

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

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.

**RECEIVER’S MOTION FOR AUTHORITY TO TRANSFER PRIVATE
PLACEMENT, VEROS JF WILD HOLDINGS, LLC, TO INVESTOR MEMBERS**

William E. Wendling, Jr., the Receiver herein, by counsel, respectfully seeks the Court’s authority to transfer one of the Private Placements of the Receivership, Veros JF Wild Holdings, LLC, to its Investor Members (hereinafter “Investment Members”). 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 at Paragraph 38, provides that the Receiver “may, without further Order of this Court, transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business, on terms in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.” [[Filing No. 34, at ECF p. 15](#)]

4. 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](#)]

5. Further, the Receiver is charged with the responsibility to:

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](#)]

6. The Investment Members in Veros JF Wild Holdings, LLC recently approached the Receiver requesting that this Private Placement be released from the Receivership and from Veros Partners as administrative agent for the Private Placement. The Investment Members have submitted a proposal to dissolve and liquidate Veros JF Wild Holdings, LLC for the primary

purpose of acquiring a twenty percent (20%) ownership interest in JF Wild LLC, an Indiana limited liability company, whereby each Investment Member would become a member directly (pro rata in accordance with each investor's respective interest) of JF Wild LLC following such dissolution and liquidation. The Receiver has received and reviewed copies of the following fully executed documents related to this proposed transfer: 1) the Articles of Dissolution of Veros JF Wild Holdings, LLC, 2) the Amended and Restated Operating Agreement of JF Wild LLC, 3) the Assignment of Membership Interest, and 4) the Written Consent of the Members of Veros JF Wild Holdings, LLC to Action Without a Meeting. Attached hereto as [Exhibit A](#) is a copy of the Agreement and Release Regarding Management Fees.

7. The Investment Members obtained independent counsel and independent accountants to review and advise them as to their investments and their role in this proposed transaction regarding the legal and tax ramifications. The Investment Members have indicated they are relying upon the advice of their independent agents in making this proposal.

8. 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 that Private Placement. The Receiver and Blue & Co. complied with the Court's direction. Blue & Co. has completed its analysis of Veros JF Wild Holdings, LLC. Attached hereto and incorporated herein as [Exhibit B](#) is a copy of the correspondence from Blue & Co. indicating that based on the Blue & Co. procedures performed related to Veros JF Wild Holdings, LLC, no issues of concern were found or identified.

9. Accordingly, The Receiver believes that transferring the Private Placement assets to the Investment Members is appropriate and therefore requests the Court's authority to execute the Release in the form attached hereto as [Exhibit A](#).

10. Legal counsel for the Investment Members will take the lead in preparing the necessary documents to satisfy the legal requirements of the transfer upon the Court's approval of this Motion.

11. Upon the Court's approval of this Motion, and pursuant to the Agreement and Release (Exhibit A), the Company (JF Wild LLC) will pay accrued fees in the sum of \$32,458.27 to the Receiver within ten (10) days after the execution of the Agreement and Release Regarding Management Fees. Further, the Receiver certifies that there are no funds in the Receiver's Veros JF Wild bank account, that there have never been any funds in said account, and no payments have been made in that Private Placement since the Receiver took it over upon his appointment.

12. Counsel for the United States Securities and Exchange Commission, Counsel for the Defendants, and private counsel for Veros have reviewed this motion. Counsel for the United States Securities and Exchange Commission has no objection to the same. Counsel for Defendant Risinger takes no position on the motion. No response has been received from counsel for the remaining Defendants. Receiver notes that this Motion is the same as several others that have been filed and granted by the Court wherein the same Defendants have not previously objected.

WHEREFORE, the Receiver, by counsel, requests that this Court enter an order approving the transfer of the Private Placement assets to the Investor Members, authorizing the Receiver to execute all documents necessary to facilitate the transfer of this Private Placement, to

sign the Release in the form attached to this motion as Exhibit A, approving payment of \$32,458.27 to the Receiver by JF Wild LLC, and for all other proper relief.

Respectfully submitted,

By s/Anne Hensley Poindexter.
Anne Hensley Poindexter, #14051-29
Altman, Poindexter & Wyatt LLC
75 Executive Drive, Suite G
Carmel, IN 46032
Telephone: (317) 350-1000
Fax: (844) 840-3461
Email: apointexter@apwlawyer.com

Counsel for the Receiver

Certificate of Service

I hereby certify that on September 26, 2016, a copy of the foregoing ***Receiver's Motion For Authority to Transfer Private Placement, Veros JF Wild Holdings, LLC, to Investor Members*** 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.
Anne Hensley Poindexter, #14051-29
Altman, Poindexter & Wyatt LLC
75 Executive Drive, Suite G
Carmel, IN 46032
Telephone: (317) 350-1000
Fax: (844) 840-3461
Email: apointexter@apwlawyer.com

EXHIBIT A

AGREEMENT AND RELEASE REGARDING MANAGEMENT FEES

THIS AGREEMENT AND RELEASE REGARDING MANAGEMENT FEES (hereinafter this "Agreement") is made effective as of the 31st day of August, 2016 (the "Effective Date"), by and among Veros JF Wild Holdings, LLC, an Indiana limited liability company (the "Company"), the undersigned individual members of the Company (each, a "Member" and collectively, the "Members") and Veros Partners, Inc., an Indiana corporation (the "Manager") (the Company, the Members and the Manager are hereinafter referred to together as the "Parties" and each as a "Party"), and is consented to by William E. Wendling, Jr., as receiver of the Manager.

RECITALS

A. The Manager serves as the manager of the Company pursuant to the Operating Agreement of the Company dated as of October 20, 2014 (the "Operating Agreement").

B. The Parties have agreed that the Manager will cease to serve as the manager of the Company as of the Effective Date, and desire to provide for the payment of any and all fees and compensation accrued and payable to the Manager under the Operating Agreement as of the Effective Date, and to provide mutual releases against one another with respect to any claims for fees or compensation under the Operating Agreement arising from or related to the Manager's performance of its duties or obligations as manager of the Company.

AGREEMENT

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Cessation of Manager Duties. The Parties agree that the Manager shall cease to serve as the manager of the Company as of the Effective Date. As of the Effective Date, the Manager shall have no further duties, responsibilities or obligations to the Company or its members as manager of the Company pursuant to the Operating Agreement.
2. Compensation of Manager. The Parties agree that as of the Effective Date, the Manager is entitled to fees and compensation in its capacity as manager of the Company pursuant to the Operating Agreement in the amount of \$32,458.27 (the "Accrued Fees"). Within ten (10) days after the execution of this Agreement by the Parties, the Company shall pay or provide for the payment of the Accrued Fees to the Manager, in care of the court-appointed receiver for the Manager (the "Receiver"), pursuant to payment instructions provided to the Company by the Receiver. The Manager acknowledges and agrees that, upon receipt by the Receiver of payment in full of the Accrued Fees, the Manager has received all fees and compensation to which it is entitled or which is due and owing to it in its capacity as manager of the Company pursuant to the Operating Agreement, and that it is not entitled to receive,

nor shall it make any claim whatsoever in the future to receive, any further fees or compensation under the Operating Agreement.

3. Mutual Release. Each Party hereby forever releases, discharges, waives and relinquishes the other Parties hereto and William E. Wendling, Jr., as Receiver, from any and all claims, demands, obligations, costs, expenses, liabilities and causes of action of every kind and nature whatsoever, with respect to (i) any fees or compensation arising from or related to the Manager's performance of its duties or obligations as manager of the Company pursuant to the Operating Agreement and (ii) the Receiver's duties and obligations set forth in the Agreed Order Appointing Receiver in United States Securities and Exchange Commission v. Veros Partners, et al, under cause number 15-cv-659-JMS-MJD.
4. No Reliance. Each Party hereto represent as follows: (i) this Agreement is the complete agreement between them, and the only agreements, understandings, representations or promises relating to this Agreement are those expressly stated in this document; (ii) they are not relying upon any statements, understandings, representations, expectations, or agreements other than those expressly set forth in this Agreement; (iii) they have been represented and advised by counsel in connection with this Agreement, which they make voluntarily and of their own choice, and not under coercion or duress; (iv) they are relying upon their own knowledge and the advice of counsel; (v) they knowingly waive any claim that this Agreement was induced by any misrepresentation or nondisclosure which could have been or was discovered before signing this Agreement; and (vi) they knowingly waive any right to rescind or avoid this settlement based upon presently existing facts, known or unknown or any breach of this Agreement.
5. Further Assurances. The Parties agree to execute such additional documents, and perform such further acts, as may be reasonably necessary to effectuate the purpose of this Agreement.
6. Binding Upon Successors. This Agreement is binding upon each of the Parties, their successors, assigns, heirs and personal representatives, and this Agreement shall inure to the benefit of each of the Parties, their successors, assigns, heirs and personal representatives.
7. Choice of Law. This Termination shall be governed by and construed in accordance with the laws of the State of Indiana without regard to principles of conflicts of law.
8. Severability. If any provision, term, or portion of any provision or term of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining terms, provisions or portions of provisions and terms of this Agreement shall not be impaired thereby.

9. Counterparts. This Agreement may be executed in counterparts, and by each of the parties on separate counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one in the same instrument.
10. Authorization. Each Party represents and certifies that (i) such Party is fully empowered to execute and deliver this Agreement, and (ii) all necessary organizational action for the execution of this Agreement has been taken and done.

[Signature pages to follow.]

CPAs / ADVISORS



Blue & Co., LLC / 12800 N. Meridian Street, Suite 400 / Carmel, IN 46032
main 317.848.8920 fax 317.573.2458 email blue@blueandco.com

EXHIBIT B

September 1, 2016

Mr. William E. Wendling, Jr.
Cohen Garelick & Glazier, P.C.
8888 Keystone Crossing Blvd.
Suite 800
Indianapolis, Indiana 46240

Re: *Veros Partners, Inc. Receivership (Case No. 1:15-cv-659-JMS-MJD): Veros JF Wild Holdings, LLC*

Dear Mr. Wendling:

As set forth in the August 5, 2015 engagement letter between Blue & Co., LLC (“Blue”) and your former firm, Campbell Kyle Proffitt, LLP, and now subsequently Cohen Garelick & Glazier, P.C. (“Counsel” or “Receiver”), and as authorized by the United States District Court Southern District of Indiana Indianapolis Division (the “Court”), we have provided certain consulting and analysis in connection with the Veros Partners, Inc. and certain related entities/investments (“Veros”) matter referenced above as requested by the Receiver related to certain Veros private placements. The focus of this correspondence is related Veros JF Wild Holdings, LLC (“JF Wild” or “Private Placement”). The procedures performed in connection with this Private Placement did not constitute a formal review, or full-scale forensic investigation, and were limited to the following agreed upon procedures:

1. Obtaining an understanding of the Private Placement by analyzing certain documentation provided to Blue, by Counsel and Receiver;
2. Determining the amount raised by the Private Placement;
3. Identifying the corresponding investors of the Private Placement;
4. To the extent available, analyze the Private Placement monthly bank statements to identify any potential irregularities;
5. Performing any necessary bookkeeping services on behalf of the Private Placement, as performed by Aliign, LLC (“Aliign”), a related entity of Blue; and
6. To the extent identified by Blue or Aliign, note any extraordinary transactions (i.e., deposits, transfers, withdrawals, etc.) or irregularities that may necessitate additional procedures or further investigation, as part of the analysis performed with respect to the Private Placement.

September 1, 2016

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Veros JF Wild Holdings, LLC - \$1,350,000

Investment Overview:

- Overview of Private Placement:

Investors are providing equity to fund the renovation costs for The J.F. Wild Building which is a historic twelve-story limestone office building in the heart of downtown Indianapolis. It is located at 129 East Market Street – halfway between Monument Circle and the newly announced Market Square Tower, Whole Foods, and Cummins headquarters. The building contains approximately 53,000 RSF with approximately 4,300 RSF of that being first floor retail including drive through access, which makes it a desirable bank location. The adjacent parking lot is part of this acquisition and includes 42 parking spots in its current configuration. Given the historic nature and location of the J.F. Wild building, it is an ideal candidate for repositioning in the downtown office market. Open office space with high character is in demand and the small floor plates of this building encourage whole floor users. Loftus Robinson intends to refresh the exterior, modernize the mechanical systems, and provide an updated “white box” for efficient tenant build-outs.

The funds raised were to cover the amounts needed for budgeted real estate acquisition, renovation and other related expenses beyond the amount provided by the primary lending institution.

The placement was structured to provide its investors with a net return of 15.0% gross (13.0% net) annual cumulative preferred distributions plus 20% (17.3% net) of all distributions to equity owners as well as any net proceeds realized upon the sale of the building. Loftus Robinson believes it will have the opportunity to refinance and redeem the preferred equity over the life of this project. If that occurs, then once more than 50% of preferred equity is redeemed, the preferred equity group (Investor Group) is only entitled to 15% (13.0% net) of the equity owner distributions. Once all preferred equity is redeemed, the preferred equity group will still continue to receive 10% (8.7% net) of the equity owner distributions as long as Loftus Robinson is the owner of the building.

100% of cash distributed will be required to be paid to the Investor Group until all preferred cumulative distributions have been paid. Once all preferred distributions are fully paid then equity distributions can be made in which the Investor Group would be required to receive 20% of the equity distributions. In a sale event, any net proceeds from the sale would first be applied to the 15% annual cumulative preferred distribution owed to the Investor Group, then would be distributed pro-rata to the ownership group (80/20 split).

Loftus Robinson LLC will not be compensated for performing its duties as manager. However, as compensation for pursuing and coordinating the Project, Loftus Robinson LLC will be paid a development fee equal to 5% of the total project cost or approximately \$368,000. Additionally, Loftus Robinson LLC will be compensated as property manager for the Project. Loftus Robinson Construction LLC, an affiliate of Loftus Robinson LLC, will be compensated for construction work at the Project.

Advisory/Management Fee: 2.0% per year payable only as distributions are paid to the Investor Group.

- Date of Private Placement Memorandum – October 2014
- Proceeds Raised - \$1,350,000

September 1, 2016

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As previously noted, the procedures and analyses set forth within this correspondence and as performed by Blue and Aliign, do not constitute a full-scale forensic review, or a fairness opinion with respect to the Private Placement. To the extent additional procedures had been performed, our findings may have been different. As set forth above, and limited to the agreed upon procedures outlined previously specific to this Private Placement, we have not noted any risks (beyond those included in the Private Placement's offering memorandum and related literature, as prepared by Veros and their representatives), irregularities, or concerns beyond those set forth in this correspondence with respect to JF Wild.

Regards,

Blue & Co., LLC

Blue & Co., LLC

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
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UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

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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.

**ORDER APPROVING RECEIVER’S MOTION TO TRANSFER PRIVATE
PLACEMENT VEROS JF WILD HOLDINGS, LLC TO INVESTMENT MEMBERS**

WHEREAS this matter has come before this Court upon the Receiver’s Motion to Transfer Private Placement, requesting approval of the transfer of Veros JF Wild Holdings, LLC Private Placement assets to the Investment Members, and authorizing the Receiver to sign all documents necessary to facilitate the transfer of Veros JF Wild Holdings, LLC Private Placement and to sign the Release in the form attached to Receiver’s motion as Exhibit A, and to receive \$32,458.27 in accrued fees from JF Wild LLC pursuant to said Agreement;

WHEREAS the Court finds that the Receiver has complied with his duties and obligations as set forth in the Agreed Order Appointing Receiver as to this Private Placement; and

WHEREAS, the Court finds that the Receiver's proposed transfer of the Veros JF Wild Holdings, LLC Private Placement assets to the Investment Members is reasonable; and

WHEREAS, the Court further finds that no funds having been received or moved through the Veros JF Wild Holdings, LLC Private Placement Receivership bank account, and pursuant to the Agreement and Release attached as Exhibit A to the Receiver's Motion, the Company, JF Wild LLC, shall pay accrued fees in the sum of \$32,458.27 to the Receiver within ten (10) days after the execution of the Agreement and Release;

IT IS THEREFORE ORDERED THAT:

The Receiver's Motion to Release Private Placement is hereby approved. The Receiver is authorized to execute all documents necessary to facilitate the transfer of this Private Placement assets and to sign the Release in the form attached to Receiver's motion as Exhibit A; and, the Company, JF Wild LLC shall pay accrued fees in the sum of \$32,458.27 to the Receiver within ten (10) days after the execution of the Agreement and Release.

Dated: _____

Honorable Jane Magnus-Stinson, Judge
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA

Distribution:

All ECF-registered counsel of record via email generated by the court's ECF system