

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 NOTICE TO COURT REGARDING COMPLETION OF PHASES  
II AND III, AND REQUEST FOR AUTHORITY TO MAKE THE INTERIM  
DISTRIBUTION TO INVESTORS OF VEROS FARM LOAN HOLDING LLC AND  
FARMGROWCAP LLC**

William E. Wendling, Jr., the Receiver herein, by counsel, respectfully notifies the Court that the Receiver has completed Phases II and III of the Distribution Plan for payment of an interim distribution to Investors of Veros Farm Loan Holding LLC and FarmGrowCap LLC, and requests authority to make the payments to the investors at this time. In support of this motion, the Receiver states:

1. On April 22, 2015, the Plaintiff, United 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 appointing William E. Wendling, Jr. to serve without bond as the Receiver over Veros Farm Loan Holdings LLC (“VFLH”), FarmGrowCap LLC (“FarmGrowCap”), PinCap LLC (“PinCap”), and all private offerings in which Defendant Veros Partners controls investor funds (“Private Offerings”) [[Filing No. 34](#)]

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

To manage, control, operate and maintain the Receivership Estates and hold in his possession, custody and control all Receivership Property, pending further Order of this Court;

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. On August 19, 2016, the Receiver filed his Motion for Authority to Make Interim Distributions to Investors of Veros Farm Loan Holding LLC and FarmGrowCap LLC (hereinafter “VFLH” and “FGC”) [[Filing No. 259](#)], which set forth the Receiver’s proposed interim distribution plan for payment of Three Million Dollars (\$3,000,000.00) to investors. The Court granted the motion [[Filing No. 269](#)], and the Receiver moved forward with the Plan by

providing preliminary information to investors.

5. Thereafter, a group of investors in one or more of VFLH, FGC, or other private placements (the “Interested Investors”) filed an Amended Motion to Stay and Objection to Interim Distribution Methodology, objecting to the Receiver’s distribution methodology and plan [[Filing No. 312](#)]. The Plaintiff and the Receiver responded to the Interested Investors’ Amended Motion, a hearing was held on February 8, 2017, and on February 16, 2017, the Court entered its ruling finding that the Receiver’s methodology was fair and equitable, “that paying each investor who is still owed principal their *pro rata* share of recovered funds is the simplest and fairest way to distribute those funds”, and denying the Interested Investors’ Amended Motion to Stay and Objection to Interim Distribution Methodology [[Filing No. 359](#)].

6. The Receiver notifies the Court that he has completed Phase II of the Distribution Plan by sending each investor a letter outlining the investor’s specific investments and payments received as set forth in the Phase I letter, detailing the specific Claw-back and Roll-forward reductions attributable to the investor (if any), setting forth the investor’s specific *pro rata* ownership interest in the remaining principal balance of the FGC (the 2014 Offering) totals, and applying that percentage to the proposed interim distribution of \$3,000,000.00. Further, the letter informs each investor that all future distributions shall be made utilizing the percentage of ownership. This letter was sent by Certified United States mail, and by email, to each and every investor in the 2014 FGC Offering on or about February 24, 2017. The letter requested each investor to respond within thirty (30) days to state whether the investor has any objections to the calculation or the amount of the proposed distribution. Further, the letter stated that if the Receiver “has notice that an investor has received this letter, but does not respond to the Receiver within the required thirty (30) days, the investor’s contributions and receipts as set forth

herein above will be used by the Receiver for the purposes of making the interim distribution.”

7. The Receiver further notifies the Court that he received and answered questions from a few investors regarding the amounts set forth in their letters and has addressed and resolved an objection from one investor. No other objections were received. A total of sixty-five (65) letters were sent. Based on the Receiver’s statement in the Phase II letter that if no response is received from an investor, the Receiver will use the information in that letter for purposes of making the interim distribution, the Receiver is now fully prepared to make the interim distribution to the investors.

8. The Court’s Order entered September 12, 2016, authorizing the Receiver to make the interim distribution [[Filing No. 269](#)], also ordered the Receiver to file an accounting methodology and a schedule showing the proposed preliminary payments with the Court for approval. This was done through the filings made in response to the Interested Investors’ Amended Motion to Stay and Objection to Interim Distribution Methodology and as discussed at the hearing on the Interested Investors amended Motion and objection. Specifically, the Amended Declaration of Jarit Loughmiller [[Filing No. 321](#)] sets forth in detail the accounting methodology [[Filing No. 321, at ECF pp. 25-38](#)] and the schedule showing the proposed preliminary payments is attached thereto as Exhibit 5 [[Filing No. 321-5](#)]. Accordingly, the Receiver has now also completed Phase III of the Distribution Plan.

9. The Receiver specifically notes for the Court that the Receiver will make a separate filing as it relates to the issue of pursuing interest recovery from investors in the 2012 Offerings, the 2013 VFLH Offering, and/or the 2014 Bridge Loan that cannot be accomplished through accounting adjustments.

10. As set forth in paragraph 8 above, the Receiver has complied with the Court’s

order to file an accounting methodology and a schedule showing the proposed preliminary payments with the Court for approval. Inasmuch as there are no unresolved investor objections, the Receiver believes there is no reason for a hearing, and therefore requests authority to make the interim distribution to the Investors in the amounts set forth on Exhibit 5 to the Amended Declaration of Jarit Loughmiller [[Filing No. 321-5](#)].

11. Counsel for the Receiver has provided a copy of this motion to Counsel for the Securities and Exchange Commission and counsel for the Interested Investors on April 6<sup>th</sup> and Counsel for the Securities and Exchange Commission has indicated they do not object to this motion. No response has been received from Counsel for Interested Investors; however, the Receiver has been contacted by individual investors inquiring when distribution would be made. A copy of this Motion has also been posted on the Receiver's web page and sent to the investors in the 2013 VFLH and 2014 FGC offerings.

**WHEREFORE**, the Receiver, by counsel, respectfully notifies the Court that the Receiver has completed Phases II and III of the approved Plan to make interim distributions to Investors of Veros Farm Loan Holding LLC and FarmGrowCap LLC, and requests authority to make the payments to said investors as set forth on Exhibit 5 to Amended Declaration of Jarit Loughmiller, and 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 April 14, 2017, a copy of the foregoing ***Receiver's Notice to Court and Request for Authority to Make Interim Distribution*** 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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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

**ORDER AUTHORIZING RECEIVER TO MAKE INTERIM  
DISTRIBUTION TO INVESTORS OF VEROS FARM LOAN HOLDING LLC  
AND FARMGROWCAP LLC**

**WHEREAS** this matter has come before this Court upon the Receiver’s Notice to Court Regarding Completion of Phases II and II, and Request for Authority to Make Interim Distributions to Investors of Veros Farm Loan Holding LLC and FarmGrowCap LLC and,

**WHEREAS** the Court finds that the Receiver has completed Phases II and III of the approved Plan to make interim distributions to Investors of Veros Farm Loan Holding LLC and FarmGrowCap LLC and

**WHEREAS,** the Court finds that the Receiver has filed an accounting methodology and schedule showing the proposed interim payments to said Investors,

**IT IS THEREFORE ORDERED THAT:** The Receiver's Request for Authority to Make the Interim Distributions to Investors of Veros Farm Loan Holdings LLC and FarmGrowCap LLC is hereby approved and the Receiver shall make the payments to said Investors as set forth on Exhibit 5 to the Amended Declaration of Jarit Loughmiller [[Filing No. 321-5](#)].

Dated: \_\_\_\_\_

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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