

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

TOBIN J. SENEFELD, ET AL.,

Defendants,

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

SECOND DECLARATION OF CRAIG L. McSHANE REGARDING TOBIN

SENEFELD’S FINANCES

1. This declaration is filed to summarize my review of financial documents related to Tobin Senefeld (“Senefeld”), his wife, and three children. According to a document provided by Senefeld, as of January 7, 2017, the three children were 13, 18, and 20. This same document identifies each child as a dependent.
2. I, Craig L. McShane, am a Staff Accountant with the Enforcement Division of the United States Securities and Exchange Commission (“SEC”) in its Chicago Regional Office, located at 175 West Jackson Boulevard, Suite 1450, Chicago, Illinois 60604. I have been employed as a Staff Accountant by the SEC since October 2014. My official duties with the SEC include participating in fact-finding inquiries and investigations to determine whether the federal securities laws have been, are presently being, or are about to be violated, and assisting in the SEC’s litigation of enforcement actions.
3. I received a BA degree from the University of Chicago and an MBA degree from Saint Xavier University. Prior to joining the SEC, I spent 9 years in the financial industry.

4. On approximately February 24, 2015, I was asked to review bank account records and other materials relating to certain private investments that were offered to investors by Veros Partners Inc. (“Veros”) and other defendants. I was also asked to analyze and trace the flow of funds including investor funds, in accounts controlled by the defendants.
5. In order to complete this analysis, I reviewed:
 - a. Bank account statements, deposit slips, wire transfer confirmations, and electronic fund transfer (“EFT”) details for certain bank accounts controlled by the defendants;
 - b. Transcripts of testimony from Matthew Haab (“Haab”), Jeffery Risinger (“Risinger”), and Senefeld taken during the course of the SEC’s investigation in to this matter and testimony exhibits; and
 - c. Other documentary evidence obtained by the SEC during the course of its investigation in this matter.
6. As part of my duties, on March 25 through March 27, 2015, I also attended and participated in the investigative testimony of Haab, Risinger, and Senefeld taken during the course of the SEC’s investigation.
7. With respect to Senefeld’s financial information, I reviewed the account statements of several accounts controlled by Senefeld or his immediate family members including the following accounts:
 - (1) Account xxx7825, a checking account in the name of Tobin Senefeld held at BMO Harris bank for the time period of May 17, 2016 through January 18, 2017;
 - (2) Account xxx0560, a checking account in the name of Mary Senefeld (the Mary Senefeld checking account”), Senefeld’s wife, held at JP Morgan Chase bank (“Chase bank”) for the time period September 22, 2015 through December 20, 2016;

- (3) Account xxx9816, a savings account in the name of Mary Senefeld (“the Mary Senefeld savings account”), held at Chase bank for the time period January 28, 2016 through December 20, 2016;
- (4) Account xxx6830, a checking account in the name of Senefeld’s dependent daughter (“the first daughter’s account”) or Mary Senefeld at Chase bank for the time period September 26, 2015 through December 27, 2016;
- (5) Account xxx1382, a savings account in the name of Mary Senefeld¹ (“the second daughter’s account”) held at Chase bank for the time period of September 28, 2015 through December 21, 2016;
- (6) Account xxx3595, a checking account in the name of Senefeld’s dependent son (“Senefeld’s son’s account”) or Mary Senefeld held at Chase bank for the time period of September 23, 2015 through December 21, 2016;
- (7) Account xxx0520, a business checking account in the name of Feumach Air Airgead, Ltd. (“Feumach” or “the Feumach account”), held at Chase bank for the time period of September 3, 2015 through December 31, 2016;
- (8) Account xxx7709, a business checking account in the name of Field Notes (“Field Notes” or “the Field Notes account”), Ltd., held at Chase bank for the time period of October 2, 2015 through December 30, 2016.
- (9) Account xxx6501, a checking account in the name of Tobin Senefeld held at FCB Bank for the time period of October 11, 2016 through January 12, 2017.

¹ This account was identified in documents presented by Senefeld to the SEC as belonging to Senefeld’s other daughter.

8. In addition to these bank statements, I reviewed additional information provided by Senefeld including explanations of individual transactions, sworn financial statements, tax documents, and other supporting materials.
9. Feumach and Field Notes are businesses established by Senefeld and his wife. According to documents produced by Senefeld, the businesses are owned by his wife (49% ownership) and his three dependent children (17% ownership each). Incorporation documents were filed with the state of Indiana for Feumach and Field Notes on September 1, 2015 and September 23, 2015, respectively.
10. According to Senefeld, Feumach provides the following services: “merchant cash advance, credit card processing, point of sale solutions & small business consulting services. Feumach Air Airgead, Ltd. has multiple ISO Referral Agreements with Merchant Cash Advance Companies, Point of Sale Organizations and Credit Card Processing Companies. Company receives referral fees from its business partners and vendors for referring potential clients to these organizations for service.”
11. Senefeld wrote that his job responsibilities at Feumach are “develop lead list of potential business clients; maintain and manage potential client CRM system; meet with potential business clients; and originate Credit Card Processing and Merchant Cash Advance Opportunities, and Point of Sale Systems.”
12. According to Senefeld, Field Notes “provides Agricultural Business Consulting Services centered around Agriculture Production Grain and Live Stock, Agronomic Business Management & Precision AG Technology & Services.”

Transfers from the Feumach and Field Notes Accounts

13. For the time period of September 3, 2015 through December 31, 2016, the Feumach account received \$410,800.14 from income sources after known expenses and an additional \$40,000 in the form of a personal loan from Scott Yeager.
14. A total of \$359,472.89 was transferred to accounts in the name of Senefeld's wife and dependent children. The table below shows the amounts transferred to each account.

Name of Account Holder	Amount Transferred from Feumach
Mary Senefeld checking	\$230,324.54
Mary Senefeld savings	\$18,850
Senefeld's Son's account	\$37,069.45
Senefeld's First Daughter's account	\$37,039.45
Senefeld's Second Daughter's account	\$36,189.45
TOTAL	\$359,472.89

15. The Field Notes account received \$15,000 in income, \$5,055.21 in travel reimbursements, and \$1,700 in transfers from the second daughter's account.
16. A net of \$18,030 was transferred from the Field Notes account to the accounts of Senefeld's wife and three dependent children. A net of \$12,794 was transferred to the Mary Senefeld checking account. \$2,312 was transferred to the accounts of each of his three children. However, the second daughter's account transferred \$1,700 to the Field Notes account. Therefore, the second daughter's account was a net recipient of \$612.

Name of Account Holder	Net Amount Transferred from Field Notes
Mary Senefeld checking	\$12,794
Senefeld's Son's account	\$2,312
Senefeld's First Daughter's account	\$2,312
Senefeld's Second Daughter's account	\$612
TOTAL	\$18,030

Cash Flow from the Dependent Children's Accounts

17. In total, Senefeld's son's account received \$39,381.45 from the Feumach and Field Notes accounts between September 23, 2015 and December 21, 2016. Senefeld's son's account also received \$6,845.78 from the Mary Senefeld Checking account. In addition to these sources, Senefeld's son's account received additional cash of \$2,257.98 and had a beginning balance of \$12.38.
18. Senefeld's son's account transferred a total of \$40,284.22 to Mary Senefeld's accounts. \$36,034.22 was transferred to the Mary Senefeld checking account and \$4,250 was transferred to the Mary Senefeld savings account. After netting out the transfer into Senefeld's son's account from the Mary Senefeld checking account, a net total of \$33,438.44 was transferred from Senefeld's son's account to the Mary Senefeld checking and savings accounts.
19. In total, Senefeld's first daughter's account received \$39,351.45 from the Feumach and Field Notes accounts between September 26, 2015 and December 27, 2016. The account also received \$1,624.41 from the Mary Senefeld checking account. In addition,

Senefeld's first daughter's account received other deposits totaling \$2,567.15 and had a beginning balance of \$141.82.

20. Senefeld's first daughter's account transferred a total of \$34,598.03 to the Mary Senefeld checking account and an additional \$4,760 to Senefeld's second daughter's account.

After netting out the transfer from the Mary Senefeld checking account, Senefeld's first daughter's account transferred a net total of \$32,973.62 to the Mary Senefeld checking account.

21. Senefeld's second daughter's account received a net total of \$36,801.45 from the Feumach and Field Notes accounts between September 28, 2015 and December 21, 2016, which accounts for a transfer to the Field Notes account of \$1,700. This account also received \$4,760 from Senefeld's first daughter's account and \$943.55 from the Mary Senefeld checking account. The account had other sources totaling \$.09 and a beginning balance of \$5.00.

22. Senefeld's second daughter's account transferred \$41,646.39 to the Mary Senefeld checking account. After netting out the transfer from the Mary Senefeld checking account, a net total of \$40,702.84 was transferred to the Mary Senefeld checking account.

23. In total, 92.71% of the cash transferred from the Feumach and Field Notes accounts to the children's accounts was later transferred to the Mary Senefeld accounts. The table below shows the total cash received by the children's accounts and the amounts transferred to the Mary Senefeld accounts.

	Son's Account	First Daughter's Account	Second Daughter's Account	Total
Amount Transferred to Mary Senefeld Accounts	\$ 33,438.44	\$ 32,973.62	\$ 40,702.84 ²	\$ 107,114.90
Net Amount Received from Feumach and Field Notes	\$ 39,381.45	\$ 39,351.45	\$ 36,801.45	\$ 115,534.35
% Transferred to Mary Senefeld Accounts	84.91%	83.79%	110.60%	92.71%

Attached as Exhibit 1, is a consolidated source and use for the accounts held by Senefeld's children.

Activity in the Mary Senefeld Checking Account

24. Between September 22, 2015 through December 20, 2016, the Mary Senefeld account was used to pay a number of family expenses including the following:

Expense	Amount Paid
Credit Card Payments	\$216,758.45
Mortgage Payments	\$73,326.15
Insurance Payments	\$36,551.99
Utilities and Other Recurring Bills	\$33,070.99
Tax Payments	\$25,056.55
Private School Tuition Payments	\$19,032.35
TOTAL	\$403,796.48

² The amount transferred to the Mary Senefeld accounts exceeds the amount received from Feumach and Field Notes, because the second daughter's account received \$4,700 from the first daughter's account.

25. The Mary Senefeld checking account was also used to pay \$5,000 to Barnes and Thornburg, LLP in payment for legal services related to Tobin Senefeld's defense in this SEC matter³.

26. In addition to these expenditures, the Mary Senefeld checking account either directly paid for or paid credit card bills⁴ incurred for the following purchases:

Date	Purchase Description	Amount	Payment Method
3/8/2016	Spring Break Vacation to Copper Mountain	\$ 2,087.17	Southwest Credit Card
3/22/2016	Lollapalooza tickets	\$ 1,034.72	Southwest Credit Card
5/4/2016	Bicycle purchase for Tobin's stolen bike	\$ 1,979.50	Southwest Credit Card
5/4/2016	Purchase of new dog	\$ 1,780.00	Mary Senefeld Checking Account
6/2/2016	Canoe Purchase	\$ 1,142.76	Southwest Credit Card
6/15/2016	Western River, summer vacation 2016	\$ 1,386.80	Southwest Credit Card
7/23/2016	Thrifty Car Rental, summer vacation 2016	\$ 1,394.22	Southwest Credit Card
8/3/2016	Apple computer purchase for son	\$ 1,198.43	Southwest Credit Card
8/4/2016	payment for Jeep for first daughter	\$ 6,900.00	Mary Senefeld Checking Account
	TOTAL	\$ 18,903.60	

Activity in the Accounts in the Name of Tobin Senefeld

27. Two accounts solely in the name of Tobin Senefeld were reviewed. The accounts reflect credit card payments totaling \$34,000 for the time period of May 17, 2016 through January 18, 2017.

I, Craig L. McShane, do hereby declare under penalty of perjury, in accordance with 28 U.S.C § 1746, that the foregoing is true and correct. Executed on the 16th day of January, 2018.



 Craig L. McShane

³ According to Senefeld, another \$6,000 was paid to Barnes and Thornburg, LLP for services related to this case using credit cards.

⁴ The Tobin Senefeld BMO account also paid \$34,000 towards credit card balances with the first payment occurring on October 14, 2016.

EXHIBIT 1

Exhibit 1				
Consolidated Source and Use for the Accounts of Senefeld's Three Children				
For the Time Period of 9/23/2015 through 12/27/2016				
Sources		Sub-Totals	Totals	% of Total
Transfers from Affiliated Accounts			\$ 115,534.35	95.86%
	Feumach (xxx0520)	\$ 110,298.35		
	Field Notes (xxx7709)	\$ 6,936.00		
	Less Transfers to Field Notes	\$ (1,700.00)		
Other Potential Income Sources			\$ 2,286.89	1.90%
	Payroll Services	\$ 2,286.89		
Unidentified Deposits			\$ 2,056.70	1.71%
Unclassified Sources			\$ 481.63	0.40%
Beginning Balance			\$ 159.20	0.13%
Total Sources			\$ 120,518.77	100%
Uses				
Transfers to Affiliated Accounts			\$ 107,114.90	88.88%
	Mary Senefeld Checking (0560)	\$ 112,278.64		
	Less Transfers from Mary Senefeld Checking (0560)	\$ (9,413.74)		
	Mary Senefeld Savings (9816)	\$ 4,250.00		
Transactions Under Cutoff Review			\$ 9,189.34	7.62%
Cash Withdrawals			\$ 3,068.92	2.55%
Ending Balance			\$ 1,145.61	0.95%
Total Uses			\$ 120,518.77	100%
Diff			\$ -	0%