

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

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|--|---|------------------------------|
| UNITED STATES SECURITIES AND EXCHANGE COMMISSION, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | Case No. 1:15-cv-659-JMS-MJD |
| |) | |
| TOBIN J. SENEFELD, ET AL., |) | |
| |) | |
| Defendants, |) | |
| |) | |

DECLARATION OF CRAIG L. McSHANE
REGARDING DISGORGEMENT AND PREJUDGMENT INTEREST

1. I, Craig L. McShane, am a Staff Accountant with the Enforcement Division of the United States Securities and Exchange Commission (“SEC”) in its Chicago Regional Office, located at 175 West Jackson Boulevard, Suite 1450, Chicago, Illinois 60604. I have been employed as a Staff Accountant by the SEC since October 2014. My official duties with the SEC include participating in fact-finding inquiries and investigations to determine whether the federal securities laws have been, are presently being, or are about to be violated, and assisting in the SEC’s litigation of enforcement actions.
2. I received a BA degree from the University of Chicago and an MBA degree from Saint Xavier University. Prior to joining the SEC, I spent 9 years in the financial industry.
3. On approximately February 24, 2015, I was asked to review bank account records and other materials relating to certain private investments that were offered to investors by the Defendants. I was also asked to analyze and trace the flow of funds including investor funds in accounts controlled by the defendants.

4. In order to complete this analysis, I reviewed:
 - a. Bank account statements, deposit slips, wire transfer confirmations, and electronic fund transfer (“EFT”) details for certain bank accounts controlled by the defendants;
 - b. Transcripts of testimony from Matthew Haab (“Haab”), Jeffery Risinger (“Risinger”), and Tobin Senefeld (“Senefeld”) taken during the course of the SEC’s investigation in to this matter and testimony exhibits; and
 - c. Other documentary evidence obtained by the SEC during the course of its investigation in this matter.
5. As part of my duties, on March 25 through March 27, 2015, I also attended and participated in the investigative testimony of Haab, Risinger, and Senefeld taken during the course of the SEC’s investigation. I have also provided declarations on April 22, 2015, April 30, 2015, December 21, 2016, and September 27, 2017.

The SEC’s Disgorgement Figure

6. The SEC is seeking disgorgement from Senefeld in the amount of \$698,818.29 comprised of direct payments to Senefeld.
7. The table below summarizes the payments made to Senefeld. Attached as part of Exhibit 1 is a schedule of all payments made to Senefeld during the review period which identifies the date of each cash payment, the account which made the payment, and the categorization of the payment.

| Payments to Senefeld | | |
|-----------------------------|---------------|----------------------|
| Tobin Senefeld | \$ 477,855.60 | |
| Mary Senefeld | \$ 220,962.69 | |
| TOTAL | | \$ 698,818.29 |

8. The SEC's disgorgement amount is comprised of payments made directly to Senefeld from four accounts: (1) Account xxx7816 in the name of PinCap LLC ("the PinCap Account"); (2) Account xxx7557 in the name of Veros Partner Inc. as Agent for Several Lenders under PinCap LLC ("the 2nd PinCap Account"); (3) Account xxx6456 in the name of Veros Partners Inc. as Manager for several lenders under Veros Farm Loan Holding, LLC ("the VFLH Account"); and (4) Account xxx7010 in the name of FarmGrowCap, LLC ("the FarmGrowCap Account").
9. All payments included in the SEC's disgorgement amount were paid between January 1, 2013 and February 28, 2015.

Additional Disgorgement Considerations

10. Senefeld also benefitted from payments made on behalf of PinCap LLC, a company of which Senefeld owns one third and managed with the other owners. In total, PinCap LLC received \$389,286.87 from the four accounts identified above during the review period. The table below provides a summary of the payments made on behalf of PinCap, LLC. Further detail is provided in Exhibit 1.

| Payments on Behalf of PinCap, LLC | | |
|--|---------------|----------------------|
| Pincap Payroll | \$ 254,165.15 | |
| Employee 1 | \$ 40,399.85 | |
| Legal Fees | \$ 38,407.17 | |
| Pincap rent | \$ 36,489.95 | |
| Employee 2 | \$ 19,824.75 | |
| TOTAL | | \$ 389,286.87 |

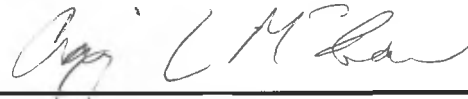
11. In addition to the distributions noted above, Senefeld was the recipient of an investor-funded loan, along with co-defendant Risinger, in the amount of \$225,000 with an interest rate of 70% of the loan amount less a 2% annual fee payable to Veros. According to a loan summary provided by Veros (See Exhibit 2), as of 2/28/2015, Senefeld and Risinger had repaid \$178,724.63 and had a balance due of \$203,775.37.
12. PinCap also received a loan funded by investor money in the amount of \$220,000 (See Exhibit 2). Senefeld made no payments on this loan. According to Veros' records, that loan was repaid on April 12, 2013 with interest for a total of \$226,835.07. Funds in the same amount were transferred to the 2nd PinCap account on April 12, 2013 from the VFLH account to make this payment.
13. On 1/31/2014, the VFLH account received a wire transfer of \$30,000 from Mary E. Senefeld.

Pre-Judgement Interest Calculation

14. I have calculated a pre-judgement interest total of \$94,538.36 applicable to the sum of the payments made to Senefeld (See Exhibit 3). I calculated this pre-judgement interest by

applying the interest rate, adjusted quarterly, used by the Internal Revenue Service for computation of interest on underpayment of taxes. Interest was compounded quarterly, beginning on December 1, 2013 as required by the Court [Filing No. 436].

I, Craig L. McShane, do hereby declare under penalty of perjury, in accordance with 28 U.S.C § 1746, that the foregoing is true and correct. Executed on the 6th day of November, 2017.



Craig L. McShane