

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 TO HIRE SPECIAL OREGON COUNSEL FOR THE
RECEIVER AND TO PAY INVOICE FOR SERVICES PERFORMED**

William E. Wendling, Jr., the Receiver appointed in this case, by counsel, respectfully requests the Court for authority to employ Thomas M. Orr and Patrick L. Stevens of the law firm of Hutchinson, Cox, Coons, Orr & Sherlock, P.C. (shareholders) in Eugene, Oregon, as special counsel for the Receiver in regard to the FarmGrowCap, LLC (“FarmGrowCap”) Oregon loans. In support of this motion, the Receiver States:

1. Pursuant to the Agreed Order Appointing Receiver entered May 1, 2015 [[Filing No. 34](#)], William E. Wendling, Jr. was appointed to serve without bond as the Receiver for the

estates of the Receivership Defendants with the powers and duties and additional responsibilities as set forth therein.

2. Among the powers and duties of the Receiver are:

To take custody, control and possession of all Receivership Property and records relevant thereto from the Receivership Defendants; to sue for and collect, recover, receive and take into possession from third parties all Receivership Property and records relevant thereto...

To engage and employ persons in his direction to assist him in carrying out his duties and responsibilities hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers...

To bring such legal actions based on law or equity in any states, federal, or foreign court as the Receiver deems necessary or appropriate in discharging his duties as Receiver;

To pursue, resist and defend all suits actions, claims and demands which may now be pending or which may be brought by or asserted against the Receivership Estates; and,

To take such other action as may be approved by this Court.

Agreed Order Appointing Receiver [Filing No. 34, at ECF pp. 4-5]

3. In 2013-14, Investors invested money into FarmGrowCap LLC. (hereinafter "FarmGrowCap"). FarmGrowCap utilized that money to make loans to certain farming operations, one of which is located in the State of Oregon. The Oregon operation is delinquent in its payments, and there are issues regarding the collectability on certain collateral and in regard to the UCC filings.

4. The Receiver originally spoke with Bradley S. Copeland (shareholder) of the law firm of Arnold Gallagher, P.C. in Eugene, Oregon, and the Receiver travelled to Oregon to meet with the head of the farming operations there, his attorney and Mr. Copeland to discuss the outstanding loans and delinquencies, and to review the collateral. Mr. Copeland performed

limited, but important work for the Receiver, and the Receiver was prepared to request authority to hire Mr. Copeland as his special counsel when Mr. Copeland found that he had a conflict of interest. Mr. Copeland performed limited but important work for the Receiver prior to the finding of the conflict of interest and the Receiver believes that he should be compensated. Mr. Copeland performed limited work for FarmGrowCap in the past and specifically in regard to this loan to Joseph Boyer. Therefore Mr. Copeland had knowledge and experience regarding the loan and the debtor. Because Mr. Boyer was threatening to file bankruptcy and it was essential to meet with Mr. Boyer and to review the situation in person, time was of the essence in the Receiver's trip to Oregon. Accordingly, Mr. Copeland's knowledge of the history of FarmGrowCap and its loan to Mr. Boyer was extremely beneficial to the Receiver in this matter prior to and during his trip to Oregon to review the situation, and the Receiver believes Mr. Copeland should be paid for his time and services to the Receiver. Attached hereto as [Exhibit A](#) is the invoice for the services and expenses of Bradley S. Copeland in the amount of \$1,764.00 from Arnold Gallagher, PC, and the Receiver respectfully requests authority to pay the same.

5. Upon the recommendation of Bradley S. Copeland, the Receiver then researched and interviewed Thomas M. Orr of the law firm of Hutchinson, Cox, Coons, Orr & Sherlock, P.C. Accordingly, the Receiver requests the Court's authority to employ Thomas M. Orr and Patrick L. Stevens of the law firm of Hutchinson, Cox, Coons, Orr & Sherlock, P.C., in Eugene, Oregon as special counsel for the Receiver in regard to the loan and negotiations with the debtor and in the event litigation may be necessary to collect from the debtor on said loan.

6. Mr. Orr and Mr. Stevens are experienced litigators able to appropriately assist the Receiver herein. Mr. Orr has extensive knowledge in creditor's rights issues, and substantial experience in business law transactions, real and personal property foreclosures, real property

transactions, secured transactions and commercial transactions. Mr. Stevens's practice focuses primarily on business, real estate, construction and bankruptcy matters. Both Mr. Orr and Mr. Stevens are experienced in state and federal courts throughout Oregon. Mr. Orr's affidavit is attached hereto as [Exhibit B](#).

7. The Receiver believes that employing Thomas M. Orr and Patrick L. Stevens of the law firm of Hutchinson, Cox, Coons, Orr & Sherlock, P.C., is in the best interest of the receivership estate because they have the experience and resources to efficiently and effectively represent the Receiver and the Receivership Estate regarding the FarmGrowCap loans in the State of Oregon.

8. Mr. Orr and Mr. Stevens will provide legal representation in this case at the hourly rates set forth in [Exhibit C](#). The Receiver seeks Court approval to pay those amounts on a tentative basis pending final approval as set forth in the Agreed Order Appointing Receiver [[Filing No. 34, at ECF pp. 21-22](#)].

9. Counsel for the United States Securities and Exchange Commission and counsel for the Defendants are aware of this motion and have informed the Receiver that there is no objection to the same. Counsel for MainSource Bank and private counsel for Veros Partners, Attorney Paganelli, have not been previously contacted regarding this motion due to the limited scope of their engagement in this cause.

WHEREFORE, the Receiver, by counsel, requests that this Court enter an order authorizing him to pay the invoice from Attorney Bradley S. Copeland in the amount of \$1,764.00 for his preliminary services regarding this matter and to employ Thomas M. Orr and Patrick L. Stevens of the law firm of Hutchinson, Cox, Coons, Orr & Sherlock, P.C., as special counsel for the Receiver to represent the Receiver and the Receivership Estate regarding the

FarmGrowCap loans in the State of Oregon and to compensate them consistent with the hourly rates set forth in [Exhibit C](#).

Respectfully submitted,

By s/Anne Hensley Poindexter.

Anne Hensley Poindexter, #14051-29
Rodney T. Sarkovics, #19547-49
CAMPBELL KYLE PROFFITT LLP
One Penn Mark
11595 N. Meridian St., Suite 701
Carmel, IN 46032
Telephone: (317) 846-6514
Fax: (317) 843-8097
Email: apoindexter@ckplaw.com
E-mail: rsarkovics@ckplaw.com

Counsel for the Receiver

Certificate of Service

I hereby certify that on July 28, 2015, a copy of the foregoing Receiver's Motion to Hire Special Oregon Counsel for the Receiver was filed electronically. Notice of this filing will be sent to the following parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

Robert M. Moye, MoyeR@sec.gov
Nicholas J. Eichenseer, EichenseerN@sec.gov
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Kathryn A. Pyzaska, PyzaskaK@sec.gov

J. Richard Kiefer, jkiefer@bgdlegal.com
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Jeffrey B. Bailey, jbbailey@boselaw.com
Ronald E. Elberger, relberger@boselaw.com

Jeanine R. Kerridge, Jeanine.kerridge@btlaw.com

Fred Anthony Paganelli, tony@tonypaganelli.com

Joshua William Casselman, jcasselman@rubin_levin.net
R. Brock Jordan, brock@rubin-levin.net

s/Anne Hensley Poindexter _____
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ARNOLD GALLAGHER
ATTORNEYS AT LAW
A PROFESSIONAL CORPORATION

EXHIBIT A

Tax ID **REDACTED**
E-Mail: billing@arnoldgallagher.com

Farmgrowcap LLC
c/o William Wendling, Receiver
Campbell Kyle Proffitt, LLP
11595 North Meridian Street, Suite 701
Carmel, IN 46032

Bill Date: July 24, 2015
Billed Through: July 20, 2015
Invoice Number: 180940
Client Number: 19048 00001
Billing Timekeeper: BSC
Amount Paid:

Detach top portion and return with payment

Arnold Gallagher P.C.

Farmgrowcap LLC - 19048 - 00001 - 180940

Invoice Summary

Total fees incurred on this invoice	\$1,764.00	
Net current charges		\$1,764.00
BALANCE DUE		\$1,764.00

****Payments received after Bill Date may not be reflected in Balance Due****

Invoice Detail

Boyer

PROFESSIONAL SERVICES

- 06|22|2015 Telephone conference with receiver Bill Wendling (0.2).
- 06|23|2015 Telephone conference with receiver Wendling (0.2); Review correspondence from Receiver Wendling (0.1).
- 06|26|2015 Correspondence to Receiver Wendling (0.2).
- 06|30|2015 Review and respond to correspondence from Receiver Wendling's assistant (0.1).
- 07|01|2015 Preparation for meeting with William Wendling (0.9); Meeting with William Wendling (0.6); Meeting with William Wendling, Joe Boyer and Loren Scott (1.8); Telephone conference with William Wendling regarding inspection of real and personal property (0.1); Review information received from Loren Scott (0.2).
- 07|02|2015 Reconcile information provided by Boyer and attorney Scott at meeting (0.5).
- 07|06|2015 Review correspondence from Loren Scott (0.1).
- 07|09|2015 Collection of materials for delivery to new attorneys (0.3); Meeting with new attorneys and telephone conference with Receiver (1.0).

Total Professional Services: 1,764.00

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v.)
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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.)
_____)

EXHIBIT B

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

AFFIDAVIT OF THOMAS M. ORR ON BEHALF OF THOMAS M. ORR,
PATRICK L. STEVENS, AND HUTCHINSON COX TO BE EMPLOYED AS
COUNSEL FOR RECEIVER

Thomas M. Orr, being duly sworn upon his oath, deposes and says:

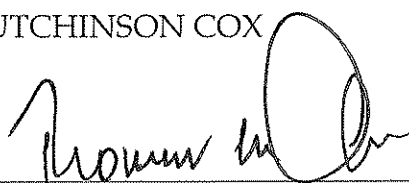
1. I am an adult, have personal knowledge of each of the facts set forth herein and am competent to testify at any trial or hearing concerning this Affidavit.
2. I am a shareholder with the law firm of Hutchinson Cox.
3. I have reviewed the complaint filed in this cause by the United States Securities and Exchange Commission and in light of this proposed engagement as special counsel to the Trustee, make the following disclosures and statements:

- a. Our firm has never represented any of the entities or individual Defendants named in this Receivership action in any capacity.
- b. Neither I, nor any shareholder or associate of my firm, insofar as I have been able to ascertain, represents any interest adverse to that of the Receivership Estates.

FURTHER YOUR AFFIANT SAITH NAUGHT

Respectfully submitted,

HUTCHINSON COX

By 

STATE OF OREGON)

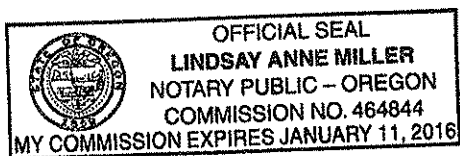
) SS:

ACKNOWLEDGEMENT

COUNTY OF LANE)

Before me, a Notary Public in and for said County and State, personally appeared Thomas M. Orr who acknowledged the execution of the foregoing document and who, having been duly sworn, stated that any representations therein contained are true.

Witness my hand and Notarial Seal this 21st day of July, 2015



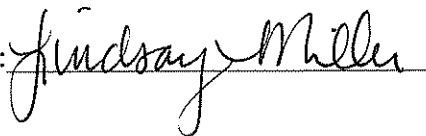
Signature: 

EXHIBIT C

<u>NAME</u>	<u>HOURLY RATE</u>
Thomas M. Orr, Shareholder	\$275
Patrick L. Stevens, Shareholder	\$275
Samuel Roberts, Associate	\$225
Megan Livermore, Associate	\$225
Legal assistants	\$85