

Groovy Company Announces the Minting of its (SMT) Security Meme Tokens on its OTCM Protocol

Groundbreaking Blockchain Solution Offers Lifeline to Thousands of Securities and Millions of Trapped Shareholders in the OTC Markets,

FAIRFIELD, NJ, UNITED STATES, October 14, 2025 /EINPresswire.com/ -- Groovy Company, Inc. (OTC Expert Market: GROO) announced it will mint 1 billion [Security Meme Tokens](#) (SMT) on its [OTCM Protocol](#), a Solana blockchain-based platform designed to provide trading infrastructure for securities with limited market access. The token launch is scheduled for October 31, 2025, and represents the company's approach to addressing liquidity constraints facing its shareholders.



The OTCM Protocol uses Solana's blockchain infrastructure, which offers transaction speeds and cost efficiencies that differ significantly from traditional securities trading systems. The protocol leverages the company's existing shareholder community to establish initial liquidity for the SMT by deploying an automated market maker (AMM) that uses bonding curve algorithms to maintain continuous pricing. This liquidity pool mechanism allows shareholders who have been unable to trade their positions to become active participants, with the bonding curve automatically adjusting token prices based on supply and demand within the pool.

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We're not disrupting—we're building markets where none exist.”

Board of Directors of OTCM Protocol

Approximately 3,000 securities currently trade on the Expert Market including Groovy Company,

a designation created for securities that do not meet public information requirements under SEC Rule 15c2-11. This classification restricts trading access to institutional investors and broker-dealers who meet specific qualification criteria, effectively removing retail investor participation from these markets.

An estimated 7,000+ OTC securities experience minimal or zero daily trading volume, creating situations where shareholders hold positions they cannot readily sell. Industry estimates suggest billions of dollars in shareholder value exists in these illiquid positions, though exact figures are difficult to verify due to the fragmented nature of OTC markets.



The Expert Market designation typically occurs when companies lose their 15c2-11 status, which requires securities to have current public information available before broker-dealers can publish quotes. Without this status, public quotes cannot be displayed, and brokers face significant compliance burdens when facilitating trades in these securities. Many broker-dealers choose to restrict or prohibit transactions in Expert Market securities rather than manage the associated regulatory requirements.

"When we lost our 15c2-11 status, the market infrastructure no longer supported trading in our securities," said Frank Yglesias, Chief Technology Officer of Groovy Company. "Market makers withdrew because the economics didn't justify continued support. The fixed costs of maintaining a market in thinly traded securities exceeded the potential revenue from those activities."

This creates a paradox where companies continue to bear the costs and obligations of being public entities—including legal, accounting, and administrative expenses—while their shareholders lack functional market access. Companies in this situation face limited options: undertake expensive remediation efforts to regain 15c2-11 status, pursue delisting and going private transactions, or maintain the status quo with minimal trading activity.

The October 31st launch involves minting one billion SMT tokens, creating a fixed initial supply. The company's strategy focuses on activating its existing shareholder base as initial participants in the token ecosystem.

Groovy Company views its current shareholders—estimated to number in the thousands based on historical trading data—as a strategic asset for the token launch. These shareholders hold equity positions acquired when the stock traded with greater liquidity but now face significant obstacles to exiting those positions through traditional channels. The company's hypothesis is that these shareholders will participate in the new token system because it offers functionality currently unavailable to them.

The token structure aims to provide several mechanisms: immediate trading capability without broker intermediaries, transparent pricing visible on-chain to all participants, liquidity pools funded by participants who contribute tokens in exchange for trading fees, and community governance features that may allow token holders to participate in protocol decisions.

"We have an established investor base that has been unable to trade their holdings," Yglesias said. "The token structure is designed to provide these shareholders with a trading mechanism. Rather than viewing our illiquid shareholder base as a liability, we're attempting to convert it into an active participant community."

The launch on October 31, 2025, represents the initial deployment of this model. Groovy Company positions the OTCM Protocol as potentially applicable to other securities facing similar liquidity challenges, though expansion beyond the company's own tokens would require additional development, partnerships, and regulatory analysis.

The success of the initiative depends on multiple factors including technical execution, participant adoption, regulatory acceptance, and market conditions. The company acknowledges that the approach represents an experimental model for addressing market structure issues affecting thousands of OTC securities and millions of shareholders who hold illiquid positions.

[About OTCM Protocol, Inc.](#)

OTCM Protocol, Inc. (formerly Groovy Company, Inc.) is a Wyoming corporation building the infrastructure layer for tokenized OTC securities. The company has developed a revolutionary platform that enables 1:1 tokenization of illiquid stocks, where each digital token is backed by actual shares held permanently in SEC-registered custody with Empire Stock Transfer. By converting dormant OTC securities into 24/7 tradable blockchain assets on Solana, OTCM Protocol creates permanent liquid markets for over 11,000 companies and 5 million shareholders currently trapped in zero-liquidity positions. The platform addresses a \$50 billion market opportunity by eliminating traditional market maker costs and abandonment issues through automated bonding curve mechanisms, enabling instant global access to previously untradable securities while maintaining full regulatory compliance through its proprietary "Howey Shield" framework.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect management's current expectations about future events and financial performance. These statements are not

guarantees and subject to significant risks that could cause actual results to differ materially. OTCM Tokens serve exclusively as utility tokens for entertainment within the OTCM Protocol ecosystem, with no securities characteristics, ownership rights, or profit-sharing entitlements. While the Company believes tokens don't constitute securities under current law, regulatory interpretations may change. Token values may experience extreme volatility or complete loss. The tokenization of OTC securities requires regulatory approvals that may not be obtained. Blockchain technology and tokenized assets carry inherent risks including total loss. Investors should conduct independent due diligence and consult professional advisors before making investment decisions.

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