

MEMORANDUM

TO: Commissioners Cramer, Clark, and Kalk
Darrell Nitschke
Illona A. Jeffcoat-Sacco
Pat Fahn

FR: Sue Richter, Licensing Division



DT: January 2, 2009

RE: Request for Alternative Bond Filing

On December 18, 2008, the Commission received a roving grain buyer license application from U.S. Commodities, LLC of Minneapolis, Minnesota. U.S. Commodities, LLC also submitted a written request asking that the Commission accept a letter of credit in lieu of a surety bond (attached).

When Michelle L. Kuehn, Accounting Manager for U.S. Commodities, LLC originally contacted me about roving grain buyer licensing, she asked if North Dakota accepts alternative bond filings. Ms. Kuehn said other states have allowed her firm to file Letters of Credit in place of surety bonds and would like to maintain consistency by filing a Letter of Credit in North Dakota.

I told Ms. Kuehn that historically the Commission has not accepted requests for alternative bond filings because of the uncertainties and risks associated with alternative bond instruments. North Dakota state law does not require that licensees file financial information with the Commission; therefore, the Commission relies on the surety companies to evaluate the financial soundness of licensees. I told Ms. Kuehn that if her company submits a written request, it would be presented to the Commission for their consideration.

This item will be added to the January 14, 2009, Admin. Agenda for discussion. Please let me know if you have any questions.

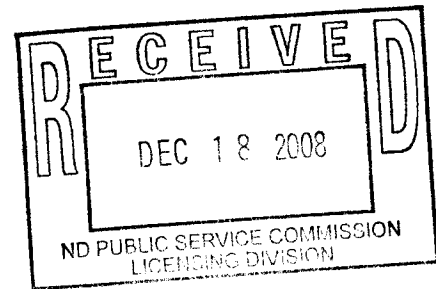
Thank you.

Attachment (1)



700 US Trust Building
730 Second Avenue South
Minneapolis, MN 5555402
p: 612.486.3827
f: 612.486.3927
www.uscommodities-aq.com

Date: 12/16/08
To: North Dakota Public Service Commission
From: Michelle Kuehn, Accounting Manager
RE: Roving Grain Buyer's License Bond requirement



To whom it may concern,

I have completed and attached all required documents and payment for a Roving Grain Buyer's License for US Commodities, LLC. I am requesting a review of your Grain Buyers Bond. In the states of Minnesota, Iowa, Wisconsin, and Nebraska we currently hold Letters of Credit in place of Bonds. In order to maintain consistency we are requesting that you approve a Letter of Credit for our firm in place of the bond requirement.

Please contact me directly if you have any questions. Thank you for your review and please let me know as soon as possible so I can expedite the processing of the attached application.

Sincerely,

Michelle L. Kuehn, Accounting Manager
mkuehn@agmotion.com
US Commodities, LLC
612-486-3827