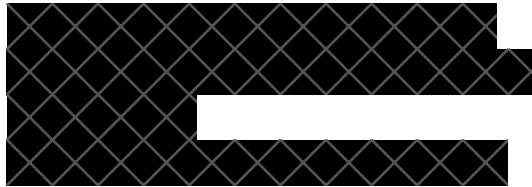


Complaint to the New York Attorney Grievance Committee Against Lara Shalov Mehraban, Esq.



Date: April 7, 2025

To the New York Attorney Grievance Committee:

I, [REDACTED] hereby submit this formal complaint against Lara S. Mehraban, for professional misconduct during her tenure as Associate Regional Director of the U.S. Securities and Exchange Commission's (SEC) New York Regional Office (NYRO) from 2017 to 2021. Specifically, Mehraban's actions—her name appearing alongside Marc P. Berger in the SEC complaint and Ex-Parte Temporary Restraining Order (TRO) filed on August 12, 2019, in SEC v. Middleton, Case No. 1:19-cv-04625 (E.D.N.Y.), and supervising attorneys including Jorge G. Tenreiro, John O. Enright, Karen Willenken and Victor Suthammanont—violated the New York Rules of Professional Conduct (2022), federal statutes, New York Penal Law, her oath of office, and equitable principles established by case law, to be read alongside the very serious misconduct allegations as contained in the previously filed Bar Complaint against Jorge Tenreiro, copy attached, which actions appear to have been condoned or overlooked by Lara S. Mehraban, as his immediate supervisor. These actions caused significant harm to Veritaseum, its founder Reginald Middleton, and numerous VERI token holders, as evidenced by a small sample of victim impact statements and supporting documents.

Introduction

This complaint addresses Lara S. Mehraban's supervisory role in the SEC's enforcement action against Veritaseum Inc., and Veritaseum LLC (collectively called Veritaseum), a blockchain-based digital asset platform, and its founder, Reginald Middleton. Mehraban, serving as Associate Regional Director of the NYRO under Director Marc P. Berger from 2017 to 2021, assigned her name to a [Complaint](#) on August 12, 2019, signed by Marc Berger Esq., with the names of John O. Enright, Jorge G. Tenreiro and Victor Suthammanont also appearing on the said complaint, sought a [Final Judgment](#) permanently barring Middleton and Veritaseum from serving as officers or directors of public companies, prohibiting participation in digital asset securities offerings, and imposing civil penalties. As a supervisory attorney over Tenreiro, Enright, Willenken and Suthammanont, Mehraban failed to prevent or correct pervasive misconduct—including false statements, witness coercion, threats of felony charges, and reckless disregard for truth—contributing to financial losses, missed business opportunities, psychological distress, reputational damage, and widespread distrust in government among affected individuals.

The evidence includes:

- The Complaint; a legal document signed by Berger with Mehraban's name appearing at the top and on page 29, dated August 12, 2019, from SEC v. Middleton et al case.
- Victim impact statements from nine individuals (including Mark A. Sheahan's statements from October 5 and October 21, 2024).
- Mehraban's employment history with the SEC (2017–2021, as Associate Regional Director).

- Supporting documents such as declarations, court filings, and a FOIA response.
- Tenreiro Complaint previously filed with the Attorney Grievance Committee.

This complaint alleges violations of:

- **New York Rules of Professional Conduct (2022):** Rules 1.1, 3.3(a)(1), 3.4(a)(1), 4.1, 5.1, 8.4(b), 8.4(c), 8.4(d).
- **Federal Statutes:** 18 U.S.C. § 1001 (False Statements), 18 U.S.C. § 1512 (Witness Tampering), 18 U.S.C. § 242 (Deprivation of Rights Under Color of Law).
- **New York Penal Law:** § 195.00 (Official Misconduct).
- **Case Law:** Liu v. SEC, 591 U.S. 71 (2020) (equitable principles).

I request a thorough investigation and disciplinary action against Mehraban, including potential disbarment, as well as referral to federal and state authorities for prosecution.

Specific Allegations of Misconduct

1. False Statements and Misrepresentations to the Court

Berger signed the SEC complaint on August 12, 2019, with the names of Lara S. Mehraban, Associate Regional Director of the NYRO, John O. Enright, Jorge G. Tenreiro and Victor Suthammanont also appearing on the said complaint, containing numerous allegations of wrongdoing. The complaint sought to bar defendants from digital asset securities offerings (Section VIII) and impose

penalties (Section IX), implying wrongdoing that disrupted Veritaseum's operations. Victim statements, such as [Chad Albert's](#) highlight misrepresentations about the VeADIR platform's operability, asset misappropriation and dissipation, and Kraken account ownership, leading to unjust asset freezes. [Mark Sheahan's](#) statements detail how the SEC falsely claimed VeADIR was non-functional despite a live demonstration to SEC staff at their offices on March 9, 2018, attended by Tenreiro and others. [A FOIA response \(No. 24-04057\)](#) initially confirmed there were no communications with Kraken between April 1, 2017, and August 31, 2019, undermining the claim of Middleton's personal account ownership, falsehoods Mehraban endorsed by assigning her name to the complaint.

Violations:

- **NY Rule 3.3(a)(1):** Mehraban knowingly or recklessly endorsed false statements in the complaint, such as VeADIR's non-existence and the Kraken account claim, without correction, and failed to ensure a correction of subsequent pleadings concerning ownership of the Kraken account once a supplemental declaration had been filed by Patrick Doody (SEC expert witness) confirming its true ownership.
- **NY Rule 8.4(c):** Mehraban engaged in conduct involving dishonesty and misrepresentation. Mehraban's oversight of SEC enforcement proceedings involved questionable representations. Records indicate that she may have been aware of misleading statements submitted in court filings yet failed to correct them.
- **18 U.S.C. § 1001:** Falsifying material facts in federal proceedings implicates Mehraban's endorsement of unverified claims. If Mehraban knowingly allowed false statements to be submitted to federal courts, this could

constitute a violation of federal law. The SEC's reliance on potentially misleading declarations under her supervision warrants further investigation.

2. Supervisory Failures Over Subordinate Misconduct

As Associate Regional Director, Mehraban supervised attorneys including lead attorney Tenreiro, who engaged in egregious misconduct such as coercing Lloyd G. Cupp III to falsely testify as a fraud victim and misrepresenting Veritaseum's patented technology (US11196566B2) as lacking novelty (Barry O'Sullivan). Sheahan's October 21, 2024, statement reveals Tenreiro, Victor Suthammanont, and Karen Willenken led a deposition marked by aggressive, abusive questioning and threats of felony charges to silence his support for Middleton, followed by attempts to seize his electronic devices post-surgery. Sheahan notes the SEC monitored Veritaseum chatrooms, targeting community members, a tactic unchecked by Mehraban. The Preliminary Injunction (p. 7) notes defendants' non-opposition, possibly due to resource disparities rather than guilt—a dynamic Mehraban should have scrutinized per SEC investigative fairness standards.

Violations:

- **NY Rule 5.1(a)-(d):** Mehraban failed to ensure ethical conformity (a), inadequately supervised her team (b)(2), ratified misconduct via the signed complaint (d)(1), and knew or should have known of misconduct without action (d)(2)(i). As a supervisory attorney, Mehraban had a duty to ensure her subordinates complied with ethical obligations. Evidence from SEC enforcement actions indicates that she failed to exercise proper oversight, allowing subordinates to engage in potential misconduct. A supervisory lawyer is responsible for another lawyer's ethical violations if they knew of the misconduct and failed to take corrective action. Newly obtained evidence

suggests that Mehraban personally approved or endorsed actions that may have violated due process rights, making her directly culpable.

- **NY Rule 1.1:** Her oversight lacked competence in allowing baseless claims and coercive tactics to proceed. Attorneys must provide competent legal representation. Mehraban's failure to ensure that SEC proceedings followed due process standards suggests a lack of professional competence.
- **18 U.S.C. § 1512(b)(1):** Witness tampering by Tenreiro, including threats against Sheahan, under Mehraban's supervision implicates her liability.

3. Abuse of Process and Harm to Investors

Under Mehraban's supervisory role and with her endorsement of the complaint, the SEC's actions disrupted Veritaseum's operations, including partnerships with the [Jamaica Stock Exchange](#) (Kamhi) and the VeADIR platform (Fountain). Sheahan highlights destroyed agreements with the [Nigerian Stock Exchange](#) and the loss of VeADIR's utility, compounded by post-deposition harassment that hindered his recovery. The TRO (p. 3) froze \$8 million excessively, criticized as wasteful of judicial resources in a separate filing (p. 12) and disproportionate (p. 15), a measure Mehraban supported by assigning her name to the complaint. This constitutes abuse of process, prioritizing regulatory overreach over investor protection.

Violations:

- **NY Penal Law § 195.00:** Mehraban's endorsement of unauthorized acts, including threats and seizures against Sheahan, aligns with official misconduct. By failing to uphold her duties in an impartial and just manner,

Mehraban may have engaged in official misconduct, warranting state-level review.

- **NY Rule 8.4(d):** She engaged in conduct prejudicial to justice administration. An attorney must not engage in conduct that interferes with justice. Newly reviewed cases show how Mehraban’s SEC enforcement actions may have led to unjust rulings based on flawed evidence.

4. Breach of Oath of Office

Mehraban swore to uphold the law with integrity as an SEC attorney. Her role in endorsing a misleading complaint and failing to protect investors like William Billingsley (VeriDAO member) breaches this oath. Sheahan’s experience—threatened with felony charges and device seizures immediately following major spinal surgery—underscores aggressive tactics under her supervision, eroding trust in regulators.

Violation:

- **Oath of Office:** Ethical breach as an officer of the court.

5. Violation of Equitable Principles

The final judgment sought in the complaint, which Mehraban assigned her name to, (Section X) aimed to benefit investors, yet substantially less than 1% of token holders were “compensated” (Liu v. SEC, 591 U.S. 71), contradicting equitable relief requirements. Sheahan notes the asset freeze halted VeADIR, stripping him of token utility and harming those the SEC claimed to protect, a pattern Mehraban failed to address.

Violation:

- **Liu v. SEC:** Failure to ensure equitable outcomes.

6. Deprivation of Rights Under Color of Law

Mehraban's failure to prevent due process violations—e.g., asset freezes and coercive tactics based on unverified evidence—constitutes willful misconduct under color of law. The FOIA response and blockchain tracing capabilities highlight the recklessness of the ownership of the Kraken account claim, endorsed by Mehraban, while Sheahan's post-surgery harassment reflects denied fair process, with the TRO granted Ex Parte (Sheahan complaint, p. 20).

Violation:

- **18 U.S.C. § 242:** Deprivation of rights under color of law. The SEC's improper targeting of individuals in enforcement actions, without sufficient legal basis, raises concerns under this federal statute.

Victim

Impact Statements: Evidence of Harm

The following statements illustrate the harm caused by Mehraban's actions:

- **Chad Albert:** "The misrepresentations... led to unjust asset freezes... causing me great financial, emotional, and psychological harm..."
- **Anthony Allen:** "My purchase in Veritaseum was devalued... The actions of Jorge Tenreiro made me lose trust in... regulatory bodies..."
- **William Billingsley:** "this misconduct caused me considerable harm and financial loss as a first-time investor in financial markets"
- **M. Angelia Ellis Kamhi:** "I lost the potential for profit... The project with the Jamaica Stock Exchange was destroyed..."
- **Barry O. Sullivan:** "Tenreiro's false statements... impacted my ability to utilize Veritaseum's patented technology."

- **Thomas Devereux**: “I missed out on two market cycles... The loss of respect for the government remains...”
- **Alvin Paul Fortunato**: “It was heartbreaking... I no longer feel confident that the government acts in investors’ best interests.”
- **Lloyd G. Cupp III**: “Tenreiro attempted to frame me as a victim... I refused his offer...”
- **Keith Fountain**: “I experienced significant financial loss... The halting of Veritaseum’s platform prevented access...”
- **Mark A. Sheahan**: (October 21, 2024) “The SEC’s actions... shut down [VeADIR]... causing significant financial and reputational damage... I was subpoenaed post-affidavit, faced aggressive questioning and felony threats during a deposition led by Tenreiro, Suthammanont, and Willenken, and endured ongoing harassment post-spinal surgery, including attempts to seize my devices. I lost my [YouTube channel](https://www.youtube.com/c/VeTest), [youtube.com/c/VeTest], token utility, and trust in the SEC as a fair regulator.”

Summary of Harms:

- **Financial Loss**: Token value and utility plummeted (Albert, Allen, Billingsley, Kamhi, Fountain, Sheahan).
- **Missed Opportunities**: Disrupted partnerships and platform access (Kamhi, Fountain, Sheahan).
- **Psychological Toll**: Stress and distrust, worsened by harassment (Albert, Billingsley, Devereux, Fortunato, Sheahan).

- **Reputational Damage:** Stigmatized association with Veritaseum (O’Sullivan, Sheahan).
 - **Government Distrust:** Loss of faith in the SEC (Allen, Devereux, Fortunato, Sheahan).
 - **Coercion Attempts:** Pressure to falsely testify or comply (Cupp, Sheahan).
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The Demotion of SEC’s Jorge Tenreiro After Complaint Filed with the Attorney Grievance Committee

The Attorney Grievance Committee upon receipt of 180+ complaints against Mr. Tenreiro passed the complaints on to the SEC Office of General Counsel indicating that the SEC “was better suited” to investigate the matter. Mr. Tenreiro was promoted to Chief Litigation Counsel in December 2024. Upon receipt of the AGC forwarded complaints, Mr. Tenreiro was relegated to the Information Technology Department. One can only assume this was the outcome of the more than 180 complaints filed against Mr. Tenreiro to date as he awaits adjudication of his deception committed in the SEC vs Reggie Middleton et al 2019 case. However, this nonetheless appears to be an “adverse finding” by the SEC OGC which appears to have taken pre-emptive action in its ongoing investigation. Mehraban contributed through her negligence to this obvious demotion from the number three position at the SEC to the IT department. A humiliating action considering his rise to such a prestigious position within the SEC.

Conclusion and Request for Action

Lara S. Mehraban’s actions as Associate Regional Director—assigning her name to the August 12, 2019, complaint and failing to supervise subordinates like Tenreiro

—constitute a pattern of misconduct violating ethical and legal standards. The evidence, including Sheahan’s harrowing experience, demonstrates significant harm to Veritaseum and its stakeholders, undermining the SEC’s investor protection mandate.

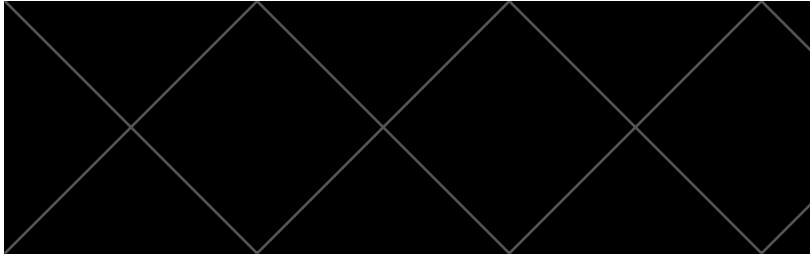
Finally, I would add that it is now a matter of record that Middleton et al have indicated to the presiding Judge Kuntz that the defendants in the said proceedings intend to [file a motion](#) to vacate the consent judgment for **fraud on the court per Federal Rules of Civil Procedure 60(d)(3)**.

I request that the Committee:

- Investigate Mehraban’s violations of the New York Rules of Professional Conduct, federal statutes, and New York Penal Law.
- Assess potential fraud upon the court and official misconduct, warranting disbarment or suspension for Mehraban.
- Refer findings to the U.S. Department of Justice and New York Attorney General for prosecution under 18 U.S.C. §§ 1001, 1512, 242, and NY Penal Law § 195.00.

I affirm the truth of these allegations and am available to assist further.

Sincerely,



April 7, 2025

Submit to: adl-agc-newcomplaints@nycourts.gov

Supporting Documents

- [SEC vs Middleton et al Complaint Signed by Marc P Berger](#)
- [SEC vs Middleton et al Final Judgment](#)
- [SEC Press Release \(August 13, 2019\).](#)
- [Mehraban's SEC Employment History \(2017–2021, as Associate Regional Director\).](#)
- [Sheahan Complaint Against Jorge G. Tenreiro \(October 5, 2024\).](#)
- [FOIA Response \(No. 24-04057\).](#)
- [Tenreiro Complaint previously filed with the AGC](#)
- [Letter from Seibert's to Judge Kuntz with intention to file a motion under FRCP 60\(d\)\(3\) motion to vacate a judgment for fraud on the court](#)

- [Middleton Declaration](#)
- [Declaration of Roseann Daniello](#)
- [Supplemental Declaration of Roseann Daniello](#)
- [Declaration of Patrick Doody](#)
- [Second Declaration of Patrick Doody](#)
- [Affidavit of Lloyd G. Cupp III](#)