

Medadyn Announces Formal Request of the Securities and Exchange Commission of ICO and Token Compliance Review

SEATTLE, March 12, 2018 /PRNewswire/ -- Medadyn, a cryptocurrency company that's creating a new vehicle to finance projects within the media, music and entertainment sectors, announces today that it has formally asked the Securities and Exchange Commission (SEC) for a review of the positioning of its Initial Coin Offering. Medadyn recently delayed its March ICO until May 2018 to ensure compliance with shifting regulations within the cryptocurrency market, globally and domestically.

The company is also requesting the support, input and oversight of several members of Congress including key Senators sitting on the Committee of Commerce, Science and Transportation, the Committee on Banking, Housing and Urban Affairs, and members of Congress sitting on House Energy and Commerce Committees and the House Financial Services Committee.

In a letter sent today to the SEC's Legal Branch Chief for the Office of Information Technologies and Services, MsJan Woo, Medadyn asked for a thorough review of its offering prior to the company's ICO. It was requested of this office, which is within the SEC's Division of Corporation Finance, that they review Medadyn's position papers, legal and accounting opinions from sources internal and external to the company, and any offering documents, to ensure compliance with the SEC and applicable securities laws. This, because there is uncertainty in the industry around blockchain tokens and cryptocurrencies. Recent statements by the SEC have indicated that many tokens, cryptocurrencies and exchanges meet the government's definition of securities. According to statements made by the SEC Chairman, John Clayton:

"On cryptocurrencies, I want to emphasize two points. First, while there are cryptocurrencies that do not appear to be securities, simply calling something a "currency" or a currency-based product does not mean that it is not a security. Before launching a cryptocurrency or a product with its value tied to one or more cryptocurrencies, its promoters must either (1) be able to demonstrate that the currency or product is not a security or (2) comply with applicable registration and other requirements under our securities laws."

It was also ruled by Federal Judge Jack Weinstein of the U.S. District Court for the Eastern District of New York that cryptocurrencies are a "commodity" in its recent opinion in the matter of Coinflip, Inc. d/b/a Derivabit, and Francisco Riordan. Therefore, Medadyn wishes to eliminate these ambiguities.

"Reedeux Media's position for its Medadyn MDA token is that it is a utility token that may have securities usages," said Mr. John C. Dong, Medadyn's Chief Financial Officer and a veteran of five IPOs. "The token has been structured to conduct monetary and non-monetary transactions within Reedeux and other media platforms. For instance, it can be used to purchase goods or music, pay suppliers or as a part of reward system. However, part of its initial launch will also include a method for the financing of media and merchandising. This financing method is an automation of asset-backed lending. The company's view is that this specific usage of the MDA token may in fact be a security and therefore formal registration or exemption may be required with the SEC for these specific project financings."

"The cryptocurrency market is certainly a dynamic and rapidly evolving industry," said Federico Pacquing, Medadyn's CEO. "With the SEC concerned about potential abuses within this sector, we welcome the review of our positioning and business model to ensure that Medadyn and our MDA utility token are compliant with all regulations."

"Our goal is to ensure that we have full legal compliance from the ICO to every transaction covered by the Medadyn MDA," said Philippe Toudic, Medadyn's General Counsel. "To that end we are engaging top legal experts and firms around the world to ensure that we exceed legal expectations."

The company believes that the market also will react positively to both its substantive model and transparent approach.

"The tokens themselves aren't securities by definition," said Dallas Salazar, an outside consultant with the company. "But, given that one of the uses of the MDA is to finance projects, in that instance it really may be. It may make sense for Medadyn to pursue getting those transactions registered or exempt."

"This is actually a very strong event for a large section of our market," said Edward Hickman, CEO of Anatha Technologies and a well-known cryptocurrency expert. "Even the die-hard crypto anarchists recognize that we must engage with regulatory bodies. If Medadyn can provide a sensible path towards working with the SEC, it would provide a new guideline standard for other companies to follow. The industry needs to make a self-regulating body that has sensible guidelines that do not create added friction in the market and can work with regulators like the SEC. Medadyn is taking the first step by engaging with regulatory bodies and that is something we as an industry should all support."

Medadyn, a wholly-owned subsidiary of Reedeux Media, Inc., is a new, revolutionary utility token specifically designed for use in the media and entertainment industry. The Medadyn MDA token's initial use is to provide accredited investors and financial institutions a way to seamlessly finance media projects and broadly market these projects globally. This automation of "asset-backed lending" provides a powerful tool for entertainment, providing new ways to launch projects into the market. In future months, the MDA utility token will be used within the Reedeux platform for purchases of products within television programs, business-to-business transactions between producers and merchandising manufacturers, and even peer-to-peer transactions. For more information, please visit www.medadyn.com or contact press@medadyn.com.

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