

Points Asset Platform — Phase 1 Launch Blueprint (Compliant Path)

Objective: build a points-to-investment ecosystem without violating securities/payments/loyalty rules

1) Product Thesis (Phase 1)

- Create a platform where users connect points accounts, view standardized value, and execute compliant conversions.
- Start as analytics + routing + execution support, not direct stock issuance for points.
- Use transparency, liquidity, and yield optimization as the initial wedge.

2) What NOT to do at launch (risk control)

- Do not market unregistered “stock dividend for points” offers.
- Do not custody or transmit funds without money-transmitter/licensing review.
- Do not process transfers that violate loyalty program terms of service.
- Do not offer return promises before legal structure is approved.

3) Phase 1 MVP (90 days)

- User onboarding + KYC/identity verification readiness.
- Points account linking and balance aggregation dashboard.
- Valuation engine by program (base/bull/bear pricing bands).
- Conversion simulator: points -> cash-equivalent options -> portfolio allocation model.
- Compliance controls: blocked programs, jurisdiction gates, terms engine, audit logs.

4) Compliance Workstreams (parallel, mandatory)

- Securities counsel opinion: what is a security, what exemptions may apply.
- Payments counsel review: money transmission exposure by jurisdiction.
- KYC/AML program design and vendor selection.
- Tax and reporting framework (1099/withholding logic as applicable).
- Loyalty TOS legal mapping by issuer/program.

5) Legal-first business architecture

- Layer A: Analytics and valuation platform (lowest regulatory risk).
- Layer B: Compliant conversion execution rails (program-dependent).
- Layer C: Regulated investment wrapper (SPV/fund/brokered product) after approvals.

6) Commercial model (initial)

- Platform subscription for high-value users and advisors.
- Transaction/service fees on compliant conversions.
- Institutional API licensing for valuation and risk signals.
- Premium portfolio optimization and tax-report modules.

7) Operating plan (first 12 months)

- Q1: MVP + legal architecture + pilot with permitted programs.
- Q2: Controlled beta (limited jurisdictions/users), tighten controls.
- Q3: Expand program coverage + introduce institutional reporting.
- Q4: Evaluate regulated investment-layer readiness with counsel sign-off.

8) KPI dashboard for go/no-go

- Legal readiness milestones hit (%).
- Program coverage permitted vs restricted.
- User activation and linked-account rate.
- Conversion success rate and average spread captured.
- Compliance incidents (target: zero material events).

9) Executive decisions needed now

- Approve legal budget and lead counsel engagement.
- Choose launch jurisdiction(s) and risk posture.
- Approve MVP scope with compliance-by-design gates.
- Authorize pilot cohort and partnership outreach.