

To: Director, Financial Crimes Enforcement Network

From: Damon D. Danner

I'm writing to you today for a determination of my business/project as a MSB. I have read the guidelines and feel I may be a MSB in one aspect of the project, during the initial issue of the Pyramidion tokens. The token is not sold at the barter value. The tokens are issued from my un hosted wallet. If KYC/AML is required, the account of the customer will be taken care of in a token control dashboard with KYC/AML documents attached to their account, along with records of any token purchases. I have the software hosted, no sales have taken place and no accounts have been created. After the customer receives the token there is no further relationship with Pyramidion Cryptocurrency LLC. The Pyramidion token is a stand-alone, non-convertible token to be utilized for barter exchange. I will be accepting virtual currencies for the token purchases. The tokens are One US dollar each in the first phase. Two US dollars in the second phase. Three US dollars in the third phase and so on until the supply of tokens is depleted, this increase ceases at \$10 USD if it is ever reached. This US dollar amount will never reach the barter value of the Pyramidion token. See the tokenomics section if needed. The lightpaper is also the operating agreement for the LLC. <https://www.pyramidioncryptocurrency.com/lightpaper>. I will print the whitepaper out and mail it to you if required. The website is completely safe and is hosted by WIX.

\*when a pyramidion token is being moved on the Ethereum network, no actual monetary value is being transmitted unless the dollar amount paid for it initially is considered. A barter exchange is defined as a transaction for goods and services for other goods and services and money is usually not involved. This is the nature of the token. There is no API or computer code to report its barter value to a wallet, exchange, DEX or any type of platform. The value will be displayed as "null" in some wallets.

\*there is an agreed-upon barter value of the token which is displayed on Pyramidion's website. Both parties are taxed as income for the fair market value of goods or services at the time of the barter exchange with the token, this is in line with IRS tax law on non-exchange traded assets. This only takes place peer to peer from un-hosted wallets, not through an intermediary. Pyramidion Cryptocurrency LLC has no plans to work with hosted wallets and will notify FinCEN if this policy changes before moving forward.

\*Pyramidion has an app (website only, not a downloadable phone app) The pyramidion App is a calculator with text fields. All fields must be entered manually by a peer. It has a field to enter the barter value of the token, a field for the fair market value of the goods/services, a number of tokens to send, a number of tokens that will be received, a field to describe the goods/services, the amount responsible for claiming as income on both peers' tax return, a wallet barter value, and a field to email the barter exchange receipt for record keeping. The Pyramidion App only displays information, the tokens move between un hosted wallets between individuals.

<https://www.pyramidioncryptocurrency.com/pyramidion-app>

Miscellaneous: I have filed a method patent on this as a "clamshell currency." It is an attempt to make a new classification of cryptocurrency, create an entirely new trackable tax base through blockchain for the US government and give unbanked or underbanked citizens a way to get things that they need. The name came about from a story. "If we were on an island and there was no means of banking, how would we get the things we needed? If a peer had ten clamshells and another peer had a fish and considered it a fair trade, they could make this exchange." – clamshell currency

I sincerely appreciate your time to read over this, I know you guys are busy with the crypto industry.

Question 1: What aspect of the project is a MSB?

Question 2: What is my responsibility on the travel rule for the issue of the tokens? The issue of the token happens from my un hosted wallet and all movements of the token happen on un hosted wallets after people purchase the token. The sale price is not the barter value of the token.

Question 3: What is my relationship with FinCEN if I am not a MSB?

Question 4: Am I required to do KYC/AML for this particular barter token.

Question 5: Is this a convertible virtual currency? It cannot be easily (if at all) converted to other VC or fiat and it is strictly a barter token – a digital good, much like an e-book. I have designed it to be technologically impossible to trade, swap or cash from a platform. This was to prevent secondary sales/swaps although it is an ERC20 token. There is no Ether value to the contract. There is no API for the token for pricing. Virtual currency cannot be sent to the smart contract itself or the transaction will fail. The smart contract was coded and audited by Blockchain Consilium for international standards. Please see the audit and audit certificate PDF files displayed at the top of the lightpaper page at the website.

Question 6: If an attempt is made to convert or cash Pyramidion tokens in any way, who do I report this to?

Question 7: Can FinCEN describe or come up with a way money can be laundered with Pyramidion so the issue can be resolved or mitigated against? In my simple understanding of “money laundering” I can’t think of a way it could happen. I only know of what I’ve seen in movies.

Please call me with any questions if you do not understand any of this information. Do not hesitate to ask me for my own personal financial records or any information you would like from me. I’m no “bad actor.” I have no criminal record, have never filed a bankruptcy and I’m a law abiding citizen and veteran of the US Navy. I tried to be as clear as possible, there are no hypotheticals. I can be reached at any time through email [damondanner@gmail.com](mailto:damondanner@gmail.com) or phone 225-268-3327 or 225-384-6500.

Sincerely,

Damon D. Danner

Owner, Sole member of Pyramidion Cryptocurrency LLC