

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. SENEFFELD,
FARMGROWCAP LLC,
PINCAP LLC, and

Defendants,

PIN FINANCIAL LLC,

Relief Defendant.

DECLARATION OF WILLIAM E. WENDLING, JR., RECEIVER

1. I, William E. Wendling, Jr., am the court appointed Receiver over Veros Farm Loan Holdings LLC, FarmGrowCap LLC, Pin Cap LLC, and all private offerings in which Defendant Veros Partners controls investor funds.
2. I am over eighteen (18) years of age and competent to testify in all matters set forth herein.
3. I was appointed to serve as Receiver on May 1, 2015.
4. Prior to my appointment, Tobin Senefeld (hereinafter "Senefeld"), one of the Defendants herein, was working with a farming operation in South Dakota (hereinafter referred to as "Harges") to obtain funding for the entity. He was providing the services through his

company, Pin Financial LLC (hereinafter "Pin Financial"). Pin Financial was trying to find a commercial lender that would provide Hardes with a multimillion dollar loan.

5. Senefeld was successful in finding a lender and the underwriting of the loan was almost complete when I was appointed Receiver over Pin Cap which owns 100% of Pin Financial. However, there were a few issues or requests for additional information that the Lender required before the loan closing could be scheduled. Such requests were presented to the Receivership and the information was provided. Mr. Senefeld cooperated and provided the Receivership with all information requested regarding the Hardes transaction.
6. On June 9th, 2015, a few weeks before the scheduled closing of the loan, the Receivership was notified by counsel for Hardes that Mr. Hardes should not have to pay any commission to Pin Financial because Hardes did not believe Pin Financial was instrumental in acquiring the loan from the lender. To the best of my knowledge, it was only after learning that Senefeld was a named Defendant in an SEC Complaint that Hardes disputed paying the commission owed to Pin Financial. Nothing in the Pin Financial files, relating to the Hardes loan, suggested that Mr. Senefeld was not performing as required.
7. Specifically, after mentioning the SEC's complaint regarding Mr. Senefeld, Hardes' counsel stated that Senefeld did very little work to accomplish securing a loan for Hardes and stated that Hardes did not intend to pay any of the contractual fees to Pin Financial. The Receivership disputed that position.
8. From that point forward, I was significantly involved in presenting information and argument to Mr. Hardes' attorney as to why his client was wrong and that Hardes was

contractually responsible for paying a commission to Pin Financial. In addition, the Receivership was preparing to file a lawsuit in South Dakota to enforce the provisions of Pin Financials' contractual rights. Furthermore, the Receiver learned that the lender had sent correspondence to Mr. Hardes stating that he should not pay the contractual fee to Pin Financial from the loan proceeds because the lender did not think Mr. Senefeld provided the services set forth in the Hardes contract.

9. I communicated with Senefeld and requested he provide the Receivership with a number of documents and a timeline of his activities so that the Receivership could respond with specifics to the Hardes allegations. Senefeld did so and I forwarded the same to counsel for Hardes to support the contention that Pin Financial had earned its commission. Furthermore, the Receivership put the lender on notice that it considered its letter to Hardes a tortious interference of a contract and the Receivership was prepared to take legal action to enforce its rights.
10. I continued to be in contact with both counsel for Hardes and counsel for the lender to secure payment of the commission to Pin Financial.
11. Ultimately, resolution was reached between Pin Financial and Hardes and based on a number of legal factors set forth in *Receiver's Urgent Motion for Authority to Renegotiate Contractual Obligation* [Filing No. 80] the fee owed to Pin Financial was renegotiated from seven percent (7%) to four percent (4%).
12. Senefeld, Counsel for the United States Securities and Exchange Commission or counsel for Defendants did not object to the renegotiated commission.
13. As a result, the closing took place and Pin Financial received \$310,000.00 as commission which was transferred into an account controlled by the Receiver and became a part of

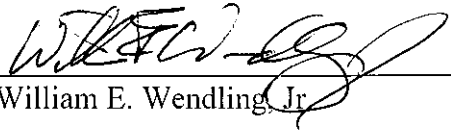
the receivership estate. Mr. Senefeld requested and the court approved two (2) payments totaling \$31,000.00 in recognition of his help in securing the Hardes loan commission payment. No party, including the Receiver, opposed Senefeld's requests. The remaining funds have been used to pay FarmGrowCap investors and Receivership administrative expenses.

14. In the motion filed by Senefeld [Filing No. 448], Senefeld states "Even the receiver acknowledged Senefeld's helpful role in receiving the funds, noting Senefeld 'did a really good job under very difficult circumstances'." However, to provide context, the email reads "Tobin, I really regret not getting more. You did a really good job under difficult circumstances. Hardes should be on his knees thanking (you) for getting him out of the huge financial hole he was in" [Filing No. 448 Ex. 3]. This accolade was in regard to the fact Senefeld was able to secure a loan in spite of Hardes' bleak financial condition, including bankruptcy problems.
15. While it is true Senefeld cooperated with the Receivership during the course of negotiations with Hardes, and that he provided all information and documents used by the Receivership to resolve the dispute, it is my belief and contention that without the authority given to the Receiver and Receivership by the court to negotiate with Hardes and Pin Financial LLC, the commission would not have been paid and Pin Financial would not have collected any fees from Hardes.

FURTHER DECLARANT SAYTH NOT.

I, William E. Wendling, Jr., do hereby declare under penalty of perjury, in accordance with 28 U.S.C. Sec 1746, that the foregoing is true and correct.

Dated: December 8, 2017



William E. Wendling, Jr.