

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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CHARLES HALL,

Index No.: 655003/2019

Petitioner,

-against-

VERITASEUM, INC., *et. al.*

Affirmation in Support

Respondent.

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AFFIRMATION OF SHERIDAN ENGLAND

I, Sheridan England, an attorney duly admitted to practice in the Courts of the State of New York and in good standing hereby affirm under CPLR §2106 and penalty of law as follows:

1. I am of counsel to Brundidge & Stanger in this matter, on contract, and represent Defendants.
2. I have personal knowledge of the facts set forth herein.
3. I seek to withdraw as counsel for Defendants for justifiable causes.
4. One such cause is that Defendants have not met their financial obligations for continued representation; the fees outstanding are very substantial and above five figure dollar amounts.
5. My request is based on settled law. “An attorney may be permitted to withdraw from employment where a client refuses to pay reasonable legal fees” *Weiss v Spitzer*, 46 AD3d 675, 675 [2007]; *see* Rules of Professional Conduct [22 NYCRR 1200.0] rule 1.16 [c] [5]. “Additionally, an attorney may withdraw from representing a client if the client 'fails to cooperate in the representation or otherwise renders the representation unreasonably difficult for the lawyer to carry out employment effectively” (*Aragona v Shaibani*, 138

AD3d 649, 650 [2016], quoting Rules of Professional Conduct [22 NYCRR 1200.0] rule 1.16 [c] [7]).

6. Given the number of defendants in this matter, the number of counts alleged, and the complexity of the claims and defenses related to the crypto technology issues in this matter, continued representation would prove extremely burdensome on the undersigned and renders further representation unreasonably difficult for the undersigned to carry out employment effectively.
7. Prior notice of concerns about continued representation due to legal fees were made on or about November 17, 2021, in writing, and on other subsequent dates by phone up and through the present by communication to Brundidge & Stanger.
8. Client has been made aware of the substantive conversations of the parties February 16, 2022 telephonic status conference.
9. Defendants has been notified of this Order to Show Cause, was provided a draft version of these moving papers on February 16, 2022.
10. Defendants, speaking through individual Defendant Reggie Middleton, **oppose and seek to be heard by the Court.**
11. I caused to be filed with the Court an Order to Show Cause, which included an affirmation in support, on all counsel of record via the Court's electronic filing system and by email, as well as individual Defendant Reggie Middleton via email to: reggie@veritaseum.com.
12. Reggie@veritaseum.com is the best manner of transmitting written communication that I know to communicate with all Defendants, and is the manner in which I have done so during the pendency of this action.

- February 17, 2022

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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

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CHARLES HALL,

Index No.: 503769/2019

Petitioner,

-against-

Motion 001

VERITASEUM, INC., *et. al.*

Affirmation in Support

Respondent.

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AFFIRMATION IN RESPONSE OF SHERIDAN ENGLAND

I, Sheridan England, an attorney duly admitted to practice in the Courts of the State of New York and in good standing hereby affirm under CPLR §2106 and penalty of law as follows:

1. I am of counsel to Brundidge & Stanger in this matter, and represent Defendants on a contract basis.
2. I have personal knowledge of the facts set forth herein.
3. The Court's 2/23/2022 Order directs me to file an affirmation in response to address:
 - a. When I first informed Mr. Middleton about the October 13, 2022 order and the deadlines contained therein;
 - b. Explain why the deadlines were violated; and
 - c. To definitively indicate whether, in light of the offer of payment, I still wish to be relieved as counsel.
4. As to the first inquiry:
 - a. I do not have a specific recollection of a date in which I personally informed Mr. Middleton of the Court's order and the pre-trial deadline. I have had conversations with Mr. Middleton about the case, timing of motions and other proceedings, but a

specific conversation about the pre-trial deadline or that specific order prior to February 1, 2022 I do not recall. I do recall discussing this deadline in the conversations I have had with Mr. Middleton subsequent to the February 16, 2022 hearing.

- b. Brundidge & Stanger is a filer in this case, docket the calendar in their internal systems, and requests my updates when deadlines approach. *See Exhibit 1, pg 1-2 (redactions for privilege)*. When responding to these types of date updates/inquiries, I report to the Brundidge & Stanger and not Mr. Middleton directly. *Id.*
- c. This said, I work on contract in this matter for the firm Brundidge & Stanger. My direct interaction with Mr. Middleton to date has related primarily to deposing Plaintiff, preparing and defending Mr. Middleton's deposition, appearing for Court hearings, negotiating possible settlements, responding to emails with him and Brundidge & Stanger, and things of this nature. Except for these types of services, I report to Brundidge & Stanger and relate to them the happenings of the case. Brundidge & Stanger's principal, in turn, interacts with Mr. Middleton; I am rarely involved in their phone calls, and have not attended their in-person meetings.
- d. On November 17, 2021, I advised Brundidge & Stanger that I was ceasing work on my contract ("putting my pencils down") due to repeated issues with payments. *Id, pg. 1*. In that email I noted that payment was a problem, and recounted that I required a deposit for the substantial trial prep and related work that was required in this case. This email came after previous payment issues for my work had been routinely ignored or delayed. *Id, pg. 3*. I was informed on a number of occasions

by Brundidge & Stanger that Mr. Middleton had been made aware of the payment issues.

- e. Brundidge & Stanger pays me directly for my work; I have never taken payment from Mr. Middleton directly nor do I have an independent representation agreement with him or any other defendant in this case. I previously offered Brundidge & Stanger to have Mr. Middleton to pay my office directly for services; this offer was not acted upon. *See Exhibit 1, pg. 4* For this reason, I did not approach Mr. Middleton about payment directly because this non-action reinforced the fact that Mr. Middleton's relationship was with Brundidge & Stanger and that my contract for work is through Brundidge & Stanger and not directly with Mr. Middleton. Indeed, Mr. Middleton is a client of Brundidge & Stanger in this and other matters. *See e.g. Tabak v. Middleton, 65199/2020.* Thus, and consistent with this understanding and in light the past issues regarding payment and my continued work, I raised these issues with Brundidge & Stanger and not Mr. Middleton. I had numerous conversations both previous and subsequent to the November 17, 2022 email about ceasing work with Brundidge & Stanger. The payment conditions were never satisfied.
- f. On February 1, 2022, I forwarded to Brundidge & Stanger as well as Mr. Middleton Plaintiffs' pre-trial materials. At this time, I re-raised the payment to Brundidge & Stanger and gave an estimate of the funds needed to do the work. *Id. Pg. 5.* In the oral conversations that occurred shortly thereafter with Brundidge & Stanger, I relayed the urgency of moving expeditiously with this work. I relayed to Brundidge & Stanger then that even if payment issues were resolved the same day, a request

for an extension would have to have been filed and defendants' pre-trial submissions would have to be prepared but that I could not do it on 24 hours notice.

- g. I was informed that these matters would be raised with Mr. Middleton. I heard nothing on this issue until after calling Brundidge & Stanger after the parties' February 16, 2022 hearing. I was then informed by Brundidge & Stanger that Mr. Middleton been aware of the payment needed for my continued contract work; Mr. Middleton, in turn, told me that he had not been made aware that this was ever an issue.
 - h. Mr. Middleton's affirmation, filed by Brundidge & Stanger, does not address whether any of these issues in fact were raised with him, but states that he is now giving me his "full attention and cooperation [to] meet any financial needs."
5. As to the second inquiry:
- a. The pre-trial deadlines were not met because Defendants did not file. For my part, I indicated to Brundidge & Stanger that payment had to be made for me to continue my contract work. Payment was not made, thus I did not perform this work.
6. As to the third inquiry:
- a. I definitively seek to withdraw. I have unequivocally stated this to Mr. Middleton verbally and in writing that payment "will not change my position." *See Exhibit 5 (partially redacted for privilege)*. I have stated to Mr. Middleton that I would continue in this case only if ordered. *Id. pg. 6; See also ¶6c.*
 - b. While it is unstated in Mr. Middleton's affirmation, I ask the Court to recognize that his actual request is that my office (and by extension me) be ordered to substitute for Brundidge & Stanger. This is because Brundidge & Stanger recently

advised me that it was disinclined to pursue this case with their attorneys. Mr. Middleton is aware of this.

- c. I am mindful that the Court's trial date is near and Mr. Middleton complains of potential prejudice and irreparable harm. For these reasons, and as further explained in ¶7b, I will nevertheless continue if ordered to do so by the Court. If so ordered, I would be required to engage Mr. Middleton in a representation agreement with my office and would not do so under contract with another firm. Given Mr. Middleton's financial state, I suspect this representation may result in pro/low bono services notwithstanding Mr. Middleton's affirmation suggesting that he has an ability to pay. In such a case, I would not seek to withdraw for non-payment, nor would I fail to give competent services on account of non-payment.
7. With respect to other parts of Mr. Middleton's affirmation, and more globally:
- a. I have not previously worked with Mr. Middleton to resolve financial issues. *See* ¶4c, *supra*. In the conversations I have had with Mr. Middleton proximate to the Order to Show Cause, Mr. Middleton has expressed to me an ability to meet some of the financial conditions necessary to secure my continued work and has offered to make payment directly to me. I declined that offer when it was made, regardless of the offer of payment, because *inter alia* defendants' representation agreement is with Brundidge & Stanger and not my office. Prior to this, however, I have not worked out much less discussed compensation with Mr. Middleton.
 - b. Mr. Middleton's affirmation states that I am the "sole attorney involved" in this case. This is not accurate. I am the sole attorney that has appeared in court proceedings in this case, and I have been the sole attorney that appeared in

depositions. I have had numerous strategic conversations and planning sessions with Brundidge & Stanger about this matter. I do not dispute, however, that I have more familiarity with the facts of this case than inside counsel to that firm.

- c. Mr. Middleton's affirmation suggests (but does not directly state) that he was unaware of the conditions necessary for my continued contract work. I cannot dispute that given that I did not interact with him on this level, but note that I have been given a very different impression from Brundidge & Stanger. Thus, and accepting for purposes of this affirmation that Mr. Middleton is sincere when stating that he has been caught by surprise, I am hopeful that he is not estopped from presenting a fulsome defense of his positions. I do not believe his pre-trial submissions would materially add to what Plaintiff has submitted. Mr. Middleton's defenses rest principally on himself and his explanations for what transpired.
- d. I accept that I could have handled this differently and apologize to the Court for the additional use of judicial resources on this Order to Show Cause. Upon reflection, I accept that my better course of action probably would have been to seek to withdraw sooner, thereby directly putting Mr. Middleton on notice near the end of 2021. This may not have changed Mr. Middleton's objection to my withdrawal, but I admit that if these issues would have been resolved prior to the pre-trial deadline. I have never been in a situation before where a contract relationship with a firm has broken down over payment issues, nor have I ever engaged another firm's client directly over such matters. I believe that my approach to relate my contract employment terms and conditions with Brundidge & Stanger and not Mr.

February 23, 2022

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