not fit the traditional profile of problem gamblers.[22]

97. Making matters worse, the VGW Defendants' sweepstakes casinos allow players to purchase Sweeps Coins using not only debit cards, but credit cards. Thus, unlike brick-and-mortar casinos, where players can only gamble whatever money they have, gambling-addicted players can lose potentially unlimited money gambling

[22] Clea Simon, *Gambling problems are mushrooming. Panel says we need to act now.*, The Harvard Gazette (Jan. 28, 2025), https://news.harvard.edu/gazette/story/2025/01/online-gambling-is-on-the-rise-panel-says-we-need-to-act-now/.

in sweepstakes casinos, even where a traditional casino would turn them away. That, of course, is by design.

IV. The Harms Caused by Sweepstakes Casinos Are Exacerbated by Defendants' Aggressive, Misleading, and Deceptive Marketing and Business Practices

98. The VGW Defendants' and their contemporaries' explosive growth has been driven in significant part by the industry's aggressive use of social media marketing, particularly through "influencers" who promote sweepstakes casino-style gambling. These promotional campaigns frequently feature videos and posts of prominent influencers and celebrities engaging with sweepstakes casino gaming and are designed to steer substantial commercial traffic to those platforms.

99. The VGW Defendants advertise and present their sweepstakes casinos to consumers in Florida as legitimate online businesses.

100. The VGW Defendants' websites repeatedly and insistently market their offerings as "free social casino games" rather than casinos offering real-money gambling.[23] For example, the Chumba Casino homepage states, among other things:

- "It's never been easier to enjoy free social casino games and exciting slots online at Chumba. Why play free social slots & casino-style games at Chumba Casino?"[24]
- "Love playing social casino games online for free?" [25]
- "You'll find more slots, jackpots than you can shake a cotton candy stick at. And you can play them all for free instantly, no downloading required."[26]

[23] *E.g.*, https://www.chumbacasino.com/.
[24] *Id.*
[25] *Id.*
[26] *Id.*

- "There's no better place to play social casino games online for free."[27]

- "Our Chumba fam loves adding new members to the clan. And the best bit? It's entirely free to sign up and play." [28]

- "So what are you waiting for? Play free social casino games online with Chumba Casino. You won't regret it!" [29]

- "Play social casino-style games and slots online for free at Chumba Casino!" [30]

- "The fun never stops at Chumba Casino, and neither do our free online social casino games!" [31]

- "Play our free online social casino games anywhere, anytime, any which way you like. And the best part? You don't have to make a purchase or download a thing! Our social casino online games are always free to play, so you can tap in and tap out as much or as little as you like. We'll bring the fun, you bring your best moves." [32]

- "Over one million players love playing our free online social casino games. Why shouldn't you enjoy them too?" [33]

101. The LuckyLand Casino homepage states, among other things:

- "DIVE INTO OUR FREE SLOT GAMES! Play in LuckyLand, where the slots and jackpots are as wondrous as the games themselves."[34]

- "Flocks of fun at your fingertips. Play our free social casino games whenever, wherever you want!" [35]

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[27] *Id.*
[28] *Id.*
[29] *Id.*
[30] *Id.*
[31] *Id.*
[32] *Id.*
[33] *Id.*
[34] https://luckylandslots.com/.
[35] *Id.*

- "Play Free Online Slot Games at LuckyLand Slots!" [36]

- "Whatever mode of play you choose, you can trust LuckyLand is a safe and secure place to play the free slot games you love. We know that peace of mind is a must when it comes to playing slots online. ***Rest assured that playing with us is 100% safe and 100% legal***."[37]

102. The Global Poker homepage states, among other things:

- "GLOBAL POKER: SOCIAL, ONLINE, UNSTOPPABLE" [38]

- "WHY PLAY FREE SOCIAL POKER ONLINE WITH GLOBAL POKER?"[39]

- "PLAY FREE SOCIAL POKER ONLINE Feel the thrill and excitement of an online multi-table poker tournament. We've got every poker format covered, and you can play them all for free! Check out our wide range of free social poker tournaments online. There's something for every poker player!"[40]

- "HUGE EVENTS EVERY WEEK! Global Poker is the home of social poker, with huge online social poker tournaments and special events that players can always take part in for free. Test your skills and play free online social poker against the best of the best."[41]

- "Playing free online social poker with us couldn't be easier. Not only is it entirely free to set up an account— and to play—you'll also find poker rules and hand rankings for Texas Hold'em, Omaha, Crazy Pineapple and other popular poker games, as well as poker strategy tips and helpful how-to guides to level up your poker skills."[42]

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[36] *Id.*
[37] *Id.* (emphasis added).
[38] https://globalpoker.com/.
[39] https://globalpoker.com/.
[40] https://globalpoker.com/.
[41] https://globalpoker.com/.
[42] https://globalpoker.com/.

- "Play whenever, however you want. That's the beauty of Global Poker — we're always on, always free, always ready for a game. You choose the way you want to play, and we'll be there on hand (and with our best hand) to guide you through it."[43]

- "At Global Poker, everyone has a shot at winning, and you can always play for free. Our social poker games, tournaments and championships are available to play using Gold Coins and Sweeps Coins. Both are different styles of gameplay, so you can choose the style that suits you most. Play with Gold Coins and the chance to win collectible Global Poker merch, or take part in our Sweepstakes promotions with Sweeps Coins for your chance to redeem some pretty epic prizes. Yeah, you heard us right. Winnings from Sweeps Coins can be redeemed for real prizes! And the best bit is there are plenty of ways to collect Sweeps Coins for free."[44]

- "There's no better place to learn and play free social poker online. Global Poker is home to the best social poker events online, including the Global Poker Championships. We also host the biggest weekly tournaments including our flagship Sunday Scrimmage. And the best bit? It's entirely free to sign up and play. So what are you waiting for? Play free social poker online with Global Poker and show us what you're made of."[45]

103. But in fact, the VGW Defendants' sweepstakes casinos are an illegal enterprise. The VGW Defendants' online presence and advertising provides a misleading aura of legitimacy and legality.

[43] https://globalpoker.com/.
[44] https://globalpoker.com/.
[45] https://globalpoker.com/.

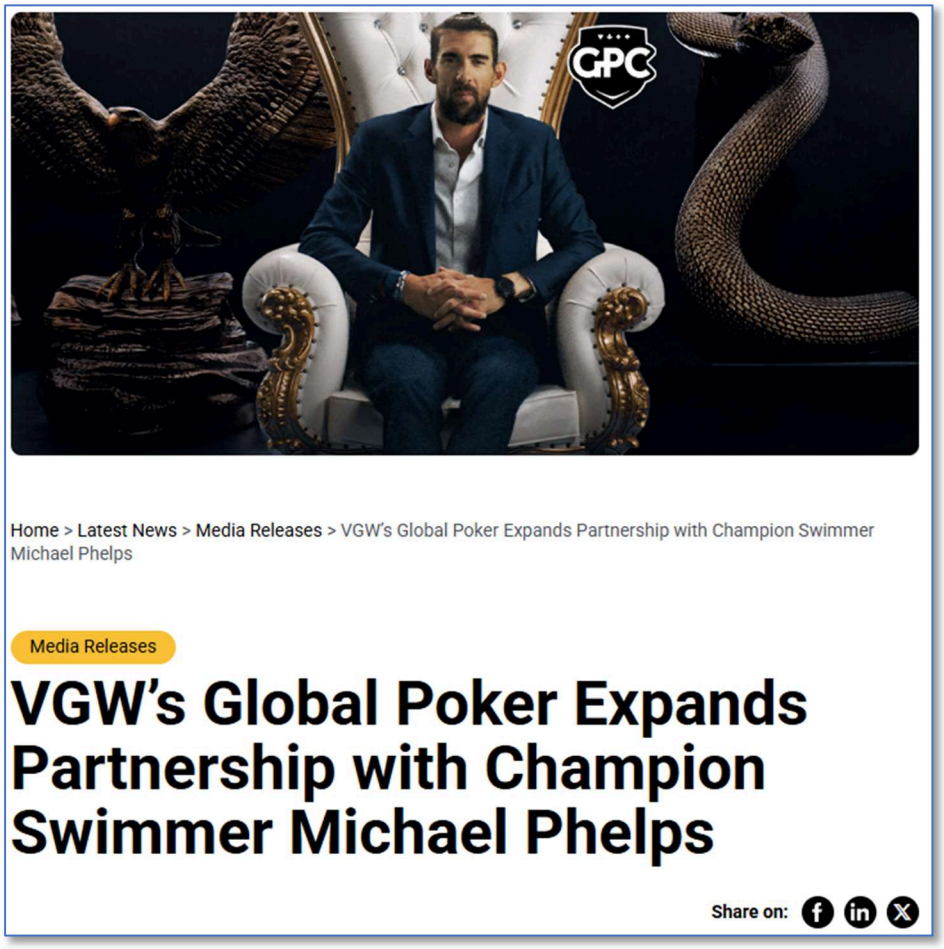
V. The VGW Defendants' Selective and Misleading Promotion of Purported Winners

104. The VGW Defendants maintain ongoing partnerships and promotional relationships with celebrities, athletes, and influencers and as part of a marketing strategy designed to increase the visibility, reach, and appeal of their sweepstakes casino platforms and to give their websites a sense of normalcy, lulling consumers into thinking the websites are trustworthy, safe, and legal.

Figure 10 – Ryan Seacrest VGW Promotion



Figure 11 – Michael Phelps Global Poker Partnership Announcement



105. The use of these relationships to promote the VGW Defendants' operation or facilitation of online casinos further lures Floridians, including seniors and children, to open an account with one of the VGW Defendants' sweepstakes casinos.

106. In addition to using celebrities, athletes, influencers, and prominent sports and entertainment organizations to lend legitimacy to their sweepstakes casino platforms, the VGW Defendants employ another familiar gambling-industry marketing tactic: prominently advertising purported large "winners" to attract new consumers, lull them into a false sense of security, and encourage continued participation by existing consumers.

107. Defendants routinely publicize exceptional winning outcomes through their websites, social-media accounts, and other promotional channels. These advertisements emphasize substantial prizes and extraordinary wins, presenting such outcomes as attainable through participation on Defendants' platforms. For example, Chumba Casino publicly promotes purported winners through its social-media accounts, while Global Poker similarly publicizes substantial Sweeps Coin prizes and successful players:

Figure 12 – Chumba Casino "Winner"[46]



Figure 13 – Global Poker "Winner"[47]



108. These promotions present consumers with a selective and materially incomplete picture of the outcomes associated with Defendants' sweepstakes casino platforms. While Defendants prominently showcase exceptional wins, they omit comparable information concerning consumer losses, the amount of money or continued participation required to achieve them, and the likelihood that an ordinary consumer will obtain a similar outcome.

109. And these promotions showing the real money winnings consumers have purportedly won on the VGW Defendants' sweepstakes casinos reveals that the true purpose of their platform is real money gambling, not merely "social gaming" with Gold Coins.

110. By emphasizing exceptional winners while omitting material information necessary to evaluate those outcomes, the VGW Defendants deceive consumers by creating a distorted impression of the risks and potential rewards associated with their platforms and reinforce the perception that substantial winnings are realistically attainable through continued gambling.

111. The VGW Defendants' selective promotion of purported winners thus serves to attract consumers, encourage continued participation, and emphasize the

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[46] *See* Post by Chumba Casino (@ChumbaCasino), X (April 7, 2025, 10:00 AM), https://x.com/ChumbaCasino/status/1909184374605480156.

[47] PokerNews, *"MrGoldenPair" Ships the 2024 Global Poker X PokerNews Cup Sweep Coins Freeroll Finale*, https://www.pokernews.com/tours/global-poker/2024-global-poker-x-pokernews-cup-sweeps-coins/pokernews-cup-sc-freeroll-finale/chips.668942.htm.

prospect of substantial financial rewards while obscuring the losses and financial risks inherent in the gambling activity offered through their platforms.

* * *

112. Defendants' collective conduct reflects a deliberate scheme to set up, operate, promote, and profit from illegal online gambling while presenting the sweepstakes casinos to Florida consumers as legitimate and lawful forms of online entertainment. The VGW Defendants provide Floridians with continuous access to casino-style games, enable the purchase and redemption of Sweeps Coins through established payment methods, publicly promote substantial wagers and purported winnings, and use celebrities, professional athletes, influencers, livestreams, and other promotional content to attract consumers and encourage continued gambling.

113. Through these combined efforts, Defendants have expanded the reach and profitability of their unlawful gambling enterprise while exposing Florida consumers to the financial, behavioral, and societal harms that Florida's gambling laws are designed to protect against. They must be stopped.

CAUSES OF ACTION

COUNT I: FORFEITURE AND RECOVERY OF MONIES LOST GAMBLING UNDER § 849.12, FLA. STAT. AND § 849.29, FLA. STAT. (Against All Defendants)

114. The Attorney General repeats and realleges paragraphs 1-113 of this Complaint as if fully set forth here.

115. The State of Florida's gambling loss recovery statute, section 849.12, Florida Statutes, provides an independent statutory mechanism for the State to recover money or property lost through illegal gambling.

116. Section 849.29, Florida Statutes, in turn, defines the "[p]ersons against whom suits may be brought to recover on gambling contracts," and makes such persons jointly and severally liable. It reads:

> The following persons shall be jointly and severally liable for the items which are authorized by this act to be sued for and recovered, and any suit brought under the authorization of this act may be brought against all or any of such persons, to wit: The winner of the money or property lost in the gambling transaction; every person who, having direct or indirect charge, control or management, either exclusively or with others, of the place where the gambling transaction occurs, procures, suffers or permits such place to be used for gambling purposes; whoever promotes, sets up or conducts the gambling transaction in which the loss occurs or has an interest in it as backer, vendor, owner or otherwise; and, as to anything of value other than money, the transferees and assignees, with notice, of the persons hereabove specified in this section; and the personal representatives of the persons specified in this section.

§ 849.29, Fla. Stat.

117. Slots and similar casino-style gambling are illegal in Florida.

118. Participation in the games offered in the VGW Defendants' sweepstakes casinos constitutes illegal gambling under Florida law because the players provide consideration (e.g., purchase Sweeps Coins and wager the Sweeps Coins) and by an element of chance (e.g., by spinning a virtual slot machine or playing a blackjack hand) create a right to some things of value (e.g., additional Sweeps Coins that would otherwise be purchased for cash and can be cashed out for real money or cash equivalents on a 1:1 or near 1:1 basis).

119. Defendants have engaged in gambling in violation of Florida law. *See* § 849.08, Fla. Stat.

120. The games in the VGW Defendants' sweepstakes casinos also constitute illegal lotteries under Florida law. *See* § 849.09, Fla. Stat.

121. The VGW Defendants' sweepstakes casinos and the games there also constitute illegal gambling devices and slot machines under Florida law. *See* §§ 849.15–.16, Fla. Stat.

122. As a direct and proximate result of Defendants' operation of its illegal gambling devices and lotteries, citizens of the State lost money wagering on the VGW Defendants' games of chance.

123. Defendants are "winners," and persons jointly and severally liable, under Section 849.29, Florida Statutes because they either (1) retain the entirety of players' losses (for games such as slot machines, blackjack, and roulette) or (2) take a "rake" of the pot in every gambling transaction (for games such as poker). Defendants likewise promote, establish, set up, and conduct the gambling

transactions in which the losses occur, and have an interest in them as backers, vendors, owners, or otherwise.

124. Under section 849.12, Florida Statutes, the Attorney General seeks (1) forfeiture and recovery of all sums of money and every other thing of value at stake, used, or won in connection with the illegal gambling conducted on the Sweepstakes Casino websites by individuals gambling in the State of Florida within the applicable limitations period; and (2) all other relief the Court deems proper.

COUNT II: VIOLATIONS OF THE FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT
(Against the VGW Defendants)

125. The Attorney General repeats and realleges paragraphs 1-113 of this Complaint as if fully set forth here.

126. The Attorney General brings Count II against the VGW Defendants, for violations of FDUTPA.

127. FDUTPA broadly declares "[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce" to be unlawful. § 501.204(1), Fla. Stat.

128. The provisions of FDUTPA are to be construed liberally to promote the protection of the consuming public and legitimate business enterprises from those who engage in unfair methods of competition, or unconscionable, deceptive, or unfair acts or practices. § 501.202, Fla. Stat.

129. At all times material to this complaint, the VGW Defendants engaged in trade or commerce by advertising, soliciting, providing, offering, or distributing any good or service, or any property, whether tangible or intangible, or any other

article, commodity, or thing of value, wherever situated. § 501.203(8), Fla. Stat.

130. The VGW Defendants have engaged in business practices that skirt, evade, or ignore the laws of Florida to swindle Floridians out of their hard-earned money.

131. The VGW Defendants are so closely linked that they constitute a single economic unit.

132. *Common Control*. The VGW Defendants are each owned, controlled and privately held by VGW Holdings Pty LTD. The VGW Defendants were collectively taken private by founder Laurence Escalante in 2025. The VGW Defendants are led by Laurence Escalante and by the same executive management.

133. *Shared Infrastructure*. The VGW Defendants operate under a centralized corporate structure, sharing unified technological infrastructure, software, and core employees.

134. *Interrelated Operations*. The VGW Defendants operate such that their compliance and administrative functions are centralized, they share branding, share trade dress, and share office space.

135. As the VGW Defendants have engaged in deceptive, unfair and unconscionable business practices together, and for the common goal of generating revenue through online casino gambling, the VGW Defendants are a common enterprise and are jointly and severally liable for the acts and practices of the common enterprise.

136. The VGW Defendants are engaged in a common enterprise to promote

online casino gambling, while engaging in the deceptive, unfair and unconscionable business practices that lead to financial harm, relationship harm, and gambling addiction harm to Florida consumers.

137. As described in the general allegations, the VGW Defendants promote online gambling casinos as fun, safe, social, secure, legal, and free. The VGW Defendants have engaged influencers and celebrities to lend their star power and credibility to the misrepresented "legality," "safety," and "free" nature of the VGW Defendants' operations.

138. The VGW Defendants deceptively misrepresent to Florida consumers that Chumba Casino is a free social casino—a way to enjoy social time, relax and have fun. The VGW Defendants specifically misrepresent to Florida consumers that the Luckyland Casino is a safe and secure place to play the free slot games you love and is "100% safe and 100% legal." The VGW Defendants specifically misrepresent to Florida consumers that the Glober Poker had social online casino games that are "always" free to play.

139. The VGW Defendants' deceptions about their sweepstakes casinos are misrepresentations of material fact that are likely to mislead a consumer to his or her detriment.

140. When the VGW Defendants deceptively and willfully advertise sweepstakes casinos as safe, social, secure and free, the VGW Defendants actually know or should have known that online gambling is illegal in Florida; that the VGW Defendants' sweepstakes casinos are operated to entice consumers to spend and lose

money on games that are not merely social; that online casino gambling presents a real risk of addiction, financial harm and harm to the relationships of Floridians and that online casino gambling may disparately impact impaired, addicted, elderly, or otherwise vulnerable persons such as children.

141. In addition to active misrepresentations, the VGW Defendants have willfully, unfairly hidden or downplayed the negative consequences and costs of illegal gambling addiction risks, financial, and relationship harm and the impact it may have on impaired, addicted, elderly, or otherwise vulnerable persons such as children.

142. The VGW Defendants also engage in unfair and unconscionable business practices that encourage Florida consumers to spend their hard-earned dollars on Sweeps Coins that consumers are likely to lose, in actual, real-money gambling rather than free social games. Moreover, a consumer must win a certain amount of Sweeps Coins to convert them into cash. Consumers who have won not enough Sweeps Coins to cash out have no choice but to gamble more. Such a practice is substantively and procedurally oppressive, and thus unconscionable.

143. The VGW Defendants also have taken unfair advantage of Florida residents suffering from gambling addiction by making gambling readily accessible and easy, and allowing them to play on credit with credit cards and Apple Pay, rebuffing players' efforts for them to ban themselves, and making their services appealing to minor and easier to engage in than brick-and-mortar casino gambling, all of which no legitimate and licensed casino would ever let them do.

144. The VGW Defendants' activities were also unfair because they violated public policy, as embodied in both the Florida Constitution and in the Florida statutes that prohibit gambling.

145. Through the actions and related business practices set forth in this Complaint, the VGW Defendants have engaged in representations, acts, practices or omissions that were material, and that are likely to mislead consumers acting reasonably under the circumstances to the consumer's detriment.

146. Through the actions and related business practices set forth in this Complaint, the VGW Defendants have engaged in acts or practices in trade or commerce that shock the conscience.

147. Through the actions and related business practices set forth in this Complaint, the VGW Defendants have engaged in acts or practices in trade or commerce that offend established public policy and are unethical, oppressive, unscrupulous or substantially injurious to consumers.

148. Through the actions and related business practices set forth in this Complaint, the VGW Defendants engaged in acts or practices that are likely to cause substantial injury to consumers. This substantial injury is not reasonably avoidable by the consumers themselves and is not outweighed by countervailing benefits to consumers or competition.

149. Thus, the VGW Defendants have engaged in unfair or deceptive acts or practices, or unconscionable acts or practices in the conduct of trade or commerce in violation of Section 501.204(1), Florida Statutes.

150. The Attorney General seeks (1) a declaration that the VGW Defendants violated FDUPTA; (2) a permanent injunction enjoining the VGW Defendants from operating in the State of Florida, soliciting Florida consumers, or permitting Florida consumers to engage in the VGW Defendants' sweepstakes casinos; and (3) equitable monetary relief equal to disgorgement of the ill-gotten revenue that the VGW Defendants have obtained from consumers in the State of Florida.

151. The Attorney General has demonstrated a clear legal right to a permanent injunction.

152. Disgorgement of ill-gotten gains is necessary to prevent each of the Defendants from profiting from their illegal acts. Before going private, the VGW Defendants generated annual revenue, for just the year 2025, of more than $5 billion. $3.7 billion of VGW's 2025 revenue was attributable to Chumba Casino alone. Thus, the amount of equitable disgorgement is estimated to be substantial.

153. In addition to these remedies, the Attorney General seeks civil penalties of up to $10,000 per willful violation and up to $15,000 per willful violation involving consumers with a mental or psychological disorder or with a disability, or consumers over the age of 60. §§ 501.2075, 501.2077, Fla. Stat.

154. Gambling addiction is officially recognized as a diagnosable behavioral and mental health disorder in Florida.

155. Under Section 501.203(3)(c), a violation of FDUTPA includes conduct that violates "[a]ny law, statute, rule, regulation, or ordinance which proscribes ... unfair, deceptive, or unconscionable acts or practices."

156. A violation of Florida's gambling laws, sections 849.08, 849.09, 849.11, 849.14 to 849.16, and 849.26 to 849.34, Florida Statutes, also violates FDUTPA. Accordingly, each willful violation of Sections 849.08, 849.09, 849.11, 849.14 to 849.16, and 849.26 to 849.34, as discussed above, also is a willful violation of FDUTPA.

157. The Attorney General seeks to recover its attorneys' fees and costs relating to this action as set forth in Sections 501.2105, and/or 501.2075, Florida Statutes.

DEMAND FOR TRIAL BY JURY

Plaintiff demands a trial by jury of any and all issues here so triable of right.

PRAYER FOR RELIEF

WHEREFORE, the Attorney General asks the Court to grant the following relief:

(a) Entering an Order declaring that the Defendants have violated the statutes set forth here, and that judgment be entered against Defendants in favor of Plaintiff;

(b) Entering judgment for the Attorney General against Defendants, jointly and severally, for violations of Sections 849.08, 849.09, 849.11, 849.12, 849.14-.16, Florida Statutes pursuant to Section 849.29, Florida Statutes;

(c) Entering judgment for the Attorney General against the VGW Defendants, jointly and severally, for violations of FDUTPA;

(d) Granting Plaintiff all recoverable measures of damages allowable under the claims identified here;

(e) Awarding Plaintiff forfeiture and recovery of all sums of money and every other thing of value at stake, used, or won in connection with the illegal gambling conducted on the VGW Defendants' sweepstakes casino websites by individuals gambling in the State of Florida;

(f) Awarding Plaintiff equitable monetary relief against the VGW Defendants including disgorgement of ill-gotten gains obtained by the VGW Defendants and restitution to consumers;

(g) Awarding Plaintiff civil penalties against the VGW Defendants of up to $10,000 per willful violation and up to $15,000 per willful violation involving consumers with a mental or psychological disorder or with a disability, or consumers over the age of 60;

(h) Awarding Plaintiff civil penalties against the VGW Defendants of up to $10,000 per willful violation and up to $15,000 per willful violation involving consumers with a mental or psychological disorder or with a disability, or consumers over the age of 60 for each willful violation of Sections 849.08, 849.09, 849.11, 849.14 to 849.16, and 849.26 to 849.34, Florida Statutes in violation of FDUTPA;

(i) Awarding Plaintiff permanent injunctive relief against VGW Defendants' ongoing violations of the statutes referenced here;

(j) Entering an Order finding that, in accordance with the statutes referenced herein, Defendants, their affiliates, successors, transferees, assignees, and

the officers, directors, partners, agents, and employees thereof, and all other persons acting or claiming to act on their behalf or in concert with them, be enjoined and restrained from, in any manner, continuing, maintaining or renewing the conduct, alleged herein in violation of the above stated Florida laws, or from entering into any other contract, or conspiracy having a similar purpose or effect;

(k) Allowing Plaintiff to recover the costs and expenses of suit, pre- and post-judgment interest, and reasonable attorneys' fees as provided by law; and

(l) Ordering such other and further relief as the Court deems just, necessary, and appropriate.

Dated: August 19, 2026

Respectfully submitted,

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Attorney General

RYAN D. NEWMAN
Chief Deputy Attorney General

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**Application For Admission Pro Hac Vice Forthcoming*

Attorneys for Office of the Attorney General, State of Florida, Department of Legal Affairs

Exhibit 1

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virtualgamingworlds

VGW

PROSPECTUS

SYNERGY PLUS LIMITED

TO BE RENAMED VGW GAMING LIMITED

ACN 091 126 082



Corporate Advisors:

indianocean



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Prospectus

For a public offer of up to 70,000,000 Shares (post-Consolidation) at an issue price of $0.05 per New Share to raise up to $3,500,000 (**Public Offer**).

The Public Offer is scheduled to close at 5:00pm (WST) on 9 February 2016 unless extended or withdrawn. Applications must be received before that time to be valid.

This Prospectus also contains:

- an offer of up to 932,183,398 Shares and 95,662,112 Options (post-Consolidation) to the VGW Holdings Vendors in consideration for the acquisition of all of the issued capital in VGW Holdings (**VGW Holdings Offer**). Refer to Section 2.1.2 of this Prospectus for further details of the VGW Holdings Offer;
- an offer of up to 19,000,000 Shares (post-Consolidation) to the Synergy Lenders in consideration for conversion and repayment of the SNR Lenders (**SNR Lender Offer**). Refer to Section 2.1.3 of this Prospectus for further details of the SNR Lender Offer;
- an offer of up to 20,000,000 Shares and 6,000,000 Options (post-Consolidation) to Minimum Risk in consideration for conversion and repayment of the Minimum Risk Loan (**Minimum Risk Offer**). Refer to Section 2.1.4 of this Prospectus for further details of the Minimum Risk Offer;
- an offer of up to 47,350,067 Employee Loan Shares and 96,926,780 Employee Incentive Options (post-Consolidation) to the VGW Holdings employee (**Employee Offer**). Refer to Section 2.1.5 of this Prospectus for further details of the Employee Offer;
- an offer of up to 9,000,000 Options (post-Consolidation) to the Company's incoming Executive Chairman, Mr Nigel Blythe-Tinker (**Chairman Offer**). Refer to Section 2.1.6 of this Prospectus for further details of the Chairman Offer;
- an offer of up to 650,000,000 Performance Shares (post-Consolidation) to Lance East Corporation (**Lance East Offer**). Refer to Section 2.1.7 of this Prospectus for further details of the Lance East Offer; and
- an offer of up to 72,500,000 New Options (post-Consolidation) to Minimum Risk (or its nominee) as part consideration for underwriting the Public Offer (**Underwriter Offer**). Refer to Section 2.1.8 of this Prospectus for further details of the Underwriter Offer.

(collectively, the **Transaction Offers**)

The Transaction Offers are scheduled to close at 5:00pm (WST) on 9 February 2016 unless extended or withdrawn. Application must be received before that time to be valid.

Completion of each of the Offers is conditional upon Shareholders approving, at the General Meeting to be held on 29 January 2016, various resolutions, including the change in nature and scale of activities, consolidation of capital and the issue of the Shares and Options offered by this Prospectus. Please refer to Section 2.2 of this Prospectus for further details.

IMPORTANT INFORMATION

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

All references to Securities in this Prospectus are made on the basis that the 50:1 Consolidation, unless otherwise stated, for which Shareholder approval is being sought at the General Meeting to be held on 29 January 2016, has taken effect.

This is an important document that should be read in its entirety.

If you do not understand it you should consult your professional advisers without delay. The Securities offered by this Prospectus should be considered highly speculative.

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Premium business solutions

H2 Gambling Capital

h2gc.com

AUSTRALIAN SECURITIES EXCHANGE (ASX) LISTING

US Gaming Industry – Independent Market Report

January 2016

Prepared for: Virtual Gaming Worlds
Prepared by: H2 Gambling Capital

EXECUTIVE SUMMARY

This report has been prepared by H2 Gambling Capital (H2) – the leading authority regarding market intelligence on the global gambling industry. It provides an independent assessment of the current US gaming market to sit within the prospectus documentation relating to the intended listing of Virtual Gaming Worlds (VGW) on the Australian Stock Exchange (ASX) during early 2016. As standard, H2 reports in EUR€ (as the most widely-used currency in the sector) and primarily utilises the 'gross win' metric to value the gambling sector.

The report's findings lead us to conclude that in all 3 segments of real money gaming, social casino and internet sweepstakes, the US market remains strong, with considerable further growth still to come over the next 5 years to the end of the decade. The following numbers in particular sum up the potential:

Global vs US Gaming Market Growth 2014-2020 Overall Summary

	Global GGR			US		
	2014 (€bn)	2020 (€bn)	CAGR	2014 (€bn)	2020 (€bn)	CAGR
Land-based Gaming	332.0	357.0	1.2%	104.8	117.1	1.9%
Real Money Online Gaming	32.0	52.0	8.4%	2.5	6.7	17.9%
Social Casino Gaming	2.6	4.1	7.8%	0.8	2.0	16.0%
Sweepstakes Gaming	N/A	N/A	N/A	11.1	17.3	7.7%

Source: H2 Gambling Capital, 2015

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The following conclusions are drawn:

1 Global real money gaming growth is on a **steady upwards trajectory**.

2 **The US**, despite significant prohibition, remains **by far the largest gaming market in the world**.

3 Global gaming gross win reached **€364.0bn** in 2014 and will continue to grow at a **2.0% CAGR** from **2015 to 2020** to reach **€409.3bn** by the end of the decade.

4 The real money online gaming sector reached **€32.0bn** global gross win in 2014, growing at **8x the rate of its land-based equivalent** over the last 10 years, with no signs of this trend slowing down.

5 **750 million** people play social games worldwide, the majority (**24.5%**) aged over **46+ years**.

6 In the US, there are over **200 million players**, with 50% of social networking users and 34% of internet users playing social games.

7 '**Social casino**' is by far **the most popular form** of social gaming in the world.

8 Global social casino revenues were **€2.64bn** in 2014, and by 2019, will reach **€4.14bn GGR**, at a **CAGR of 7.8%**.

9 The US represents **the largest social casino market in the world**, with **€0.85bn** or **32%** of the global market in 2014.

10 Growth is expected to rise at a **CAGR of 16.0%**, so that by 2019, the US will have **over 50%** of the world's social casino market **(€2.07bn)**.

11 '**Sweepstakes**' are a unique concept and not classed as gaming within the sector because they are **free to enter**.

12 If analysed against the potential value of the US real money online gaming if regulated, the actual market value for the sweepstakes gaming model could be as much as **$12.2bn** today, or **$82bn** over a 5-year period.

13 **Internet Sweepstakes Cafes** have evolved and proliferated across the US over the last 10 years, but are **equally as applicable** across many of the world's Top 30 gaming nations.

14 **Internet Sweepstakes Cafes** are reported to have turned over **$10bn (€9.4bn)** in 2015, with **over 5,000** now operating in **12 states**.

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SECTION 3: US INTERNET SWEEPSTAKES GAMING

'Sweepstakes' are a unique concept and not classed as gambling within the sector because they are free to enter.

If assessed against the potential value of the US real money online gaming if regulated, the actual market value for the sweepstakes model could be as much as $12.2bn today, or $82bn over a 5-year period.

Internet Sweepstakes Cafes provide a land-based example that has evolved and proliferated across the US over the last 10 years, but are equally as applicable across many of the world's Top 30 gaming nations.

Internet Sweepstakes Cafes are reported as turning over $10bn (€9.4bn) annually in 2015, with over 5,000 now operating in 12 states.

DEFINITION

65 'Sweepstakes' are a particular form of gaming in which all stakes in the game are offered at no charge to the participants, and its associated prizes are divided up amongst its winners. They are a unique concept within the sector as they are not classed legally as gambling or lotteries. They are instead considered a free to enter promotion in which a cash prize is awarded to its participants, even though this is won on the basis of chance, not skill.[6]

66 Sweepstakes are globally used as a form of trade promotion, but they have gained particular traction in the US recently, and are now considered a real market opportunity, as well as an innovative way of combining land-based and online gaming. Under US gambling law, if the sweepstakes participant can play a game for free (i.e. with no paid-in consideration), then it does not matter if the outcome is determined more by chance than skill, prizes can still be won. No-purchase-necessary sweepstakes have been common in the US since at least 1954, when the US Supreme Court ruled that the television game show *Name That Tune* was not a lottery, given contestants at home could enter by sending in a postcard. Sweepstakes do not involve 'consideration' because the player does not pay to enter, rather their entry is supplementary to a related purchase.

67 Over the last 10 years, 'Internet Sweepstakes Cafes' have evolved and proliferated across the US. They operate as internet cafes that offer their customers entrance into a sweepstakes draw upon the purchase of a product, often internet time or telephone call minutes. The participant can find out whether they have won the pre-determined draw by a simple reveal but many choose to do so through a programme that simulates a slot machine or poker game. This may even include an online element, but neither the presentation nor their interaction affects the outcome of the draw.

68 Increasingly sweepstakes gaming has emerged out of these cafes, with consumer products allowing 'free' entrance into games in which cash prizes can be won in return.

MARKET SIZE – GLOBAL V US

69 There is far less reported data on Internet Sweepstakes Gaming (Internet Sweepstakes Gaming or ISG) than any other form of gaming.

70 Sweepstakes are an established form of trade promotion in many of the more developed international economies, and while the US market has demonstrated the highest rate of adoption of the internet sweepstakes cafe business model, it is equally applicable across the majority of the world's top 30 gaming nations (see Fig 6 earlier).

6 *http://www.sweepstakeslaw.com/internet-sweepstakes.html*

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US Potential Activity

71 There is a significant opportunity for Internet Sweepstakes Gaming in the United States market. The size of the market opportunity could be estimated based on the total size of the US online real money gaming market (particularly casino, poker and lottery) if it was fully regulated and licensed across the US, as this, in comparative terms, ultimately represents the market (estimated below in US$) within which the internet sweepstakes cafe model presently operates.

72 Only $2.82bn (or 2.4%) of all US real money gaming was online in 2014. Although this number positions the United States as the 4th largest online gaming market in the world, H2 is confident that it does not represent anywhere near the present potential for onshore regulated online gaming in the US at this time. This is because the 3 states currently legalised (Delaware, Nevada and New Jersey) have all operated under significant open market constraints – including a lack of a critical mass of other states in the market (liquidity); limited acceptance of payment credit cards, and key restrictions on advertising (the lifeline of the online operator).

73 In considering both this and the 'potential' US activity nationwide, H2 believes it is conservative to focus on the 24 states in which land-based gaming is legal and regulated, namely: Nevada, South Dakota, Colorado, New Mexico, Kansas, Oklahoma, Iowa, Missouri, Illinois, Michigan, Indiana, Ohio, West Virginia, Louisiana, Mississippi, Florida, Pennsylvania, New York, Maryland, Delaware, New Jersey, Rhode Island, Massachusetts and Maine.

74 H2's has estimated the size of the market opportunity for Internet Sweepstakes Gaming in the US based on its estimate of the size of the online real money casino and poker gaming market, increasing to $9.3bn gross win within 1 year and reaching $14.4bn within 5 years, with a total of c$60bn over the first 5 years. For lottery, it would result in an additional $2.9bn within year 1, rising to $4.6bn by year 5, with a first 5 year total of c$22bn. H2 estimates a total US online real money gaming market size of $12.2bn today, $19.0bn in 2020 and a total amount of $82bn over the full five year period.

75 As it is difficult, to predict legislative movement at a US Federal level over the next 5 years, it is reasonable to develop a more realistic 'base case' estimate of the market size, somewhere in the realm of about half of the above estimates. H2 estimates this 'base case' could be achieved if just 8-10 key states, including the addition of the four states actively considering online regulation currently (i.e. California, Illinois, New York and Pennsylvania), which would get the estimation to c50% of the potential value. However this would be predicated on all 3 of the above issues being addressed, including the ability to pool liquidity and operate across states but be locally licensed (as is the case currently with US horse race betting).

US Current Activity

76 In terms of current US market size, the American Gaming Association has estimated that there are presently 5,000 internet sweepstakes cafes operating in 12 states across the US.[7] Internet sweepstakes cafes are estimated to turnover $10bn (€9.4bn) annually in 2015[8].

---

7 *ASA 'Internet sweepstakes cafes: unregulated storefront gambling in the neighborhood' - https://www.americangaming.org/research/white-papers/internet-sweepstakes-cafes and http://www.latimes.com/local/lanow/la-me-ln-sweepstakes-games-20150625-story.html*

8 *ASA 'Internet sweepstakes cafes: unregulated storefront gambling in the neighborhood' - https://www.americangaming.org/rese-arch/white-papers/internet-sweepstakes-cafes and http://www.latimes.com/local/lanow/la-me-ln-sweepstakes-games-20150625-story.html*

Exhibit 2

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27 October 2015

ASX ANNOUNCEMENT

SYNERGY PLUS LIMITED ENTERS AGREEMENT TO ACQUIRE VGW HOLDINGS LIMITED

HIGHLIGHTS

- Synergy Plus Limited (**Synergy** or the **Company**) has entered into a conditional acquisition agreement with VGW Holdings Limited (**VGW**).
- VGW is an Australian technology and online gaming company that develops and operates international cash-prize contests through its innovative social casino products. It currently operates on the largest social network and leverages the world's leading payment provider platforms.
- VGW operates a sweepstakes social casino, targeting the global casino market, particularly the unrealised United States real-money gaming market.
- VGW had annualised revenue of over $13 million in September 2015, which was derived from paying players in the United States.
- VGW has been in operation for over 4 years and developed and commercialised through total private equity capital raisings of $14.6 million.
- VGW is positioned to take advantage of its large target markets, which are currently subject to low-levels of competition and have significant potential for growth.
- Synergy Plus Limited to raise $5 million, where existing shareholders will have a preference in taking-up the offer under the prospectus.
- VGW will use the proceeds of the capital raising to continue to grow in the United States international expansion, and the development of new products.

SUMMARY

Synergy is pleased to announce that it has signed a conditional term sheet to acquire 100% of VGW, a technology and online gaming business (the **Transaction**).

VGW develops and operates proprietary technology in real-money gaming, enabling cash-prizes to be paid to international players, particularly those located in the United States, via its social casino games. It operates the sweepstakes social casino: Chumba Casino.

Synergy's acquisition of VGW will include the appointment of VGW founders and executive management to the Synergy board. Synergy proposes to undergo a capital consolidation as a part of the acquisition of VGW and a capital raising of $5 million under a prospectus. Preference of allocation under the prospectus will be given to Synergy shareholders.

VGW will use the proceeds of the capital raising to continue its United States growth, global expansion, and the development of new products.

ABOUT VGW HOLDINGS LIMITED

VGW is a developer and operator of social casino games with sweepstakes cash prize gameplay, which provides for the payout of cash prize winnings from casino games. Sweepstakes gameplay entails a real-money, online prize gaming alternative for all 50 states of the United States, where online gambling is largely prohibited.

VGW derives a majority of revenues via its wholly owned platform: http://www.chumbacasino.com

VGW's primary marketing channel is via the Facebook social media platform, a globally dominant social and casual gaming platform, and its primary payment platform is Paypal, the world's largest payment provider platform.

VGW's strategy is to:

- continue to deploy sweepstakes gameplay technology in the United States and to expand the offering across other key gaming product lines, including: casino, lottery, poker and sports;
- expand into major Asian, European and Latin American gaming markets;
- pursue strategic acquisitions in the social games and gaming sectors, to accelerate growth by integrating VGW's Sweepstakes Gameplay technology with existing gaming businesses and audiences; and
- leverage the skills and expertise of an experienced and proven executive and leadership team.

The company has been in operation for over 4 years, developed and commercialised through total private equity capital raisings of $14.6 million, has over 8,000 paying customers and is currently operating at an annualised revenue run-rate of over $13 million.

VGW will undertake a scheme of arrangement to implement the Transaction with Synergy.

THE TRANSACTION

The key terms of the Transaction are as follows:

1. Initial capital raising by Synergy of $300,000 through the placement of Shares with a free attaching option for each new share (**Placement Shares**);
2. Synergy will conduct a 50:1 consolidation of its existing issued capital. This will reduce the issued capital of Synergy to approximately 14,808,157 fully paid ordinary shares (**Shares**);
3. Subject to receiving the consent of third party lenders and creditors, Synergy will issue up to 17,000,000 Shares (post consolidation) at a deemed issue price of $0.05 per Share to payout, or in consideration for the conversion of previously advanced loans and creditors totaling approximately $850,000 (**Conversion Shares**);
4. The issue of 14,000,000 Shares (post consolidation) to Minimum Risk Pty Ltd in consideration for the off-set of outstanding loans made by Minimum Risk Pty Ltd to various subsidiaries of Synergy (**Minimum Risk Shares**). In addition, Minimum Risk will take control of Synergy's 60% owned subsidiary, Airdata Pty Ltd. Minimum Risk Pty Ltd is a company associated with and controlled by Mr Christopher Martino, a director of Synergy;

5. Synergy will acquire VGW via the issue of up to 933,346,204[1] Shares (post-consolidation) at a deemed issue price of $0.05 per Share, 650,000,000 Performance Shares (refer to paragraph 6 below) and 65,662,112 options (exercisable at $0.05 and with an expiry date of 14 August 2017) (**Acquisition Securities**) and agreeing to issuing 9,000,000 options (exercisable at $0.05 and with an expiry date of 15 May 2017) to VGW's Executive Chairman, Mr Nigel Blythe-Tinker. Subject to any necessary approvals that may be required, it is anticipated that the Acquisition Securities will be distributed under schemes of arrangement with existing VGW securityholders. Pursuant to ASX Listing Rules, the Acquisition Securities may attract escrow provisions;

6. Synergy will issue Performance Shares as follows to Lance East Corporation, the founding shareholder of VGW controlled by Mr Laurence Escalante:

Milestone	No. of Performance Shares (Post Consolidation)	Performance Period
A$10 million annual audited revenues in VGW	120,000,000	5 years
A$20 million annual audited revenues in VGW	120,000,000	5 years
A$30 million annual audited revenues in VGW	120,000,000	5 years
A$40 million annual audited revenues in VGW	120,000,000	5 years
A$50 million annual audited revenues in VGW	120,000,000	5 years
A$100 million annual audited revenues in VGW	50,000,000	5 years

Each Performance Share will convert into one ordinary Share if the relevant Milestone is met within the Performance Period

7. Synergy will assume VGW's Convertible Note liabilities totaling $400,000, and comprising: (a) three convertible notes with a total face value of $250,000 convertible (at the noteholder's discretion) to 12,500,000 shares (post-consolidation) at 2 cents per share; and (b) one convertible note with a face value of $150,000 convertible (at the noteholder's discretion) to up to 2,000,000 shares (post-consolidation), with the final number of shares being dependent upon the value of VGW at time of conversion, unless otherwise converted to equity prior to completion of the Transaction.

8. Synergy will seek to issue 100,000,000 Shares (post-consolidation) at an issue price of $0.05 per Share to raise not less than $5,000,000 under a prospectus (**Capital Raising Shares**). The capital raising has been underwritten by Minimum Risk Pty Ltd, a related party and is subject to shareholder approval.

[1] This number includes 10,833,333 VGW shares still to be issued (unless it is agreed that these shares are otherwise issued on completion of the Transaction). 2,333,333 shares are to be issued to three overseas based VGW contractors in quarterly installments to June 2016 as payment for services; and 8,500,000 shares to be issued to three VGW employees in quarterly installments to June 2016 through non-recourse loan arrangements. The loan is repayable when the shares are sold or if triggered by a liquidity event.

On completion of the Transaction, Synergy proposed to change its name to "VGW Gaming Limited". Additionally, the current Board of Synergy will be replaced with Messrs Nigel Blythe-Tinker (Executive Chairman), Laurence Escalante (Chief Executive Officer) and a third director at VGW's discretion (Non-executive Director). Messrs Domenic Martino, Philip Silva and Christopher Martino will resign from the board.

CONDITIONS PRECEDENT

Completion of the acquisition of VGW is subject to and conditional upon satisfaction of the following conditions by the dates indicated below (or such other dates as agreed between the parties):

1. Completion of due diligence investigations by Synergy by 15 November 2015;
2. Receipt of consents from lenders and creditors of Synergy to effect the proposed loan restructurings by 30 November 2015;
3. Receipt from ASX of conditional re-listing approval on ASX by 30 November 2015;
4. Receipt of shareholder approval in relation to the underwriting agreement with Minimum Risk Pty Ltd with respect to the Capital Raising Shares before 31 January 2016; and
5. The parties obtaining all relevant approvals, including shareholder approval, court approval, board approval and any third party consents necessary to implement the Transaction by 31 January 2016.

PUBLIC OFFERING AND RE-ADMISSION

Synergy will prepare a prospectus to issue the Capital Raising Shares which will give preference to existing shareholders as well as enable third party investors to participate in the public offering. Synergy will then seek to apply for re-admission to the official list of ASX (**Official List**). Whilst the Board is confident that Synergy will satisfy the ASX Listing Rule requirements for re-admission by completing the Transaction, there is no guarantee that ASX will permit Synergy to be re-admitted to the Official List.

SHAREHOLDER BENEFITS

Completion of the Transaction will restructure the Company's issued capital and net asset base, providing working capital, a new board and business direction.

Whilst the current board of Synergy is aware that the Transaction will result in a significant dilution of existing shareholders, the board is of the view that this proposal is the best outcome for shareholders in the current circumstances.

SHAREHOLDER MEETING

To implement the Transaction, Synergy will prepare a notice of meeting seeking shareholder approval for, among other things, the acquisition of VGW.

Shareholders will receive a notice of meeting setting out various resolutions and further information relating to the proposed Transaction (**Notice of Meeting**). A detailed explanatory statement will accompany the Notice of Meeting and will be distributed to all shareholders prior to the Meeting.

INDICATIVE CAPITAL STRUCTURE

The table below details the Company's current capital structure and its proposed indicative capital structure after the completion of the Transaction:

Securities	Current	Post-Acquisition
Shares	740,407,849	1,085,154,361
Options	-	175,662,112
Performance Shares	-	650,000,000

UNDERWRITING

Subject to shareholder and regulatory approvals, Minimum Risk Pty Ltd (an entity associated with Mr Christopher Martino) has agreed to underwrite the Company's proposed $5 million capital raising.

A summary of the terms of the Underwriting Agreement is as follows:

- Minimum Risk Pty Ltd fully underwrites the Capital Raising Shares;
- Minimum Risk Pty Ltd may procure sub-underwriters;
- The underwriting fee comprises:
  - an underwriting fee equal to 6% of $5,000,000 (being the amount sought to be raised under the Capital Raising); and
  - the issue of 47,500,000 options (post-consolidation) (exercisable at $0.05 and with an expiry date of 3 years from the date of issue) and 47,500,000 options (post-consolidation) (exercisable at $0.06 and with an expiry date of 3 years from the date of issue). No payment is to be made by Minimum Risk Pty Ltd for the issue of those options.
- Minimum Risk Pty Ltd is to subscribe for any shortfall within 5 business days after it receives the shortfall notice from the Company;
- Various events (such as breach of any representations given by the Company under the Underwriting Agreement, the commencement of litigation against the Company after the date of the Underwriting Agreement, the level of the ASX 300 Index declining by an aggregate amount of 20% in the 20 business days preceding the offer or there is an outbreak of hostilities involving any of Australia, Japan, the United Kingdom, the USA, the People's Republic of China), enable Minimum Risk Pty Ltd to terminate the Underwriting Agreement where the event is likely to have a material adverse effect on the financial position of the Company;
- The obligations of the underwriting only arise if the Company's shareholders approve the terms of the agreement, the prospectus is lodged with ASIC in accordance with an agreed timetable and the underwriter has approved the prospectus (which approval must not be unreasonably withheld).

INDICATIVE TIMETABLE

The timetable for the acquisition of VGW and the re-listing of the Company on ASX will be advised to shareholders as soon as it is available. Consideration is being given to the requirements of VGW's scheme of arrangement and the December 2015 holiday period.

The board of Synergy will continue to provide shareholders with updates regarding the Transaction.

For and on behalf of the Board

Leanne Ralph
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