



**FARMLAND PARTNERS, INC'S (FPI:NYSE)
100 MILLION PLUS UNDISCLOSED LIABILITY**

March 2019

Dear Reader:

Attached is a recent letter from Todd Dyer and Agri Business Investors LIMITED Partnership, Managing General Partner, Father Melvin E. Krumdick of Oak Park, Illinois to Gerald Forsythe of Barrington, Illinois. Forsythe is publicly traded Farmland Partners, Inc.'s single largest farmland contributor, having contributed more than 22,000 acres of Illinois farmland in a 2016 transaction worth 197 million dollars. Forsythe received 50 million in cash and 147 million in FPI stock and partnership interests in connection with this transaction.

In keeping with Dyer and Father Krumdick's longstanding position that publicly traded Farmland Partners, Inc. and its affiliated entities are successor entities to American Farmland Partners and Midwest Farmland Partners before it, Dyer and Father Krumdick, attempted, through this letter and its attached exhibits to arrange a side agreement with Forsythe on behalf of all previous American and Midwest Farmland Partner's investors, including Dyer and Father Krumdick (operating as Agri Business Investors LIMITED Partnership - ABILP), that would have made Forsythe, far and away, the single largest shareholder in FPI. By partnering with Dyer, Father Krumdick and other previous American and Midwest Farmland Partners investors, Forsythe, whose net worth is estimated to exceed 600 million dollars (see Indeck Tools, Indeck Racing and Indeck Energy)*¹ and has a reputation as an ethical businessman, could exercise control over the securities this group received as payment for the business concept, intellectual property and trade secrets developed under the original entity, Midwest Farmland Partners. Midwest's investors received securities in FPI predecessor, American Farmland Partners Corporation in a 2010 Founders Buyout Agreement for



the outright title and ownership of the business model, intellectual property and trade secrets on which publicly Farmland Partners now operates. Forsythe had made a previous offer to purchase these securities prior to finalizing his deal with FPI in 2015. Under such an arrangement, Forsythe would possess the authority to fix FPI's problems quietly, by force or finesse, as an alternative to public fight that would further damage FPI's tarnished reputation and cause further losses to the farmers who have contribute, to date, more than a billion dollars of farmland.

Farmland Partners, Inc. (FPI: NYSE) is the fastest growing farmland investment Fund on the planet, having acquired in excess of a billion dollars of U.S. farmland in five years of operations using a combination of its public and private securities and cash as an alternative to outright cash transactions that remove farmers completely.

Despite FPI's phenomenal growth, the company has not been without its issues. In addition to a slide in the Company's share price, a July 2018*² story which appeared on the investor blog, Seeking Alpha, accusing Farmland Partners' co-founder, Jesse Hough and others, including Chairman, Paul Pittman of being involved in a scheme to artificially elevate Company earnings and in turn the Company's stock price by making loans to farmer tenants who then round-a-bouted those loans back to the Company as phantom returns and/or rent enhancements. In conjunction with the release of the Seeking Alpha story, the same individuals, simultaneously "shorted" FPI's stock, in essence, betting that the Company's share price would experience a substantial decrease in value. When the Seeking Alpha story was released and, in fact, the stock fell sharply, the individuals who released the Seeking Alpha story made an estimated 60 million dollars from unsuspecting investor victims. According to Dyer and Father Krumdick, American Farmland Partners Chairman, Nicholas C. Hindman, Sr. and those he is associated with, are likely behind the FPI stock "short". Dyer and Father Krumdick also believe Hindman is secretly running FPI in direct violation of a 2014 Consent Order issued by the State of Illinois, Securities Department, in connection with a 2010 - 2014 investigation, case #1000325. Coincidentally, Hindman was released from federal prison in June 2018 after serving a 15 month prison term for his involvement in an alleged fraud scheme involving FPI predecessors American and Midwest Farmland Partners.

According to Dyer and Father Krumdick, the letter and attached exhibits dispel, once and for all, the denials of the US Attorneys Office in Wisconsin and Farmland Partners, through attorney Steven Kaufmann of Morris & Foerster LLP, that no connections exist between FPI, Todd Dyer and/or troubled start-ups American Farmland Partners or Midwest Farmland Partners before it.



If a connection does exist and, FPI is found to be a successor entity to American Farmland Partners and Midwest Farmland Partners before it, then publicly traded Farmland Partners, Inc. and its affiliated entities owe Dyer, Father Krumdick and previous American and Midwest Farmland Partners' investors excluded from the restructuring of the predecessor entities into publicly traded Farmland Partners, a 10% commission on every piece of farmland acquired by FPI (based on an earlier agreement with the FPI predecessors). See attached 2008 Web Procurement Contract.*³ Based on FPI's current land portfolio of one (1) plus billion dollars, a figure exceeding 100 million dollars. Additionally, FPI would have to recognize the five million-five hundred thousand (5.5 million) stock warrants issued by predecessor entity American Farmland Partners Corporation in the September 25, 2010 Founders Buyout Agreement which transferred the business concept, intellectual property and trade secrets from Midwest to American. Dyer and Father Krumdick allege that like Midwest before it, American went through a restructuring or concealed merged that moved the business concept, intellectual property, trade secrets and a select group of investors into FPI as part of the public entities formation transactions. According to the American Farmland Partners Corporation stock warrant agreement, those warrants are exercisable on any successor to American and are exercisable through September 25, 2020.

Dyer's correspondence with Forsythe began in the fall of 2015*¹ when Farmland Partners announce plans to acquire Forsythe's 22,000 acres of Illinois farmland for 197 million dollars. These interactions are documented in the court docket of the 15-CR-115 federal criminal case against Todd Dyer, Nicholas C. Hindman, Sr., Dyer's secretary, Tracy Lynn Bolton and Catholic priest Father Melvin E. Krumdick in the Eastern District of Wisconsin. All charges against Bolton and Father Krumdick were dropped in 2016. Dyer, the real target of these investigations received a 15 year sentence. The government alleged that Dyer created and controlled American and Midwest Farmland Partners and that these entities were pre-planned schemes to defraud. Dyer and Father Krumdick, by contrast, have always maintained that those they organized from finance and agriculture shortened the name of the entities, absconded with the business concept, intellectual property and trade secrets and took FPI public under the shortened name through Milwaukee based investment bank Robert W. Baird with whom co-defendant Hindman has had a thirty (30) year relationship without including all previous American and Midwest Farmland Partners investors. A plethora of aged evidence documents the fact that, at all times during the research, development and structuring of American and Midwest Farmland Partners, Hindman stated he would use Milwaukee based Baird to take these entities public through Baird's Milwaukee office. In fact,



Baird announced news of their forthcoming IPO*⁴, coincidentally, through the Milwaukee offices of Baird on March 24, 2014, just five (5) days after Hindman resolved a four year old State of Illinois, Securities Department investigation (case #1000325 on March 19, 2014)*⁵ in which Hindman consented to a number of innocuous allegations. As a result of that Consent Order, Hindman could no longer be an officer or director to any public company.

Why all the cloak and dagger behavior you ask? Farmland, as an investment, is unparalleled. Total returns on farmland have exceeded 10% for decades meaning, an investment in farmland doubles in value approximately every seven (7) years. Foreign governments, hedge funds, insurance companies, wealthy investors and others all seek to own farmland as an investment.

Despite all the farmland acquisitions by non-farmers over the last several decades, family farmers still own close to 90% of this countries arable land. That could all change in the decades ahead as farmers reach retirement age and beyond. The average farmer is over 60 years of age with over 40% of farmers being over the age of 75. Most farmers have three (3) children only one of whom has an interest in farming. Statistics show that, because of an emotional attachment to the land, those three (3) siblings are able to work through the financial and other challenges associated with owning and managing a family farm without selling. Statistics also show that, when the land is passed on to an ever increasing number uninterested heirs, the land is sold so that all heirs can exit. The financial loss to farm families, after being bought out and the resulting non-participation in the future income and appreciation of the farm over time is so significant, it is virtually unquantifiable. The Farmland Partners, Inc's (FPI: NYSE) business model offers some attraction to almost every American farm family facing liquidity, retirement and succession planning challenges. Using the FPI model, farmers avoid a costly capital gains tax and heirs inherit shares of the public company or partnership interests in Farmland Partners, affiliated, private limited partnership (which they can exchange for the public stock) instead of an illiquid farm. Heirs that want to sell their shares can sell. Heirs that wish to hang onto their shares as an investment can hang on to them or sell slowly over an extended period of time. Most importantly, the one or more heirs still interested in farming can rent the farm from FPI and earn a living growing crops. Part of the rent that the farmer pays comes back as he is a shareholder in the company, he still owns part of his farm and other farmers farms owned in other geographic locations. Because of a lack of other viable alternatives, FPI could end up owning much of America's heartland. Therein lies the danger, the US grows 40 % of the worlds' corn and contributes significantly toward global wheat and soybean production. More food will have to be grown in the next 50 years than has been grown in the last 10,000 years



combined. The health of the soil that ensures food security for 100's of millions of people could be put at risk by FPI's management who jeopardize the health of the soil by demanding excessively high rents from their farmer tenants in order to satisfy the earnings targets of Wall Street analysts. This issue was verified by the Seeking Alpha story. In an effort to remain competitive with other public companies and as a means of inflating its share price, FPI "padded" its real returns with the loans made to its tenants as alleged in the Seeking Alpha blog story. FPI will always be put under pressure from Wall Street's analysts maximize its returns which come almost exclusively from the rents of FPI's tenant farmers. Those farmer tenants will have to choose, in many cases, between making much needed fertilizer applications in order to maintain soil health and productivity and paying rent in order to remain profitable. The long term effects of this conflict will ultimately lead to soil degradation and, depending on FPI's scale, a risk to global food security.

Dyer and Father Krumdick are determined not to allow this to happen. In keeping with their original commitment to ensure that a farmland Fund that is the answer to a generation of farmers' liquidity, retirement and succession challenges, into which they contribute their multi-generational land, is controlled by the farmers themselves to ensure their interests are represented properly. In keeping with this goal, Dyer and Father Krumdick will be contributing the right to vote their shares, once recognized, to an Advisory Board of American farmers.

This longstanding position may be, in combination with greed, the motive behind the accusations leveled at Dyer, Father Krumdick others alleging American and Midwest Farmland Partners were fraud schemes.

We welcome your comments.

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and

M. Eugene Krumdick

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**Attachments:*

- *¹-Photo of Phone Call From Forsythe*
- *²-Press release about Farmland Partners stock manipulation scandal mentions Jesse Hough and Rota Fortuneta*
- *³-MFAC/MFMC Agreement showing 10% commission/Web Procurement Agreement*
- *⁴-Press release March 24, 2014 announcing Farmland Partners forthcoming IPO*
- *⁵-ILSOS Consent Order for Nicholas C. Hindman dated March 19, 2014 resolving Nick's issues*
- Letter to Gerald Forsythe with exhibits*