

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

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UNITED STATES SECURITIES )  
AND EXCHANGE COMMISSION, )  
  
Plaintiff, )  
  
v. )  
  
VEROS PARTNERS, INC, )  
MATTHEW D. HAAB, )  
JEFFERY B. RISINGER, )  
VEROS FARM LOAN HOLDING LLC, )  
TOBIN J. SENEFELD, )  
FARMGROWCAP LLC, )  
PINCAP LLC, and )  
  
Defendants, )  
  
PIN FINANCIAL LLC, )  
  
Relief Defendant. )

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Case No. 1:15-cv-659-JMS-MJD

**RECEIVER’S MOTION FOR AUTHORITY TO MAKE INTERIM  
DISTRIBUTIONS TO INVESTORS IN PRIVATE PLACEMENTS:  
JENNINGS DESIGN LLC 2014 SECURED LOANS AND  
TRUE BLUE BERRY MGMT LLC 2015 SECURED LOANS AND  
TO RETAIN FIVE PERCENT (5%) OF THE FUNDS FROM EACH ACCOUNT**

William E. Wendling, Jr., the Receiver herein, by counsel, respectfully requests the Court for authority to make interim distributions to the investors of the Private Placements, Jennings Design, LLC 2014 Secured Loans (“Jennings Design”) and True Blue Berry Mgmt LLC 2015 Secured Loans (“True Blue 2015”) and to retain five percent (5%) of the funds from each account to serve as an escrow for any unanticipated expenses of the Receivership relating to the Veros Partners, Inc., Private Placements. In support of this motion, the Receiver states:

1. On April 22, 2015, the Plaintiff, Unites States Securities and Exchange Commission (“SEC”) filed its Complaint [[Filing No. 1](#)] in this action and a motion for temporary restraining order, asset freeze and other relief [Filing No. 3]. Thereafter, the Court entered a Temporary Restraining Order [[Filing No. 12](#)].

2. On May 1, 2015, the Agreed Order Appointing Receiver (“Agreed Order”) was entered [[Filing No. 34](#)], appointing William E. Wendling, Jr. to serve without bond as the Receiver for the estates of the Receivership Defendants.

3. The Agreed Order charges the Receiver with the responsibility to:

To use Receivership Property for the benefit of the Receivership Estates, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging his duties as Receiver;

To take any action which, prior to the entry of this Order, could have been taken by the officers, directors, partners, managers, trustees and agents of the Receivership Defendants;

To take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property;

To take such other action as may be approved by this Court.

*Agreed Order Appointing Receiver* [[Filing No. 34, at ECF p. 5](#)]

4. In Paragraph 41, the Receiver “is authorized to take all actions to manage, maintain and/or wind down business operations of the Receivership Estates...” [[Filing No. 34, at ECF p. 16](#)].

5. The Agreed Order further provides in Paragraph 44 that “[s]ubject to his obligation to expend receivership funds in a reasonable and cost-effective manner, the Receiver is authorized, empowered and directed to investigate the manner in which the financial and business affairs of the Receivership Defendants were conducted...” [[Filing No. 34, at ECF p. 17](#)]

6. Pursuant to the terms of the Agreed Order Appointing Receiver, as set forth herein above, the Receiver, instructed Blue & Co. to perform an analysis of each Private Placement to determine the status of each and whether there were any concerns regarding the activities of the Private Placement. Both the Receiver and Blue & Co. complied with the Court's direction. Blue & Co. completed its analysis of Jennings Design and True Blue 2015. Blue & Co. informed the Receiver that, based on the Blue & Co. procedures performed related to Jennings Design and True Blue 2015, it determined that no investments in either of these Private Placements was used to pay other Veros Private Placement investments nor were any funds from other Private Placements deposited into either of these entities. The Receiver's independent analysis likewise revealed no issues of improper fund transfers. Furthermore, it does not appear that these particular Private Placements have been improperly managed by Veros Partners, Inc.

7. Since his appointment, the Receiver has collected and paid out the following amounts in Jennings Design:

<b>Date</b>	<b>Received from/Paid to</b>	<b>Amount</b>	<b>Purpose</b>
5/8/15	MainSource Bank	\$81,336.42	Account balance collected by the Receiver upon appointment
7/10/15	First American Title	\$397,697.91	Sale of 326 Blue Ridge
9/4/15	First American Title	\$612,439.15	Sale of 130 W 43 <sup>rd</sup> Street
11/3/15	First American Title	\$371,566.19	Sale of 320 Blue Ridge
	<b>Total Received/collected</b>	<b>\$1,463,039.67</b>	
5/12/15	Bobby Jennings	-\$15,000.00	Funding Request
5/12/15	Bobby Jennings	-\$66,321.41	Funding Request
7/13/15	Bobby Jennings	-\$60,000.00	Funding Request
7/20/15	Bobby Jennings	-\$40,000.00	Funding Request
8/06/15	Bobby Jennings	-\$20,000.00	Funding Request
8/24/15	Bobby Jennings	-\$25,000.00	Funding Request
9/04/15	Campbell Kyle Proffitt LLP	-\$8,458.38	1 <sup>st</sup> Quarterly Receivership Fees and expenses allocation
11/12/15	Campbell Kyle Proffitt LLP	-\$22,499.94	2 <sup>nd</sup> Quarterly Receivership Fees and expenses allocation
5/08/15 to 11/03/15	National Bank of Indianapolis	-\$60.00	Wire transfer fees (4 at \$15 ea)

	<b>Total Paid</b>	<b>(\$257,339.70)</b>	
	<b>Balance remaining in Account</b>	<b>\$1,205,699.94</b>	
	Less 5%	(\$60,285.00)	Proposed amount to be retained by Receiver
	<b>Balance for interim distribution</b>	<b>\$1,145,414.94</b>	To investors

8. Since his appointment, the Receiver has collected and paid out the following amounts in True Blue:

<b>Date</b>	<b>Received from/Paid to</b>	<b>Amount</b>	<b>Purpose</b>
5/8/15	MainSource Bank	\$2,759.61	Account balance collected by the Receiver upon appointment
11/25/15	True Blue Berry Management	\$3,033,990.99	Loan Payoff
	<b>Total Received/collected</b>	<b>\$3,036,750.60</b>	
8/03/15	Jeffery Risinger	-\$175.00	Refund of business filing fees
5/08/15 to 10/31/15	National Bank of Indianapolis	-\$54.00	Wire transfer fees (2 at \$15 ea) and Bank Service Charges (2 at \$12 ea)
	<b>Total Paid to date</b>	<b>(\$229.00)</b>	
<b>To be Paid</b>	William E. Wendling, Jr., as Receiver for True Blue 2015	-\$20,773.06	Administrative Fee owed to Veros Partners per Private Placement Memorandum
	<b>Balance remaining in Account</b>	<b>\$3,015,856.54</b>	
	Less 5%	(\$150,792.83)	Proposed amount to be retained by Receiver
	<b>Balance for interim distribution</b>	<b>\$2,865,063.71</b>	

9. While many of the Private Placements are ongoing, the Jennings Design and True Blue 2015 Private Placements are now complete. The borrowers have made the final payment due by each of them under their loan agreements and no further funds are due or expected from them. There will be some administrative expenses of the Receiver in closing this investment,

including but not limited to the preparation of 1099s. Accordingly, the Receiver believes that an interim distribution can and should be made to the investors at this time.

10. The Receiver believes that, in an abundance of caution relating to the Receivership's obligations to the management of the Private Placements, five percent (5%) of the amount remaining in each of these Private Placements should be retained by the Receiver, specifically, for administrative expenses related to the Private Placements, to help defray costs associated with the Receiver's and accountants' review of the Private Placements, and any other unexpected or miscellaneous expenses that may arise. The balance remaining after deduction of five percent (5%) should be distributed to the investors as an interim distribution.

11. The amounts retained by the Receivership shall be held in the Receivership account for that Private Placement. These funds are available to the Receiver to defray Receivership expenses relating to the management of the Veros Partners, Inc. Private Placements. However, the Receiver must seek the Court's authority to use these funds. Any funds remaining shall be distributed to the investors in that Private Placement.

12. As set forth in paragraph 7 above, there remains the sum of \$1,205,699.94 in Jennings Design. The Receiver proposes retaining \$60,285.00 (5%) and the Receiver would make a pro rata interim distribution of \$1,145,414.94 to the investors.

13. As set forth in paragraph 8 above, there remains the sum of \$3,015,856.54 in True Blue 2015. The Receiver proposes retaining \$150,792.83 (5%) and the Receiver would make a pro rata interim distribution of \$2,865,063.71 to the investors.

14. An itemized list of the specific amounts to be distributed to each investor is available upon the Court's request for an in camera or other inspection.

15. As set forth in his Quarterly Fee Applications, Receiver will, at the end of this

Receivership, review the allocation of payment of the Receivership fees and expenses among the various Private Placements and will, with Court approval, make any adjustments that may be necessary at that time.

16. Counsel for the United States Securities and Exchange Commission has reviewed this motion and has no objection to the same. The Receiver has attempted to contact counsel for the Defendants and private counsel for Veros Partners regarding this motion. However, at the time of filing of this motion, the Receiver is unable to determine whether the Defendants and private counsel for Veros Partners have any objections to the same.

**WHEREFORE**, the Receiver, by counsel, requests that this Court enter an order authorizing the Receiver to:

1. Retain five percent (5%) (\$60,285.00) of the funds in Jennings Design and five percent (5%) (\$150,792.83) of the funds in True Blue;
2. Make a pro rata interim distribution of \$1,145,414.94 to the investors of Jennings Design, LLC 2014 Secured Loans (“Jennings Design”);
3. Make a pro rata interim distribution of \$2,865,063.71 to the investors of True Blue Berry Mgmt LLC 2015 Secured Loans (“True Blue”); and,
4. for all other proper relief.

Respectfully submitted,

By s/Anne Hensley Poindexter.  
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*Counsel for the Receiver*

### Certificate of Service

I hereby certify that on December 18<sup>th</sup>, 2015, a copy of the foregoing *Receiver's Motion For Authority to Make Interim Distributions to Investors in Private Placements: Jennings Design LLC 2014 Secured Loans and True Blue Berry MGMT LLC 2015 Secured Loans and to Retain Five Percent (5%) of the Funds From Each Account* was filed electronically. Notice of this filing will be made on all ECF-registered counsel by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

*s/Anne Hensley Poindexter*  
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