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IN CLERK'S OFFICE
US DISTRICT COURT E.D.N.Y.
★ AUG 26 2019 ★

BROOKLYN OFFICE

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

-----X	
SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
- against -	:
	:
REGINALD ("REGGIE") MIDDLETON,	:
VERITASEUM, INC., and	:
VERITASEUM, LLC,	:
	:
Defendants,	:
	:
----- X	

19 Civ. 4625 (WFK) (RER)

ECF Case

**STIPULATION AND ORDER IMPOSING PRELIMINARY
INJUNCTION FREEZING ASSETS AND GRANTING OTHER RELIEF**

WHEREAS on August 12, 2019, Plaintiff Securities and Exchange Commission (the "Commission") commenced this action by filing a Complaint (D.E. 1), motion for a temporary restraining order freezing assets, and supporting papers, including a memorandum of law, declarations, and exhibits (D.E. 2 through 7), for its emergency application for a temporary restraining order freezing assets, ordering defendants to show cause, and granting other relief (the "Motion"); and

WHEREAS on August 25, 2019, Defendants Reginald ("Reggie") Middleton, Veritaseum, Inc., and Veritaseum LLC ("Defendants") filed Consents to Plaintiff's Motion (D.E. 49 through 51).

NOW, THEREFORE:

I.

IT IS HEREBY ORDERED that the Commission's application for a preliminary injunction against the Defendants is GRANTED and the preliminary injunction hearing scheduled for August 26, 2019 is ADJOURNED.

II.

IT IS HEREBY ORDERED that pending a final disposition of this action, Defendants—and each of their financial and brokerage institutions, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of such Order by personal service, facsimile service, telephonic notice, email notice or otherwise, and each of them—hold and retain within their control and otherwise prevent any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment or other disposal (including the use of any credit cards or any other incurring of debt) of any assets, funds, or other property (including money, virtual currency or other digital asset, real or personal property, tangible assets, securities, commodities, choses in action or other property of any kind whatsoever, in whatever form such assets may presently exist and wherever located) of, held by, or under the control of Defendants, whether held in their name or for their direct or indirect beneficial interest, and directing each of the financial or brokerage institutions, debtors and bailees, or any other person or entity holding such assets, funds or other property of Defendants to hold or retain within its or his control and prohibit the withdrawal, removal, transfer or other disposal of any such assets, funds or other properties, including without limitation all assets, funds, or other properties held in Defendants' name, held by Defendants, or under Defendants' control, **including but not limited** to the assets listed on Schedule A, **provided, however**, that Defendants shall be permitted to access up to \$3,000 of their cash assets solely to pay for reasonable and necessary household and living expenses and family care expenses for the week ending September 1, 2019, and that Defendants shall provide documentation to the Commission staff to establish their expense of funds on reasonable and necessary household and living expenses and family care expenses.

II.

IT IS FURTHER ORDERED that Josias N. Dewey of Holland & Knight is appointed as an independent intermediary (the “Independent Intermediary”), and that the Defendants and the Independent Intermediary shall act as follows:

- (1) The Defendants shall cooperate fully with the Independent Intermediary, as reasonably required for the transfer of digital assets specified paragraph V(1)(a) of the Court’s Order dated August 12, 2019 (the “Temporary Restraining Order”);
- (2) The Independent Intermediary shall certify in writing, within five (5) days after receiving the digital assets pursuant to paragraph V(1)(a) of the Temporary Restraining Order, that he has provided blockchain addresses to Defendants; that Defendants have transferred the digital assets in their possession or control to that address, as specified the Temporary Restraining Order; a written description of the digital assets (by at least name and amount) transferred by Defendants; and that the digital assets will be securely held in escrow pending further direction by the Court;
- (3) Defendants shall pay, upon approval by the Court as set forth below, the reasonable costs, fees, and expenses of the Independent Intermediary incurred in connection with the performance of the respective duties described herein, including, but not limited to, the reasonable costs, fees, and expenses of any digital asset services utilized by the Independent Intermediary to assist in carrying out those duties. All applications for costs, fees, and expenses of the Independent Intermediary shall be made to the Court, with notice to Defendants and an opportunity to be heard, setting forth in reasonable detail the nature of such costs, fees, and expenses; and

- (4) The Independent Intermediary and all persons who may be engaged or employed by the Independent Intermediary with the Court's approval to assist in carrying out the duties hereunder shall not be liable for any act or omission of the Independent Intermediary or such person, respectively, unless it shall be proven that the Independent Intermediary acted in bad faith or omitted to act.

III.

IT IS FURTHER ORDERED that, pending the final disposition of this action, Defendants **SHALL NOT** destroy, alter, or conceal documents, books, and records that are in their possession, custody, or control, or the possession, custody, or control of each of their respective agents, servants, employees, and attorneys, and those persons in active concert or participation with them, including documents that concern the allegations in the Complaint or Defendants' assets, finances, or business operations;

IV.

IT IS FURTHER ORDERED that the expedited discovery schedule reflected in the Court's Order dated August 12, 2019 shall no longer be in effect, except that Defendants shall provide **FULL** and **COMPLETE** responses to the Commission's pending interrogatories and document requests regarding Defendants' financial conditions **no later than** September 30, 2019.

V.

IT IS FURTHER ORDERED that, as provided in Federal Rule of Civil Procedure 65(d)(2), this Order shall be, and is, binding upon Defendants and each of their respective agents, servants, employees, and attorneys, and those persons in active concert or participation with

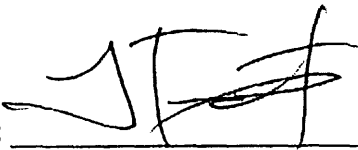
them who receive actual notice of this Order by personal service, facsimile, email, overnight courier, or otherwise.

VI.

IT IS FURTHER ORDERED that the parties shall appear for a scheduling conference pursuant to Federal Rule of Civil Procedure 16, before the Honorable Magistrate Judge Reyes, no later than October 11, 2019.

STIPULATED AND AGREED TO:

Date: August 25, 2019

By: 
Jorge G. Tenreiro
Victor Suthammanont
Karen E. Willenken
Securities and Exchange Commission
New York Regional Office
200 Vesey Street, Suite 400
New York, New York 10281
(212) 336-9145 (Tenreiro)
TenreiroJ@sec.gov
Attorneys for Plaintiff Securities and Exchange Commission

Date: August 25, 2019

By: /s/ David L. Kornblau
David L. Kornblau, Esq.
Teresa Lewi, Esq.
COVINGTON & BURLING LLP
620 Eighth Avenue
New York, New York 10018
(212) 841-1000
dkornblau@cov.com
Attorneys for Defendants Reginald Middleton, Veritaseum, Inc., and Veritaseum, LLC

SO ORDERED

Dated: August 26, 2019
Brooklyn, New York


s/WFK


HON. WILLIAM F. KUNTZ
UNITED STATES DISTRICT JUDGE

Schedule A

FINANCIAL INSTITUTION	NAME OF ACCOUNT	ACCOUNT NUMBER (Last 4 Digits) OR IDENTIFYING INFORMATION
Bank of America	Middleton, Reginald	XXXXXX3904
Bank of America	Middleton, Reginald	XXXXXX3917
Bank of America	Veritaseum Holdings	XXXXXX1142
Bank of America	Veritaseum Assets LLC	XXXXXX1786
Citibank	221 Washington Avenue LLC	XXX1498
Citibank	281 Cumberland Street LLC	XXX1711
Citibank	Lefferts Place LLC	XXX1404
Citibank	Middleton, Reginald	XXX1630
Citibank	Reggie Middleton LLC	XXX1201
Citibank	Veritaseum Inc.	XXXXXX4865
Citibank	Veritaseum LLC	XXXXXX2142
JPMC	Middleton, Reginald	XXXXXX7843
JPMC	Veritaseum LLC	XXXXXX5610
Kraken	Veritaseum, LLC	XXXXXX5A7Q
Gemini		Account ID ending in 5247
Coinbase		User IDs ending in 00e3c & 00053a
Interactive Brokers	Veritaseum Assets, LLC	XXXXXX0423
Afrasia Bank (Mauritius)	Veritaseum PanAfrica Holdings	

Barclays Bank (Mauritius)	Veritaseum PanAfrica Holdings	
Guaranty Trust Bank (Nigeria)	Veritaseum PanAfrica	
Access Bank (Nigeria)	Veritaseum PanAfrica	
Zenith Bank (Nigeria)	Veritaseum PanAfrica	
Ethereum Blockchain Address		0x2cc2720ec4263ca730e6209348673665939c29e2
Ethereum Blockchain Address		0x599a4b8188676224d4c9b393b947e332b60b15e3
Ethereum Blockchain Address		0x82c48875c17ee5812f909a9d75c0f64f7a8719fe
Ethereum Blockchain Address		0x7dad3795a4681cd34c673abbdde0257c3be7f231
Ethereum Blockchain Address		0x47afae2eb056630dbde374cc7e79c69d9120c372
Ethereum Blockchain Address		0xae0a7e45db38bb72eaa95a390161e954458896d
Ethereum Blockchain Address		0xf278b6c5c89866af3c2cd5426d0e095225c86890
Ethereum Blockchain Address		0xfa436023ee356ceaf2fb9184222e650c55d0ae1
Ethereum Blockchain Address		0xfb9063ad5e9fa8eb91a1e1cd71cbdf6d765ecaff
Ethereum Blockchain Address		0x67bb19d5a4f1b9939178d92a09d62444e4a76438
Ethereum Blockchain Address		0xd2b87eb4418f07fe2c65800ee0db995e8caef3b3
Ethereum Blockchain Address		0xeeaf0b2dbbf6d0a7de0e0668a1c97ba7f3098840

Ethereum Blockchain Address		0x3f6caf49da88ca2452b1f8ad5b710db7141e48a8
Ethereum Blockchain Address		0x2483b897720a1ff105675ba04f6e1c46cd903ec2
Ethereum Blockchain Address		0x67bb19d5a4f1b9939178d92a09d62444e4a76438
Ethereum Blockchain Address		0xD7479145E52aDc22e6c4DC2c6809a69716823f42
Ethereum Blockchain Address		0xA64983B89345AEa760Ec122f1DDA463EDc9100BF
Ethereum Blockchain Address		0x95841340a779363E9329ed5019E72A05989fd304
Ethereum Blockchain Address		0x75C526d5143792446E0837B5ac84f17576dd76B1
Ethereum Blockchain Address		0x9b6EFA280482B00c8898d5b4cB7fFFe05AB8CbF
Ethereum Blockchain Address		0x74c760a2840CC4f6a65AAc5bE052ebb1B8739E88
Ethereum Blockchain Address		0xe8916277B0953034F085d4f6fA4DaFb89E003492
Ethereum Blockchain Address		0x4D9471136B8569aE7EF7F6D5ae2a48aC1b12e33F
Ethereum Blockchain Address		0x3f6caf49da88ca2452b1f8ad5b710db7141e48a8
Bitcoin Blockchain Address		1Jn6XJtCUrCAyEx328Ddn7njAcqKJ21CbJ
Bitcoin Blockchain Address		1DxueK11gJCFpswAM2P6tTC2pgz1gXZfCc
Bitcoin Blockchain Address		14ioyNTzBQY9kqK6WzM6eeyqWfJrtM2W7W
Bitcoin Blockchain Address		1L2yn1oubhnVHze7vajFxctBor5NFk2Upy
Bitcoin Blockchain Address		13eFTG5BZirH4WzMhPWDt9YjkDDezz7nke

Bitcoin Blockchain Address		19tL87qf8DaiQmtyBZFZoDDrSLQpLFJcd7
Bitcoin Blockchain Address		16obZYxWffrEifadq9L9K9rEaDEPsK11eH
Bitcoin Blockchain Address		155Jpk9qqak7sMnE2bgkpcrU4wUxeRfguD
Bitcoin Blockchain Address		14M1F4VRvxHJGcmNEixnMwtfSjwGdC2BHz

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

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SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	19 Civ. 4625 (WKF) (RER)
	:	
- against -	:	ECF Case
	:	
REGINALD (“REGGIE”) MIDDLETON, VERITASEUM, INC., and VERITASEUM, LLC,	:	
	:	
Defendants,	:	
	:	
----- X		

**CONSENT OF DEFENDANT REGINALD MIDDLETON TO ORDER OF
PRELIMINARY INJUNCTION AND OTHER INTERIM RELIEF**

1. Defendant Reginald (“Reggie”) Middleton acknowledges having been served with the complaint in this action and all of the papers filed by the Securities and Exchange Commission in support of its Emergency Application for a Temporary Restraining Order Freezing, Requiring Defendants to Show Cause, and Granting Other Relief (“Application”) dated August 12, 2019; enters a general appearance; and admits the Court’s jurisdiction over him, and over the subject matter of this action.

2. Without admitting or denying the allegations in the complaint (except as to personal and subject matter jurisdiction, which are admitted), Defendant Middleton consents to the entry of the Order of Preliminary Injunction and Other Interim Relief against him in the form attached hereto (“Preliminary Injunction Order”) and incorporated by reference herein, which, pending a final disposition of this action, among other things:

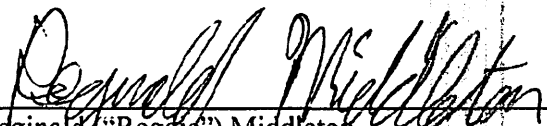
- (a) orders that, pending a final disposition of this action, Middleton’s assets be frozen as detailed therein; and

(b) continues the appointment of the Independent Intermediary as that term is defined and as provided for therein.

3. Middleton agrees that this Consent shall be incorporated by reference in, and made part of, the Preliminary Injunction Order to be presented to the Court for signature, filing and entry contemporaneously herewith.

4. Middleton agrees that he will not oppose the enforcement of the Preliminary Injunction Order on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection he may have based thereon.

Dated: _____



Reginald ("Reggie") Middleton

State of _____)
) ss.:
County of _____)

On this 25th day of August 2019, Reginald Middleton, a person known to me, appeared before me and acknowledged executing the foregoing Consent.

Notary Public

Approved as to form:

1/s/ David Kornblau

David Kornblau, Esq.
Attorney for Reginald Middleton

Dated: August 25, 2019

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

----- X	
SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
- against -	:
	:
REGINALD ("REGGIE") MIDDLETON,	:
VERITASEUM, INC., and	:
VERITASEUM, LLC,	:
	:
Defendants,	:
	:
----- X	

19 Civ. 4625 (WKF) (RER)
ECF Case

**CONSENT OF DEFENDANT VERITASEUM, INC. TO ORDER OF PRELIMINARY
INJUNCTION AND OTHER INTERIM RELIEF**

1. Defendant Veritaseum, Inc. acknowledges having been served with the complaint in this action and all of the papers filed by the Securities and Exchange Commission in support of its Emergency Application for a Temporary Restraining Order Freezing, Requiring Defendants to Show Cause, and Granting Other Relief ("Application") dated August 12, 2019; enters a general appearance; and admits the Court's jurisdiction over it, and over the subject matter of this action.

2. Without admitting or denying the allegations in the complaint (except as to personal and subject matter jurisdiction, which are admitted), Defendant Veritaseum, Inc. consents to the entry of the Order of Preliminary Injunction and Other Interim Relief against it in the form attached hereto ("Preliminary Injunction Order") and incorporated by reference herein, which, pending a final disposition of this action, among other things:

- (a) continues the freeze over Veritaseum, Inc.'s assets as detailed therein; and

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

-----X	
SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
- against -	:
	:
REGINALD ("REGGIE") MIDDLETON, VERITASEUM, INC., and VERITASEUM, LLC,	:
	:
Defendants,	:
	:
-----X	

**19 Civ. 4625 (WKF) (RER)
ECF Case**

**CONSENT OF DEFENDANT VERITASEUM LLC TO ORDER OF PRELIMINARY
INJUNCTION AND OTHER INTERIM RELIEF**

1. Defendant Veritaseum LLC acknowledges having been served with the complaint in this action and all of the papers filed by the Securities and Exchange Commission in support of its Emergency Application for a Temporary Restraining Order Freezing, Requiring Defendants to Show Cause, and Granting Other Relief ("Application") dated August 12, 2019; enters a general appearance; and admits the Court's jurisdiction over it, and over the subject matter of this action.

2. Without admitting or denying the allegations in the complaint (except as to personal and subject matter jurisdiction, which are admitted), Defendant Veritaseum LLC consents to the entry of the Order of Preliminary Injunction and Other Interim Relief against it in the form attached hereto ("Preliminary Injunction Order") and incorporated by reference herein, which, pending a final disposition of this action, among other things:

(a) continues the freeze over Veritaseum LLC's assets as detailed therein; and

(b) continues the appointment of the Independent Intermediary as that term is defined and as provided for therein.

3. Veritaseum LLC agrees that this Consent shall be incorporated by reference in, and made part of, the Preliminary Injunction Order to be presented to the Court for signature, filing and entry contemporaneously herewith.

4. Veritaseum LLC agrees that it will not oppose the enforcement of the Preliminary Injunction Order on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection he may have based thereon.

Dated: August 25, 2019

Veritaseum LLC
Veritaseum LLC

By: Reginald Middleton
Reginald Middleton
[Title] Member
Brooklyn, New York

State of _____)
) ss.:
County of _____)

On this 25th day of August 2019, Reginald Middleton, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent with full authority to do so on behalf of Veritaseum LLC as its _____.

Notary Public

Approved as to form:

/s/ David Kornblau
David Kornblau, Esq.
Attorney for Reginald Middleton

Dated: August 25, 2019