

Deedcoin Securities Overview

The team behind Deedcoin believes that the advancement of the Blockchain product base benefits from regulation, to assure that the solutions offered to industries through Decentralized Ledger protect consumers. Deedcoin retains the law firm of Thompson Bukher LLP on Broad St, New York, NY, to ensure that Deedcoin Inc. complies with the current regulations in all ways. DEED is currently useable on deedcoinhq.com and the online map shows states with already active Deedcoin partnered agents ready to help Deedcoin holders.

Deedcoin is launching 70 Million tokens in 2 varieties, the DEED token (30 Million) and the Deedcoin SAFT (40 Million, symbol DDS).

The DEED token is the regular Deedcoin that is fully useable on the Deedcoin network when sold. This token is limited to no more than 1500 DEED per purchaser. DEED tokens are designed to be used. By setting a limit to the amount purchased for use we can avoid speculative investment in our utility-designed DEED token. In limiting the amount of DEED per person we also help widen the customer base and, therefore, the use of the Deedcoin network. There are initially 30 Million DEED (plus bonus) to be sold when the network is fully useable.

The Deedcoin SAFT (symbol DDS) token is the SAFT (Safe Agreement for Future Token) placeholder marking the possession of a future token. Deedcoin has chosen to issue non-useable tokens to mark these purchases of SAFT to make the issuance of future DEED simple with a smart contract. DDS tokens are hard coded non-transferable and will be burned after replacement with DEED. The Deedcoin SAFT (DDS) are securities issued by Deedcoin, in compliance with the SEC exemptions under Regulation D or CF. Regulation D Deedcoin SAFT are only available to Accredited Investors and Regulation CF are limited to \$1 Million total volume sold. The DDS tokens are simply placeholders for the SAFT. DDS are not utility tokens, they are a ERC20 marker token for ownership of a security that will later convert into a utility token. DDS converts to DEED via smart-contract at a 1:1 ratio at a future date when the Deedcoin team has decided the network is robust enough to do so within one year of issuance. There are initially 40 Million Deedcoin SAFT (plus bonus) to be sold but should Deedcoin SAFT buyers choose to buy less than 1500 tokens, they will receive DEED and the equivalent amount of Deedcoin SAFT will be removed from the 40 Million Deedcoin SAFT distribution pool and destroyed.

Together the two token types will account for an eventual 70 Million (plus bonuses) of DEED token (Deedcoin) which, with bonuses, accounts for 70 percent of all Deedcoin in existence. The remaining 30% is held half by founders (15%) and half in company reserve (15%).

Deedcoin HOWEY Analysis

Deedcoin token is a utility based token, however to comply with the possible future regulatory landscape in the U.S. we have chosen to go above and beyond in compliance. Our sales portals offer all appropriate documentation, know your customer and anti money laundering API's built in, and limit requirements for token purchases. Deedcoin has commissioned a HOWEY Analysis from our attorneys at Thompson Bukher LLP, which supports our token as utility based. That said we have still chosen to set limits to the token purchase quantity and comply with the SAFT model for purchases beyond those limits. As SAFT are registered securities, accredited investors must provide documentation for purchase of Deedcoin SAFT. Below are important sections of our HOWEY analysis for public review.

This memorandum addresses whether or not Deedcoin would be considered "securities" under Section 2(a)(1) of the Securities Act of 1933 (the "Securities Act") or Section 3(a)(10) of the Securities Exchange Act of 1934 (the "Exchange Act"). The broad definition provided in Section 2(a)(1) of the Securities Act defines a security as "any note, stock, treasury stock, security future, security-based swap, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, investment contract, or, in general, any interest or instrument commonly known as a 'security', or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing." Based on the above definition, our analysis of relevant case law, and our reading of the White Paper, we have determined that Deedcoin are highly unlikely to meet the legal definition of "security" and that neither the Presale nor subsequent secondary trading of Deedcoin would fall within the purview of federal securities laws.

We do not believe that the purchase of Deedcoin could constitute an investment due to the design and marketing of Deedcoin and the Platform. Specifically, the Alpha Formula, described in great detail in the White Paper, serves as an effective barrier to potential "investors" who may have otherwise purchased Deedcoin with the sole intention of reselling the tokens for profit. By actively tracking the average market price of Deedcoin and adjusting redemption ratio accordingly, the Alpha Formula renders Deedcoin' market price a meaningless metric for would-be investors. By controlling the redemption ratio on a per-user basis, the Alpha Formula ensures that users will only ever purchase as many Deedcoin as they require to achieve maximum commission reduction and, consequently, that they will always spend the same amount of money on their Deedcoin purchase, whether the current market price is \$10.00 or \$1,000.00. Accordingly, the true value of Deedcoin is determined not by their market price but by their redemption ratio.

Expectations (of profit) are determined by examining an issuer's representations to potential purchasers. Under Howey, "an investment contract ... means a contract, transaction or scheme whereby a person invests his money ... and is led to expect profits ..." Howey, 328 U.S. at 298-299 (emphasis added). Nothing about the Platform's stated purpose or intended use creates the impression in the purchaser's mind that DC ownership could be "employed to secure income or profit." The stated aims of the Platform are (1) to save Buyers and Sellers money on real estate transactions facilitated within the Platform and (2) to save Brokers money on overhead costs typically associated with running a real-estate practice. The sole stated purpose of the DC is "for use in future real estate transactions," wherein Holders may realize the benefit of DC ownership by accessing Partnered Network Brokers who charge reduced commission. The White Paper plainly indicates that Deedcoin are designed to be a cost-saving tool rather than a profit-seeking tool.

Based on the analysis provided above, we conclude that the rights granted by Deedcoin are highly unlikely to constitute an investment interest because they are not sold or purchased with an expectation of or mechanism for realizing profit. Accordingly, Deedcoin more closely resemble a simple contract, such as a ticket purchase, rather than an investment or security. We recommend that any purchase of Deedcoin, in excess of 1,500 units, be limited to accredited investors. To be clear, such limitation will not allow the Company to utilize the registration exceptions promulgated under Regulation D Rule 506(b) (in light of the fact that we continue to take the position that Deedcoin are not a security and, therefore, do not require such exception), nevertheless, such limitation would ensure that Deedcoin are only purchased in bulk by parties who are sufficiently sophisticated to understand the risks of doing so should they choose to pursue an investment strategy with the Deedcoin in contravention of the Company's stated utility goals for the tokens.

AML, Accredited Investor, and KYC

Deedcoin has purchased an AML and KYC Api subscription from namescan.io (Member Check) and has elected a premium package to run the most thorough database available to prevent purchases of Deedcoin to unauthorized people. These integrations will be in all Deedcoin Sales Portals. The company contact information and a sample result are below. Additionally, all required documentation will be received from accredited investors before sale of token.

Prepared by



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Person Details [^](#)

General Information

Categories:	Politically Exposed Person (PEP) - National Government
Subcategory:	POLITICAL INDIVIDUAL
Gender:	Male
First+Middle Name:	Kevin
Last Name:	RUDD
Position:	Former Member of Parliament
Date of Birth:	21 Sep 1957
Place of Birth:	Nambour, Queensland, Australia
Primary Location:	Brisbane,AUSTRALIA
Enter Date:	29-May-2001
Last Reviewed:	27-Mar-2015

Also Known As

First+Middle Name	Last Name
Kevin Michael	RUDD

Important Dates

Type	Date
Date of Birth	21 Sep 1957

Locations

Country	City	Address
AUSTRALIA	Brisbane	
AUSTRALIA	Canberra	
AUSTRALIA	Morningside	

Countries

Type	Country
Citizenship	Australia