

CLAIMS PROCESS

I. Claimants

A. Those investors who acquired VERI for value between April 25, 2017 (the date VERI sales began) and August 14, 2019 at 12:01 a.m., EST (“Relevant Period”) may be eligible for a distribution from the Veritaseum Fair Fund. This includes anyone who received VERI for value, such as those who received VERI in exchange for Veritaseum “Class B” shares or Colored Coins.

B. The following are ineligible for a distribution from the Veritaseum Fair Fund (“Excluded Claimants”):

1. The Defendants;
2. Any past or present director or officer of Defendants, or any of Defendants’ past or present affiliates who served in such a capacity during the Relevant Period and were directly involved in the conduct detailed in the Complaint;
3. Any employee or former employee of Defendants or of any of its past or present affiliates who has been terminated for cause in connection with the violations alleged in the Complaint or any related Securities and Exchange Commission (“SEC”) action, or who was otherwise terminated or has resigned in connection with the violations alleged in the Complaint or any related SEC or criminal action;
4. Any affiliates, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities of any of the foregoing persons or entities described in 1–3, above;
5. Any purchaser or assignee of another person’s right to obtain a recovery from the Veritaseum Fair Fund, provided, however, that this provision shall not be construed to exclude those persons who obtained such a right by gift, inheritance, devise or operation of law; and
6. The Distribution Agent, its partners, agents, or employees, and those persons assisting the Distribution Agent in its role as the Distribution Agent.

II. Notice of the Veritaseum Fair Fund and Claims Process

A. Within 30 days after the entry of a Court Order approving this Claims Process, the Distribution Agent shall publish a claims process notice substantially in the form attached as Attachment A (the “Claims Process Notice”) by:

1. Including it in downloadable format on the Veritaseum Fair Fund website (www.verifairfund.com);

2. Requesting that the SEC post it on its public webpage for this case: <https://www.sec.gov/divisions/enforce/claims/reginald-middleton.htm>;
3. Disseminating it through PRNewswire, and, at the Distribution Agent's discretion, on cryptocurrency and related online industry publications or online discussion forums such as Coindesk, Coin Telegraph, and Reddit, Telegram, and Twitter; and
4. Sending it by electronic mail or U.S. Mail to investors who have communicated with, or provided contact information, to the Distribution Agent.

B. Any claimant unable to download or otherwise access the Claims Process Notice may request one from the Distribution Agent via the electronic mail address, physical address, or toll-free number provided below.

III. Claim Submission and Claims Bar Date

A. All claimants must file claims on or before 11:59 p.m., EST, ninety (90) calendar days following the initial publication of the Claims Process Notice (the "Bar Date"). The Bar Date will be included on the Claims Process Notice. Subject to Sections III. F. and III. G. below, claims not timely submitted through the Veritaseum Fair Fund website's online claim submission process will be ineligible for a Veritaseum Fair Fund distribution.

B. In order to be considered for eligibility for a Veritaseum Fair Fund distribution, claimants must submit a claim form that will be substantially similar to Attachment B (the "Claim Form") and available on the Veritaseum Fair Fund website (www.verifairfund.com).

C. In consideration of submission of a claim, claimants will be required to submit a release when submitting their claims, releasing and forever discharging the Distribution Agent, the Veritaseum Fair Fund, and all their agents, employees, professionals, successors, and assigns from all claims relating to the claimant's demand for Veritaseum Fair Fund distributions or the circumstances giving rise to their claim. The release is included in the Claim Form.

D. Subject to Section III. G. below, all completed Claim Forms **must be received by the Distribution Agent no later than the Bar Date**. The burden is on the claimant to prove timely submission of a Completed Claim Form.

E. Subject to Section III. F. below, all completed Claim Forms **must be timely submitted through the Veritaseum Fair Fund website's online claim submission process** at www.verifairfund.com.

F. Claimants may request permission to submit claims by a method other than the online process by contacting the Distribution Agent via the email address, physical address, or toll-free number provided below. The Distribution Agent will give permission at its discretion for good cause shown. All such requests must be made prior to the Bar Date. No alternatively submitted claims will be accepted without the Distribution Agent's prior permission.

G. Claimants may request an extension of the Bar Date by contacting the Distribution Agent via the email address, physical address, or toll-free number provided below. The Distribution Agent will grant extensions at its discretion for good cause shown. All such requests must be made prior to the Bar Date. Late claims will not be accepted unless an extension was requested and granted.

IV. Validation of Claims

A. The Distribution Agent will validate claims based on claimant submissions and blockchain transactional data.

B. The Distribution Agent will solicit additional information as needed, including from claimants with complicated transaction histories or involving certain cryptocurrency exchanges. Claimants who fail to timely provide additional information in response to a request from the Distribution Agent will be deemed ineligible for a distribution.

C. To prevent fraudulent or duplicative claims, the Distribution Agent will verify a claimant's control over an address using a purpose-built Ethereum ERC-20 ("Control Token"). Failure to prove control within a defined period will result in an automatic emailed notice to the claimant, denying the claim, and stating the grounds for denial. Claimants unable to return the Control Token will have an opportunity to prove their address ownership via alternative means as part of the claim determination reconsideration process.

V. Claim Determinations and Reconsiderations

A. Upon completion of its claim review, the Distribution Agent will inform the claimant of the Distribution Agent's claims determination, *i.e.*, the Distribution Agent's determination as to, among other things, the sufficiency of the claim submitted and acceptance or denial of the claim based on whether the investor acquired VERI for value during the Relevant Period, and an OFAC review, and will provide directions on how the claimant can seek reconsideration of the same (the "Determination Notice"). The Distribution Agent will send Determination Notices by email unless, in its discretion, another transmission method is appropriate. A claimant who receives a Determination Notice accepting their claim without any need for further action is deemed a Potential Claimant.

B. The Determination Notice will include instructions by which a claimant may cure a defective claim or seek reconsideration of the Distribution Agent's determination ("Reconsideration or Cure Submission"). Reconsideration or Cure Submissions must be received by the Distribution Agent no later than twenty (20) days after the date of the Determination Notice. Reconsideration/Cure Submissions received by the Distribution Agent after this deadline will not be considered and the determination in the Determination Notice will stand as the final determination on the claimant's claim. The burden will be on the claimant to prove timely submission of a Reconsideration or Cure Submission.

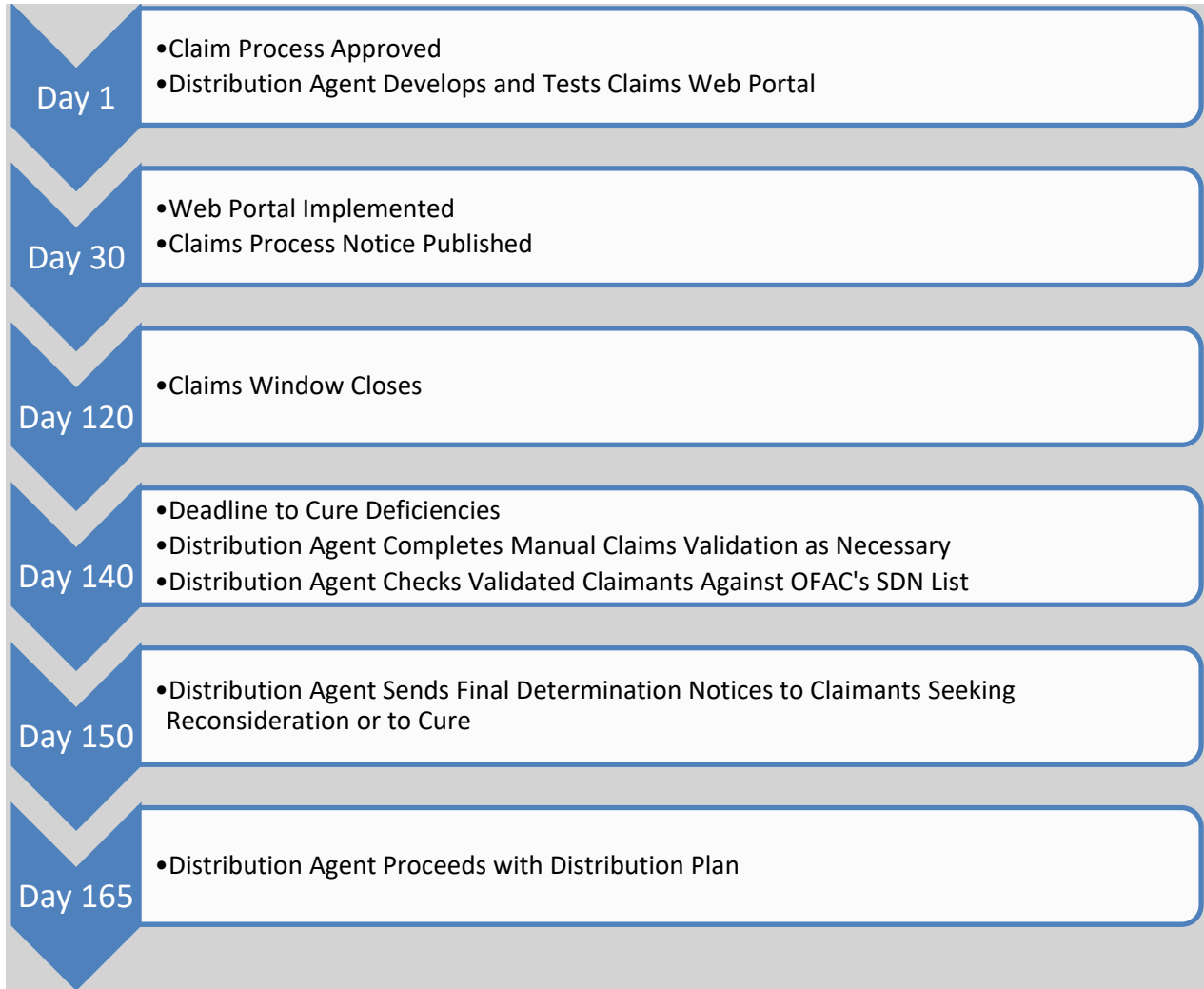
C. Within ten (10) days of receipt of a claimant's Reconsideration or Cure Submission, the Distribution Agent will communicate to the claimant the results of its review of the submission (the "Final Determination Notice"). An investor who receives a Final Determination Notice accepting their claim is deemed a Potential Claimant.

VI. The Distribution Process

After the Distribution Agent issues a Final Determination Notice with respect to all claims, the Distribution Agent will proceed in accordance with the Court-approved Distribution Plan.

VII. Proposed Timeline

The proposed timeline for the Claims Process is as follows. The Distribution Agent, in consultation with the staff of the SEC, may adjust this timeline for good cause.



VIII. Contact Information for the Distribution Agent

Phone: 800-765-7251
Email: info@verifairfund.com
Web: www.verifairfund.com
Mailing address:

Veritaseum Fair Fund

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

ATTACHMENT A

To:
From: Josias Dewey, Partner, Holland & Knight as Veritaseum Fair Fund Distribution Agent
Date:
Re: Veritaseum Fair Fund—Notice of Claims Process and Bar Date

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK**

*Securities and Exchange Commission v. Reginald Middleton, Veritaseum, Inc. and Veritaseum
LLC, 19- Civ-4625 (WFK) (RER)*

The Veritaseum Fair Fund

CLAIMS BAR DATE: _____, 2020

Notice of Claims Process and Claims Bar Date

*THIS NOTICE MAY AFFECT YOUR LEGAL RIGHTS. PLEASE READ IT CAREFULLY.
AMONG OTHER THINGS, FAILURE TO TIMELY SUBMIT A CLAIM BY THE BAR DATE
AND PURSUANT TO THE DIRECTIONS BELOW MAY RESULT IN YOUR CLAIM BEING
BARRED AND DEEMED INELIGIBLE FOR A DISTRIBUTION*

Dear Investor:

On October 31, 2019, the above-captioned Court entered a Final Judgment creating the Veritaseum Fair Fund and appointing Holland & Knight, LLP as Distribution Agent for the Veritaseum Fair Fund. On _____, 2020, the Court entered an order approving a Claims Process and Distribution Plan, including a Bar Date (the “Order”). Copies of the Order and other information regarding this case are available on the Veritaseum Fair Fund website at www.verifairfund.com.

You are receiving this Notice because our records indicate you *may* have a claim for a distribution from the Veritaseum Fair Fund. Receipt of this Notice does not mean that you hold a claim or that your claim will be eligible for a distribution from the Veritaseum Fair Fund. Please review this Notice in full; it contains important information about the Veritaseum Fair Fund and how to submit a claim seeking a distribution from the Veritaseum Fair Fund.

Deadlines for Submitting Claims

NOTICE IS HEREBY GIVEN that all people seeking a distribution from the Veritaseum Fair Fund should file their claim through the Distribution Agent’s online claim system so that it is completed, submitted, and received by the Distribution Agent’s online claim system by **11:59 p.m. (EST) on _____, 2020** (the “Bar Date”). All claims should be filed electronically following the directions and using the online claim system found at www.verifairfund.com.

Claimants believing they have good cause to extend the Bar Date or to submit claims by means other than through the online claim system must make a request for the extension or the alternative claims submission from the Distribution Agent no later than the Bar Date through the contact methods listed below or at www.verifairfund.com. Unless a claim is subject to a Distribution

Agent-granted exception, all Veritaseum Fair Fund claims not received via the online claim system by the Bar Date will be barred.

Background

On August 12, 2019, the SEC commenced an action against Reginald Middleton, Veritaseum, Inc., and Veritaseum, LLC (collectively, the “Defendants”) (the “Civil Action”). The SEC alleged that, beginning on April 25, 2017, the Defendants fraudulently raised approximately \$14.8 million from the unregistered sales of digital securities called “VERI” based on a series of false and misleading statements to potential and actual investors, including misrepresentations about the potential profitability and viability of Veritaseum’s purported operations, the use of funds raised in the VERI initial coin offering (“VERI ICO”), and the amount of funds raised in the VERI ICO. The SEC further alleged that, after the VERI ICO, Middleton placed manipulative VERI trades on a digital asset platform to artificially increase its price and then publicly touted the price increases. Also on August 12, 2019, upon the SEC’s motion, the Court issued a Temporary Restraining Order freezing the Defendants’ assets and appointing an Independent Intermediary to take control of all digital assets controlled by the Defendants. The Complaint can be viewed at www.verifairfund.com or on the SEC’s website at <https://www.sec.gov/divisions/enforce/claims/reginald-middleton.htm>.

On November 1, 2019, upon the Defendants’ consent, the Court entered the Final Judgment. In the Final Judgment, the Court ordered the Defendants pay disgorgement of \$7,891,600, prejudgment interest of \$582,535, ordered Middleton to pay a civil penalty of \$1,000,000, and required the turnover of certain identified metals, bank assets, and digital assets in full satisfaction of monetary relief. The Court created the Veritaseum Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, 15 U.S.C. § 7246(a), so that all of the collected assets can be distributed to harmed investors (the “Veritaseum Fair Fund”). The Final Judgment can be viewed at www.verifairfund.com or on the SEC’s website at <https://www.sec.gov/divisions/enforce/claims/reginald-middleton.htm>.

The Distribution Agent is now soliciting claims from VERI investors who are potentially eligible for a distribution, as further described below.

Persons and Entities Potentially Eligible for a Distribution: As set forth in the Claims Process, investors who acquired VERI for value from April 25, 2017 through August 14, 2019 at 12:01 a.m., EST, inclusive (the “Relevant Period”) may be eligible for a distribution from the Veritaseum Fair Fund. This includes include anyone who received VERI for value, such as those who received VERI in exchange for Veritaseum “Class B” shares or Colored Coins.

Certain persons are **not eligible** claimants (“Excluded Claimants”):

1. The Defendants;
2. Any past or present director or officer of Defendants, or any of Defendants’ past or present affiliates who served in such a capacity during the Relevant Period and were directly involved in the conduct detailed in the Complaint;

3. Any employee or former employee of Defendants or of any of its past or present affiliates who has been terminated for cause in connection with the violations alleged in the Complaint or any related Securities and Exchange Commission (“SEC”) action, or who was otherwise terminated or has resigned in connection with the violations alleged in the Complaint or any related SEC or criminal action;
4. Any affiliates, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities of any of the persons or entities described in 1–3, above;
5. Any purchaser or assignee of another person's right to obtain a recovery from the Veritaseum Fair Fund, provided, however, that this provision shall not be construed to exclude those persons who obtained such a right by gift, inheritance, devise or operation of law; and
6. The Distribution Agent, its partners, agents, or employees, and those persons assisting the Distribution Agent in its role as the Distribution Agent.

The Claims Process:

- Unless granted an exception as described in the next bullet, claims will only be accepted through the online claims form described in this paragraph. Claimants should review the directions at, and submit claims through, the online claim system at www.verifairfund.com so they are completed, submitted, and received by the Distribution Agent no later than by **11:59 p.m. (EST) on _____, 2020** (the Bar Date). Claims that are not timely submitted shall be barred.
- Claimants believing they have good cause to extend the Bar Date or submit claims by means other than through the online claim system *must request this from the Distribution Agent no later than the Bar Date* through the contact methods listed below, including by email to info@verifairfund.com. Unless a claim is subject to a Distribution Agent-granted exception, all Veritaseum Fair Fund claims not received via the online claim system by the Bar Date are barred.
- The burden to prove timely and proper submission of a claim is on the claimant; please keep all documentation.
- The Distribution Agent will notify all claimants of its claim determination, including any claim deficiencies resulting in claim rejection. The Distribution Agent will include instructions for claimants desiring to cure claim deficiencies or request claim determination reconsideration. The Distribution Agent’s acceptance of your claim does not mean that you will be eligible for a distribution from the Veritaseum Fair Fund; eligibility for a distribution will be determined in accordance with the Court-approved distribution plan.

Contact Information for the Distribution Agent:

Phone: 800-765-7251

Email: info@verifairfund.com

Web: www.verifairfund.com

Mailing address:

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

ATTACHMENT B

VERITASEUM FAIR FUND CLAIM FORM

Claim Bar Date: 11:59 p.m. (EST), _____, 2020

I. Instructions

A. You may be eligible to receive a payment from the Veritaseum Fair Fund if you acquired VERI for value between April 25, 2017 (the date VERI sales began) through August 14, 2019 at 12:01 a.m., EST, (the “Relevant Period”). This includes include anyone who received VERI for value, such as those who received VERI in exchange for Veritaseum “Class B” shares or Colored Coins,

And who is not any of the following (“Excluded Claimants”):

- A Defendant;
- A past or present director or officer of Defendants, or any of Defendants’ past or present affiliates who served in such a capacity during the Relevant Period and were directly involved in the conduct detailed in the Complaint;
- An employee or former employee of Defendants or of any of its past or present affiliates who has been terminated for cause in connection with the violations alleged in the Complaint or any related Securities and Exchange Commission (“SEC”) action, or who was otherwise terminated or has resigned in connection with the violations alleged in the Complaint or any related SEC or criminal action;
- An affiliate, assign, creditor, heir, distributee, spouse, parent, child, or controlled entity of any of the foregoing persons or entities described in 1–3, above;
- A purchaser or assignee of another person's right to obtain a recovery from the Veritaseum Fair Fund, provided, however, that this provision shall not be construed to exclude those persons who obtained such a right by gift, inheritance, devise or operation of law; and
- The Distribution Agent, its partner, agent, or employee, and a person assisting the Distribution Agent in its role as the Distribution Agent.

B. To be considered for eligibility for a Veritaseum Fair Fund payment, you must provide the information requested in this online form and submit a release through the Distribution Agent’s online claim system, located at www.verifairfund.com. Failure to upload the completed form through the Distribution Agent’s online claim system so that it is submitted and received by the Bar Date set forth above may result in your claim being rejected and you being precluded from any recovery from the Veritaseum Fair Fund.

C. Timely submission of your claim does not guarantee you will be eligible for a distribution from the Veritaseum Fair Fund or that you will be compensated for your claimed loss.

D. Please fill out this claim form completely. After submission of the claim form, you may be requested to provide documentation to support your claim. Failure to completely fill out the claim form or timely provide all requested documentation will result in rejection of your claim.

E. Providing a valid email address is required as part of the claims validation process. Failure to provide a valid email address may result in rejection of your claim. Changes to your email address or any contact information must be promptly sent to the Distribution Agent via the contact methods listed at www.verifairfund.com.

F. This form requires you to specify all transaction hashes for VERI tokens you acquired. This information is publicly available through any Ethereum blockchain viewer, such as Etherscan (<https://etherscan.io/>). Instructions for locating transaction hashes are available at www.verifairfund.com.

G. You will be instructed via email to confirm control of any Ethereum addresses associated with your claimed transactions. Failure to confirm control of these addresses will result in rejection of your claims associated with those addresses.

H. Submitting your claim using this online claim form is the fastest method to determine your potential eligibility for a Fair Fund distribution. If necessary, you may request an alternative submission method or a filing time extension from the Distribution Agent via the contact methods listed at www.verifairfund.com. Any such request must be made before the Bar Date or you will be precluded from filing a claim.

I. Upon completion of its review of your claim, the Distribution Agent will email you a Claim Determination, informing you of its determination regarding your claim and, in particular, whether your claim has been accepted. You may seek reconsideration of a Claim Determination by following the instructions included with the Claim Determination.

J. Eligibility for a Distribution Payment and Distribution amounts will be determined at a later date based on available Veritaseum Fair Fund assets.

II. Claim Form

Contact Information

First Name	
Last Name	
Address Street	
City	
State	
Country	
Zip/Postal Code	
Phone	
Email	
US Citizens or Residents: Tax ID	
Non-US Citizens or Residents: <ul style="list-style-type: none">• Passport Country• Passport Number	

Claim Information

If represented by counsel with regards to this matter, please provide their name, email, phone number, and mailing address.	
What email address(es) did you provide to Veritaseum or Reginald “Reggie” Middleton, if any?	
List all transaction hashes for transactions through which you acquired VERI by purchase, as compensation for services or labor, or in exchange for anything of value.	

III. Tax Certifications

To ensure that the Fair Fund can comply with its reporting and/or withholding obligations, you must complete and provide the Administrator of the Distribution Fund with one (1) of the following forms, as applicable:

- IRS Form W-9; **OR**
- IRS Form W-8BEN, W-8BEN-E, or other W-8 series form

If you are a U.S. person, as that term is defined below, then you should complete the Substitute IRS Form W-9 below.

If you are **not** a U.S. person, then you should **not** complete the Substitute IRS Form W-9 below. Instead, you should complete IRS Form W-8BEN, W-8BEN-E, or other W-8 series form, which can be found by visiting the following IRS website: <https://www.irs.gov/forms-instructions>

The term “U.S. person” means:

- A citizen or resident of the United States,
- A partnership created or organized in the United States or under the law of the United States or of any State, or the District of Columbia,
- A corporation created or organized in the United States or under the law of the United States or of any State, or the District of Columbia,
- Any estate or trust other than a foreign estate or foreign trust (see Internal Revenue Code § 7701(a)(31) for the definition of a foreign estate and a foreign trust), or
- Any other person that is not a foreign person.

If the Fair Fund does not receive a valid and complete Form W-9 or W-8 from you, the Fair Fund may be required under the Internal Revenue Code to make certain presumptions about you for purposes of tax reporting and, as applicable, withholding. The Fair Fund may be required to presume the interest is being paid to: (1) a payee subject to 30% withholding under the Foreign Account Tax Compliance Act (“FATCA”) and reporting on Form 1042-S; (2) a nonresident alien of the U.S. (“NRA”) subject to reporting and 30% NRA withholding and reporting on Form 1042-S; or (3) a U.S. person subject to 24% backup withholding and reporting on Form 1099-INT.

**Substitute Form W-9
Taxpayer Identification Number Certification**

Social Security Number / Employer Identification Number: _____

Exempt Payee Code (if any) _____ Exemption from FATCA reporting code (if any) _____

Check appropriate box for federal tax classification:

Individual C Corporation S Corporation Partnership Trust/estate Other

Limited Liability Company - choose tax classification C Corporation S Corporation Partnership

Print your name as it appears on your federal income tax return:

First Name and Last Name, for Individuals. Entity Name for businesses and trusts.

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number; **and**
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; **and**
3. I am a U.S. citizen or other U.S. person (including a U.S. resident alien); **and**
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Note: If you have been notified by the IRS that you are subject to backup withholding, you must cross out item 2 above.

Signature
of U.S. Person: _____ Date: _____

IV. Claimant Acknowledgement

By submitting this form, claimant agrees to submit to the exclusive jurisdiction of the United States District Court for the Eastern District of New York for all purposes associated with the submitted claim. Claimant agrees to waive trial by jury, to the extent such a right exists, and agrees to the Court’s summary disposition of claim validity and amount.

The claimant consents to the Distribution Agent and his agents’ use of any information provided in this Claim Form to verify and process the claim and understands that the information will be processed in the United States, protected by appropriate safeguards, stored only as long as required, and shared with the Distribution Agent’s agents for claim verification and responses. Claimant consents to the release of related transactional records from cryptocurrency exchanges if the claimant received VERI at an address managed by or held through such an exchange.

European Economic Area Residents may withdraw their consent to store personal data unless there are other grounds for processing that data. Revocation will not affect processed and transferred data. Claimant may exercise rights afforded under applicable data protection law, including access, rectify, erase, restrict, or data portability, or object to the processing of personal data by contacting the Distribution Agent via the contact methods listed at www.verifairfund.com. Complaints may be lodged with appropriate supervisory authorities in a claimant’s country of residence.

Release

In consideration of the claim submission, the claimant releases and forever discharges the Distribution Agent, the Veritaseum Fair Fund, and all their agents, employees, professionals, successors, and assigns (collectively, the “Released Persons”) from all claims relating to the claimant’s application for funds from the Veritaseum Fair Fund or the circumstances giving rise to the Claim, which the claimant now has, or can, shall, or may have, for or by any reason of any cause, matter, or thing whatsoever, prior to and including the date as certified below.

Notwithstanding any applicable legal rights or remedies available, claimant agrees to return immediately any Veritaseum Fair Fund property that is later found to have been distributed in error or to exceed the claimant’s Distribution Payment as calculated under the Court-approved distribution plan. The claimant will indemnify and hold harmless the Released Persons from and against any damages, costs, or losses that may result from any assertion by any such other entity or person of any such claims.

Submitting this form is the claimant’s certification—under penalty of perjury under the laws of the United States of America—that the submitted information, including all of the information provided on this claim form, is true, correct, and complete; that the claim submitted is the claimant’s own; and that the claimant has the full authority and capacity to submit this claim and enter into the above agreement and release. By typing the claimant’s name below, the claimant consents to the above and agrees to the release.

Date	
Name	