



Project Catalyst Change Request – Milestone Revision

Project Title: DripDropz – Mainstreet Suite Licensing

Project ID: 1100117

Challenge Category: F11: Cardano Use Cases – Solution

Budget Awarded: 222,848 ADA

Funds Distributed to Date: 53,483.20 ADA

Start Date: March 11, 2024

Submitted By: Lloyd Duhon

Entity: DripDropz

Submission Date: June 2025

What exactly is the change you want to make?

We request approval to pivot this proposal for pursuing US regulatory compliance for the Mainstreet Suite project. The original milestones outlined a path for applying for 23 Money Transmitter Licenses (MTLs) across US states. However, we are now pivoting to a business model in alignment with regulatory technical exemptions, further bolstered by a regulatory strategy to acquire No Action Letters (NALs) as opposed to extremely costly MTLs.

This change affects the regulatory deliverables only.

What is the need for this change?

The updated approach is based on updated legal guidance, where we have confirmed our updated go-to-market strategy and architecture does not qualify as a money transmitter and would benefit more from NAL engagement or no action at all in some jurisdictions.

This is due to the pivot of the Mainstreet product strategy resulting from internal learnings while attempting to raise, pivots as reaction to the latter, significant shifts in the U.S. regulatory landscape, and due to relevant legal interpretation of our new business model.

The business model for Mainstreet has been rearchitected to better align for investor appeal, market adoption readiness, and state-level regulatory frameworks. The new model essentially replaces our previous cryptocurrency exchange functionality with a cryptocurrency payments initiative. This aligns the initiative to achieve technical exemptions for facilitating such payments, therefore eliminating the US legal requirement to pursue money transmission licences.

The No Action Letter strategy is a recognized, proactive form of compliance that offers legal clarity without unnecessary bureaucracy or expense. Additionally, some states require no action at all, meaning we are already greenlit to operate in those jurisdictions.

This change enables us to remain compliant, reduce costs, decrease liability, and expand more efficiently while delivering the same net outcome of achieving a legally viable deployment of cryptocurrency payments across multiple regions.

Are there any changes to the approved deliverables stated in either the original proposal or SoM?

Yes.

If yes, please describe the changes and why the original deliverables cannot be achieved.

We originally planned to submit full MTL applications for 23 states. Based on updated legal analysis, these are no longer necessary or viable due to:

- Changed regulatory scope
- Cost inefficiency
- Unnecessary risk of rejection or legal overreach

Instead, we will now:

- Map state-by-state risk using a legal framework and current regulatory data
- Engage regulators in low- to medium-risk states through No Action Letter submissions
- Document jurisdictions where no action is needed, and prepare for compliant entry
- Respond to regulator feedback and finalize state-by-state status

These changes reflect an adaptive and efficient approach to U.S. regulatory engagement without altering our current development timeline or strategic objectives.

What is the impact of this change on your ability to complete the project as set out in the original proposal?

This pivot improves our ability to complete the project. Rather than committing significant funds and human resources to redundant licensing processes, we are tailoring our legal engagement

to the current regulatory environment and our updated project architecture.

The goal of enabling compliant Point-of-Sale solutions remains intact, but the technical and legal approach has been rearchitected. This change simply updates the compliance method used to clear state-level hurdles required to bring a regulatory compliant product to market.

Milestone 1: Legal Risk Framework & State Classification

Milestone Cost: 66,854 ADA

New Delivery Date: February 2026

Milestone Outputs:

- US state-by-state regulatory classification strategy matrix
- Identification of states requiring No Action Letters, full licensing, or where no filing makes strategic sense as evidence provided by proposing team
- Summary of research of known NAL precedents from other companies to justify NAL strategy

Acceptance Criteria:

- Completed summary report and detailed matrix may be reviewed via a private github repository accessible upon request
- Each US states or territory will be tagged with appropriate risk indicator, status indicator, and a generalized strategy indicator such as ***pursue NAL***, ***no-action*** or other action

Evidence of Completion:

- We will produce a spreadsheet matrix listing of all 50 US states and territories showing applicable notes with updated progress indicators
- We will provide a summary report outlining engagement strategy.

Milestone 2: Drafting State-Level No Action Letters

Milestone Cost: 44,854 ADA

New Delivery Date: May 2026

Milestone Outputs:

- 15 or more fully drafted NALs tailored to each selected US state, with cover letters, supporting legal arguments, and attachments
- A summary of US states or territories where pursuit of NALs are not deemed necessary

- A total of no less than 25 drafts (includes at least 15 NAL drafts and up to 10 summaries for states where pursuit of NALs are not deemed necessary)
- Continue to map each state's submission process via the previously provided spreadsheet matrix

Acceptance Criteria:

- Reviewers can inspect all NAL drafts and summaries.
- Reviewers can inspect spreadsheet matrix identifying which draft or summary strategy corresponds with each US state or territory

Evidence of Completion:

- We will publish all NAL drafts and relevant summaries to a private github repository
- We will update the previously provided spreadsheet matrix listing of all 50 US states and territories updating notes and progress indicators as applicable.

Milestone 3: Submission to Regulators

Milestone Cost: 33,570 ADA

New Delivery Date: August 2026

Milestone Outputs:

- NAL packages submitted to at least 15 state regulators
- Submission logs and receipts from state portals, emails or direct mailings
- Tracker showing time of submission, recipient contact name, and contact method

Acceptance Criteria:

- Reviewers can inspect and confirm at least 15 NALs have been submitted and the total number of NALs plus the number summaries outlining states and territories deemed for no NAL strategy will be no less than 25.

Evidence of Completion:

- Relevant copies of state receipts, mail logs, or email confirmations will be uploaded to a private github repository.
- We will update the previously provided spreadsheet matrix listing of all 50 US states and territories updating notes and progress indicators as applicable. Fields specific to NAL submissions, along with submission date, recipient contact, and outcome status for each jurisdiction will be included in the matrix.
- PDF for each final sent package and no-strategy summary will be uploaded to a private github repository.

Milestone 4: Regulator Response Management

Milestone Cost: 44,100 ADA

New Delivery Date: November 2026

Milestone Outputs:

- Compilation of all replies from state regulators received within 3 months of submission
- Updated compliance matrix with regulator notes and status

Acceptance Criteria:

- Reviewers can review updated compliance matrix with regulator notes and status
- Reviewers can review copies of any regulator responses

Evidence of Completion:

- Email threads, scanned letters, and any portal messages will be uploaded to a private github repository
- A log showing any issues raised and follow-up actions will be uploaded to a private github repository
- We will update the previously provided spreadsheet matrix listing of all 50 US states and territories updating notes and progress indicators as applicable.

Milestone 5: Closeout Report and Publication

Milestone Cost: 33,470 ADA

New Delivery Date: December 2026

Milestone Outputs:

- Public-facing Closeout Video reviewing the project's lessons and regulatory outcomes
- Public-facing status summary document Closeout PDF outlining project lessons learned and NAL strategy results for each engaged jurisdiction.

Acceptance Criteria:

- Reviewer can access and review final Closeout PDF and Closeout Video,
- Summary document Closeout PDF clearly outlines targeted US states with greenlights, pending actions, and unresolved NALs

Evidence of Completion:

- We will upload the Summary document Closeout PDF to a public github repository
- We will upload the public-facing Closeout Video YouTube hosted video
- State-by-state summary included in report appendix