

**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, and)

Defendants,)

PIN FINANCIAL LLC,)

Relief Defendant.)

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

RECEIVER’S FIFTH INTERIM REPORT

William E. Wendling, Jr., the Receiver herein, by counsel, files this Fifth Interim Report which covers the period of April 1, 2016, through June 30, 2016 (the “Reporting Period”).

The purpose of this Fifth Interim Report is to provide the Court and all interested parties with a description of the nature of the Receiver’s activities, investigations, analysis, conclusions, recommendations to date, and the revenues generated and/or collected by him, and the Receivership Estate expenses incurred during the Reporting Period, exclusive of the Receiver and his attorney’s requests for reimbursement of fees and expenses which will be submitted in a separate pleading.

Introduction

1. On May 1, 2015, William E. Wendling, Jr. was appointed the Receiver, to serve without bond, over Veros Farm Loan Holding LLC (“VFLH”); FarmGrowCap LLC (“FarmGrowCap”); PinCap LLC (“PinCap”); and all private offerings (hereinafter “Private Placements” or “Private Placement Offerings”) in which Defendant Veros Partners, Inc. (“Veros”) controls investor funds (“Private Offerings”) [[Filing No. 34](#)]. The Receiver was also given responsibility to monitor and supervise the Defendant Veros Partners, Inc., in regard to expenditures greater than \$5,000.00, hiring/firing decisions, and its wealth management/investment advisory services.

2. The Receiver was authorized to solicit persons and entities (“Retained Personnel”) to assist him. On June 23, 2015, the Receiver [[Filing No. 65](#)] retained Anne Hensley Poindexter and Rodney T. Sarkovics of Campbell Kyle Proffitt LLP as counsel for the Receiver, on June 30, 2015, the Receiver retained the accounting firm, Blue & Co. [[Filing No. 76](#)], and on July 28, 2015, he retained Attorneys Thomas M. Orr and Patrick L. Stevens of the law firm Hutchinson, Cox, Coons, Orr & Sherlock, P.C. of Oregon [[Filing No. 88](#)], to further assist him in carrying out his duties.

3. As of the filing of this Report, the law firm of Campbell Kyle Proffitt LLP began the process of dissolving effective April 30, 2016. Rodney T. Sarkovics has withdrawn his appearance [[Filing No. 194](#) and [Filing No. 196](#)], and Mrs. Poindexter is now a partner at the law firm of Altman, Poindexter & Wyatt, LLC [[Filing No. 199](#)]. Due to the dissolution of Campbell Kyle Proffitt LLP, the Receiver joined the law firm of Cohen Garelick & Glazier on April 1, 2016 [[Filing No. 193](#)]. His current address is 8888 Keystone Crossing Blvd, Suite 800, Indianapolis, Indiana 46240-4636; telephone: (317) 573-8888, email: wwendling@cgglawfirm.com and the Receivership web pages can be found at <http://www.cgglawfirm.com/Receiverships/>.

Actions Taken by the Receiver

4. In the fourteen (14) months since the Receiver was appointed, he has reviewed the assets of the Receivership Estates; taken control of all known bank accounts and transferred those funds to corresponding bank accounts at The National Bank of Indianapolis; notified each known investor of VFLH, FarmGrowCap, PinCap, and the Private Offerings of the Receivership and information needed regarding all of their investments in each of the entities; reviewed litigation pending at the time the Receivership was established; talked to numerous debtors and begun collecting on current and past due payments for loans/investments made; engaged and met with the accounting firm, Blue & Co. and worked with the accountants to review the private placements and in connection with review and preparation of tax returns and related documents including 1099's and K-1s; talked to several parties about either purchasing or managing some of the private placements (more about this below); and, continued to update web pages with information for the investors and all other interested parties. The Receiver also provided supervision over Pin Financial's principal, Tobin Senefeld, and supervision over Veros Partners, Inc.'s wealth management operation.

5. Attached hereto as [Exhibit A](#) is a schedule of all the Receiver's receipts and disbursement for this quarter and to date.

6. Some of the key activities of the Receiver, during this last three (3) month period from April 1, 2016, through June 30, 2016, include:

A. Cherry Farms Loans

In the Receiver's Fourth Interim Report there is an extensive review of the Receiver's activities with six Private Placements that invested money into a farming operation called Cherry Farms ("Borrower"). The continuing issue with these

Private Placements is that the Borrower is delinquent and unable to make payments on the monies owed to Veros Investors. In this quarter, the following has occurred:

- A. The Borrower was unable to secure financing to operate the farm for the 2016 crop season and is therefore not farming the property.
- B. As a result of an agricultural lien filed by the Receiver, there are three checks being held in the approximate amount of \$262,000. This money comes from the Borrower having sold some of its 2015 crops. These checks are payable to the Receiver and other companies that have claims on these proceeds. Consequently, it is anticipated there will be a dispute regarding the priority of each of the payees' liens on these proceeds.
- C. As mentioned in the last report, the Borrowers hired attorney Lee McNeely to represent them. Their attorney notified the Receiver that the Cherrys want to work with the investors to find a way to renegotiate the loans as opposed to filing bankruptcy. The Borrower has presented a proposal that the Receiver has sent on to the investors. In response to that proposal, the Receiver, by counsel, sent subpoenas to several different entities requesting financial information to help evaluate the Borrower's offer. To date, the Borrower has been generally cooperative in providing the Receiver with information, and the Receiver has passed that information on to the investors.
- D. The Receiver met with the Cherry Farms investors for a second time to discuss an action plan. At this meeting, the investors once again brought up the issue of transferring these private placements out of the Receivership into a new entity they have created. The Receiver discussed with the investors that there

were disadvantages to taking these assets out of the Receivership under the current situation.

- E.** The Receiver explained that this Court provides the Receiver with significant authority to manage these assets. One of the advantages is the authority of the Receiver to issue subpoenas to individuals and entities that are related to the private placement. Obtaining verified financial information, without having to file a lawsuit, provides an opportunity to quickly determine what options are available to best protect their investments. Upon reviewing such information, an informed decision can be made to either pursue litigation or negotiate a resolution. The Receiver pointed out to the investors that these Private Placements, as assets in a federal court case, command respect and consideration because of the Court's oversight. In addition, the Receiver explained to the investors that because there are seven different investment groups, there is a degree of complexity as to the position of each of the investment groups to each other. If conflicts or differences arise between the Private Placements, the Court is in a position to help resolve such problems.
- F.** The Receiver told the investors that, in his experience, negotiating a claim as a Receiver creates an advantage due to the fact the other side recognizes that a settlement position not only has to be acceptable to the Receiver and the investors, it also has to be approved by the judge. There is intrinsic value to having the Court involved in these matters.
- G.** It is the Receiver's understanding that the investors are still contemplating their desire to have these Receivership assets transferred to them. In the meantime, the Receiver is pursuing a course of action using the authority of his

appointment to help the investors find a resolution to this situation that will be acceptable to them. Furthermore, the Receiver is sending the investors notice of what is transpiring with the management of these assets. (NOTE: In the last Interim Report, the Receiver noted that a few of the activities being reported on were actually occurring after the reporting time period. Some of the activities reported herein have also occurred after the June 30 reporting date, but the Receiver believes it is essential for the Court to know what is transpiring at this time.)

B. Blue Crop Group/TBBM

- 1) In the Fourth Interim Report there is an extensive review of the Receivers' activities with three Private Placements that have invested in the purchase of two blueberry farms in Michigan. The Receiver continues to actively work with these three Private Placements. These are:
 - i. **Blue Crop Group LLC Interim Secured Loans to Facilitate the Acquisition of "Midwest Blueberry Farms" in Holland, Michigan**, which is often referred to simply as the "Midwest Loans".
 - ii. **Blue Crop Group LLC Interim Secured Loans to Facilitate the Acquisition of "Heritage Blueberry Farms" in Holland, Michigan**, which is often referred to simply as the "Heritage Loans".
 - iii. **Blue Crop Group LLC Secured Loans to Refinance the Acquisition of "Midwest Blueberry Farms" and "Heritage Blueberry Farms" in Holland, Michigan**, which is often referred to simply as the "Midwest and Heritage Refinance" or the "Refinance".
- 2) As stated in the last Interim Report, the history of these three private placements

is that a blueberry farming operation in Michigan wanted to acquire two additional blueberry farms. Those farms are referred to as the Midwest Blueberry Farm and the Heritage Blueberry Farm. The blueberry farm operators (“Borrowers”) did not have the capital to buy these farms. Veros Partners and PinCap created an entity called Blue Crop Group LLC to facilitate the purchase of the farms. After they were acquired, the plan was to lease the farms to the Borrower. Initially, Veros Partners and Pin Cap created the two investment groups (Heritage and Midwest) to purchase the farms.

- 3) These two investment groups each purchased one of the blueberry farms. The lifespan of these two private placements was very short. The ultimate goal of Blue Crop Group was to create another private placement, which would buy out the earlier two groups and consolidate the ownership of the two farms with one private placement entity entitled Blue Crop Group LLC Secured Loans to Refinance the Acquisition of “Midwest Blueberry Farms” and “Heritage Blueberry Farms.”
- 4) The Blue Crop Group Refinance private placement was in the process of collecting approximately \$10 million of investor contributions, which would be used to pay off the interim farm investors and other expenses associated with the purchase of the farms, and it would then hold the investment until a future date. This Refinance private placement would receive the rental payments from the blueberry farm operators and, after paying expenses, would then make payments to the Refinance investors. However, there was an interruption in the funding, and the Refinance private placement only collected about \$5 million as opposed to the \$10 million it needed.

- 5) The inability to raise the full \$10 million adversely affected the ability of the Refinance private placement to complete the transaction with the interim investors. As a result, only a partial payment was made to the Midwest investors and no repayment was made to the Heritage investors. The Refinance investment plan was that the interim investors would be paid off before November of 2016. After that date, if not fully repaid, the Interim investors can take certain actions, like foreclosing on their lien interest, which would adversely affect the operations of the blueberry farmers. It would also cause harm to the Refinance investors. Consequently, time is of the essence in finding a resolution to this matter.
- 6) Both the Interim and Refinance investors recognize the financial problem that exists as a result of the failure to complete the funding for the refinance of the two blueberry farms. In response to that problem, the Receiver and investors believe that it will be in everyone's best interest if they can complete, in some fashion, the funding of the Refinance private placement. The Receiver has been working with the investors in an attempt to accomplish this. The investors have hired counsel to help draft the necessary documents to complete the funding of the private placement. Therefore, the investors believe that they have a plan to resolve this situation.
- 7) In a separate notification to the Court, the Receiver will set forth the plan offered by the Blue Crop Group investors to resolve the funding issues of the permanent refinancing of the farms. The Receiver will request a hearing, because the implementation of the plan has an effect on other private placement investors, FarmGrowCap investors and the defendants. The Receiver will

provide the Court with his position on the plan and ask the Court for guidance on how to proceed. The Receiver anticipates that the United States Securities and Exchange Commission, the Defendants, and the investors will want to be heard on this issue.

C. Four Private Placements: Yeager of Frisco LLC [[Filing No. 210](#), [Filing No. 216](#) and [Filing No. 225](#)], Veros Switch Holdings, LLC [[Filing No. 221](#), [Filing No. 222](#) and [Filing No. 226](#)], HF Land GP [[Filing No. 230](#) and [Filing No. 234](#)], and the True Blue Berry Mgmt LLC 2014 Mid-Term Subordinated Mezzanine Loan [[Filing No. 231](#) and [Filing No. 235](#)] were transferred to the Investor Members. As of the time of this Report, the Receiver has distributed the funds from the Receiver's account to the investors of HF Land GP and True Blue Berry Mgmt 2014. There were no investor funds to be distributed in Yeager or Veros Switch. However, the Receiver collected the Veros Partners management fees in the Yeager of Frisco, LLC and Veros Switch Holdings, LLC Private Placements, and those funds were divided with MainSource Bank pursuant to the Court's Order entered June 30, 2016 [[Filing No. 239](#)].

D. The Receiver has been working with the investors and their counsel to accomplish the transfer of other private placements to the various investor groups. However, as set forth in the Receiver's Fourth Interim Report, it was determined that there are several private placements that have financial problems that need to be considered before being transferred to the investors. The Receiver continues working to find solutions to these problems and will soon be filing a motion that will address these issues, present possible solutions and make recommendations for each. It is anticipated that more private placements will be transferred to the investors during the remainder of 2016. The procedural criteria for transferring the private placements has been set forth in the previous

quarterly reports and still applies.

E. In regard to the RJ Williams farm loan collection, the Settlement Agreement has been fully executed and the supporting documents are in the process of being signed and notarized where needed. Once all of the required documents have been fully executed, the \$306,613.40 being held in trust will be moved into the FGC Receivership Account. Since April 18, 2016, the Receiver has received a total of \$494,250.00 toward the \$750,052.07 payment owed pursuant to paragraph 6 of the Settlement Agreement (leaving \$255,802.07 still owed). The settlement status of the litigation against RJ Williams is more fully described in paragraph 16 below.

F. The Receiver continues to stay current with the progression of the litigation in federal court by the SEC against the Defendants in this matter by reviewing and responding to pleadings when required, attending hearings and participating in various conference and status calls with the Court, etc.

G. The Receiver was to monitor and supervise the activities of Veros Partners as outlined in the Agreed Order Appointing Receiver “Agreed Order” [[Filing No. 34](#)] and as outlined in the Receiver’s previous reports to the Court. At the end of December 2015 Veros Partners effectively went out of business. Consequently, other than times when the Receiver needs or requests assistance from Mr. Haab, there is no further supervision or monitoring to be done.

H. The Receiver has had occasional contact with Tobin Senefeld this reporting period, but it appears that Mr. Senefeld is not active in the management or operations of Pin Financial or Pin Cap. In fact, it is the Receiver’s understanding that on June 22, 2016, Pin Financial was expelled from FINRA membership and will soon close (if it has not already done so).

7. During this quarter period, the Receiver and his accountants, Blue and Co., have spent a great deal of time working on tax issues. It was a challenge to coordinate this effort due to all of the different entities which are part of this Receivership. The Receiver is responsible for preparing and distributing tax documents, including 1099s and/or K-1s for some of the private placements and returns for FGC and PinCap:

A. There are three entities for which the tax returns are not yet completed. Those are FarmGrowCap, PinCap, and Blue Crop Group. The Receiver and Blue & Co. encountered complications with Blue Crop Group's returns because of its associations with FarmGrowCap and PinCap. Understanding and verifying numerous transactions between these companies has taken significant time and effort to accomplish, which has been frustrating to the Receiver and even more so to the investors. Many investors were required to obtain extensions of time to file their personal returns because of the delays in completion of the Blue Crop Group private placement returns and the issuance of K-1s. The Receiver is disappointed that this has taken as much time as it has, but the Blue Crop Group tax documents are now complete and information is being sent to the Investors so they can file their returns. The returns for FGC and PinCap only involve the Defendants, but they are nearing completion. While putting this report together, the Receiver was notified that the Internal Revenue Service wants to audit the FGC tax returns.

B. Another related group of private placements, all of which are related to Loftus Robinson (Veros JF Wild, Veros Switch Holdings, Veros 702 North Holding, and Rockdale), were also delayed in providing the necessary tax documents to the investors. This was because Veros Partners had done the tax returns for these entities in the past so new accountants had to prepare their returns. The new accountants needed to review the entities' financial information and history and past returns before they could prepare the

new returns. Thus, these returns were delayed, but they are now nearing completion.

C. In regard to other private placements, the Receiver is responsible for 1) making sure that Blue Crop Group Midwest 1099s were completed; 2) coordinating with Adam Decker to complete the True Blue Berry 2014 1099s; 3) preparing the FGC 1099s; 4) coordinating with and making sure that Stadiumred provided 1099s to its investors; and 5) preparing the K-1s for the Veros Craft Brew entities. These have been completed.

8. As previously reported, the Receiver continues to work with the Receiver's Oregon Counsel in regard to the delinquent Boyer Farms loans due to the FGC investors. The sale of the real estate has not yet occurred, but is expected to occur in the near future. The Receiver's Oregon counsel subpoenaed additional bank records from Boyer, and the Receiver advanced the sum of \$500 for those financial records. The Receiver is reluctant to provide further details regarding the situation in this public document because of the possibility of litigation against Mr. Boyer.

9. The Receiver continues to have ongoing discussions with Messrs. Risinger, Senefeld, and Haab and continually reviews information regarding the status of investments and loans. Messrs. Risinger, Senefeld and Haab have all been cooperative with and helpful to the Receiver. With the assistance of his staff, the Receiver has reviewed and responded to numerous inquiries and correspondence from the Investors.

10. In regard to the management of the Blue Crop Group investments, on June 27, 2016, the Receiver wired \$76,529.00 to Wok Land Company and \$422,738.00 to MBF Properties, which payments were due no later than June 30, 2016, under the Blue Crop Group private placements related to the Midwest and Heritage farms purchases, and on June 28, 2016, the Receiver received from True Blue Berry Management lease/rental payments for said farms and certain equipment totaling \$1,062,000.00. In turn, the Receiver wired a payment of \$250,000.00 to First Farmers Bank & Trust pursuant to the loan modification agreement approved by the Court.

11. In addition to the Veros management fees collected from Yeager of Frisco, LLC and Veros Switch Holdings, LLC private placement transfers (Paragraph 6 C above), the Receiver collected employee contract buy-out payment from former Veros employee Kyle Thompson and divided those funds with MainSource Bank along with the balance of funds in the Receiver's TD Sundry Account [[Filing No. 239](#)], which will now be closed. In return, the Receiver collected one-half (1/2) of the funds MainSource Bank held in its Veros operating account. These transactions occurred after June 30, 2016, so they are not included in [Exhibit A](#) hereto but will be on the next quarterly report.

12. The Receiver continues to promptly update the court filings information on the Receivership web pages and has sent several notices to the various investment groups via email regarding the ongoing status of their investments. However, there are several matters in litigation, or that have a potential for litigation, and thus are not appropriate for posting to the website.

13. In regard to other specific Private Offerings, the Receiver has accomplished the following during this quarter period ending June 30, 2016:

A. HF Land GP:

As referenced above, this private placement was transferred to the investors and a distribution was made to the investors. At the time of this report, there is no money remaining in the Receiver's account for this private placement. It is no longer a part of the Receivership, and from this point forward the operation and management of this Private Placement will be conducted by the investors.

B. Rockdale Holding LLC:

The Receiver collected a preferred equity payment of \$30,867.93 which was deposited into the Receiver's Rockdale Receivership account

#5778. Upon the Court's approval, this private placement will be transferred to the investors and a distribution will be made to them.

C. Senefeld-Risinger Loan:

The outstanding loan made from this private placement remains due. No payments have been made by the borrowers since 2012. The Receiver will file a report with the Court detailing a plan of action to liquidate this private placement. However, the Receiver believes that a fee that was received by Pin Financial/PinCap should be used to make a payment to the investors.

D. StadiumRed:

The Receiver has been notified by the borrower that it is unable to pay its financial obligation to the investors this year. The Receiver requested additional financial information and documentation which Stadiumred has provided. The investors have been notified about this development, and were provided with copies of the information and documents received from Stadiumred in response to the Receiver's questions. The Receiver will be meeting with the investors to discuss options as to how to proceed.

E. True Blue Berry Management LLC 2015 Operating Loan:

As of June 30, 2016, there remained \$49,069.13 in the Receiver's account for unforeseen or miscellaneous expense relating to the management of the private placement. The mission of this private placement has been completed and needs to be administratively dissolved after the final distribution to the investors has been made. Tax

documents will need to be prepared for the investors as a result of the 2016 distributions.

F. True Blue Berry Management LLC 2014 Mid-Term Subordinated

Mezzanine Loan:

As referenced above, this private placement was transferred to the investors and a distribution has since been made to the investors. At the time of this report, there is no money remaining in the Receiver's account for this private placement. It is no longer a part of the Receivership, and from this point forward the operation and management of this Private Placement will be conducted by the investors.

G. Veros 702 North Holding LLC:

As referenced above, this private placement was transferred to the investors. The Receiver distributed a total of \$33,200.75 in the Veros 702 North Holding private placement and retained a fee of \$3,958.34 [[Filing No. 174](#)]. There is no money remaining in the Receiver's account for this private placement. It is no longer a part of the Receivership, and from this point forward the operation and management of this Private Placement will be conducted by the investors. The 2015 tax returns for this entity are near completion.

H. Veros JF Wild Holdings LLC:

Upon the Court's approval, this private placement will be transferred to the investors. The 2015 tax returns for this entity are near completion.

I. Veros Switch Holdings LLC:

As referenced above, this private placement was transferred to the investors. Consequently, it is no longer a part of the Receivership, and from this point forward the operation and management of this Private Placement will be conducted by the investors. There were no funds in the Receiver's bank account for this private placement and no funds had ever been collected or received by the Receiver for this private placement. The 2015 tax returns for this entity are near completion.

J. Yeager of Frisco LLC:

As referenced above, this private placement was transferred to the investors. Consequently, it is no longer a part of the Receivership, and from this point forward the operation and management of this Private Placement will be conducted by the investors. There were no funds in the Receiver's bank account for this private placement and no funds had ever been collected or received by the Receiver for this private placement.

K. Veros Craft Brew LLC, Veros Craft Brew II LLC and Veros Craft Brew III LLC:

As reported in the Receiver's Fourth Interim Report, Flat 12 Bierworks, has been struggling financially. The investors have notified the Receiver that the investors in each of the Craft Brew entities want these entities transferred from the Receivership to them. Upon the court's authorization, the Receiver will transfer the private placements to the investors.

14. In the Fourth Interim Report, the Receiver discussed the issues related to the review of the 2012, 2013 and 2014 farming operations and loans that comprise FarmGrowCap (FGC) and Veros Farm Loan Holding (VFLH), including what is being done to assess the investors' losses. Having reviewed that information, the Receiver and Blue & Co. met with the SEC counsel and its accountant in early June to review the procedure to be used to determine each investor's loss. After that meeting, the Receiver and Blue & Co. sought additional information to include in those calculations and collected and reviewed information that the SEC requested during that meeting. The Receiver and Blue & Co. will meet again with the SEC in early August to finalize the loss allocation component. It is the further intent of the Receiver to file with the court a plan determining what each Investor in the VFLH and FGC investments invested and any amounts received, and a proposal that equitably distributes to the Investors monies that the Receiver has recovered.

Review of Assets

15. As set forth in the Receiver's previous reports, the Receiver is responsible for marshalling and preserving all of the assets of the Receivership Defendants, and any Recoverable Assets of Pin Financial LLC, the Relief Defendant. The Receiver has reviewed the assets of each of the Receivership Defendants and the Relief Defendant. The following information has not changed from the Receiver's previous Reports.

16. No additional bank accounts have been located or seized since the last interim Report.

17. Pursuant to Paragraph 8(A) of the Agreed Order Appointing Receiver [[Filing No. 34, at ECF p. 4](#)], Receivership Property includes, but is not limited to, "...monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind,

which the Receivership Defendants own, possess, have a beneficial interest in, or control directly or indirectly...” The information in regard to this section in the previously filed quarterly report is the same and need not be repeated here.

Litigation

18. The Illinois Circuit Court lawsuit by FarmGrowCap LLC against RJW Williams Farms, *et al.*, is currently stayed by the Order of this Court. As previously reported, the Receiver, the Court approved the restructured Settlement Agreement and the parties have executed the Agreement. The Receiver is continuing to receive payments from FFBT on the \$750,052.07 and will deposit the \$306, 613.40 paid by Williams (which is currently being held in the Receiver’s trust account) into the Receiver’s FarmGrowCap account. The Receiver has instructed prior counsel of FarmGrowCap to file a dismissal of the Illinois lawsuit. The Receiver will fulfill FarmGrowCap’s obligations contained in the Settlement Agreement and enforce the Defendants’ obligations and responsibilities in the Settlement Agreement.

Discovery

19. Because there are limited cash assets in these entities and an ever-changing cash flow, the Receiver may conduct independent discovery and issue subpoenas, if necessary, on the Receiver’s potential claims and related to his tasks/obligations under the Receivership. To date, the parties have proposed and the Court has entered a case management plan which provides for the scope and timing of certain discovery. The Receiver continues to review the numerous documents and material received from the Defendants and Relief Defendant and once that has been completed with the assistance of Blue & Co., then the Receiver will know if there is any additional information needed to complete his review and analysis of the Receivership property and estates.

Communications with Investors

20. During the past three (3) months, the Receiver has corresponded via email with the investors in the various private placements, as set forth herein above. Copies of significant emails have been attached when referenced specifically herein. The Receiver and his staff, with the assistance of Blue & Co. if needed, have continued to respond and provide information to individual investors that have inquired about issues relating to their investments or concerns. The Receiver has not attached his email correspondence with the investors as it is voluminous and much of the information is duplicative. Further, some of the emails contain private financial information specific to that investor and his/her investments and therefore are not appropriate to attach to this public report.

Creditors

21. The Receiver is aware of the following potential creditors:
- A. James Hamstra, of Indianapolis, Indiana, who performed services as an Independent Contractor for PinCap, LLC. Mr. Hamstra's potential claim is approximately \$3,240;
 - B. Robert J. Mitchell, CPA, CFA, who performed services to Pin Financial as FINOP and Chief Compliance Officer, has a potential claim for services from April 2015 to date: \$30,149.67;
 - C. Attorney Roger W. Damgaard of Woods Fuller Sultz & Smith, PC. has a potential claim for pre-Receivership services related to the Pin Financial/Hardes bridge loan transaction, in the amount of \$15,403.96.
 - D. Jeremiah F. O'Connor, who performed a State of Indiana Audit that he completed on Pin Financial on June 3, 2015, has a potential claim for services in the amount of \$500.00

E. The Receiver has a list of investors and their addresses. The Receiver continues to work with the Accountants to determine which investors have claims and the amounts thereof.

In regard to the potential non-investment creditors, the Receiver is requesting supporting documents from those individuals listed above, and any additional non-investment creditors which may be identified, for the purpose of submitting to the Court a procedure to approve or disapprove such non-investor creditor claims.

Liquidation of Securities

22. The investments included in VFLH, FarmGrowCap, and the Private Offerings are not publicly traded entities and as such, have not been registered under the Securities Act of 1933, as Amended or any applicable state laws.

Conclusion

The Receiver will continue to investigate the assets of the Receivership Defendants and the Relief Defendant to determine the locations and value of various and/or additional assets and those which can be liquidated for the benefit of the estate. Further, the Receiver will continue to pursue collection and payment of monies due from debtors on the various farm loans. The Receiver will continue to review the materials provided by the investors and complete his review and analysis of the Private Offerings with the assistance of Blue & Co. as needed.

It is the Receiver's intent to transfer as many of the private placements to the individual investment groups as soon as possible. It is the further intent of the Receiver to file with the court a plan determining what each investor in the VFLH and FGC investments invested and any amounts received, and a proposal that equitably distributes to the Investors monies that the Receiver has recovered.

Dated: ___August 1 ____, 2016___

/s/ William E. Wendling, Jr.

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Respectfully submitted,

By /s/ Anne Hensley Poindexter

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Counsel for the Receiver

Certificate of Service

I hereby certify that on August 1, 2016, a copy of the foregoing Receiver's Fourth Interim Report 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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Receiver's Receipts and Disbursements

Exhibit "A"

RECEIVER'S RECEIPTS

Blue Crop Group acct #5976

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
6/28/2016	True Blue Midwest Farms	\$ 852,000.00	\$ 852,000.00	\$ 1,988,000.00
6/28/2016	True Blue Heritage Farms	\$ 210,000.00	\$ 210,000.00	\$ 490,000.00
	True Blue Berry Management LLC MainSource Bank account	\$ -	\$ -	\$ 36,184.13
	Midwest Blue Berry Farms Macatawa Bank account	\$ -	\$ -	\$ 14,610.34

FarmGrowCap acct #5968

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	FarmGrowCap MainSource Bank account	\$ -	\$ -	\$ 112,140.09
4/18/2016	RJ Williams Inc.-First Security Bk	\$ 286,500.00		
5/9/2016	RJ Williams Inc.-First Security Bk	\$ 89,500.00		
5/31/2016	RJ Williams Inc.-First Security Bk	\$ 50,000.00		
6/16/2016	RJ Williams Inc.-First Security Bk	\$ 30,000.00		
6/30/2016	RJ Williams Inc.-First Security Bk	\$ 23,250.00		
			\$ 479,250.00	\$ 1,977,293.03
	Crossroads Family Farms	\$ -	\$ -	\$ 1,718,958.38
	Harold Birch (Kirbach Farms)			\$ 371,384.41

HF Land GP acct #5927

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	HF Land GP MainSource Bank account	\$ -	\$ -	\$ 50,000.00
	HF Land GP	\$ -	\$ -	\$ 296,500.00

Jennings Design acct #5851

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Jennings Design MainSource Bank account	\$ -	\$ -	\$ 81,336.42
	Refund of account service fee	\$ -	\$ -	\$ 12.00
	First American Title	\$ -	-	\$ 1,381,703.25

PinCap LLC acct #5950

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	PinCap LLC MainSource Bank account	\$ -	\$ -	\$ 1,517.16
	Refund of account service fee	\$ -		\$ 72.00
5/13/2016	IL Dept of Employment Security - Employer Refund	\$ 96.06	\$ 96.06	\$ 96.06

Receiver's Receipts and Disbursements

Exhibit "A"

Rockdale Holdings acct #5778

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
5/13/2016	Rockdale LLC	\$ 30,867.93	\$ 30,867.93	\$ 92,500.09

Stadiumred acct #6073

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Stadiumred MainSource Bank account	\$ -	\$ -	\$ 7.53
	Refund of account service fee			\$ 96.00

True Blue Berry Midterm/Mezzanine acct #6016

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
5/27/2016	True Blue Berry Management	\$ 425,790.29	\$ 425,790.29	\$ 778,168.29
	True Blue Berry Mgmt MainSource Bank account	\$ -	\$ -	\$ 21.57

True Blue Berry Annual Op Loans acct #6040

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	True Blue Berry Mgmt Annual Operating Loans MainSource Bank account	\$ -	\$ -	\$ 2,692.54
	Refund of account service fee	\$ -	\$ -	\$ 24.00
	National Bank of Indianapolis account #5885	\$ -	\$ -	\$ 52.07
	True Blue Berry Management	\$ -	\$ -	\$ 3,033,990.99

True Blue Berry Management LLC acct #5885

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	True Blue Berry Management MainSource Bank account	\$ -	\$ -	\$ 67.07
	Refund of account service fee	\$ -	\$ -	\$ 48.00

Veros 702 N. Holding acct#5802

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Veros 702 N. Holding MainSource Bank account	\$ -	\$ -	\$ 631.00
	Refund of account service fee	\$ -	\$ -	\$ 12.00
	702 North LLC	\$ -	\$ -	\$ 33,082.17

Receiver's Receipts and Disbursements

Exhibit "A"

Pin Financial General Receiver acct #6057

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Land Title Guaranty	\$ -	\$ -	\$ 310,000.00
	Pin Financial CitiBank account	\$ -	\$ -	\$ 17,716.56

Receiver TD Sundry acct #6156

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Veros Partners TD AmeriTrade Sundry account	\$ -	\$ -	\$ 272,818.83

Private Placement General Receiver acct #6065

Date	Received From	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Clerk, US District Court - from sale of Veros Assets	\$ -	\$ -	\$ 150,017.37
5/27/2016	Veros Fee-702 North Holding	\$ 3,958.34	\$ 3,958.34	\$ 3,958.34
6/20/2016	Kyle Thompson-fees per employment separation agrmt	\$ 6,114.00	\$ 6,114.00	\$ 6,114.00
6/23/2016	Veros Fee - Yeager of Frisco	\$ 108,000.00	\$ 108,000.00	\$ 108,000.00
Total Receiver Receipts			\$ 1,998,004.28	\$ 13,211,753.35

Receiver's Receipts and Disbursements

Exhibit "A"

RECEIVER'S DISBURSEMENTS

Blue Crop Group acct #5976

Apr-June	Wire transfer fees	\$ (175.00)	\$ (175.00)	\$ (320.00)
6/27/2016	WOK Land Company	\$ (76,529.00)	\$ (76,529.00)	\$ (153,058.00)
6/27/2016	MBF Properties	\$ (422,738.00)	\$ (422,738.00)	\$ (845,476.00)
	Marcia Losco	\$ -	\$ -	\$ (30,000.00)
	Keilen Law	\$ -	\$ -	\$ (375.00)
	Bank fee - checks	\$ -	\$ -	\$ (19.00)
	Campbell Kyle Proffitt LLP	\$ -	\$ -	\$ (28,239.11)
6/29/2016	First Farmers Bank & Trust	\$ (250,000.00)	\$ (250,000.00)	\$ (575,000.00)
	Blue & Co.	\$ -	\$ -	\$ (2,812.32)
6/22/2016	Corporation Service Company	\$ (630.66)		
6/29/2016	Corporation Service Company	\$ (375.00)	\$ (1,005.66)	\$ (1,005.66)

FarmGrowCap acct #5968

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
Apr-June	Wire transfer fees	\$ (90.00)	\$ (90.00)	\$ (315.00)
	Internal Revenue Service	\$ -	\$ -	\$ (390.00)
	Jeffrey Risinger	\$ -	\$ -	\$ (58.18)
	Bank fee - checks	\$ -	\$ -	\$ (19.00)
	Arnold Gallagher	\$ -	\$ -	\$ (1,764.00)
	Campbell Kyle Proffitt LLP	\$ -	\$ -	\$ (372,826.76)
4/4/2016	Shawn Gustafson	\$ (1,725.00)		\$ -
5/10/2016	Shawn Gustafson	\$ (3,262.50)		
6/16/2016	Shawn Gustafson	\$ (975.00)	\$ (5,962.50)	\$ (7,987.50)
	Transferred to Trust Acct	\$ -	\$ -	\$ (306,613.40)
	Duncan & Brown-Appraisal fee	\$ -	\$ -	\$ (900.00)
6/29/2016	Blue & Co.	\$ (34,631.26)	\$ (34,631.26)	\$ (65,594.26)
5/10/2016	Hutchinson Cox Coors Orr & Sherlock PC - advanced costs for Boyer bank records	\$ (500.00)		
6/29/2016	Hutchinson Cox Coors Orr & Sherlock PC	\$ (22,751.72)	\$ (23,251.72)	\$ (37,353.62)
4/7/2016	Corporation Service Company	\$ (427.00)	\$ (427.00)	\$ (427.00)
6/29/2016	Aliign	\$ (12,345.00)	\$ (12,345.00)	\$ (12,345.00)

HF Land GP acct #5927

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Wire transfer fee	\$ -	\$ -	\$ (30.00)
	Raymond James	\$ -	\$ -	\$ (50,000.00)
	Campbell Kyle Proffitt LLP	\$ -	\$ -	\$ (17,338.89)
	Bank fee - checks	\$ -	\$ -	\$ (34.50)
	Aliign	\$ -	\$ -	\$ (1,599.14)

Receiver's Receipts and Disbursements

Exhibit "A"

Jennings Design acct #5851

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Bank service fee	\$ -	\$ -	\$ (12.00)
	Wire transfer fee	\$ -	\$ -	\$ (60.00)
	Bobby Jennings/Jennings Design	\$ -	\$ -	\$ (226,321.41)
	Campbell Kyle Proffitt LLP	\$ -	\$ -	\$ (43,638.70)
	Check/Acc. Deluxe Check	\$ -	\$ -	\$ (68.25)
	Interim Distribution to Investors	\$ -	\$ -	\$ (1,181,585.94)

PinCap LLC acct #5950

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Wire transfer fees	\$ -	\$ -	\$ (15.00)
	Bank service fee	\$ -	\$ -	\$ (108.00)
	Illinois Department of Revenue	\$ -	\$ -	\$ (582.62)
	AccuPay, Inc.	\$ -	\$ -	\$ (43.30)

Rockdale Holdings acct #5778

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Campbell Kyle Proffitt LLP	\$ -	\$ -	\$ (1,190.10)
	Align	\$ -	\$ -	\$ (26.00)
5/10/2016	Indiana Dept of Revenue	\$ (141.00)		
6/9/2016	Indiana Dept of Revenue	\$ (14.22)	\$ (155.22)	\$ (155.22)

Stadiumred acct #6073

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Bank service fee	\$ -		\$ (96.00)

True Blue Berry Midterm/Mezzanine acct #6016

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Wire transfer fees	\$ -	\$ -	\$ (15.00)
6/7/2016	Bank fee - checks	\$ (34.50)	\$ (34.50)	\$ (53.50)
	Campbell Kyle Proffitt LLP	\$ -	\$ -	\$ (21,280.05)
	Align	\$ -	\$ -	\$ (1,230.00)
4/12/2016	TrueBlaze Advisors-tax prep	\$ (375.00)	\$ (375.00)	\$ (375.00)

True Blue Berry Annual Operating Loans acct #6040

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Bank service fee	\$ -	\$ -	\$ (48.00)
	Jeffrey Risinger	\$ -	\$ -	\$ (175.00)
	Wire transfer fee	\$ -	\$ -	\$ (15.00)
	Check/Acc. Deluxe Check	\$ -	\$ -	\$ (83.75)
	Interim Distribution to Investors	\$ -	\$ -	\$ (2,955,433.57)
	Campbell Kyle Proffitt LLP	\$ -	\$ -	\$ (29,648.33)
	Align	\$ -	\$ -	\$ (2,286.86)

Receiver's Receipts and Disbursements

Exhibit "A"

True Blue Berry Management LLC acct #5885

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Wire transfer fee	\$ -	\$ -	\$ (15.00)
	Bank service fee	\$ -	\$ -	\$ (48.00)
	National Bank of Indianapolis	\$ -	\$ -	\$ (52.07)

Veros 702 N. Holding acct #5802

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Wire transfer fee	\$ -	\$ -	\$ (15.00)
	Bank service fee	\$ -	\$ -	\$ (24.00)
	Campbell Kyle Proffitt LLP	\$ -		\$ (261.74)
	Blue & Co.	\$ -	\$ -	\$ (223.68)
(I) 5/12/2016	Interim Distribution to Investors	\$ (29,242.41)	\$ (29,242.41)	\$ (29,242.41)
5/27/2016	William E. Wendling, Jr., Receiver - Veros Fee	\$ (3,958.34)	\$ (3,958.34)	\$ (3,958.34)

Private Placement General Receiver acct #6057

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Wire transfer fee	\$ -	\$ -	\$ (50.00)
	MainSource Bank	\$ -	\$ -	\$ (77,531.37)
6/28/2016	Bank fee - checks	\$ (24.25)	\$ (24.25)	\$ (24.25)

Pin Financial General Receiver acct #6057

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Wire transfer fee	\$ -	\$ -	\$ (115.00)
	Tobin Senefeld	\$ -	\$ -	\$ (32,200.00)
	Shawn Gustafson	\$ -		\$ (7,125.00)

Receiver TD Sundry acct #6156

Date	Disbursed To	Transaction Amount	2nd Quarter 2016 Total	Duration Total
	Wire transfer fee	\$ -		\$ (660.00)
	Veros Partners	\$ -		\$ (144,000.00)
	MainSource Bank	\$ -	\$ -	\$ (85,500.00)

\$ (860,944.86) \$ (7,357,493.80)

Total Receiver Disbursements

(I) *To protect the individual investors, the Receiver is showing the total amount distributed rather than the names of the investors and their individual amounts paid.*