



Public Service Commission
State of North Dakota

COMMISSIONERS

Susan E. Wefald, President
Kevin Cramer
Tony Clark

Executive Director
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WARNING LETTER
July 17, 2008

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
web: www.nd.gov/psc
e-mail: ndpsc@nd.gov
TTY 800-366-6888 or 711
Fax 701-328-2410
Phone 701-328-2400

Mr. Kenneth O. Aune
Noodles by Leonardo, Inc.
PO Box 860
Devils Lake, ND 58301

Dear Mr. Aune:

On June 25 and 26, 2008, Public Service Commission staff conducted an examination of grain warehouse records of Noodles by Leonardo, Inc. in the Cando and Devils Lake, North Dakota offices. Subsequent to the on-site examination, copies of additional records were provided by Shelly Anderson.

As a result of that examination, probable violations were discovered:

<u>Code</u>	<u>Comments</u>
NDCC § 60-02-11	Aged Payables Report dated 6/27/2008 indicates failure to convert scale tickets within 45 days of delivery of grain by Cando Farmers Grain & Oil Coop, Nelson Grain Co., and possibly Souris River Grain Coop.

The Commission is not considering a complaint at this time, but staff is notifying you of these probable violations and giving you an opportunity to take corrective action. Please note the attached Proposed Corrective Action.

If a complaint is filed and a violation is found, sanctions can be imposed as allowed by North Dakota Century Code §49-07-01.1, including suspension or revocation of your license, probationary status of your license, and/or a fine of up to \$5,000.

If you have any questions, please feel free to call Sue Richter at 701-328-4097.

Sincerely,

Sue Richter
Susan K. Richter, Director
Licensing Division

Attachments
cc: Leonard Gasparre

9 GE-07-475 Filed: 7/17/2008 Pages: 3
Warning Letter and Proposed Corrective Action

PROPOSED CORRECTIVE ACTION

North Dakota Public Service Commission staff proposes the following corrective action to assure compliance with North Dakota Century Code §60-02-11.

REGARDING PROBABLE VIOLATION OF NDCC 60-02-11:

By no later than August 19, 2008, Noodles by Leonardo, Inc. shall convert all scale tickets which have not currently been converted within 45 days after delivery of grain and shall forward documentation showing proof of conversion to the Public Service Commission.



North Dakota Public Service Commission
Memorandum of Adjustment

07/14/2008 01:13:38 PM

Page: 1

License No: 3388

Exam Date:07/14/2008

Examiner: 2

Number of items on this report: 1

Noodles by Leonardo, Inc.
RR 1 1301 5th Avenue South
Cando , 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: 1050

refer to: NDCC 60-02-11 & ND Admin Code 69-07-03-01

A uniform and consecutively numbered scale ticket must be issued for each load of grain received and must be converted into cash, noncredit-sale contracts, credit-sale contracts, or warehouse receipts within 45 days after the grain is delivered to the warehouse. The original scale ticket must be issued in consecutive order and must contain the name of the licensee, receiving location, name of the depositor, type of grain, per centum of dockage, test weight, gross weight, tare weight, and net weight. The scale ticket must be delivered to the person from whom the grain is received and a copy must be retained and remain as a permanent record.

Failure to convert scale tickets within 45 days of delivery per the law. A review of the grain payables report dated June 27, 2008, indicated that Cando Farmers Grain & Oil is owed \$174,581 for 5 scale tickets delivered in February and March 2008 and Nelson Grain is owed \$52,405 for 3 scale tickets delivered one in March, April, and early May. No evidence was provided indicating these payables have been converted into credit-sale contracts. The indicated circumstances will be presented to the Licensing Office staff for review and discussion.

Thank you,

2 [Signature]
Name of PSC Examiner

07/14/2008
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
Title

By (please print)
Date

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

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