

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

REGINALD (“REGGIE”) MIDDLETON,
VERITASEUM, INC., AND VERITASEUM, LLC,

Defendants.

ORDER TO SHOW CAUSE
19-cv-4625 (WFK) (RER)

Holland & Knight LLP, Court-appointed Distribution Agent, having filed a Motion for an Order to Show Cause why the Court should not approve the Distribution Agent’s proposed claims process (the “Proposed Claims Process”) and distribution plan (the “Proposed Distribution Plan”) for the Veritaseum Fair Fund, and for good cause shown,

IT IS HEREBY ORDERED that the Distribution Agent’s Motion for an Order to Show Cause is granted; and

IT IS HEREBY FURTHER ORDERED that within two business days of the issuance of this Order:

1. The Distribution Agent shall publish this Order on the Veritaseum Fair Fund website (www.verifairfund.com) along with a copy of the Proposed Claims Process and the Proposed Distribution Plan, which are annexed to this Order as Exhibits 1 and 2, respectively;
2. The Distribution Agent shall publish a Summary Notice¹ on Coindesk, Coin Telegraph, Reddit, and PR Newswire; and

¹ The Summary Notice (the text of which shall be approved by the staff of the Securities and Exchange Commission (“SEC”)) shall include, at a minimum, a statement that the Veritaseum Fair Fund relates to purchases of Veritaseum tokens during the Relevant Period (defined below), and the means of obtaining a copy of the Order to Show Cause, Proposed Claims Process, and the Proposed Distribution Plan.

3. The SEC shall publish this Order on its public webpage for this action (<https://www.sec.gov/divisions/enforce/claims/reginald-middleton.htm>) along with a copy of the Proposed Claims Process and Proposed Distribution Plan.

Publication as described, along with the publication of this Order through the Court's ECF system, shall constitute and suffice as notice of the Proposed Claims Process and Proposed Distribution Plan and the opportunity to object to interest parties.

IT IS FURTHER ORDERED THAT individuals and entities who purchased VERI tokens during the period April 25, 2017 through August 14, 2019 at 12:01 a.m., EST, inclusive ("Relevant Period"), or other interested parties shall, within thirty (30) days from the entry of this Order ("Objection Due Date"), show cause, if there is any, why this Court should not enter an Order approving the Proposed Claim Process and Proposed Distribution Plan. Objections shall be made by correspondence received by the Distribution Agent no later than 11:59 p.m. on the Objection Due Date at the following electronic mail address: objections@verifairfund.com. The correspondence must clearly state that the submitting entity seeks a distribution from the Veritaseum Fair Fund, or otherwise state fully and clearly the entity's interest in this matter, and the entity's objection(s) to the Proposed Claims Process or Proposed Distribution Plan. The submitting entity must include all documentation necessary to support the objection. Any and all factual assertions must be concluded with the following declaration, if true, followed by the submitting person's signature and the date of signature:

I declare pursuant to 28 U.S.C. §1746, under penalty of perjury under the laws of the United States of America, that the foregoing is true and correct.

All correspondence must include current contact information for the submitting person, including, if available, an email address and mobile telephone number. Objections will be publicly filed by the Distribution Agent with the Court, as further set forth below. To the extent a

submitting entity seeks to include in their submission sensitive information such as a social security number, financial account number, or home address, they should encrypt the submission prior to sending, sending the password in a separate email, or submit it pursuant to the next paragraph.

If a submitting entity is unable to submit their objection by email, they may send it addressed as set forth below. The submission must be received by the Distribution Agent no later than the Objection Due Date.

Veritaseum Fair Fund
c/o RCB Fund Services LLC
17 Technology Place, Suite 1
East Syracuse, NY 13057

Failure to timely submit an objection in accordance with this section will result in the objection being waived. Proof of timely receipt by the Distribution Agent will be the burden of the submitting entity.

IT IS FURTHER ORDERED that, if no objections to the Proposed Plan are timely submitted, the Distribution Agent shall:

1. File a notice so advising the Court (“Notice of No Objection”), accompanied by a Proposed Order approving the Proposed Claims Process and Proposed Distribution Plan; and
2. Publish a copy of the Notice of No Objection, Proposed Claims Process and Proposed Distribution Plan, and Proposed Order on the Veritaseum Fair Fund website;
3. Publish a Summary Notice of No Objection² to Coindesk, Coin Telegraph, Reddit, and PR Newswire;

² The Summary Notice of No Objection (the text of which shall be approved by the staff of the Securities and Exchange Commission (“SEC”)) shall include, at a minimum, a statement that the Veritaseum Fair Fund relates to purchases of Veritaseum tokens during the Relevant Period

Submit a copy of the Notice of No Objection, Proposed Claims Process and Proposed Distribution Plan, and Proposed Order to the SEC for publication on the SEC webpage,

Upon receipt of the Notice of No Objection from the Distribution Agent, the Court may enter an Order approving the Proposed Claims Process and Proposed Distribution Plan without further notice or passage of time.

IT IS FURTHER ORDERED THAT, if objections are timely received pursuant to this Order, the Distribution Agent shall file them, with sensitive information redacted, together with its response, within fifty (50) days of the entry of this Order to Show Cause, with copies of its response served by electronic, First Class, or Overnight Mail upon any objecting party. The Distribution Agent may propose an amended distribution plan and/or claims process if and as appropriate. If the Distribution Agent proposes an amended plan and/or claims process, the amended plan and/or claims process, and any accompanying filings, will be made available to all interested parties through the SEC webpage, Veritaseum Fair Fund website, and a Summary Notice of Amendments³ to Coindesk, Coin Telegraph, Reddit, and PR Newswire. Such publication, along with the publication through the Court's ECF system, shall constitute and suffice as notice of the amended plan. No further objection period will be provided unless expressly ordered by the Court.

(defined below), that no objections have been made to the Proposed Claims Process and Proposed Distribution Plan, the means to submit a claim for distribution.

³ The Summary Notice of Amendments (the text of which shall be approved by the staff of the Securities and Exchange Commission ("SEC")) shall include, at a minimum, a statement that the Veritaseum Fair Fund relates to purchases of Veritaseum tokens during the Relevant Period (defined below), that objections have been made to the Proposed Claims Process and Proposed Distribution Plan, and the means of obtaining a copy of the amended Proposed Claims Process, and the amended Proposed Distribution Plan.

If the Court deems it necessary or appropriate, the Court may conduct a hearing before approving the Proposed (or amended) Claims Process and Proposed (or amended) Distribution Plan. Notice of a hearing shall be provided through the Court Docket, the SEC webpage, and the Veritaseum Fair Fund, and if and as otherwise ordered by the Court.

SO ORDERED.

s/ WFK

Dated: January 15, 2021
Brooklyn, New York

HON. WILLIAM F. KUNTZ, II
United States District Judge