

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.

**MOTION FOR AUTHORITY TO INITIATE LITIGATION AGAINST PERSONAL
GUARANTORS OF RJW WILLIAMS SETTLEMENT**

William E. Wendling, Jr., the Receiver herein, by counsel, respectfully requests the Court’s authority to file a lawsuit against the personal guarantors of the RJW Williams Settlement, and in support thereof, state as follows:

1. On May 1, 2015, this Court entered its Agreed Order Appointing William E. Wendling, Jr., as the Receiver over FarmGrowCap, LLC (“FGC”) and other defendants herein [\[Filing No. 34\]](#).
2. On February 3, 2015 (before the Receiver was appointed), FGC, by and through its attorneys, filed a Complaint for Breach of Contract and Other Specified Relief in the

Circuit Court of the Sixth Judicial Circuit in Piatt County, Illinois against RJ Williams, Inc., James R. Williams, Robert Williams, First Farmers Bank & Trust, Gifford State Bank and Non-Record Claimants.

3. During the course of the Receivership, the Receiver concluded that it would best serve the interests of FGC's investors to settle the above referenced litigation, and the Receiver negotiated a settlement between FGC, RJW Williams Farms, Inc., James R. Williams, Robert Williams, and First Farmers Bank & Trust.
4. On February 17, 2016, the Receiver filed Receiver's Motion for Authority to Settle Illinois Litigation [[Filing No. 184](#)] and Receiver's Amended Motion for Authority to Settle Illinois Litigation [[Filing No. 185](#)].
5. On April 13, 2016, the Receiver filed Receiver's Second Motion for Authority to Settle Illinois Litigation [[Filing No. 195](#)].
6. This Court entered its Order Approving Receiver's Second Motion for Authority to Settle Illinois Litigation and to Pay Counsel and Lifting Stay [[Filing No. 202](#)] on May 3, 2016.
7. RJW Williams Farm, Inc., James R. Williams, Robert Williams, First Farmers Bank & Trust, and FarmGrowCap, LLC, entered into a Settlement Agreement on about June 1, 2017. An unsigned copy of the Settlement Agreement was attached as Exhibit A to Receiver's Second Motion for Authority to Settle Illinois Litigation [[Filing No. 195-1](#)].
8. Pursuant to the terms of the Settlement Agreement, RJW Williams Farms, Inc., James R. Williams, and Robert Williams are to pay payments of \$500,000.00 per year to FarmGrowCap, LLC, beginning December 31, 2016, until all amounts owing are fully paid.

9. Although Receiver previously sent a demand letter for payment, no response has been received and, as of the filing of this motion, RJW Williams Farms, Inc., James R. Williams, and Robert Williams are in default pursuant to the terms of the Settlement Promissory Note incorporated by reference into the Settlement Agreement [[Filing No. 195-1](#)].
10. Receiver has in prior filings raised the issue of initiating litigation against RJW Williams Farms, Inc. and the personal guarantors [[Filing No. 354, at ECF p. 6](#)] and [[Filing No. 378, at ECF pp. 5-6](#)]. After full consideration, Receiver has determined litigation for the purposes of collecting the entire principal and interest owing under the Settlement Agreement and Settlement Promissory Note is necessary in order to determine whether it is in the best interests of the FarmGrowCap, LLC investors to continue collection efforts.
11. RJW Williams Farms, Inc., filed bankruptcy on November 10, 2016. However, to the best of the Receiver's knowledge, the personal guarantors have not filed bankruptcy.
12. Pursuant to the Settlement Promissory Note, "[t]he parties agree that venue for any action brought on this Settlement Agreement shall be in the Federal District Court for the Southern District of Indiana (and Borrower hereby agrees to submit to the jurisdiction of such Court)".
13. On September 14, 2016, this Court entered its Order Authorizing Receiver to Employ Bankruptcy Counsel [[Filing No. 275](#)].
14. The Receiver wishes to instruct David R. Krebs of the law firm Hester Banker Krebs LLC, to commence litigation against the personal guarantors of RJW Williams, Farm., Inc. and estimates that it will cost approximately \$5,000.00 to initiate litigation.

WHEREFORE, William E. Wendling, Jr., Receiver, by counsel, respectfully requests the Court to enter an order that:

- a. The Receiver is authorized to initiate litigation against the personal guarantors for RJW Williams Farm, Inc., for the purposes of collecting the entire principal and interests owing under the Settlement Agreement utilizing the services of David R. Krebs as counsel.
- b. For such other and further relief as this Court may deem just and proper.

Respectfully submitted,

By /s/ Anne Hensley Poindexter

Anne Hensley Poindexter, #14051-29

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Counsel for the Receiver

Certificate of Service

I hereby certify that on May 18, 2017, a copy of the foregoing ***Motion for Authority to Initiate Litigation Against Personal Guarantors of RJW Williams Settlement*** 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

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