

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

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,)
))
Defendants,)
))
PIN FINANCIAL LLC,)
))
Relief Defendant.)

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

STIPULATION REGARDING VEROS ASSETS

Plaintiff, U.S. Securities and Exchange Commission (“**SEC**”), Defendant, Veros Partners, Inc. (“**Veros**”), the Receiver, William E. Wendling, Jr., and Veros’ secured creditor, MainSource Bank (“**MainSource**”), stipulate to and request Court approval of the following:

1. MainSource, acting on its own behalf, and the Receiver and the SEC, acting on behalf of the investors of Veros, are involved in a dispute regarding their respective rights and interests in the assets of Veros, both collected and uncollected, earned and unearned, contingent and non-contingent, liquidated and unliquidated and otherwise (collectively, “**Veros Assets**”).¹

¹ The Veros Assets include, but are not limited to, the fees earned and received by Veros, as well as Veros’ one-third (1/3) interest in Defendant, PinCap LLC, and its wholly-owned subsidiary, Relief Defendant, Pin Financial LLC, and the fees earned or received by those entities.

2. The parties have agreed to resolve their dispute relating to the Veros Assets by dividing those assets, except Veros' tangible personal property, evenly (50/50), conditioned on the following:

(a) No costs associated with the Receivership, including attorney's fees and expenses, will be paid out of MainSource's portion of the Veros Assets. The receivership costs, fees and expenses will be paid from some other source that does not reduce MainSource's recovery;

(b) The Receiver will comply with MainSource's requests for information and updates regarding the status of its efforts to collect the Veros Assets, including private placement fees and other receivables, provided those requests are reasonable in frequency and scope and do not require the Receiver to perform additional work or create new reports not otherwise generated in performing the Receiver's current responsibilities;

(c) To date, the Receiver has collected and is in possession of the following Veros Assets, which total \$155,062.75 and represent fees earned by Veros through private placements: (1) \$13,931.35 relating to Jennings Design LLC private placement; (2) \$4,345.28 relating to Veros 702 North Holding LLC private placement; (3) \$17,548.14 relating to Rockdale Holding LLC private placement; (4) \$20,773.06 relating to True Blue 2015 Operating Loan private placement; (5) \$22,405.48 relating to True Berry Mezzanine private placement; (6) \$22,907.67 relating to HF Land GP private placement; (7) \$53,151.77 relating to Blue Crop Group LLC private placements. Upon approval of this Stipulation, the Receiver will make immediate payment to MainSource in the sum of \$77,531.37 representing 50% of these collected Veros Assets;

(d) With respect to each and every other Veros Asset which yields future fees,

revenue or income, promptly after the collection of any such amounts, the Receiver will file a motion with this Court requesting authority to distribute 50% of that amount to MainSource. Veros, MainSource and the SEC will consent to these motions, but time will be provided to determine whether there are any objections from investors or the other Defendants. The Receiver will thereafter make prompt payment to MainSource upon the Court's approval of the motion; and

(e) In the event the Receiver intends to renegotiate a contractual term with a third party which would result in a reduction in an amount otherwise due to Veros, including a compromise of a fee due to Veros in connection with a private placement, the Receiver will file a motion with the Court describing its proposal and will notify MainSource in advance of the filing. MainSource would have the right to object to the motion if it deems appropriate.²

3. Veros, the SEC and the Receiver waive any and all claim to the tangible personal property of Veros and the 50/50 split of Veros Assets will not apply to the disposition of these assets. MainSource will have the immediate right to enforce its security interest in all tangible personal property of Veros, including, but not limited to, taking possession and disposing of these Veros Assets, but is not required to do so if it deems that effort impracticable. As needed, Veros will fully cooperate in turning over these assets to MainSource.

4. MainSource reserves all of its rights and claims against all obligors of MainSource's loans to Veros and its security interest in the Veros Assets, except those Veros Assets that the SEC is entitled to receive pursuant to this Stipulation.

5. MainSource's right to receive 50% of Veros' future fees, revenue or income,

² This same procedure will be followed in the event that the Receiver intends to renegotiate the term of a contract involving PinCap LLC or Pin Financial LLC.

including but not limited to funds from Veros' private placements, will expire when Veros' secured debt to MainSource is paid in full, including the attorneys' fees and expenses MainSource has incurred in its collection efforts. Accordingly, MainSource will track all payments it receives pursuant to this stipulation, or from any other source, in satisfaction of Veros' secured debt and will reduce the amount owed by Veros by the appropriate amount. MainSource also will comply with all requests for information from the Receiver and SEC regarding the current balance of Veros' secured debt, as well as the status of MainSource's other efforts to collect the Veros Assets, provided those requests are reasonable in frequency and scope and do not require MainSource to perform additional work or create new reports not otherwise generated in MainSource's ordinary course of business.

6. The Receiver and SEC acknowledge and agree that they shall not directly or indirectly challenge, seek disgorgement of, or contest payments made to MainSource from the liquidation of Veros Assets in which MainSource asserts a perfected security interest, whether such payments were made prior to the entry of this Stipulation or will be paid in the future pursuant to this Stipulation.

7. Nothing in this Stipulation is intended to limit or otherwise alter the powers of the Receiver pursuant to the various Orders entered by this Court in this matter.

WHEREFORE, the SEC, Veros, Receiver and MainSource request Court approval of the foregoing.

Veros Partners, Inc.,
by and through its counsel

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the following parties through the Court's Electronic Case Filing System this 11th day of February, 2016. Parties may access this filing through the Court's system:

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