

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

19 Civ. 04625 (WFK) (VMS)

- against -

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

Defendants.

**DECLARATION OF FRANKLIN JASON SEIBERT, ESQ. IN SUPPORT OF
DEFENDANTS’ MEMORANDUM IN SUPPORT OF FRCP 60(D)3 MOTION TO
VACATE ORDER FOR FRAUD UPON THE COURT**

1. My name is Franklin Jason Seibert, Esq. I am licensed attorney in good standing in the State of Oregon (Bar No. 095009). I am counsel for Defendants in the above captioned matter admitted pro hac vice on February 10, 2025 (D.E. 103)
2. On August 24, 2017, I had a telephone conversation with Jorge Teneiro regarding the Security and Exchange Commission's investigation into the Defendants (SEC investigation No. NY-9624. Mr. Tenreiro made several requests for documentation and that Mr. Middleton appear to provide testimony. I assured cooperation; however, Mr. Tenreiro was not pleased with the attempts to cooperate and threatened to issues subpoenas. I requested Mr. Tenreiro confirm his intentions to issue a subpoena or not. Mr. Tenreiro did not answer the questions regarding formal orders of investigation or the issuance of a subpoena, instead he deferred asked if we were still going to respond to the informal request.

Attached as **Exhibit 1** to this declaration is a true and correct copy of the email correspondence to Mr. Tenreiro and Valeri Szczepanik (Mr. Tenreiro's superior at the SEC) with a summary of the call and the subpoena discussions.

3. On or about September 17, 2017, I reached out to Mr. Tenreiro and apologized for my delay in response, Hurricane Harvey had severely impacted my ability to conduct business as I reside south of Houston. I explained that I'd conducted a review of defendants emails and found one instance of confusion where a purchaser thought that he was buying an investment but that no proof of a purchase was actually made. In light of this, Defendants made a settlement offer to the SEC to resolve any outstanding issues.

Attached as **Exhibit 2** to this declaration is a true and correct copy of the email correspondence to Mr. Tenreiro and Valeri Szczepanik with discussions about emails, offers of settlement, and continued production.

4. In the same email chain noted in **Exhibit 2**, Mr. Tenreiro responded and thanked me for my candor regarding the email. He requested information related to the Jamaica Stock Exchange, documents regarding the software and use of tokens and communications between employees. Still no confirmation that a formal order of investigation had been issued.
5. On September 27, 2017, I informed Mr. Tenreiro that my client still wished to resolve the administrative matter with a stipulated order, but to the extent there would be continued demands for information or documentation that a formal order of investigation would be required.

Attached as **Exhibit 3** to this declaration is a true and correct copy of the email correspondence to Mr. Tenreiro and Valeri Szczepanik regarding the settlement proposal and if the matter is not to be resolved a request to continue under formal order of investigation.

6. On October 3, 2017, Mr. Tenreiro emailed me a copy of an issued Subpoena from the SEC and asked if I was authorized to receive it. I responded that I wanted to see a copy of the Formal Order of Investigation and did not accept or deny service of the subpoena. Mr. Tenreiro responded requesting “magic language” from Rule 7 of the Rules of Investigation.

Attached as **Exhibit 4** to this declaration is a true and correct copy of the email correspondence between Mr. Tenreiro, Valeri Szczepanik and myself regarding the subpoena and formal order of investigation.

7. Between October 3, 2017, and October 24, 2017, various emails regarding scheduling and production went back and forth between the SEC and myself. On October 26, 2017, I requested confirmation that the subpoena that was sent by the SEC was issued properly. What resulted was a series of emails, back and forth, between Mr. Tenreiro, Ms. Szczepanik and myself about changes in the SEC Rulebook, subpoena authority and the fact that despite all of the requests for compliance with the SEC's subpoena that they had yet to actually serve it per Rule 150. Further, Mr. Tenreiro refused to provide the modifications to the Enforcement Manual and instead suggested that I provide to him where the changes were located.

Attached as **Exhibit 5** to this declaration is a true and correct copy of the email correspondence between Mr. Tenreiro, Valeri Szczepanik and myself regarding the subpoena and the enforcement manual.

8. Further, as clearly and expressly stated in **Exhibit 5**, I put the SEC and Mr. Tenreiro on notice that the SEC had a duty to behave and act honorably.
9. Further, as clearly and expressly stated in **Exhibit 5**, the SEC confirmed that there was an unpublished modification to the Enforcement Manual that impacted Due Process and the Commission refused to provide that update.
10. Then, shockingly, on October 26, 2017, after acknowledging that the subpoena to Defendants had not been served and would be properly served later, Mr. Tenreiro

threatened civil enforcement of the subpoena if Defendants did not provide documents within 24 hours of the email, *again* - the subpoena had not even been served yet. Attached as **Exhibit 6** to this declaration is a true and correct copy of the email correspondence between Mr. Tenreiro, Ms. Szczepanic and myself regarding Mr. Tenreiro's threats.

11. On October 27, based on the representation of Mr. Tenreiro that he sent the subpoena and that service of the subpoena is complete upon mailing and not upon service under Rule 150, I responded with the first set of discovery responses to Mr. Tenreiro.
12. On November 16, 2017, Mr. Middleton attended an interview at the offices of the SEC per subpoena request. In attendance at the interview/deposition was Mr. Tenreiro and Mr. Birnbaum. After the proceedings I sent a follow up email to Mr. Tenreiro and Ms. Szczepanic outlining: 1) the unacceptable and unprofessional behavior of Mr. Tenreiro; 2) that I was still awaiting written publication regarding the modification of the enforcement manual; and 3) the refusal to allow me or my client to request or take a break was completely against any and all procedure and that if Mr. Tenreiro had allowed a break I could have saved Mr. Tenreiro the embarrassment of attempting to impeach my client with what was clearly a false signature on a document that did not belong to my client. I further requested the SEC provide any theory upon which they believe my client actually sold securities.

In response, Ms. Szczepanic stated that she would review the testimony transcript and

tapes, but refused to consider resolution and did not acknowledge the request for the SEC's theory; however, she did promise to request even more documentation.

Attached as **Exhibit 7** is a true and correct copy of the email correspondence between Mr. Tenreiro, Ms. Szczepanic and myself regarding the interview and response from Ms. Szczepanic.

13. On or about January 3, 2018, I withdrew as lead counsel for this matter and David Kornblau of Covington took over the matter. Between November 16, 2017 and January 3, 2018, the SEC never responded to the issues of unprofessionalism, never provided enforcement manual updates, and never discussed administrative resolution to their investigation.

Attached as **Exhibit 8** to this declaration is a true and correct copy of the email correspondence between the SEC and Mr. Kornblau acknowledging retention of Mr. Kornblau.

14. On or about August 12, 2019, the SEC filed the complaint in this matter along with motion and memorandum, including supporting declarations for an asset freeze in this case.

Attached as **Exhibit 9** is a true and correct copy of the TRO Hearing Transcript of the events that took place in front of Judge Hall on August 12, 2019.

15. On or about August 24, 2019, Michael David Middleton was subpoenaed to appear by telephone for deposition in the above captioned matter, witness, taken on behalf of the Defendants. Michael Middleton, no relation to Defendant, admitted that he'd spoken

several times with the SEC and Mr. Suthammonant, and that he had a brain injury that impacted his memory.

Attached as **Exhibit 10** is a true and correct copy of the Deposition Transcript dated August 24, 2019.

16. Attached as **Exhibit 11** is a true and correct copy of the Affidavits of Michael Sheahan.

17. Attached as **Exhibit 12** is a true and correct copy of the Affidavit of Lloyd Cupp.

I swear under penalty of perjury that the statements above and the exhibits attached thereto are true and correct.

/s Franklin Jason Seibert

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May 29, 2025