

Attn.

Curaçao

Willemstad,

Our reference: **# OGL/2024/391/0299**

Subject: **Rejection of Indefinite License of Breakout Group B.V.**

Dear ..

We hereby formally inform you that the Curaçao Gaming Authority (CGA) has decided to reject the granting of a license for an indefinite period as referred to in article 5.1, first paragraph, of the Landsverordening op de kansspelen (LOK) to **Breakout Group B.V.** ("the Company").

Following a further comprehensive assessment of the # OGL/2024/391/0299 and all information submitted and admitted for consideration, the CGA has concluded that there are grounds to believe that the Company is unable to ensure a safe, responsible, transparent, verifiable, and reliable offering of games of chance, as referred to in article 2.2, first paragraph of the LOK.

The rejection is the result of the applicant's failure to comply with several statutory requirements, including mandatory requirements set out in article 2.2, second paragraph of the LOK.

The decision is based on the following considerations:

- I. The source of wealth and source of funds used to finance the operation have not been adequately identified and cannot be verified as legitimate.
- II. Failure to adequately demonstrate that the company has sufficient liquid assets to sustain a B2C gaming operation.
- III. Other reasons: Failure to:
 - A) Appoint CEO, CTO or CFO.
 - B) A Risk Policy for Crypto usage.
 - C) Updated Criminal Record Check and Proof of Address for UBO
 - D) Comply with gating condition to provide:
 1. enhanced SOW/SOF for business
 2. PHDF for all lenders referenced in Affidavit of 8 July 2022 related to loans.
 3. independent proof of receipt and application of the monies loaned.

The above deficiencies constitute grounds for refusal of the license for an indefinite period. Reference is made to the checklist(s) in the CGA portal, which identifies the items that remain outstanding and have not been satisfactorily addressed.



The CGA notes that the Company was granted a provisional license effective from [...] for a period of six months, which was subsequently extended once, effective from [...], for an additional six-month period. These periods were intended to allow the Company sufficient time to fully remedy the identified deficiencies and to demonstrate compliance with the statutory licensing requirements.

Despite this extended opportunity, and several follow-up occasions, the Company has not succeeded in remedying the deficiencies to a degree that would permit the CGA to reach a positive decision. For this reason, the application for the granting of a license for an indefinite period is hereby rejected.

As a result of this decision, the following obligations apply:

1. The Company is granted a period of six (6) weeks from the date of this letter to wind down its activities in an orderly manner.
2. With immediate effect, including during the wind-down period, the Company is no longer permitted to use the green seal and to accept new players or allow existing players to wager.
3. This decision does not relieve the Company of its obligations towards players or other third parties. The Company remains fully responsible for the proper settlement of any outstanding claims and must ensure that the interests of players are fully protected at all times, including the safeguarding and timely return of player funds/crypto assets, including funds in play and ongoing jackpots.
4. At the end of the aforementioned six (6) weeks, the Company shall provide a report to the CGA indicating the following:
 - any outstanding player claims, including outstanding balances and withdrawal requests;
 - the measures taken to address such claims, including how these are being handled and the expected timeline for their resolution.
5. The CGA may request additional information or updates at any time.

For the avoidance of doubt, the term “wind down” as used in this letter refers exclusively to the orderly cessation of the Company’s gaming activities. This wind-down does not constitute or imply a formal liquidation, dissolution, or winding-up of the Company as a legal entity under civil law. Any liquidation, dissolution or deregistration of the Company shall be governed by the applicable provisions, including the provisions of the Civil Code of Curaçao.

Failure to comply with one or more of these requirements may result in one or more enforcement actions.

We trust that we have informed you sufficiently.

Sincerely,

Cedric Pietersz
Managing Director CGA

**Objection and appeal**

Based on the National Ordinance on Administrative Proceedings (*Landsverordening administratieve rechtspraak*) you or another interested party may file a written objection to this decision with the CGA or lodge an appeal with the Court of First Instance of Curaçao within six weeks from the date this decision was issued. Objections can be submitted via email to objections@cga.cw. Please refer to the CGA website for further information regarding the objection process: <https://www.gamingcontrolcuracao.org/online-gaming-legislation>