



North Dakota Public Service Commission
Memorandum of Adjustment

08/14/2008 10:00:44 AM

Page: 1

License No: 1068

Exam Date: 08/13/2008

Examiner: 1

Number of items on this report: 2

Larson Grain Company
PO Box 198
LaMoure, ND
County:

An examination of this warehouse and/or the commodities stored there disclosed the following conditions which must be corrected as soon as possible. These conditions may also be in violation of state laws or rules. The issuance of this form is a report of the conditions found at this examination and is not an election by the North Dakota Public Service Commission to be taken..

Examiner comments are shown in *italic* below each item.

No Book Adjustments Required

Item no: 1110

refer to: NDCC 60-02-01(2) & 60-02-19.1

Credit-Sale Contract means a written contract for the sale of grain pursuant to which the sale price is to be paid or may be paid more than 30 days after the delivery or release of the grain for sale and which contains: (1) the seller's name and address; (2) conditions of delivery; (3) the amount and kind of grain delivered; (4) the price per unit or basis of value; (5) the date payment is to be made; (6) the duration of the credit-sale contract; and (7) notice in a clear and prominent manner that the sale is not protected by the bond. The contract must be signed by both parties and executed in duplication with one copy retained by the warehouseman and one copy delivered to the seller.

Item no: 2000

refer to: See Examiner Comments Below

Nick during my exam I found that Larson Grain has started to use two payment contracts. The first payment is within 45 days of delivery however the second payment is greater than 45 days after delivery making the second payment a credit-sale contract. The contracts you are using now don't provide the proper language to work as credit-sale contracts. If you are going to continue to make two payment contracts with your growers you will need to change your purchase contract to make it meet the requirements set in law or issue a separate Deferred Payment Contract for the second payment when that payment exceeds 45 days.

Name of PSC Examiner

08/13/2008
Date

I acknowledge receipt of this form. I understand that the above conditions must be corrected as soon as possible. The corrective action must be mailed to the licensing division offices within 30 days of the date received. If all corrections are not completed in 30 days, I will report my progress and continue to submit reports at 15-day intervals until all corrections are completed.

Licensee's Signature
Plant Manager
Title

Nick Shuckman
By (please print)
8/14/08
Date

Please submit report to: Licensing Division
Public Service Commission
600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480

Phone: 701-328-4097
Fax: 701-328-2410
Email: srichter@nd.gov
www.psc.state.nd.us