The parties stipulate:

1. This settlement agreement is between the California Attorney General’s Registry of Charitable Trusts, represented by Deputy Attorneys General Joseph Zimring and Caroline Hughes, and Omaze, Inc., represented by O’Melveny & Myers LLP, by attorney Daniel Suvor and Cooley LLP, by attorney Travis LeBlanc.

2. The Attorney General is responsible for supervising charitable trusts, protecting charitable assets, and enforcing the laws regulating charitable fundraising and raffles in California. The Registry of Charitable Trusts was established by the State Treasury to be administered and maintained by the Department of Justice.

3. Omaze, Inc. (Omaze) is a for-profit business operating in California that solicits donations for charitable purposes. Omaze is registered as a commercial fundraiser for charitable purposes and was issued registration number FP0002397 in 2012.

4. The parties previously entered into a settlement agreement on May 8, 2019. The purpose of that agreement was to allow Omaze to operate while the Attorney General conducted an inquiry regarding Omaze’s charitable fundraising activities based on the Attorney General’s
contention that such activities were raffles subject to California Penal Code sections 319 through 320.5 and California Code of Regulations, title 11, sections 410 through 426. That agreement was extended and amended on several occasions. The purpose of this agreement is to resolve a dispute between the parties regarding whether Omaze’s charitable solicitation activities comply with California’s charitable fundraising and raffle laws. This agreement supersedes the May 8, 2019 settlement agreement.

a. Under the prior agreement dated on May 8, 2019, Omaze paid $30,000 in late fees and penalties to the Registry of Charitable Trusts for operating without being properly registered as a commercial fundraiser for charitable purposes. An additional $125,000 in penalties was stayed subject to Omaze’s compliance with the prior agreement. The penalty will continue to be stayed and will be rescinded after 5 years from the effective date of this agreement if Omaze fully complies with the agreement.

5. Omaze raises funds for charitable purposes by offering chances to win prizes. The parties agree that the following requirements apply to all fundraising activities:

a. Free entries will be offered to all participants on the same terms and conditions as entries for which a payment is made.

b. Omaze will ensure that user experiences for participants who enter for free are on the same terms and conditions as entries for which a payment is made.

c. Omaze will not provide any advantage or bonus entries toward winning any prize, experience, or thing of value to any participant in connection with a payment unless it is offered on the same terms and conditions to participants who enter for free.

d. Omaze will prominently disclose, in a clear and conspicuous manner, that no payment is required to participate in a campaign, similar to the example attached as Exhibit A.
6. Omaze will comply with all applicable California rules and regulations related to fundraising for charitable purposes. Omaze will be exempt from the raffle registration and reporting requirements of Penal Code section 320.5 while it remains in full compliance with the requirements of Penal Code section 320.5, subdivision (m).

7. Currently, Omaze contracts to provide charitable fundraising services solely with Charities Aid Foundation America (CAFA). Omaze will provide at least 30 days written notice should it contract with any charity other than CAFA that is subject to California’s jurisdiction.
   a. Omaze will deposit 100% of each contribution it receives in an account that is solely in the name of CAFA within five working days, as required by Government Code section 12599.6, subdivision (e).
   b. Omaze shall not misrepresent its relationship with any charity. Omaze may not claim that it has a fundraising relationship with any charity or charities unless it has complied with all the contractual and reporting requirements of the Supervision Act, including Government Code section 12599.

8. The terms of this agreement apply to Omaze, its successors, assignees and any entity owned or operated by Omaze. The terms of this agreement also apply to every registration issued by the California Attorney General, including all renewals and new registrations.

9. Nothing in this agreement is intended to limit Omaze’s ability to change its website or solicitations in ways that do not violate this agreement or California law, however, Omaze must give at least 30 days notice before making the following changes:
   a. Changes to the user experience that are reasonably likely to alter whether or not free entries are offered on the same terms and conditions as paid entries.
   b. Any change that is reasonably likely to restrict the public’s awareness of or access to the ability to enter a campaign for free.

10. This agreement shall not constitute an admission of wrongdoing by Omaze.

11. If Omaze violates this agreement, the Registrar may assess the stayed penalties referenced in paragraph 4(a), issue additional penalties, suspend, revoke, refuse to register and/or refuse to renew Omaze’s registration. Nothing in this agreement shall limit the Attorney General’s
ability to address any future violation of law by Omaze and the Attorney General reserves the right
to take any additional action authorized by law.

12. Omaze will reimburse the Attorney General’s Office in the amount of $90,000 in
attorney fees and costs incurred in the investigation of this matter pursuant to Government Code
section 12598. Payment shall be made within 30 days from the effective date of this agreement,
payable to the California Department of Justice.

13. This agreement and all obligations arising out of it shall be governed and construed in
accordance with the laws of the State of California.

14. The parties understand that the legislature may change the laws governing lotteries or
charitable raffles in ways that may supersede provisions of this agreement. If a change in law
supersedes a particular provision, the remainder of this agreement shall remain in effect. If there is
a dispute between the parties about whether a change in law supersedes provisions of this
agreement, Omaze may request a hearing before an administrative law judge to make the
determination.

15. This agreement shall become effective when signed by the Attorney General’s office
and Omaze.

16. Written notices to the Attorney General shall be delivered to:

Joseph Zimring, Deputy Attorney General
California Department of Justice
300 South Spring Street, Suite 1702
Los Angeles, CA 90013

17. Written notices to Omaze shall be delivered to:

5735 W. Adams Blvd.
Los Angeles, CA 90016

IT IS SO STIPULATED:

On behalf of Omaze, Inc., I have carefully read and understand this settlement agreement. I
have the authority to bind Omaze, Inc., to this settlement agreement. Omaze, Inc., will fully
comply with this settlement agreement.

Matthew Pohlson, CEO and Director
Omaze, Inc.

APPROVED AS TO FORM AND CONTENT:


Daniel Suvor
O'Melveny & Myers LLP
Attorneys for Omaze, Inc.


Travis LeBlanc
Cooley LLP
Attorneys for Omaze, Inc.


Joseph N. Zimring
Deputy Attorney General
Attorney for the Registry of Charitable Trusts

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