

Public Service Commission

608 East Boulevard Avenue Dept. 408

Bismarck, ND 58505-0480

701-328-4097 – phone

701-328-2410 - fax

Memo

To: Yvonne, ND Insurance Department
From: Sue Richter, Director, Licensing Division
Date: 10/7/2009
Re: VeraSun Hankinson, LLC
Grain Warehouse
Insolvency
GE-09-104



Enclosed for service on the surety are duplicate photocopies of:

1. Application for Appointment as Trustee
2. Affidavit of Susan K. Richter
3. Brief in Support of Application for Appointment as Trustee
4. Notice of Application for Appointment as Trustee
5. Affidavit of Service by Certified Mail

Please serve Liberty Mutual Insurance Company and provide us with an admission of service. Enclosed is a check to cover the \$10.00 fee for service of process.

Thank you and if you have any questions, please call me at 8-4097.

4. On October 21, 2008 VeraSun Hankinson, LLC, as a subsidiary or affiliate of VeraSun Energy Corporation filed a Petition for Reorganization under Chapter 11 of the United States Bankruptcy Code for the District of Delaware (Bankruptcy Court). On November 3, 2008, the United States Bankruptcy Court entered an order directing the joint administration of the VeraSun Energy Corporation Chapter 11 Cases.
5. On March 12, 2009, the Commission received a letter from attorney John Bullis representing Keith Saunders, P.O. Box 275, Wahpeton, ND 58074-0275, and on August 4, 2009, the Commission received a letter from James Wirtz, 17275 95th St. SE, Fairmount, ND 58030, each setting forth a claim against VeraSun Hankinson, LLC for collection of outstanding funds owed. Copies of the letters and supporting documentation are attached as Exhibit A.
6. On June 24, 2009, the Commission issued an order canceling warehouse license number 1196 and ordered that VeraSun Hankinson, LLC shall not conduct any further business under license number 1196.
7. The Commission was informed and believes that there are outstanding obligations for any unpaid claims for grain sold to VeraSun Hankinson, LLC as a public warehouseman under North Dakota Century Code Chapter 60-02 for which bond protection is available under the provisions of North Dakota Century Code § 60-02-09 and for any credit-sale contracts for which protection is available from the credit-sale contract indemnity fund under North Dakota Century Code §§ 60-10-04 and 60-10-05.

8. VeraSun Hankinson, LLC is insolvent under North Dakota Century Code Chapter 60-04, in that it is unable upon proper demand to make payment for grain purchased or make redelivery for grain delivered.
9. On March 27, 2009, the Commission filed a Motion for Relief From Stay with Bankruptcy Court. The matter was scheduled for hearing on May 7, 2009, and thereafter it was continued to subsequent hearings.
10. On August 27, 2009, Liberty Mutual Insurance Company, the surety, filed an Objection of Liberty Mutual Insurance Company to Motion for Relief From Stay Filed by North Dakota Public Service Commission with Bankruptcy Court.
11. Prior to September 11, 2009, the Commission entered into a Stipulation and Agreed Order Modifying the Automatic Stay to Allow North Dakota Public Service Commission to Commence State Proceeding. On September 11, 2009, this Stipulation and Agreed Order Modifying Automatic Stay was filed with the Bankruptcy Court. A copy of the Stipulation and Agreed Order Modifying Automatic Stay is attached as Exhibit B.
12. On September 14, 2009, the United State Bankruptcy Judge signed the Stipulation and Agreed Order Modifying the Automatic Stay to Allow North Dakota Public Service Commission to Commence State Proceeding. A copy of this document is attached as Exhibit C.
13. The Stipulation and Agreed Order Modifying Automatic Stay provides that the automatic stay be lifted to the extent necessary for the Commission to commence these proceedings in state district court for appointment as trustee

and, once appointed, to publish notice, investigate potential claims, and prepare a draft Report and Recommendation of Trustee.

14. The Commission is legally entitled to be appointed trustee of the trust fund provided under North Dakota Century Code Chapter 60-04.

15. Bond proceeds may be needed to redeem outstanding receipts issued by VeraSun Hankinson, LLC. North Dakota Century Code § 60-04-03.3 provides:

The surety on the warehouseman's bond must be joined as a party to the insolvency proceeding upon a motion by the commission when the commission believes that proceeds from the warehouseman's bond may be needed to redeem outstanding receipts issued by the warehouseman. When it appears in the best interests of the receipt holders, the court may order the surety to deposit the penal sum of the bond, or so much thereof as may be deemed necessary, into the trustee's trust account pending a final determination of the surety's liability under the bond.

16. The Commission agreed in the stipulation that was filed with Bankruptcy Court that the Commission would only ask for relief from the automatic stay for the limited purpose of allowing the Commission to take such action as may be required to secure its appointment as trustee under Chapter 60-04 of the North Dakota Century Code, issue and publish a notice of appointment and notice to file claims, and enable the Commission to evaluate any claims filed as prescribed by applicable North Dakota law. The Commission also agreed that after evaluating claims filed, it would prepare a draft Report and Recommendation of Trustee and provide that draft to Liberty Mutual Insurance Company and VeraSun Energy Corporation.

17. Consistent with the terms to which the Commission agreed in the stipulation filed with Bankruptcy Court and the subsequent Bankruptcy Court Order, the Commission is not asking this Court to join the bonding company as a party to the insolvency proceeding at this time.

18. Proceeds from the credit-sale contract indemnity fund may be needed to meet the licensee's obligations to any holders of credit-sale contracts. North Dakota Century Code § 60-10-05 provides:

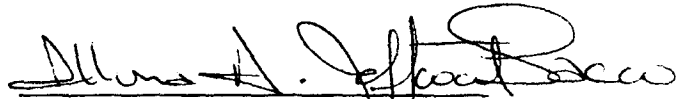
Upon the insolvency of a licensed public warehouse or grain buyer and a declaration that the Public Service Commission serve as the trustee, the Public Service Commission shall make the proceeds of the credit-sale contract indemnity fund available for use in meeting the licensee's obligations with respect to the reimbursement of any person who sold grain to the licensee under a credit-sale contract and who was not fully compensated in accordance with the contract.

WHEREFORE the Public Service Commission respectfully requests:

1. That the Court declare VeraSun Hankinson, LLC **INSOLVENT** within the meaning of North Dakota Century Code Chapter 60-04.
2. That the Court **APPOINT** the Public Service Commission as trustee of the trust fund under North Dakota Century Code § 60-04-03 for the limited purpose of allowing the Commission to take such action as may be required to secure its appointment as trustee under Chapter 60-04 of the North Dakota Century Code, issue and publish a notice of appointment and notice to file claims with the Commission, and enable the Commission to evaluate claims presented to it as

prescribed by applicable North Dakota law, and prepare a draft Report and Recommendation of Trustee.

Bismarck, North Dakota, this 5th day of October, 2009.

A handwritten signature in black ink, appearing to read "Ilona A. Jeffcoat-Sacco". The signature is written in a cursive style with a large, prominent loop at the end.

Ilona A. Jeffcoat-Sacco (ID#03315)
Annette Bendish (ID#05790)
Special Assistant Attorneys General
State Capitol – 12th Floor
600 E Boulevard Ave – Dept 408
Bismarck, North Dakota 58505-0480
701-328-2400

Attorneys for the Public Service Commission

Lies & Bullis
Attorneys at Law

Wahpeton Office:

610 Second Avenue North
P.O. Box 275
Wahpeton, ND 58074-0275
Telephone: (701) 642-8055
Fax: (701) 642-1449

Steven J. Lies
John Bullis
Erica L. Chisholm
Jenna E. Howell

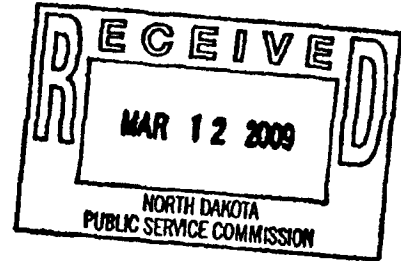
Hankinson Office:

327 Main Avenue South
P.O. Box 325
Hankinson, ND 58041-0325
Telephone: (701) 242-7522
Fax: (701) 242-7204

Please Reply to Wahpeton Office

March 11, 2009

North Dakota Public Service Commission
600 E Boulevard, Dept. 408
Bismarck, ND 58505-0480



RE: Keith Saunders - Claim on VeraSun Hankinson, LLC's Bond for Corn Delivered

Dear Public Service Commission:

I represent Keith Saunders of 9406 147th Avenue SE, Geneseo, North Dakota 58053. From July through October of 2008 my client, Mr. Saunders, delivered corn to VeraSun Hankinson, LLC. He was issued checks in payment for the delivered corn which total \$105,850.15 for the corn delivered. Before Mr. Saunders negotiated the checks; however, VeraSun filed for bankruptcy protection and payment on the checks was stopped.

The sales of corn by Mr. Saunders to VeraSun Hankinson, LLC consisted of five separate transactions. I am enclosing a copy of the check for each transaction along with a copy of the cash contract and associated assembly sheet.

My understanding is that VeraSun has a bond filed with the Public Service Commission. I further understand that the Commission will file a motion for stay in the bankruptcy proceeding, which is venued in Delaware as Case No. 08-12606 (BLS). A copy of the notice relating to the bankruptcy and which was directed to Mr. Saunders is enclosed.

Please let me know if there is any further information I can provide to the Commission in order to assist with respect to recovery by my client. We look forward to working with you on this matter and thank you for your time and assistance.

Sincerely,

John Bullis

JB/amf
Enclosures
cc: Mr. Keith Saunders

1 GE-09-104 Filed 03/12/2009 Pages: 31
Claimant - Keith Saunders
Keith Saunders
Lies & Bullis, John Bullis, Attorney

US BIO HANKINSON, LLC

6388

Vendor ID	Name	Payment Number	Check Date	Document Number	
1080	Keith Saunders	0000000000000208	7/8/2008	6388	
Our Voucher Number	Date	Amount	Amount Paid	Discount	Net Amount Paid
VHN4000040	7/8/2008	\$42,888.57	\$42,888.57	\$0.00	\$42,888.57

\$42,888.57 \$42,888.57 \$0.00 \$42,888.57

6388

US BIO HANKINSON, LLC

5500 CENEX DRIVE, MS 175
 INVER GROVE HEIGHTS, MN 55077
 (651) 554-5000

WELLS FARGO BANK, N.A.
 11-24-1210

7/8/2008 \$42,888.57

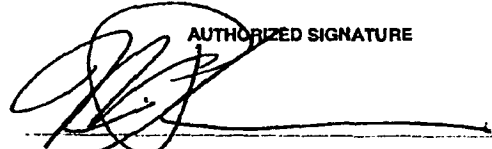
Forty Two Thousand Eight Hundred Eighty Eight Dollars and 57 Cents DATE AMOUNT

PAY
 TO THE
 ORDER
 OF

Keith Saunders & Dacotah Bank

9406 147th Ave. SE
 Geneseo ND 58053

AUTHORIZED SIGNATURE



⑈006388⑈ ⑆121000248⑆4121455703⑈



US Bio Hankinson

Cash Contract

CONFIRMATION OF PURCHASE

Contract No: 705011000004

Contract Date: 2/21/2007

Buyer: **US Bio Hankinson**
9230 County Road 1
Hankinson ND 58041

SAUKEI
Seller: **Saunders, Keith**
9406 147th Ave. SE
Geneseo ND 58053

QUANTITY:	10,000.00 BU	GRADE & COMMODITY:	U.S. #2 YELLOW CORN
BOARD PRICE:	\$0.0000	BOARD MONTH:	DO NOT USE JULY 2008
BASIS:	\$0.0000	DELIVERY PERIOD:	7/1/2008 TO: 7/31/2008
NET PRICE:	\$3.7200	FOB:	DELIVERED HANKINSON, ND

PAYMENT TERMS: Net 10

WEIGHTS TO GOVERN: DESTINATION

DISCOUNT SCALE:

GRADES TO GOVERN: DESTINATION

REMARKS: US BIO HANKINSON SCALE OF DISCOUNTS TO APPLY

Terms and Conditions

1. The retention of this contract without returning a signed copy or without immediately notifying seller of errors, herein, is acceptance of contract terms as stated by you.
2. This contract will be governed by the rules of the National Grain & Feed Association unless noted in the contract, and, to the extent not in conflict with the aforesaid rules, by the uniform commercial code.
3. **As the Seller:**
 - A. You agree that the commodities sold to seller shall be free and clear of all claims, liens, encumbrances and penalties. You represent that said commodity is now free and clear except as disclosed.
 - B. You agree that all commodities covered by this contract are not adulterated or miss-branded within the meaning of the Federal Food, Drug, and Cosmetic Act.
 - C. All excise or other tax hereafter levied which affects this contract, or any adjustments in freight rates prior to shipment will be for the sellers account.
4. **As the Buyer:**
 - A. You represent that you are not insolvent, as the Uniform Commercial Code defines that term. If your financial condition is found to be or becomes unsatisfactory to seller during the terms of this contract, seller shall have the right to withhold any shipments, you shall be responsible for any and all resulting costs, expenses, losses or damages incurred by the seller in the event you fail to make timely payment, and such action shall not release you from its obligation to accept and pay for such remaining product if and when shipped by seller.
 - B. A service charge of 1.5% per month, or the maximum rate permitted by law, if that is less, shall be added on past due accounts.
 - C. All excise or other tax hereafter levied which affects this contract, or any adjustments in freight rates prior to shipping here under will be at the expense of the buyer.
5. **Force Majeure:** In the event of war; insurrection; riot; fire; flood; or other unusual weather condition; explosion; Act of God; peril of the sea; strike; lockout or other industrial disturbance; sabotage; accident; embargo; breakage of machinery or apparatus; injunction; act of government authority; compliance with government order or national defense requirements; inability to obtain fuel, raw materials, labor, containers of transportation facilities or any other circumstance beyond the reasonable control of the parties; interferes with the production, shipment or consumption of product covered by this confirmation or with the supply of raw material used in connection there with the affected party may upon reasonable prompt notice to the other, suspend deliveries for the period during which such conditions prevail.

PLEASE SIGN DUPLICATE AND RETURN

US Bio Hankinson

ACCEPTED BY:

Keith Saunders

BY:

[Signature]

Date:

2-11-08

Date:

02/04/08



Cash Contract

CONFIRMATION OF PURCHASE

Contract No.: 705011000004

Contract Date: 2/21/2007

US Bio Hankinson Buyer: US Bio Hankinson

SAUKEI Seller: Saunders, Keith
9406 147th Ave. SE
Geneseo ND 58053

QUANTITY: 10,000.00 BU GRADE & COMMODITY: U.S. #2 YELLOW CORN
BOARD PRICE: \$0.0000 BOARD MONTH: July '08
BASIS: \$0.0000 DELIVERY PERIOD: 7/1/2008 TO: 7/31/2008
NET PRICE: \$3.7200 FOB: DELIVERED HANKINSON, ND

PAYMENT TERMS: Net 10 WEIGHTS TO GOVERN: DESTINATION
DISCOUNT SCALE: GRADES TO GOVERN: DESTINATION

REMARKS: US BIO HANKINSON SCALE OF DISCOUNTS TO APPLY

TERMS AND CONDITIONS

- 1. The retention of this contract without returning a signed copy or without immediately notifying seller of errors, herein, is acceptance of contract terms as stated by you.
2. This contract will be governed by the rules of the National Grain & Feed Association unless noted in the contract, and, to the extent not in conflict with the aforesaid rules, by the uniform commercial code.
3. As the Seller:
A. You agree that the commodities sold to seller shall be free and clear of all claims, liens, encumbrances and penalties. You represent that said commodity is now free and clear except as disclosed.
B. You agree that all commodities covered by this contract are not adulterated or miss-branded within the meaning of the Federal Food, Drug and Cosmetic Act.
C. All excise or other tax hereafter levied which affects this contract, or any adjustments in freight rates prior to shipment will be for the sellers account.
4. As the Buyer:
A. You represent that you are not insolvent, as the Uniform Commercial Code defines that term. If your financial condition is found to be or becomes unsatisfactory to seller during the terms of this contract, seller shall have the right to withhold any shipments, you shall be responsible for any and all resulting costs, expenses, losses or damages incurred by the seller in the event you fail to make timely payment, and such action shall not release you from its obligation to accept and pay for such remaining product if and when shipped by seller.
B. A service charge of 1.5% per month, or the maximum rate permitted by law, if that is less, shall be added on past due accounts.
C. All excise or other tax hereafter levied which affects this contract, or any adjustments in freight rates prior to shipping here under will be at the expense of the buyer.
5. Force Majeure: In the event of war: insurrection: riot: fire: flood: or other unusual weather condition: explosion: Act of God: peril of the sea: strike: lockout or other industrial disturbance: sabotage: accident: embargo: breakage of machinery or apparatus: injunction: act of government authority: compliance with government order or national defense requirements: inability to obtain fuel, raw materials, labor, containers of transportation facilities or any other circumstance beyond the reasonable control of the parties: interferes with the production, shipment or consumption of product covered by this confirmation or with the supply of raw material used in connection there with the affected party may upon reasonable prompt notice to the other, suspend deliveries for the period during which such conditions prevail.

PLEASE SIGN DUPLICATE AND RETURN

US Bio Hankinson

ACCEPTED BY: [Signature]
Date: 3-1-07

BY: [Signature]
Date: 2/21/07

Assembly Sheet

VHN3000300

6/13/2008

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Purchase Disposition

Verasun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

Saunders, Keith
9406 147th Ave. SE
Geneseo ND 58053

1080

Grain: CORN

Contract No.: VHN1000144

Ticket No.	Unit No. or Carrier	Bill of Lading	Ticket Date	% Share	Ticket Qty		Net Qty	Ave Price	Gross Amt	Discounts	Net Amount
VHN2000070	SO4732	SO4732	7/1/2008	100.00%	963.93		963.93	3.7200	\$3,585.82	\$0.00	\$3,585.82
Grades	M	TW	BCFM	DKT	HT	MUST		INF	COFO	SOUR	
Discount Shrink	14.00000	55.39000	0.76000	0.00000	0.00000	No		No	No	No	
Producer											
VHN2000071	SO4736	SO4736	7/1/2008	100.00%	956.79	(1.53)	955.26	3.7200	\$3,553.57	\$0.00	\$3,553.57
Grades	M	TW	BCFM	DKT	HT	MUST		INF	COFO	SOUR	
Discount Shrink	15.10000	56.64000	0.50000	0.00000	0.00000	No		No	No	No	
Discount Shrink	(1.53)										
Producer											
VHN2000072	SO4741	SO4741	7/1/2008	100.00%	976.43	(10.94)	965.49	3.7200	\$3,591.62	\$0.00	\$3,591.62
Grades	M	TW	BCFM	DKT	HT	MUST		INF	COFO	SOUR	
Discount Shrink	15.70000	55.62000	1.25000	0.00000	0.00000	No		No	No	No	
Discount Shrink	(10.94)										
Producer											
VHN2000073	SO4745	SO4745	7/1/2008	100.00%	976.79	(7.81)	968.98	3.7200	\$3,604.61	\$0.00	\$3,604.61
Grades	M	TW	BCFM	DKT	HT	MUST		INF	COFO	SOUR	
Discount Shrink	15.60000	56.16000	0.85000	0.00000	0.00000	No		No	No	No	
Discount Shrink	(7.81)										
Producer											
VHN2000075	SO4754	SO4754	7/1/2008	100.00%	980.36		980.36	3.7200	\$3,646.94	\$0.00	\$3,646.94
Grades	M	TW	BCFM	DKT	HT	MUST		INF	COFO	SOUR	
Discount Shrink	14.70000	56.51000	0.85000	0.00000	0.00000	No		No	No	No	
Producer											
VHN2000080	SO4760	SO4760	7/1/2008	100.00%	963.93		963.93	3.7200	\$3,585.82	\$0.00	\$3,585.82
Grades	M	TW	BCFM	DKT	HT	MUST		INF	COFO	SOUR	
Discount Shrink	14.70000	57.15000	0.74000	0.00000	0.00000	No		No	No	No	
Producer											
VHN2000084	SO4764	SO4764	7/1/2008	100.00%	922.14		922.14	3.7200	\$3,430.36	\$0.00	\$3,430.36
Grades	M	TW	BCFM	DKT	HT	MUST		INF	COFO	SOUR	
Discount Shrink	14.70000	57.25000	0.53000	0.00000	0.00000	No		No	No	No	
Producer											
VHN2000088	SO4770	SO4770	7/1/2008	100.00%	942.50		942.50	3.7200	\$3,506.10	\$0.00	\$3,506.10
Grades	M	TW	BCFM	DKT	HT	MUST		INF	COFO	SOUR	
Discount Shrink	15.00000	56.18000	0.50000	0.00000	0.00000	No		No	No	No	
Producer											

Assembly Sheet

VHN3000300

6/13/2008

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Purchase Disposition

Verasun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

Saunders, Keith
9406 147th Ave. SE
Geneseo ND 58053

1080

Grain: CORN

Contract No.: VHN1000144

VHN2000090	SO4777	SO4777	7/2/2008	100.00%	981.79	981.79	3.7200	\$3,652.26	\$0.00	\$3,652.26
Grades	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR	
	14.70000	58.16000	0.50000	0.00000	0.00000	No	No	No	No	
Discount										
Shrink										
Producer										
VHN2000091	SO4782	SO4782	7/2/2008	100.00%	925.36	925.36	3.7200	\$3,442.34	\$0.00	\$3,442.34
Grades	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR	
	15.00000	55.78000	1.60000	0.00000	0.00000	No	No	No	No	
Discount										
Shrink										
Producer										
VHN2000092	SO4788	SO4788	7/2/2008	76.01%	566.07	430.26	3.7200	\$1,600.57	\$0.00	\$1,600.57
Grades	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR	
	13.90000	55.58000	0.50000	0.00000	0.00000	No	No	No	No	
Discount										
Shrink										
Producer										

Total 10,020.28 (20.28) 10,000.00 \$37,200.01 \$0.00

Grades, Premiums and Discount Totals

Grd Factor	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR
Averages	14.86842	58.24963	0.79339						
Disc Amt									
Adj Qty	(20.28)								

Reference Original Contract # 705011000004

Total Net Amt \$37,200.01
Programs Amt (\$93.00)
Net Amt \$37,107.01

Assembly Status: Closed

Settlement:

Program Charges

Program ND CORN CHECKOFF
Percent 0.025%
Rate
Amount (\$93.00)

JS BIO HANKINSON, LLC

6923

Vendor ID	Name	Payment Number	Check Date	Document Number	
1080	Keith Saunders	0000000000001011	9/30/2008	006923	
Our Voucher Number	Date	Amount	Amount Paid	Discount	Net Amount Paid
VHN4000226	9/24/2008	\$5,119.78	\$5,119.78	\$0.00	\$5,119.78

\$5,119.78 \$5,119.78 \$0.00 \$5,119.78

0091400172

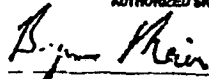
11/14/2008

0000000020130330

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

RETURN REASON (C)
STOP PAYMENT

1122000248 11/14/2008 0970208710

US BIO HANKINSON, LLC 2500 GENEX DRIVE, MS 127 RIVER GROVE HEIGHTS, MO 64077 (816) 888-2200		WELLS FARGO BANK, N.A. 11-24-1210	6923
PAY TO THE ORDER OF Keith Saunders & Decotah Bank 9408 147th Ave. SE Geneseo ND 58053		DATE 9/30/2008	AMOUNT \$5,119.78
FIVE THOUSAND ONE HUNDRED NINETEEN DOLLARS AND 78 CENTS			
AUTHORIZED SIGNATURE 			
@006923# 1122000248@4121455703#			

@006923# 1122000248@

4121455703# 0000511978#

Settlement Sheet
VHN4000226

9/24/2008

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1080
Saunders, Keith
9406 147th Ave. SE
Geneseo ND 58053

VeraSun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

Assembly #	Assembly Date	Gross Qty	Net Qty	Settle Qty	Gross Amt	Discounts	Program Chgs	Net Amt before checkoff
VHN3000771	9/25/2008	973.93	973.93	973.93	\$5,132.61	\$0.00	(\$12.83)	\$5,119.78

Program Charges	
Program	ND CORN CHECKOFF
Percent	0.25%
Rate	
Amount	(\$12.83)

Advances	\$5,132.61	\$0.00	(\$12.83)	\$5,119.78
Advance		Check Off:		\$0.00
Amount		Less: Advances		0.00
Settled				
		Net Check Amount		\$5,119.78

VeraSun Hankinson, LLC
 9230 County Road 1
 Hankinson ND 58041

Assembly Sheet

VHN3000771

9/25/2008

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Purchase Disposition

1080

Saunders, Keith
 9406 147th Ave. SE
 Geneseo ND 58053

Grain: CORN

Contract No.: VHN1400565

Ticket No.	Unit No. or Carrier	Bill of Lading	Ticket Date	% Share	Ticket Qty	Net Qty	Ave Price	Gross Amt	Discounts	Net Amount
VHN00005107	DRK BL TRK		9/24/2008	100.00%	973.93	973.93	5.2700	\$5,132.61	\$0.00	\$5,132.61
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
<i>Discount</i>	12.70000	57.10000	2.70000	0.30000	0.00000					
<i>Shrink</i>										
<i>Producer</i>										

Total 973.93 973.93 \$5,132.61 \$0.00

Grades, Premiums and Discount Totals

Grd Factor	M	TW	BCFM	DKT	HT	MUST	INF	SOUR
Averages	12.70000	57.10000	2.70000	0.30000				
Disc Amt								
Adj Qty								

[Empty Box]

Total Net Amt \$5,132.61
 Programs Amt (\$12.83)
 Net Amt \$5,119.78

Assembly Status: Closed Settlement:

Program Charges

Program ND CORN CHECKOFF
 Percent 0.025%
 Rate
 Amount (\$12.83)

US BIO HANKINSON, LLC

6539

Vendor ID	Name	Payment Number	Check Date	Document Number	
1080	Keith Saunders	0000000000000472	7/28/2008	006539	
Our Voucher Number	Date	Amount	Amount Paid	Discount	Net Amount Paid
VHN4000080	7/25/2008	\$15,106.02	\$15,106.02	\$0.00	\$15,106.02

\$15,106.02 \$15,106.02 \$0.00 \$15,106.02

0091400172
11/14/2008
000000020130310
This is a LEGAL COPY of your
check. You can use it the same
way you would use the original
check.

RETURN REASON (C)
STOP PAYMENT

11/14/2008
0970208706

US BIO HANKINSON, LLC 8600 CENEX DRIVE, MS 125 INVER GROVE HEIGHTS, IL 60177 (815) 251-1200		WELLS FARGO BANK, N.A. 11-24-1210	
PAY TO THE ORDER OF Keith Saunders & Dacotah Bank 9406 147th Ave. SE Geneseo ND 58053		DATE 7/28/2008	AMOUNT \$15,106.02
FIFTY FIVE THOUSAND ONE HUNDRED SIX DOLLARS AND 02 CENTS			
SIGNATURE			
006539 ⑆ 1 21000248⑆ 4 2 1455703⑆			

006539 ⑆ 1 21000248⑆

4 2 1455703⑆ *0001510602⑆

Settlement Sheet

VHN400080

7/25/2008

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1080
Saunders, Keith
 9406 147th Ave. SE
 Geneseo ND 58053

VeraSun Hankinson, LLC
 9230 County Road 1
 Hankinson ND 58041

Assembly #	Assembly Date	Gross Qty	Net Qty	Settle Qty	Gross Amt	Discounts	Program Chgs	Net Amt before checkoff
VHN3000523	7/28/2008	1,932.86	1,932.86	1,932.86	\$10,031.55	\$0.00	(\$25.08)	\$10,006.47

Program Charges	
Program	ND CORN CHECKOFF
Percent	0.25%
Rate	
Amount	(\$25.08)

VHN3000525	7/28/2008	977.50	977.50	977.50	\$5,112.33	\$0.00	(\$12.78)	\$5,099.55
------------	-----------	--------	--------	--------	------------	--------	-----------	------------

Program Charges	
Program	ND CORN CHECKOFF
Percent	0.25%
Rate	
Amount	(\$12.78)

Advances	\$15,143.88	\$0.00	(\$37.86)	\$15,106.02
Advance				
Amount				
Settled				
	Check Off:			\$0.00
	Less: Advances			0.00
	Net Check Amount			\$15,106.02

Assembly Sheet

VHN3000525

7/28/2008

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Purchase Disposition

VeraSun Hankinson, LLC
 9230 County Road 1
 Hankinson ND 58041

1080

Saunders, Keith
 9406 147th Ave. SE
 Geneseo ND 58053

Grain: CORN

Contract No.: VHN1400483

Ticket No.	Unit No. or Carrier	Bill of Lading	Ticket Date	% Share	Ticket Qty	Net Qty	Ave Price	Gross Amt	Discounts	Net Amount
VHN00002438	N/A		7/25/2008	100.00%	977.50	977.50	5.2300	\$5,112.33	\$0.00	\$5,112.33
Grades		M	TW	BCFM	DKT	HT	MUST			
<i>Discount Shrink</i>		13.60000	57.80000	1.70000	0.60000	0.00000				
Producer										

Total 977.50 977.50 \$5,112.33 \$0.00

Grades, Premiums and Discount Totals

Grd Factor	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR
Averages	13.60000	57.80000	1.70000	0.60000					
Disc Amt									
Adj Qty									

[Empty Box]

Total Net Amt \$5,112.33
 Programs Amt (\$12.78)
 Net Amt \$5,099.55

Assembly Status: Closed Settlement:

Program Charges

Program ND CORN CHECKOFF
 Percent 0.025%
 Rate
 Amount (\$12.78)

Assembly Sheet

VHN3000523

7/28/2008

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Purchase Disposition

VeraSun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

1080
Saunders, Keith
9406 147th Ave. SE
Geneseo ND 58053

Grain: CORN

Contract No.: VHN1400482

Ticket No.	Unit No. or Carrier	Bill of Lading	Ticket Date	% Share	Ticket Qty	Net Qty	Ave Price	Gross Amt	Discounts	Net Amount
VHN00002417	N/A		7/24/2008	100.00%	978.93	978.93	5.1900	\$5,080.65	\$0.00	\$5,080.65
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	14.00000	56.40000	2.30000	1.00000	0.00000					
<i>Discount Shrink</i>										
<i>Producer</i>										
VHN00002428	N/A		7/24/2008	100.00%	953.93	953.93	5.1900	\$4,950.90	\$0.00	\$4,950.90
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	14.10000	57.10000	1.20000	0.20000	0.00000					
<i>Discount Shrink</i>										
<i>Producer</i>										

Total 1,932.86 1,932.86 \$10,031.55 \$0.00

Grades, Premiums and Discount Totals

Grd Factor	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR
Averages	14.04935	56.74547	1.75711	0.60517					
Disc Amt									
Adj Qty									

Total Net Amt \$10,031.55
Programs Amt (\$25.08)
Net Amt \$10,006.47

Assembly Status: Closed Settlement:

Program Charges

Program ND CORN CHECKOFF
Percent 0.025%
Rate
Amount (\$25.08)

US BIO HANKINSON, LLC

6436

Vendor ID	Name	Payment Number	Check Date	Document Number	
1080	Keith Saunders	0000000000000272	7/15/2008	6436	
Our Voucher Number	Date	Amount	Amount Paid	Discount	Net Amount Paid
VHN4000052	7/15/2008	\$32,939.76	\$32,939.76	\$0.00	\$32,939.76

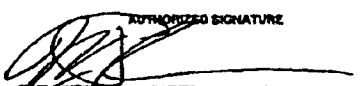
\$32,939.76 \$32,939.76 \$0.00 \$32,939.76

0091400172
11/14/2008
000000020130340

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

RETURN REASON (C)
STOP PAYMENT

0970208712
 11/14/2008
 0121000248

US BIO HANKINSON, LLC 8500 GENEX DRIVE, MS 123 INVER GROVE HEIGHTS, MN 55127 (612) 888-8800		WELLS FARGO BANK, N.A. 11-24-1210	
PAY TO THE ORDER OF Keith Saunders & Decotah Bank 9406 147th Ave. SE Geneseo ND 58053		7/15/2008	\$32,939.78
Thirty Two Thousand Nine Hundred Thirty Nine Dollars and 76 Cents		DATE	AMOUNT
AUTHORIZED SIGNATURE 			
⑆006436⑆ ⑆121000248⑆ ⑆4121455703⑆			

⑆006436⑆ ⑆121000248⑆

4121455703⑆ ⑆0003293976⑆



Cash Contract

CONFIRMATION OF PURCHASE

Contract No: 705011000192

Contract Date: 3/26/2008

Buyer: **US Bio Hankinson**
9230 County Road 1
Hankinson ND 58041

SAUKEI
Seller: **Saunders, Keith**
9406 147th Ave. SE
Geneseo ND 58053

QUANTITY:	5,000.00 bu	GRADE & COMMODITY:	U.S. #2 YELLOW CORN
BOARD PRICE:	\$0.0000	BOARD MONTH:	Corn - July 2008
BASIS:	\$0.0000	DELIVERY PERIOD:	7/1/2008 TO: 7/31/2008
NET PRICE:	\$5.4400	FOB:	DELIVERED HANKINSON, ND

PAYMENT TERMS: Net 10
DISCOUNT SCALE: STANDARD

WEIGHTS TO GOVERN: DESTINATION
GRADES TO GOVERN: DESTINATION

REMARKS: US BIO HANKINSON SCALE OF DISCOUNTS TO APPLY

Terms and Conditions

1. The retention of this contract without returning a signed copy or without immediately notifying seller of errors, herein, is acceptance of contract terms as stated by you.
2. This contract will be governed by the rules of the National Grain & Feed Association unless noted in the contract, and, to the extent not in conflict with the aforesaid rules, by the uniform commercial code.
3. As the Seller:
 - A. You agree that the commodities sold to seller shall be free and clear of all claims, liens, encumbrances and penalties. You represent that said commodity is now free and clear except as disclosed.
 - B. You agree that all commodities covered by this contract are not adulterated or miss-branded within the meaning of the Federal Food, Drug, and Cosmetic Act.
 - C. All excise or other tax hereafter levied which affects this contract, or any adjustments in freight rates prior to shipment will be for the sellers account.
4. As the Buyer:
 - A. You represent that you are not insolvent, as the Uniform Commercial Code defines that term. If your financial condition is found to be or becomes unsatisfactory to seller during the terms of this contract, seller shall have the right to withhold any shipments, you shall be responsible for any and all resulting costs, expenses, losses or damages incurred by the seller in the event you fail to make timely payment, and such action shall not release you from its obligation to accept and pay for such remaining product if and when shipped by seller.
 - B. A service charge of 1.5% per month, or the maximum rate permitted by law, if that is less, shall be added on past due accounts.
 - C. All excise or other tax hereafter levied which affects this contract, or any adjustments in freight rates prior to shipping here under will be at the expense of the buyer.
5. Force Majeure: In the event of war: insurrection: riot: fire: flood: or other unusual weather condition: explosion: Act of God: peril of the sea: strike: lockout or other industrial disturbance: sabotage: accident: embargo: breakage of machinery or apparatus: injunction: act of government authority: compliance with government order or national defense requirements: inability to obtain fuel, raw materials, labor, containers of transportation facilities or any other circumstance beyond the reasonable control of the parties: interferes with the production, shipment or consumption of product covered by this confirmation or with the supply of raw material used in connection there with the affected party may upon reasonable prompt notice to the other, suspend deliveries for the period during which such conditions prevail.

PLEASE SIGN DUPLICATE AND RETURN

US Bio Hankinson

ACCEPTED BY: Keith Saunders
Date: 3-31-08

BY: [Signature]
Date: 3/26/08

Assembly Sheet

VHN3000487

7/8/2008

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Purchase Disposition

Verasun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

Saunders, Keith
9406 147th Ave. SE
Geneseo ND 58053

1080

Grain: CORN

Contract No.: VHN1000222

Ticket No.	Unit No. or Carrier	Bill of Lading	Ticket Date	% Share	Ticket Qty	Net Qty	Ave Price	Gross Amt	Discounts	Net Amount
/HN2000299	SO4858	SO4858	7/10/2008	100.00%	976.07	976.07	5.4400	\$5,309.82	\$0.00	\$5,309.82
Grades	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR	
Discount Shrink	14.30000	55.78000	1.43000	0.00000	0.00000	No	No	No	No	
Producer										
/HN2000300	SO4854	SO4854	7/10/2008	100.00%	922.50	(2.95)	919.55	\$5,002.35	\$0.00	\$5,002.35
Grades	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR	
Discount Shrink	15.20000	55.28000	1.04000	0.00000	0.00000	No	No	No	No	
Producer										
/HN2000412	SO4861	SO4861	7/11/2008	100.00%	958.57	958.57	5.4400	\$5,214.62	\$0.00	\$5,214.62
Grades	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR	
Discount Shrink	14.80000	55.81000	1.58000	0.00000	0.00000	No	No	No	No	
Producer										
/HN2000413	SO4865	SO4865	7/11/2008	100.00%	982.50	982.50	5.4400	\$5,344.80	\$0.00	\$5,344.80
Grades	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR	
Discount Shrink	14.50000	56.64000	1.38000	0.00000	0.00000	No	No	No	No	
Producer										
/HN2000414	SO4868	SO4868	7/11/2008	9.82%	996.79	97.86	5.4400	\$532.36	\$0.00	\$532.36
Grades	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR	
Discount Shrink	13.90000	55.90000	2.47000	0.00000	0.00000	No	No	No	No	
Producer										

Total 3,937.50 (2.95) 3,934.55 \$21,403.95 \$0.00

Grades, Premiums and Discount Totals

3rd Factor	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR
Averages	14.62342	55.88351	1.38391						
Disc Amt									
Adj Qty	(2.95)								

Reference Original Contract # 705011000192

Total Net Amt \$21,403.95
Programs Amt (\$53.51)
Net Amt \$21,350.44

Assembly Status: Closed Settlement:

Program Charges

Program ND CORN CHECKOFF
Percent 0.025%
Rate
Amount (\$53.51)

Verasun Hankinson, LLC
 9230 County Road 1
 Hankinson ND 58041

Assembly Sheet
VHN3000501
 7/14/2008
 Printed 7/14/2008 4:42:31 PM
 Purchase Disposition

1080

Saunders, Keith
 9406 147th Ave. SE
 Geneseo ND 58053

Grain: CORN

Contract No.: VHN1000472

Ticket No.	Unit No. or Carrier	Bill of Lading	Ticket Date	% Share	Ticket Qty	Net Qty	Ave Price	Gross Amt	Discounts	Net Amount
/HN2000414	SO4868	SO4868	7/11/2008	90.18%	996.79	898.93	6.2000	\$5,573.37	\$0.00	\$5,573.37
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR	
<i>Discount</i>	13.90000	55.90000	2.47000	0.00000	0.00000	No	No	No	No	
<i>Shrink</i>										
<i>Producer</i>										
/HN2000415	SO4870	SO4870	7/11/2008	100.00%	975.00	975.00	6.2000	\$6,045.00	\$0.00	\$6,045.00
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR	
<i>Discount</i>	14.70000	55.84000	0.54000	0.00000	0.00000	No	No	No	No	
<i>Shrink</i>										
<i>Producer</i>										

Total 1,873.93 1,873.93 \$11,618.37 \$0.00

Grades, Premiums and Discount Totals

3rd Factor	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR
Averages	14.31624	55.86878	1.46583						
<i>Disc Amt</i>									
<i>Adj Qty</i>									

Total Net Amt \$11,618.37
 Programs Amt (\$29.05)
 Net Amt \$11,589.32

Assembly Status: Closed Settlement:

Program Charges

Program ND CORN CHECKOFF
 Percent 0.025%
 Rate
 Amount (\$29.05)

**Settlement Sheet
VHN4000052**

7/15/2008

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1080

Saunders, Keith
9406 147th Ave. SE
Geneseo ND 58053

Verasun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

Assembly #	Assembly Date	Gross Qty	Shrink Qty	Settle Qty	Gross Amt	Discounts	Program Chgs	Net Amt before checkoff
VHN3000487	7/8/2008	3,937.50	(2.95)	3,934.55	\$21,403.95	\$0.00	(\$53.51)	\$21,350.44

Program Charges	
Program	ND CORN CHECKOFF
Percent	0.25%
Rate	
Amount	(\$53.51)

VHN3000501	7/14/2008	1,873.93	1,873.93	1,873.93	\$11,618.37	\$0.00	(\$29.05)	\$11,589.32
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Program Charges	
Program	ND CORN CHECKOFF
Percent	0.25%
Rate	
Amount	(\$29.05)

		\$33,022.32	\$0.00	(\$82.56)	\$32,939.76
Advances					
Advance Amount Settled					
			Check Off:		\$0.00
			Less: Advances		0.00
			Net Check Amount		\$32,939.76

Assembly Sheet

Verasun Hankinson, LLC
 9230 County Road 1
 Hankinson ND 58041

VHN3000168

6/13/2008

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1080
Saunders, Keith
 9406 147th Ave. SE
 Geneseo ND 58053

Purchase Disposition

Grain: CORN

Contract No.: VHN1000222

Ticket No.	Unit No. or Carrier	Bill of Lading	Ticket Date	% Share	Ticket Qty	Net Qty	Ave Price	Gross Amt	Discounts	Net Amount	
VHN2000092	SO4788	SO4788	7/2/2008	23.99%	566.07	135.81	5.4400	\$738.81	\$0.00	\$738.81	
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR		
	13.90000	55.58000	0.50000	0.00000	0.00000	No	No	No	No		
<i>Discount Shrink</i>											
Producer											
VHN2000095	SO4791	SO4791	7/3/2008	100.00%	937.14	(7.50)	929.64	5.4400	\$5,057.24	\$0.00	\$5,057.24
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR		
	15.50000	55.65000	2.34000	0.00000	0.00000	No	No	No	No		
<i>Discount Shrink</i>	(7.50)										
Producer											

Total 1,072.95 (7.50) 1,065.45 \$5,796.05 \$0.00

Grades, Premiums and Discount Totals

Grd Factor	M	TW	BCFM	DKT	HT	MUST	INF	COFO	SOUR
Averages	15.29805	55.64108	2.10548						
Disc Amt									
Adj Qty	(7.50)								

Reference Original Contract # 705011000192

Total Net Amt \$5,796.05
 Programs Amt (\$14.49)
 Net Amt \$5,781.56

Assembly Status: Open Settlement:

Program Charges

Program ND CORN CHECKOFF
 Percent 0.025%
 Rate
 Amount (\$14.49)

**Settlement Sheet
VHN4000040**

7/8/2008

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1080

Saunders, Keith
9406 147th Ave. SE
Geneseo ND 58053

Verasun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

Assembly #	Assembly Date	Gross Qty	Shrink Qty	Settle Qty	Gross Amt	Discounts	Program Chgs	Net Amt before checkoff
VHN3000168	6/13/2008	1,072.95	(7.50)	1,065.45	\$5,796.05	\$0.00	(\$14.49)	\$5,781.56

Program Charges	
Program	ND CORN CHECKOFF
Percent	0.25%
Rate	
Amount	(\$14.49)

VHN3000300	6/13/2008	10,020.28	(20.28)	10,000.00	\$37,200.01	\$0.00	(\$93.00)	\$37,107.01
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Program Charges	
Program	ND CORN CHECKOFF
Percent	0.25%
Rate	
Amount	(\$93.00)

Advances	\$42,996.06	\$0.00	(\$107.49)	\$42,888.57
Advance Amount Settled		Check Off:		\$0.00
		Less: Advances		0.00
		Net Check Amount		\$42,888.57

US BIO HANKINSON, LLC

7086

Vendor ID	Name	Payment Number	Check Date	Document Number	
1080	Keith Saunders	0000000000001374	10/13/2008	007086	
Our Voucher Number	Date	Amount	Amount Paid	Discount	Net Amount Paid
VHN4000273	10/6/2008	\$9,796.02	\$9,796.02	\$0.00	\$9,796.02

\$9,796.02 \$9,796.02 \$0.00 \$9,796.02

0091400172

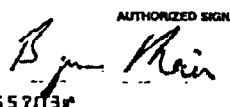
11/14/2008

0000000020130320

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

RETURN REASON (C)
STOP PAYMENT

[121000248] 11/14/2008
 0970208708

US BIO HANKINSON, LLC 5200 CCHEX DRIVE, MS 473 WYER GROVE HEIGHTS, MO 63077 (816) 424-3300		WELLS FARGO BANK, N.A. 11-24-1210		7086
PAY TO THE ORDER OF Keith Saunders & Decotah Bank 9408 147th Ave. SE Geneseo ND 58053		10/13/2008	\$9,796.02	
\$9,796.02 Nine Thousand Seven Hundred Ninety Six Dollars and 02 Cents		DATE	AMOUNT	
AUTHORIZED SIGNATURE 				
⑆007086⑆ ⑆121000248⑆ ⑆4121455703⑆				

⑆007086⑆ ⑆4121000248⑆

⑆4121455703⑆ ⑆0000979602⑆



US Bio Hankinson

Cash Contract

CONFIRMATION OF PURCHASE

Contract No: 705011000193

Contract Date: 3/26/2008

Buyer: **US Bio Hankinson**
9230 County Road 1
Hankinson ND 58041

SAUKEI
Seller: **Saunders, Keith**
9406 147th Ave. SE
Geneseo ND 58053

QUANTITY:	5,000.00 bu	GRADE & COMMODITY:	U.S. #2 YELLOW CORN
BOARD PRICE:	\$0.0000	BOARD MONTH:	Corn - December 2008
BASIS:	\$0.0000	DELIVERY PERIOD:	10/1/2008 TO: 10/31/2008
NET PRICE:	\$5.2000	FOB:	DELIVERED HANKINSON, ND

PAYMENT TERMS: Net 10
DISCOUNT SCALE: STANDARD

WEIGHTS TO GOVERN: DESTINATION
GRADES TO GOVERN: DESTINATION

REMARKS: US BIO HANKINSON SCALE OF DISCOUNTS TO APPLY

Terms and Conditions

1. The retention of this contract without returning a signed copy or without immediately notifying seller of errors, herein, is acceptance of contract terms as stated by you.
2. This contract will be governed by the rules of the National Grain & Feed Association unless noted in the contract, and, to the extent not in conflict with the aforesaid rules, by the uniform commercial code.
3. **As the Seller:**
 - A. You agree that the commodities sold to seller shall be free and clear of all claims, liens, encumbrances and penalties. You represent that said commodity is now free and clear except as disclosed.
 - B. You agree that all commodities covered by this contract are not adulterated or mis-branded within the meaning of the Federal Food, Drug, and Cosmetic Act.
 - C. All excise or other tax hereafter levied which affects this contract, or any adjustments in freight rates prior to shipment will be for the sellers account.
4. **As the Buyer:**
 - A. You represent that you are not insolvent, as the Uniform Commercial Code defines that term. If your financial condition is found to be or becomes unsatisfactory to seller during the terms of this contract, seller shall have the right to withhold any shipments, you shall be responsible for any and all resulting costs, expenses, losses or damages incurred by the seller in the event you fail to make timely payment, and such action shall not release you from its obligation to accept and pay for such remaining product if and when shipped by seller.
 - B. A service charge of 1.5% per month, or the maximum rate permitted by law, if that is less, shall be added on past due accounts.
 - C. All excise or other tax hereafter levied which affects this contract, or any adjustments in freight rates prior to shipping here under will be at the expense of the buyer.
5. **Force Majeure:** In the event of war; Insurrection; riot; fire; flood; or other unusual weather condition; explosion; Act of God; peril of the sea; strike; lockout or other industrial disturbance; sabotage; accident; embargo; breakage of machinery or apparatus; injunction; act of government authority; compliance with government order or national defense requirements; inability to obtain fuel, raw materials, labor, containers of transportation facilities or any other circumstance beyond the reasonable control of the parties; interferes with the production, shipment or consumption of product covered by this confirmation or with the supply of raw material used in connection there with the affected party may upon reasonable prompt notice to the other, suspend deliveries for the period during which such conditions prevail.

PLEASE SIGN DUPLICATE AND RETURN

US Bio Hankinson

ACCEPTED BY:

Keith Saunders

BY:

[Signature]

Date:

3-31-08

Date:

3/26/08



US Bio-Hankinson
9230 CR #1
Hankinson, ND 58041
Jon C. Anderson, Grain Procurement Manager
(701)-242-9430
<http://www.hankinson.usbioenergy.net>

Grade Requirements

U.S. Grade #2 yellow corn or better accepted
15.0% Moisture
54.0 # Test Weight
5.0% Damage
3.0% BKFM

Discount Schedule

Moisture Scale

Handling Shrink: 1.6% per point from 15.0 to 16.5
Above 16.5% will be rejected

BKFM Scale

\$.02 per point from 3.01 to 7.0
Over 7.0 subject to rejection

Damage Scale

\$.02 per point from 5.01 to 7.0% damage
Over 7.0% damage subject to rejection

Heat Damage Scale

\$.01 for each 1/10th of 1% over .2% up to 1.0%
Over 1.0% subject to rejection

Test Weight Scale

\$.02 per pound from 53.99 to 50.0
\$.03 per pound from 49.99 to 48.0
Below 48.0 subject to rejection

Other

Musty/Sour/Infested: subject to rejection, if accepted \$.10 per bushel
COFO/Stones: Rejected
Aflatoxin: Above 5 PPB Rejected

- Discount scale subject to change without notice.
- All grade factors applicable on a load by load basis.
- Corn delivered not under contract will be sold daily at spot prices.

**Settlement Sheet
VHN4000273**

10/6/2008

Printed 10/7/2008 3:20:27 PM

1080

Saunders, Keith
9406 147th Ave. SE
Geneseo ND 58053

VeraSun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

Assembly #	Assembly Date	Gross Qty	Net Qty	Settle Qty	Gross Amt	Discounts	Program Chgs	Net Amt before checkoff
VHN3000169	6/13/2008	1,888.57	1,888.57	1,888.57	\$9,820.57	\$0.00	(\$24.55)	\$9,796.02

Program Charges	
Program	ND CORN CHECKOFF
Percent	0.25%
Rate	
Amount	(\$24.55)

	\$9,820.57	\$0.00	(\$24.55)	\$9,796.02
Advances				
Advance				
Amount				
Settled				
		Check Off:		\$0.00
		Less: Advances		0.00
		Net Check Amount		\$9,796.02

Assembly Sheet

VHN3000169

6/13/2008

Printed 10/7/2008 9:44:07 AM

Purchase Disposition

VeraSun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

1080

Saunders, Keith
9406 147th Ave. SE
Geneseo ND 58053

Grain: CORN

Contract No.: VHN1000223

Ticket No.	Unit No. or Carrier	Bill of Lading	Ticket Date	% Share	Ticket Qty	Net Qty	Ave Price	Gross Amt	Discounts	Net Amount
VHN00005702	#2		10/6/2008	100.00%	988.93	988.93	5.2000	\$5,142.44	\$0.00	\$5,142.44
<i>Grades</i> M TW BCFM DKT HT MUST 12.90000 55.90000 2.40000 0.30000 0.00000										
<i>Discount</i>										
<i>Shrink</i>										
Producer RED TRK										
VHN00005703	#1		10/6/2008	100.00%	899.64	899.64	5.2000	\$4,678.13	\$0.00	\$4,678.13
<i>Grades</i> M TW BCFM DKT HT MUST 13.30000 56.60000 2.00000 0.30000 0.00000										
<i>Discount</i>										
<i>Shrink</i>										
Producer BLK TRK										

Total 1,888.57 1,888.57 \$9,820.57 \$0.00

Grades, Premiums and Discount Totals

Grd Factor	M	TW	BCFM	DKT	HT	MUST	INF	SOUR
Averages	13.09054	56.23345	2.20946	0.30000				
Disc Amt								
Adj Qty								

Reference Original Contract # 705011000193

Total Net Amt \$9,820.57
 Programs Amt (\$24.55)
 Net Amt \$9,796.02

Assembly Status: Open Settlement:

Program Charges

Program ND CORN CHECKOFF
 Percent 0.025%
 Rate
 Amount (\$24.55)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----)
In re:) Case No. 08-12606 (BLS)
)
)
VERASUN ENERGY CORPORATION, et al.,) Chapter 11
)
) Jointly Administered
)
Debtors.¹)
-----)

**NOTICE OF COMMENCEMENT OF CHAPTER 11
BANKRUPTCY CASES AND MEETING OF CREDITORS**

On October 31, 2008 (the "Petition Date"), VeraSun Energy Corporation and 24 of its subsidiaries and affiliates (collectively, the "Debtors") each filed a voluntary petition (collectively, the "Chapter 11 Cases") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") for reorganization relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*; as amended (the "Bankruptcy Code"). On November 3, 2008, this Court entered an order directing the joint administration of the Debtors' Chapter 11 Cases. A creditors' committee has not yet been appointed in these cases by the United States Trustee. The Debtors and their respective addresses, case numbers and federal tax identification numbers are set forth on Exhibit A attached hereto.

DATE, TIME AND LOCATION OF MEETING OF CREDITORS. December 2, 2008 at 4:00 p.m. at the Office of the United States Trustee, J. Caleb Boggs Federal Building, 2nd Floor, Room 2112, 844 King Street, Wilmington, Delaware 19801.

¹ The Debtors consist of: VeraSun Energy Corporation (EIN: 20-3430241); ASA Albion, LLC (EIN: 55-0907221); ASA Bloomingburg, LLC (EIN: 55-0907224); ASA Linden, LLC (EIN: 55-0907228); ASA OpCo Holdings, LLC (EIN: 68-0609122); US Bio Marion, LLC (EIN: 20-34377343); US BioEnergy Corporation (EIN: 20-1811472); VeraSun Albert City, LLC (EIN: (20-2264707); VeraSun Aurora Corporation (EIN: 40-0462174); VeraSun BioDiesel, LLC (EIN: 20-3790860); VeraSun Central City, LLC (EIN: (55-0816855); VeraSun Charles City, LLC (EIN: 20-3735184); VeraSun Dyersville, LLC (20-5765890); VeraSun Fort Dodge, LLC (EIN: 42-1630527); VeraSun Granite City, LLC (EIN: 20-5909621); VeraSun Hankinson, LLC (90-0287129); VeraSun Hartley, LLC (EIN: 20-5381200); VeraSun Janesville, LLC (EIN: 20-4420290); VeraSun Litchfield, LLC (EIN: 20-8621370); VeraSun Marketing, LLC (EIN: 20-3693800); VeraSun Ord, LLC (75-3204878); VeraSun Reynolds, LLC (EIN: 20-5914827); VeraSun Tilton, LLC (EIN: 26-1539139); VeraSun Welcome, LLC (EIN: 20-4115888); VeraSun Woodbury, LLC (20-0647425).

DEADLINE TO FILE PROOFS OF CLAIM. As of the date of this notice, a deadline for creditors other than governmental units and a deadline for governmental units to file proofs of claim (each a "Bar Date" and collectively, the "Bar Dates") in these Chapter 11 Cases has not yet been determined. A motion requesting an order setting the final dates and procedures for filing proofs of claim and approving the form and manner of notice thereof will be filed pursuant to 11 U.S.C. § 105 and Federal Rule of Bankruptcy Procedure 3003(c). When the Bar Dates are established and approved by the Bankruptcy Court, you will receive notice of the applicable Bar Dates by way of separate notification. (the "Bar Date Notice").

COMMENCEMENT OF CASES. Voluntary petitions for reorganization under chapter 11 of the Bankruptcy Code have been filed in the Bankruptcy Court and orders for relief have been entered in these Chapter 11 Cases. You will not receive notice of all documents filed in these Chapter 11 Cases. All documents filed with the Bankruptcy Court are available for inspection at the Office of the Clerk of the Bankruptcy Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801 (the "Clerk's Office"). In addition, such documents are available (i) at the Bankruptcy Court's website at www.deb.uscourts.gov, (ii) at the website of the Debtors' claims, noticing, soliciting and balloting agent, Kurtzman Carson Consultants, LLC, at www.kccllc.net/verasan, or (iii) by request by calling (866) 381-9100.

PURPOSE OF CHAPTER 11 FILING. Chapter 11 of the U.S. Bankruptcy Code enables a debtor to reorganize pursuant to a plan. A plan is not effective unless approved by the court at a confirmation hearing. Creditors will be given notice concerning any plan, or in the event the case is dismissed or converted to another chapter of the Bankruptcy Code. The Debtors will remain in possession of their property and will continue to operate any business unless a trustee is appointed.

CREDITORS MAY NOT TAKE CERTAIN ACTIONS. A creditor is anyone to whom a debtor owes money or property. Under the Bankruptcy Code, a debtor is granted certain protection against creditors. Common examples of prohibited actions by creditors are contacting a debtor to demand repayment, taking action against a debtor to collect money owed to creditors or to take property of a debtor, and starting or continuing litigation against a debtor including, by way of example, foreclosure actions or repossessions. If unauthorized actions are taken by a creditor against a debtor, the Court may penalize that creditor. A creditor who is considering taking action against a Debtor or the property of a Debtor should review Section 362 of the Bankruptcy Code and may wish to seek legal advice. The staff of the Clerk of the Bankruptcy Court is not permitted to give legal advice.

MEETING OF CREDITORS. The Debtors' representative, as specified in Rule 9001(5) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), is required to appear at the meeting of creditors on the date and at the place set forth above for the purpose of being examined under oath. Attendance by creditors at the meeting is welcomed, but not required. At the meeting, the creditors may examine the Debtors and transact such other business as may properly come before the meeting. The meeting may be continued or adjourned from time-to-time by notice at the meeting, without further written notice to the creditors.

COUNSEL FOR THE DEBTORS:

Mark S. Chehi
Megan E. Cleghorn
Davis Lee Wright
Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
P.O. Box 636
Wilmington, DE 19899
(302) 651-3000

Timothy R. Pohl
Felicia Gerber Perlman
John K. Lyons
Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive
Chicago, Illinois 60606
(312) 407-0700

Exhibit A

VeraSun Energy Corporation	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12606	20-3430241
ASA Albion, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12607	55-0907221
ASA Bloomingburg, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12608	55-0907224
ASA Linden, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12609	55-0907228
ASA OpCo Holdings, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12610	68-0609122
US Bio Marion, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12611	20-3477343
US BioEnergy Corporation	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12612	20-1811472
VeraSun Albert City, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12613	20-2264707

VeraSun Aurora Corporation	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12614	46-0462174
VeraSun BioDiesel, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12605	20-3790860
VeraSun Central City, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12615	55-0816855
VeraSun Charles City, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12616	20-3735184
VeraSun Dyersville, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12617	20-5765890
VeraSun Fort Dodge, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12618	46-1630527
VeraSun Granite City, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12619	20-5909621
VeraSun Hankinson, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12620	90-0257129
VeraSun Hartley, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12621	20-5381200
VeraSun Janesville, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12622	20-4420290
VeraSun Litchfield, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12623	20-8621370
VeraSun Marketing, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12624	20-3693800

VeraSun Ord, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12625	75-3204878
VeraSun Reynolds, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12626	20-5914827
VeraSun Tilton, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12627	26-1539139
VeraSun Welcome, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12628	20-4115888
VeraSun Woodbury, LLC	110 N. Minnesota Ave. Suite 300 Sioux Falls, SD 57104	08-12629	20-0647425

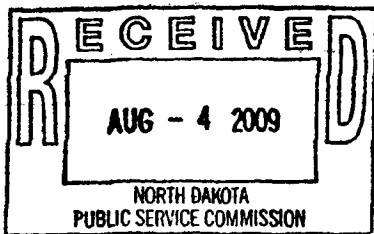
/c: 2
ACK No: 9904

CASE No: 08-12606
PRF 8732

LIES & BULLIS LAW FIRM
610 SECOND AVE N
PO BOX 275
WAHPETON, ND 58074-0275

James P Wirtz

I was issued a check by U.S Bio Hankinson, LLC, I misplaced it and I called John Anderson at Versta Sun to issue me a new one. He did not do that. I finally found the check in Dec 2008, and tried to cash it, and it came back as a return check for stop payment.



Thanks,
James P Wirtz

1-701-242-8332



BANK OF THE WEST

800-488-2265

Date: Dec 9, 2008 Advice D-941994

Acct: 002/931036511

In accordance with Federal Regulations,
this letter is to notify you that your
account has been charged for the
following item(s) returned unpaid by the
drawee bank.

REASON
Stop Payment

SEQ #
026373

ITEM AMOUNT
26,934.70

JAMES WIRTZ
17275 95 R ST SE
FAIRMOUNT ND 58030

1 Item charged totaling \$26,934.70

1 Item charged a fee totaling \$4.00

Advice Total \$26,938.70 (D)

⑆402333198⑆ 000000931036511⑆ ⑈0000941994⑈

321270742
12/04/2008
000008876067857

This is a LEGAL COPY
of your check. You can
use it the same way
you would use the
original check.

RETURN REASON-C
STOP PAYMENT

⑆00000610080595⑆
12/03/2008

US BIO HANCOCKSON LLC <small>3800 CENTRE AVENUE SUITE 175 INVERFLOO, IOWA 52077</small>		WELLS FARGO BANK, N.A. <small>11-24-1210</small>	
RETURN REASON STOP PAYMENT Do NOT deposit		9/22/2008	\$26,934.70
PAY TO THE ORDER OF James Wirtz & BANK OF THE WEST 17275 95th St SE Fairmount ND 58030		DATE	AMOUNT
AUTHORIZED SIGNATURE			
⑈006841⑈ ⑆121000248⑆ ⑆123455703⑈		⑈0002693470⑈	

⑈006841⑈ ⑆121000248⑆ ⑆123455703⑈ ⑈0002693470⑈



BANK OF THE WEST

800-488-2265

Date: Dec 9, 2008 Advice D-941994

Acct: 002/931036511

In accordance with Federal Regulations,
this letter is to notify you that your
account has been charged for the
following item(s) returned unpaid by the
drawee bank.

REASON
Stop Payment

SEQ #
026373

ITEM AMOUNT
26,934.70

JAMES WIRTZ
17275 95 R ST SE
FAIRMOUNT ND 58030

1 item charged totaling \$26,934.70
1 item charged a fee totaling \$4.00
Advice Total \$26,938.70 (D)

⑆02333198⑆ 00000931036511⑆ ⑆0000941994⑆

BANK OF THE WEST
1211007821
12-09-08 0931036511 04
004133216 12-03-08 0931036511 04

>121100782< 12/09/08
000000610060595

0000 33500
12-09-08 0931036511 04
004133216

SENT TO THE ACCOUNT OF THE UNPAID ITEM
NAME AS APPEARS ON THE CHECK WITH THE SIGNATURE
TOTAL AMOUNT OF BROUGHT-FORWARD PAYMENTS
BANK OF THE WEST

James P. Wirtz
Branch Manager
For Dept Only

321270742 12/09/2008
000006676067657

Do not endorse or write below this line

US BIO HANKINSON, LLC

6841

Vendor ID	Name	Payment Number	Check Date	Document Number	
1102	James Wirtz	00000000000000867	9/22/2008	006841	
Our Voucher Number	Date	Amount	Amount Paid	Discount	Net Amount Paid
VHN4000180	9/15/2008	\$26,934.70	\$26,934.70	\$0.00	\$26,934.70

\$26,934.70 \$26,934.70 \$0.00 \$26,934.70

6841

US BIO HANKINSON, LLC
 5500 CENEX DRIVE, MS 175
 INVER GROVE HEIGHTS, MN 55077
 (651) 554-5000

WELLS FARGO BANK, N.A.
 11-24-1210

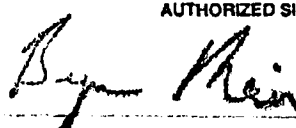
Twenty Six Thousand Nine Hundred Thirty Four Dollars and 70 Cents

9/22/2008 \$26,934.70


DATE AMOUNT

PAY TO THE ORDER OF James Wirtz & BANK OF THE WEST

17275 95th St SE
 Fairmount ND 58030

AUTHORIZED SIGNATURE


⑈006841⑈ ⑆121000248⑆4121455703⑈

Security Features Include:  Details on back

Settlement Sheet

VHN4000180

9/15/2008

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1102

Wirtz, James
17275 95th St SE
Fairmount ND 58030

VeraSun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

Assembly #	Assembly Date	Gross Qty	Net Qty	Settle Qty	Gross Amt	Discounts	Program Chgs	Net Amount Before Checkoff
------------	---------------	-----------	---------	------------	-----------	-----------	--------------	----------------------------

VHN3000704	9/11/2008	4,000.00	4,000.00	4,000.00	\$20,760.00	\$0.00	(\$51.90)	\$20,708.10
------------	-----------	----------	----------	----------	-------------	--------	-----------	-------------

Program Charges	
Program	ND CORN CHECKOFF
Percent	0.25%
Rate	
Amount	(\$51.90)

VHN3000714	9/15/2008	1,242.85	1,242.85	1,242.85	\$6,242.21	\$0.00	(\$15.61)	\$6,226.60
------------	-----------	----------	----------	----------	------------	--------	-----------	------------

Program Charges	
Program	ND CORN CHECKOFF
Percent	0.25%
Rate	
Amount	(\$15.61)

Check Number: 006841
Check Date: 9/22/2008
James Wirtz

\$27,002.21	\$0.00	(\$67.51)	\$26,934.70
	Check Off:		\$0.00
	Less: Advances		0.00
	Net Check Amount		\$26,934.70

Assembly Sheet

VHN3000704

9/11/2008

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Purchase Disposition

VeraSun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

Wirtz, James
17275 95th St SE
Fairmount ND 58030

1102

Grain: CORN

Contract No.: VHN1000532

Ticket No.	Unit No. or Carrier	Bill of Lading	Ticket Date	% Share	Ticket Qty	Net Qty	Ave Price	Gross Amt	Discounts	Net Amount
VHN2001172	43677H		9/9/2008	50.00%	1,045.71	522.85	5.1900	\$2,713.59	\$0.00	\$2,713.59
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	13.90000	56.00000	1.80000	0.00000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										
VHN00004655	3236333237		9/11/2008	50.00%	1,002.50	501.25	5.1900	\$2,601.49	\$0.00	\$2,601.49
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	14.00000	56.90000	1.00000	0.40000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										
VHN00004662	3236333237		9/11/2008	50.00%	1,074.64	537.32	5.1900	\$2,788.69	\$0.00	\$2,788.69
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	14.80000	57.80000	1.30000	0.20000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										
VHN00004671	3236333237		9/11/2008	50.00%	1,100.36	550.18	5.1900	\$2,855.43	\$0.00	\$2,855.43
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	13.90000	56.90000	1.10000	0.20000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										
VHN00004675	3236333237		9/11/2008	50.00%	1,054.64	527.32	5.1900	\$2,736.79	\$0.00	\$2,736.79
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	14.30000	57.10000	1.20000	0.20000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										
VHN00004685	3236333237		9/11/2008	50.00%	1,055.00	527.50	5.1900	\$2,737.73	\$0.00	\$2,737.73
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	14.20000	57.10000	1.10000	0.20000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										
VHN00004693	3236333237		9/11/2008	50.00%	1,059.29	529.64	5.1900	\$2,748.83	\$0.00	\$2,748.83
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	13.30000	55.50000	1.20000	0.30000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										
VHN00004698	3236333237		9/11/2008	29.51%	1,030.00	303.94	5.1900	\$1,577.45	\$0.00	\$1,577.45
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	14.20000	56.50000	1.50000	0.40000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										

Assembly Sheet

VeraSun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

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Purchase Disposition

1102
Wirtz, James
17275 95th St SE
Fairmount ND 58030

Grain: CORN

Contract No.:

Total 4,000.00 4,000.00 \$20,760.00 \$0.00

Grades, Premiums and Discount Totals

Grd Factor M TW BCFM DKT HT MUST INF
Averages 14.06907 57.00165 1.26265 0.22736
Disc Amt
Adj Qty

Total Net Amt \$20,760.00
Programs Amt (\$51.90)
Net Amt \$20,708.10

Assembly Status: Closed Settlement:

Program Charges

Program ND CORN CHECKOFF
Percent 0.025%
Rate
Amount (\$51.90)

Assembly Sheet

VHN3000714

9/15/2008

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Purchase Disposition

VeraSun Hankinson, LLC
9230 County Road 1
Hankinson ND 58041

1102
Wirtz, James
17275 95th St SE
Fairmount ND 58030

Grain: CORN

Contract No.: VHN1400540

Ticket No.	Unit No. or Carrier	Bill of Lading	Ticket Date	% Share	Ticket Qty	Net Qty	Ave Price	Gross Amt	Discounts	Net Amount
VHN00004698	3236333237		9/11/2008	20.49%	1,030.00	211.06	5.0225	\$1,060.05	\$0.00	\$1,060.05
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	14.20000	56.50000	1.50000	0.40000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										
VHN00004705	3236333237		9/11/2008	50.00%	1,005.36	502.68	5.0225	\$2,524.71	\$0.00	\$2,524.71
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	14.30000	57.20000	1.30000	0.30000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										
VHN00004714	3236333237		9/11/2008	50.00%	1,058.21	529.11	5.0225	\$2,657.45	\$0.00	\$2,657.45
<i>Grades</i>	M	TW	BCFM	DKT	HT	MUST				
	14.20000	56.70000	1.50000	0.20000	0.00000					
<i>Discount</i>										
<i>Shrink</i>										
<i>Producer</i>										
Total					1,242.85	1,242.85		\$6,242.21	\$0.00	

Grades, Premiums and Discount Totals

Grd Factor	M	TW	BCFM	DKT	HT	MUST	INF
Averages	14.24045	56.86826	1.41911	0.27441			
Disc Amt							
Adj Qty							

Total Net Amt \$6,242.21
Programs Amt (\$15.61)
Net Amt \$6,226.60

Assembly Status: Closed Settlement:

Program Charges

Program ND CORN CHECKOFF
Percent 0.025%
Rate
Amount (\$15.61)

Wheaton-Dumont Coop Elevator Assembly Sheet with Scale Tickets

Ordered By first name on assembly only
Open And Settled Assembly Sheets
Base Price

<u>Loc</u>	<u>Assembly</u>	<u>Code</u>	<u>Commodity</u> <u>Description</u>	<u>Last Delivery</u> <u>Date</u>	<u>Contract</u>	<u>Base</u> <u>Price</u>	<u>Assembly</u> <u>Date</u>	<u>Units</u>	<u>Customer</u> <u>Ref</u>	<u>Name</u>	<u>Assembly</u>
H-10	8989	9	CORN	09/09/2008		0.0000	09/10/2008				
Jerry&Jim Wirtz											

Open Storage 1,045.71 2107HM VeraSun - Hankinson,LLC 8989

<u>Ticket</u> <u>Number</u>	<u>Date</u>	<u>Gross</u> <u>Units</u>	<u>Dockage</u> <u>Shrink</u>	<u>Net</u> <u>Units</u>	<u>Base</u> <u>Price</u>	<u>Premium/Discounts</u>								<u>Unit</u> <u>Price</u>
						<u>COFO</u>	<u>QTHOR</u>	<u>TW</u>	<u>MST</u>	<u>DMG</u>	<u>FM</u>	<u>Bugs</u>	<u>Musty</u>	
43877H	09/09/08	1,045.71	0.00	1,045.71	0.0000	58.00	13.90	0.00	1.80	0.00	0.00	0.00	0.00	0.0000
			0.00			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
						0.00	0.00							
						0.0000	0.0000							
Jerry&Jim Wirtz														
		1,045.71	0.00	1,045.71		58.00	13.90	0.00	1.80	0.00	0.00	0.00	0.00	0.0000
						0.00	0.00							

Drying Charge Deduction: 0.00

Overall Assembly Grade Factor Recap

AN FILTH 0.00	Bugs 0.00	COFO 0.00	DMG 0.00
FM 1.80	MST 13.90	Musty 0.00	OTHER 0.00
Sour 0.00	TW 58.00		

<u>Open Storage</u>	<u>Assembly</u>	<u>Sheet</u>	<u>Commodity</u>	<u>Codes</u>	<u>Units</u>
9	H-10		CORN		1,045.71

COPY - NOT NEGOTIABLE
 UNITED STATES WAREHOUSE ACT - Grain Inspection, Weighing and Measurement Certificate
 (Inspection Not Valid for Purposes of the United States Grain Standards Act)

Wheaton - Dumont Co-op Elevator

Hankinson, North Dakota

OFF

DATE 7/19/08

DRIVER: ON

NAME George V. ...

ADDRESS ...

58560

	BUSHELS			
GROSS	1	0	4	571
DOCKAGE				
NET				

COMMODITY	U.S. GRADE	TEST WT.	DOCK.	MOIST.
<u>Corn</u>		<u>58</u>		<u>13.9</u>
DAM. %	PROTEIN	BIN NO.	F.M.	Assembly No.
			<u>1.8</u>	CK NO.

Is grain received for storage or on contract and/or sold?
PL

State price per bushel if sold, write "Price Later" if price not determined

IN OUT

43677 H

CERTIFICATION:
 This certificate is issued by an inspector/weighter licensed under the United States Warehouse Act and Regulations thereunder.
 For the WHEATON-DUMONT CO-OP ELEVATORS, Wheaton, Minnesota
[Signature]
 Signature of Licensed Inspector and/or Weigher

split 50/50

VeraSun Hankinson, LLC
 9230 County Road 1
 Hankinson, ND 58041
 Phone: (701) 242-9400

DRIVER SIGNATURE	PRINTED AGENT NAME		DEALER	
UNLOAD	09/11/2008		TICKET NO. :	4714
VENDOR:		PRODUCER:	DELIVERY NO. :	
1034 WIRTZ, JERRY			BOL :	
322 3RD AVE SW		CARRIER:	INBOUND	
HANKINSON, ND, 58041		BLK TRK JERRY WIRTZ	DRIVER: JERRY	ON
			SCALE	
			TRUCK ID	3236333237
GROSS WT	85,120 LBS	04:21 PM	YELLOW CORN	U.S. No. 1
TAKE WT	25,860 LBS	04:28 PM	M	14.2
NET WT	59,260 LBS	1,050.21 BU	TW	56.7
			BCFM	1.5
			DKT	0.2 OTHER
			HT	

NOTES: Split 50/50 with James.

VeraSun Hankinson, LLC
 9230 County Road 1
 Hankinson, ND 58041
 Phone: (701) 242-9400

DRIVER SIGNATURE	PRINTED AGENT NAME		DEALER	
UNLOAD	09/11/2008		TICKET NO. :	4705
VENDOR:		PRODUCER:	DELIVERY NO. :	
1034 WIRTZ, JERRY			BOL :	
322 3RD AVE SW		CARRIER:	INBOUND	
HANKINSON, ND, 58041		BLK TRK JERRY WIRTZ	DRIVER: JERRY	ON
			SCALE	
			TRUCK ID	3236333237
GROSS WT	82,160 LBS	03:34 PM	YELLOW CORN	U.S. No. 1
TARE WT	25,860 LBS	03:41 PM	M	14.3
NET WT	56,300 LBS	1,005.36 BU	TW	57.2
			BCFM	1.3
			DKT	0.3 OTHER
			HT	

NOTES: Split 50/50 with James.

VeraSun Hankinson, LLC
 9230 County Road 1
 Hankinson, ND 58041
 Phone: (701) 242-9400

DRIVER SIGNATURE	PRINTED AGENT NAME	DEALER
UNLOAD 09/11/2008		TICKET NO.: 4698 DELIVERY NO.:
VENDOR: 1034 WIRTZ, JERRY 322 3RD AVE SW HANKINSON, ND, 58041	PRODUCER: CARRIER: BLK TRK JERRY WIRTZ	BOL: INBOUND DRIVER: JERRY ON SCALE TRUCK ID 3236333237

GROSS WT 83,620 LBS	02:47 PM	YELLOW CORN U.S. No. 1
TARE WT 25,940 LBS	02:54 PM	M 14.2
NET WT 57,680 LBS	1,030.00 BU	TW 56.5
		BCFM 1.5
		DKT 0.4 OTHER
		HT

NOTES: Split 50/50 with James.

VeraSun Hankinson, LLC
 9230 County Road 1
 Hankinson, ND 58041
 Phone: (701) 242-9400

DRIVER SIGNATURE	PRINTED AGENT NAME	DEALER
UNLOAD 09/11/2008		TICKET NO.: 4693 DELIVERY NO.:
VENDOR: 1034 WIRTZ, JERRY 322 3RD AVE SW HANKINSON, ND, 58041	PRODUCER: CARRIER: BLK TRK JERRY WIRTZ	BOL: INBOUND DRIVER: JERRY ON SCALE TRUCK ID 3236333237

GROSS WT 85,300 LBS	01:56 PM	YELLOW CORN U.S. No. 2
TARE WT 25,980 LBS	02:04 PM	M 13.3
NET WT 59,320 LBS	1,059.29 BU	TW 55.5
		BCFM 1.2
		DKT 0.3 OTHER
		HT

NOTES: Split 50/50 with James.

VeraSun Hankinson, LLC
 9230 County Road 1
 Hankinson, ND 58041
 Phone: (701) 242-9400

DRIVER SIGNATURE		PRINTED AGENT NAME		DEALER	
UNLOAD	09/11/2008			TICKET NO. :	4685
VENDOR:		PRODUCER:		DELIVERY NO. :	
1034 WIRTZ, JERRY				BOL:	
322 3RD AVE SW		CARRIER:		INBOUND	
HANKINSON, ND, 58041		BLK TRK JERRY WIRTZ		DRIVER: JERRY	ON
				SCALE	
				TRUCK ID	3236333237
GROSS WT	84,960 LBS	01:07 PM	YELLOW CORN	U.S. No. 1	
TARE WT	25,880 LBS	01:14 PM	M	14.2	
NET WT	59,080 LBS	1,055.00 BU	TW	57.1	
			BCFM	1.1	
			DKT	0.2 OTHER	
			HT		

NOTES: Split 50/50 with James.

VeraSun Hankinson, LLC
 9230 County Road 1
 Hankinson, ND 58041
 Phone: (701) 242-9400

DRIVER SIGNATURE		PRINTED AGENT NAME		DEALER	
UNLOAD	09/11/2008			TICKET NO. :	4675
VENDOR:		PRODUCER:		DELIVERY NO. :	
1034 WIRTZ, JERRY				BOL:	
322 3RD AVE SW		CARRIER:		INBOUND	
HANKINSON, ND, 58041		BLK TRK JERRY WIRTZ		DRIVER: JERRY	ON
				SCALE	
				TRUCK ID	3236333237
GROSS WT	85,060 LBS	12:07 PM	YELLOW CORN	U.S. No. 1	
TARE WT	26,000 LBS	12:15 PM	M	14.3	
NET WT	59,060 LBS	1,054.64 BU	TW	57.1	
			BCFM	1.2	
			DKT	0.2 OTHER	
			HT		

NOTES: Split 50/50 with James.

VerSup Hankinson, LLC
 9230 County Road 1
 Hankinson, ND 58041
 Phone: (701) 242-9400

DRIVER SIGNATURE		PRINTED AGENT NAME		DEALER	
UNLOAD	09/11/2008			TICKET NO.:	4671
VENDOR:		PRODUCER:		DELIVERY NO.:	
1034 WIRTZ, JERRY				BOL:	
322 3RD AVE SW		CARRIER:		INBOUND	
HANKINSON, ND, 58041		BLK TRK JERRY WIRTZ		DRIVER: JERRY	ON
				SCALE	
				TRUCK ID	3236333237
GROSS WT	87,620 LBS	11:19 AM	YELLOW CORN	U.S. No. 1	
TARE WT	26,000 LBS	11:26 AM	M	13.9	
NET WT	61,620 LBS	1,100.36 BU	TW	56.9	
			BCFM	1.1	
			DKT	0.2 OTHER	
			HT		

NOTES: Split 50/50 with James.



VerSun Hankinson, LLC
 9230 County Road 1
 Hankinson, ND 58041
 Phone: (701) 242-9400

DRIVER SIGNATURE		PRINTED AGENT NAME		DEALER	
UNLOAD	09/11/2008			TICKET NO.:	4662
VENDOR:		PRODUCER:		DELIVERY NO.:	
1034 WIRTZ, JERRY				BOL:	
322 3RD AVE SW		CARRIER:		INBOUND	
HANKINSON, ND, 58041		BLK TRK JERRY WIRTZ		DRIVER: JERRY	ON
				SCALE	
				TRUCK ID	3236333237
GROSS WT	86,120 LBS	10:14 AM	YELLOW CORN	U.S. No. 1	
TARE WT	25,940 LBS	10:22 AM	M	14.8	
NET WT	60,180 LBS	1,074.64 BU	TW	57.8	
			BCFM	1.3	
			DKT	0.2 OTHER	
			HT		

NOTES: Split 50/50 with James.



** REPRINT **

MesaSun Hankinson, LLC
9230 County Road 1
Hankinson, ND 58041
Phone: (701) 242-9400

DRIVER SIGNATURE	PRINTED AGENT NAME	DEALER
UNLOAD 09/11/2008		TICKET NO.: 4655
VENDOR: 1034 WIRTZ, JERRY 322 3RD AVE SW HANKINSON, ND, 58041	PRODUCER: CARRIER: BLK TRK JERRY WIRTZ	DELIVERY NO.: BOL: INBOUND DRIVER: JERRY ON SCALE TRUCK ID 3236333237
GROSS WT 82,100 LBS	09:06 AM	YELLOW CORN U.S. No. 2
TARE WT 25,960 LBS	09:16 AM	M 14.0
NET WT 56,140 LBS	1,002.50 BU	TW 56.9
		BCFM 1.0
		DKT 0.4 OTHER
		HT

NOTES: Split 50/50 with James Wirtz.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:)	Chapter 11 Cases
VERASUN ENERGY CORPORATION., <i>et al.</i> ,)	<i>Jointly Administered</i>
Debtors)	Case No. 08-12606

STIPULATION AND AGREED ORDER MODIFYING THE AUTOMATIC STAY TO
ALLOW NORTH DAKOTA PUBLIC SERVICE COMMISSION TO COMMENCE
STATE PROCEEDING

VeraSun Energy Corporation ("VeraSun") and its affiliated debtors and debtors-in-possession (collectively, the "Debtors"), Liberty Mutual Insurance Company ("Liberty") and the North Dakota Public Service Commission (the "Commission"), acting through the undersigned counsel, hereby stipulate to the following:

A. On March 12, 2009, the Commission received a claim (the "Claim") against VeraSun Hankinson, LLC ("VeraSun Hankinson"), one of the Debtors herein, in which the claimant alleged he had not been paid in-full for grain purchased by VeraSun Hankinson and in which the claimant asked the Commission to take appropriate action in seeking recovery of the alleged unpaid amount under grain elevator warehouse bond number 674012345 issued by Liberty naming VeraSun Hankinson as principal and in the amount of \$380,000 (the "Bond").

B. On March 27, 2009, the Commission filed a Motion for Relief from Stay (the "Commission Motion") in which it sought an order lifting the automatic stay to allow the Commission to commence an action in North Dakota District Court, Southeast Judicial District against VeraSun Hankinson to secure the Commission's appointment as trustee under applicable

North Dakota law, and to maintain an action against Liberty under the Bond in accordance with applicable North Dakota law (Docket No. 924).

C. On August 27, 2009, Liberty filed an Objection to the Commission Motion (the "Liberty Objection") asserting that (i) Federal bankruptcy law preempts (procedurally) the state insolvency proceeding contemplated by the Commission's Motion, (ii) that this Court could determine the relative rights and interests of Liberty, the Commission, the Debtors and others under North Dakota law, and (iii) that the interests of judicial economy would not be served by allowing a parallel proceeding to move forward in North Dakota state court (Docket No. 1760).

D. Thereafter, the Commission and Liberty engaged in discussions concerning the issues raised by the Liberty Objection, including that the Commission does not formally evaluate the claims referenced in the Commission Motion until such time as the Commission secures its appointment as trustee under State law. In light of this, the Commission and Liberty agreed that the state insolvency proceeding contemplated by the Commission Motion should move forward on a limited basis to allow the Commission to file an action in North Dakota District Court, Southeast Judicial District, against VeraSun Hankinson, LLC for the limited purpose of (i) seeking the Commission's appointment as trustee under Chapter 60-04 of the North Dakota Century Code (the "State Court Proceeding") and, in furtherance of said appointment, (ii) allowing the Commission to take possession of relevant books and records of the warehouseman, issue and publish a notice of appointment and notice to file claims with the Commission, and evaluate claims presented to it within the statutory period prescribed by applicable North Dakota law.

E. The Commission has further agreed to provide the Debtors and Liberty with a copy of the Report and Recommendation of Trustee ("Report and Recommendation") that the

Commission prepares for filing with the North Dakota District Court, Southeast Judicial District, showing the Commission's recommendation on the amount and validity of each claim and the proposed distribution of the trust fund assets, including expenses incurred by the Commission in the administration of the insolvency. The Debtors have agreed to provide the Commission with such documents and records as may be reasonably requested by the Commission to assist the Commission in evaluating claims and preparing the Report and Recommendation. The Commission has agreed to provide the Debtors and Liberty with the Report and Recommendation and to seek further stay relief to the extent it seeks to take any further action in the State Court Proceeding based upon the Report and Recommendation.

F. NOW THEREFORE, in furtherance of the foregoing, the parties hereby stipulate and agree as follows:

1. The automatic stay imposed by 11 U.S.C. § 362 is hereby modified for the limited purpose of allowing the Commission to take such action as may be required to secure its appointment as trustee under Chapter 60-04 of the North Dakota Century Code, issue and publish a notice of appointment and notice to file claims with the Commission and, to enable the Commission to evaluate claims presented to it as prescribed by applicable North Dakota law.

2. The Debtors have agreed to provide the Commission with such documents and records as may be reasonably requested by the Commission to assist the Commission in evaluating claims and preparing the Commission's Report and Recommendation. The Commission shall provide the Debtors and Liberty with a copy of the Commission's Report and Recommendation. The Commission shall be required to seek further stay relief to the extent it seeks to take any further action in the State Court Proceeding, including the filing of the Report

and Recommendation, the joinder of Liberty as a party thereto, and the deposit of bond proceeds deemed necessary, based upon the Report and Recommendation.

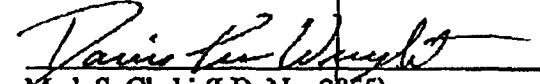
3. Nothing herein shall be deemed an admission by any of the parties as to the validity of any claim or claims against the Debtors, under the Bond or otherwise arising under applicable bankruptcy and non-bankruptcy law, it being understood that except to the extent of the limited stay relief granted herein, all claims, arguments, remedies and defenses of the parties are expressly reserved without limitation or prejudice.

4. This Court shall retain jurisdiction over any matter concerning this Order, or the relief granted herein.

STIPULATED AND AGREED:

Dated: September 11, 2009.

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP



Mark S. Chehi (I.D. No. 2855)

Davis Lee Wright (I.D. No. 4324)

Skadden, Arps, Slate, Meagher & Flom LLP

One Rodney Square

P.O. Box 636

Wilmington, DE 19899

(302) 651-3000

- and -

Felicia Perlman

John K. Lyons

Peter E. Krebs

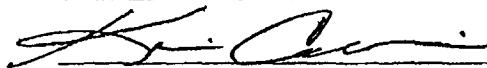
155 North Wacker Drive

Chicago, IL 60606

(312) 407-0700

COUNSEL FOR THE DEBTORS

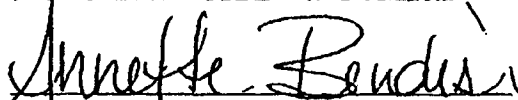
BIFFERATO LLC



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Tel.: (302) 429-1900
Fax: (302) 429-8600
cbifferato@bifferato.com
kcollins@bifferato.com

and

Michael E. Collins (Tenn. Bar No. 16036)
Scott C. Williams (Tenn. Bar No. 021757)
MANIER & HEROD,
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150 4th Ave. North, Suite 2200
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swilliams@manierherod.com
**ATTORNEYS FOR LIBERTY
MUTUAL INSURANCE COMPANY**

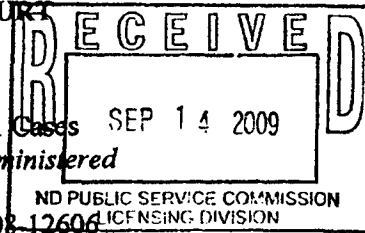


Illona A. Jeffcoat-Sacco
Annette Bendish
Special Assistant Attorneys General
State Capitol – 12th Floor
600 E. Boulevard Ave – Dept. 408
Bismark, ND 58505-0480
Tel.: (701) 328-2400
**ATTORNEYS FOR THE NORTH
DAKOTA PUBLIC SERVICE
COMMISSION**

Dated: _____, 2009
Wilmington, Delaware

The Honorable Brendan L. Shannon
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE



In re:)
VERASUN ENERGY CORPORATION., et al.,)
Debtors)

Chapter 11 Cases
Jointly Administered
Case No. 08-12606

STIPULATION AND AGREED ORDER MODIFYING THE AUTOMATIC STAY TO
ALLOW NORTH DAKOTA PUBLIC SERVICE COMMISSION TO COMMENCE
STATE PROCEEDING

VeraSun Energy Corporation ("VeraSun") and its affiliated debtors and debtors-in-possession (collectively, the "Debtors"), Liberty Mutual Insurance Company ("Liberty") and the North Dakota Public Service Commission (the "Commission"), acting through the undersigned counsel, hereby stipulate to the following:

A. On March 12, 2009, the Commission received a claim (the "Claim") against VeraSun Hankinson, LLC ("VeraSun Hankinson"), one of the Debtors herein, in which the claimant alleged he had not been paid in-full for grain purchased by VeraSun Hankinson and in which the claimant asked the Commission to take appropriate action in seeking recovery of the alleged unpaid amount under grain elevator warehouse bond number 674012345 issued by Liberty naming VeraSun Hankinson as principal and in the amount of \$380,000 (the "Bond").

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D. Thereafter, the Commission and Liberty engaged in discussions concerning the issues raised by the Liberty Objection, including that the Commission does not formally evaluate the claims referenced in the Commission Motion until such time as the Commission secures its appointment as trustee under State law. In light of this, the Commission and Liberty agreed that the state insolvency proceeding contemplated by the Commission Motion should move forward on a limited basis to allow the Commission to file an action in North Dakota District Court, Southeast Judicial District, against VeraSun Hankinson, LLC for the limited purpose of (i) seeking the Commission's appointment as trustee under Chapter 60-04 of the North Dakota Century Code (the "State Court Proceeding") and, in furtherance of said appointment, (ii) allowing the Commission to take possession of relevant books and records of the warehouseman, issue and publish a notice of appointment and notice to file claims with the Commission, and evaluate claims presented to it within the statutory period prescribed by applicable North Dakota law.

E. The Commission has further agreed to provide the Debtors and Liberty with a copy of the Report and Recommendation of Trustee ("Report and Recommendation") that the

Commission prepares for filing with the North Dakota District Court, Southeast Judicial District, showing the Commission's recommendation on the amount and validity of each claim and the proposed distribution of the trust fund assets, including expenses incurred by the Commission in the administration of the insolvency. The Debtors have agreed to provide the Commission with such documents and records as may be reasonably requested by the Commission to assist the Commission in evaluating claims and preparing the Report and Recommendation. The Commission has agreed to provide the Debtors and Liberty with the Report and Recommendation and to seek further stay relief to the extent it seeks to take any further action in the State Court Proceeding based upon the Report and Recommendation.

F. NOW THEREFORE, in furtherance of the foregoing, the parties hereby stipulate and agree as follows:

1. The automatic stay imposed by 11 U.S.C. § 362 is hereby modified for the limited purpose of allowing the Commission to take such action as may be required to secure its appointment as trustee under Chapter 60-04 of the North Dakota Century Code, issue and publish a notice of appointment and notice to file claims with the Commission and, to enable the Commission to evaluate claims presented to it as prescribed by applicable North Dakota law.
2. The Debtors have agreed to provide the Commission with such documents and records as may be reasonably requested by the Commission to assist the Commission in evaluating claims and preparing the Commission's Report and Recommendation. The Commission shall provide the Debtors and Liberty with a copy of the Commission's Report and Recommendation. The Commission shall be required to seek further stay relief to the extent it seeks to take any further action in the State Court Proceeding, including the filing of the Report

and Recommendation, the joinder of Liberty as a party thereto, and the deposit of bond proceeds deemed necessary, based upon the Report and Recommendation.

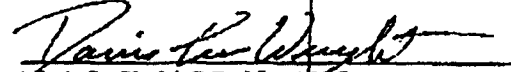
3. Nothing herein shall be deemed an admission by any of the parties as to the validity of any claim or claims against the Debtors, under the Bond or otherwise arising under applicable bankruptcy and non-bankruptcy law, it being understood that except to the extent of the limited stay relief granted herein, all claims, arguments, remedies and defenses of the parties are expressly reserved without limitation or prejudice.

4. This Court shall retain jurisdiction over any matter concerning this Order, or the relief granted herein.

STIPULATED AND AGREED:

Dated: September 11, 2009.

**SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP**



Mark S. Chebi (I.D. No. 2855)

Davis Lee Wright (I.D. No. 4324)

Skadden, Arps, Slate, Meagher & Flom LLP

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P.O. Box 636

Wilmington, DE 19899

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155 North Wacker Drive

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COUNSEL FOR THE DEBTORS

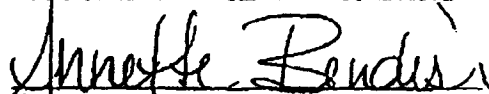
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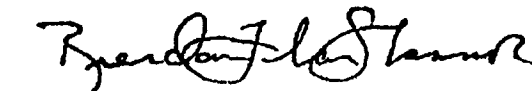
and

Michael E. Collins (Tenn. Bar No. 16036)
Scott C. Williams (Tenn. Bar No. 021757)
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tpennington@manierherod.com
swilliams@manierherod.com
**ATTORNEYS FOR LIBERTY
MUTUAL INSURANCE COMPANY**



Illona A. Jelfcoat-Sacco
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Special Assistant Attorneys General
State Capitol - 12th Floor
600 E. Boulevard Ave - Dept. 408
Bismark, ND 58505-0480
Tel.: (701) 328-2400
**ATTORNEYS FOR THE NORTH
DAKOTA PUBLIC SERVICE
COMMISSION**

Dated: September 14, 2009
Wilmington, Delaware



The Honorable Brendan L. Shannon
United States Bankruptcy Judge

STATE OF NORTH DAKOTA
COUNTY OF RICHLAND

IN DISTRICT COURT
SOUTHEAST JUDICIAL DISTRICT

Public Service Commission

Petitioner,

vs.

VeraSun Hankinson, LLC

Respondent.

PSC Case No. GE-09-104

CIVIL NO. _____

AFFIDAVIT OF
SUSAN K. RICHTER

STATE OF NORTH DAKOTA

COUNTY OF BURLEIGH

)
)ss
)

Susan K. Richter being duly sworn states as follows:

1. That she is a citizen of the United States of America, of legal age, residing at Bismarck, North Dakota.
2. That she is the Director of the Licensing Division for the Public Service Commission (Commission) and as such is charged with the duty of enforcing the provisions of North Dakota Century Code Chapter 60-04.
3. That on March 12, 2009, the Commission received a letter from attorney John Bullis representing Keith Saunders, P.O. Box 275, Wahpeton, ND 58074-0275, and on August 4, 2009, the Commission received a letter from James Wirtz, 17275

95th St. SE, Fairmount, ND 58030, each setting forth a claim against VeraSun Hankinson, LLC for collection of outstanding funds owed.

4. That affiant believes that there could be additional outstanding obligations for unpaid claims for grain sold to VeraSun Hankinson, LLC under North Dakota Century Code Chapter 60-02 for which bond protection is available under the provisions of North Dakota Century Code § 60-02-09 and for any credit-sale contracts for which protection is available from the credit-sale contract indemnity fund under North Dakota Century Code §§ 60-10-04 and 60-10-05.
5. That VeraSun Hankinson, LLC is insolvent under North Dakota Century Code Chapter 60-04, in that it is unable upon proper demand to make payment for grain purchased or make redelivery for grain delivered.
6. That on March 27, 2009, the Commission filed a Motion for Relief From Stay with Bankruptcy Court. The matter was scheduled for hearing on May 7, 2009, and thereafter it was continued to subsequent hearings.
7. That on June 24, 2009, the Commission issued an order canceling warehouse license number 1196 and ordered that VeraSun Hankinson, LLC shall not conduct any further business under license number 1196.
8. That on August 27, 2009, Liberty Mutual Insurance Company, the surety, filed with Bankruptcy Court an Objection of Liberty Mutual Insurance Company to Motion for Relief From Stay Filed by North Dakota Public Service Commission.
9. That prior to September 11, 2009, the Commission entered into a Stipulation and Agreed Order Modifying the Automatic Stay to Allow North Dakota Public Service

Commission to Commence State Proceeding. On September 11, 2009, this Stipulation and Agreed Order Modifying Automatic Stay was filed with the Bankruptcy Court.

10. That on September 14, 2009, the United State Bankruptcy Judge signed the Stipulation and Agreed Order Modifying the Automatic Stay to Allow North Dakota Public Service Commission to Commence State Proceeding.
11. That the Stipulation and Agreed Order Modifying Automatic Stay provides that the automatic stay be lifted to the extent necessary for the Commission to commence these proceedings in state district court for appointment as trustee and, once appointed, to publish notice, investigate potential claims, and prepare a draft Report and Recommendation of Trustee.
12. That the Commission is legally entitled to be appointed trustee of the trust fund provided under North Dakota Century Code Chapter 60-04.
13. That bond proceeds may be needed to redeem outstanding receipts issued by VeraSun Hankinson, LLC.
14. That the Commission agreed in the stipulation that was filed with Bankruptcy Court that the Commission would only ask for relief from the automatic stay for the limited purpose of allowing the Commission to take such action as may be required to secure its appointment as trustee under Chapter 60-04 of the N.D.C.C., issue and publish a notice of appointment and notice to file claims, and enable the Commission to evaluate any claims filed as prescribed by applicable North Dakota law. The Commission also agreed that after evaluating claims filed, it would

prepare a draft Report and Recommendation of Trustee and provide that draft to Liberty Mutual Insurance Company and VeraSun Energy Corporation.

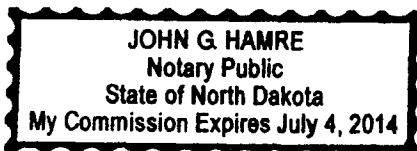
15. That consistent with the terms to which the Commission agreed in the stipulation filed with Bankruptcy Court and the subsequent Bankruptcy Court Order, the Commission is not asking this Court to join the bonding company as a party to the insolvency proceeding at this time.
16. That proceeds from the credit-sale contract indemnity fund may be needed to meet the licensee's obligations to any holders of credit-sale contracts.
17. That affiant believes that it is in the public interest to immediately appoint the Commission as trustee.
18. That the affidavit is made for the limited purpose of allowing the Commission to take action as may be required to secure its appointment as trustee under Chapter 60-04 of the North Dakota Century Code, issue and publish a notice of appointment and notice to file claims with the Commission, and enable the Commission to evaluate claims presented to it as prescribed by applicable North Dakota law, and prepare a draft Report and Recommendation of Trustee.

Bismarck, North Dakota, this 5th day of October, 2009.

Susan A. Richter

Subscribed and sworn to me this 5th day of October, 2009.

SEAL



John G. Hamre
Notary Public

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF RICHLAND

SOUTHEAST JUDICIAL DISTRICT

_____)
Public Service Commission)
))
Petitioner,)
))
vs.)
))
VeraSun Hankinson, LLC)
))
Respondent.)
_____)
PSC Case No. GE-09-104)
_____)

CIVIL NO. _____

**BRIEF IN SUPPORT OF
APPLICATION FOR
APPOINTMENT AS TRUSTEE**

The Public Service Commission (Commission) has jurisdiction over public grain warehouses under North Dakota Century Code Chapters 60-02 and 60-04, which provides for the appointment of the Commission as trustee of the assets of a public warehouse upon the filing of a notice with the Commission that the public warehouseman has defaulted in the payment for grain purchased by the public grain warehouseman.

The Commission received claims from attorney John Bullis representing Keith Saunders, P.O. Box 275, Wahpeton, ND 58074-0275 and from James Wirtz, 17275 95th St. SE, Fairmount, ND 58030, each setting forth a claim against VeraSun Hankinson, LLC for collection of outstanding funds owed. VeraSun Hankinson, LLC is unable, upon proper demand, to pay for grain purchased.

The Commission is informed and has reason to believe that there are outstanding obligations for unpaid claims for grain sold to VeraSun Hankinson, LLC as a

public warehouseman under North Dakota Century Code Chapter 60-02 for which bond protection is available under the provisions of North Dakota Century Code § 60-02-09 and for any credit-sale contracts for which protection is available from the credit-sale contract indemnity fund under North Dakota Century Code §§ 60-10-04 and 60-10-05.

It is in the best interests of all claimants that the Commission be appointed Trustee, and be given the powers under North Dakota Century Code Chapters 60-04 and 60-10 so that all claimants will be treated fairly.

At the time the Commission received the claims, VeraSun Hankinson, LLC, as a subsidiary or affiliate of VeraSun Energy Corporation had already filed a Petition for Reorganization under Chapter 11 of the United States Bankruptcy Court for the District of Delaware (Bankruptcy Court). Consequently, the Commission filed a Motion for Relief From Stay with Bankruptcy Court. The matter was scheduled for hearing on May 7, 2009, and thereafter it was continued to subsequent hearings.

Liberty Mutual Insurance Company, the surety, filed with Bankruptcy Court an Objection of Liberty Mutual Insurance Company to Motion for Relief From Stay Filed by North Dakota Public Service Commission.

The Commission entered into a Stipulation and Agreed Order Modifying the Automatic Stay to Allow North Dakota Public Service Commission to Commence State Proceeding. This Stipulation and Agreed Order Modifying Automatic Stay was filed with the Bankruptcy Court.

The United State Bankruptcy Judge signed the Stipulation and Agreed Order Modifying the Automatic Stay to Allow North Dakota Public Service Commission to Commence State Proceeding.

The Stipulation and Agreed Order Modifying Automatic Stay provides that the automatic stay be lifted to the extent necessary for the Commission to commence these proceedings in state district court for appointment as trustee and, once appointed, to publish notice, investigate potential claims, and prepare a draft Report and Recommendation of Trustee.

Upon the insolvency, the Commission has the authority under North Dakota Century Code § 60-10-05 to make payment to any person who sold grain to the licensee under a credit-sale contract and who was not fully compensated under the contract.

The Court has jurisdiction under North Dakota Century Code § 60-04-03, which provides for the filing of this action in the District Court, Southeast Judicial District.

Bismarck, North Dakota, this **5th day of October, 2009.**

Respectfully submitted,



Illona A. Jeffcoat-Sacco (ID#03315)
Annette Bendish (ID#05790)
Special Assistant Attorneys General
Public Service Commission
State Capitol – 12th Floor
600 E Boulevard Ave – Dept 408
Bismarck, North Dakota 58505-0480
701-328-2400

Attorneys for the Public Service Commission

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF RICHLAND

SOUTHEAST JUDICIAL DISTRICT

Public Service Commission

Petitioner,

vs.

VeraSun Hankinson, LLC

Respondent.

PSC Case No. GE-09-104

CIVIL NO. _____

NOTICE OF APPLICATION
FOR APPOINTMENT AS
TRUSTEE

**TO: Joel West, Vice President of Risk Management, VeraSun Hankinson, LLC,
110 North Minnesota Avenue, Suite 300, Sioux Falls, SD 57104-6440**

**CT Corporation System, Registered Agent for VeraSun Hankinson, LLC,
P.O. Box 400, Bismarck, ND 58502**

**John Bullis, Attorney for claimant Keith Saunders, P.O. Box 275, Wahpeton,
ND 58074-0275**

James Wirtz, claimant, 17275 95th St. SE, Fairmount, ND 58030

**Ian Connor Bifferato and Kevin G. Collins, Attorneys for Liberty Mutual
Insurance Company, Bifferato, LLC, 800 North King Street, First Floor,
Wilmington, DE 19801**

**Michael E. Collins and Scott C. Williams, Attorneys for Liberty Mutual
Insurance Company, Manier & Herod, 150 4th Avenue North, Suite 2200,
Nashville, TN 37219**

**Adam W. Hamm, Insurance Commissioner, State Capitol – 5th Floor, 600 East
Boulevard Avenue, Bismarck, ND 58505-0320**

**Mark S. Chehi, Davis L. Wright, Megan E. Cleghorn and Jason M. Liberi,
Attorneys for VeraSun Energy Corporation, Skadden, Arps, Slate, Meagher
& Flom, LLP, One Rodney Square, PO Box 636, Wilmington, DE 19899**

Timothy R. Pohl, Felicia Gerber Perlman and John K. Lyons, Attorneys for VeraSun Energy Corporation, Skadden, Arps, Slate, Meagher & Flom, LLP, 333 West Wacker Drive, Chicago, IL 60606

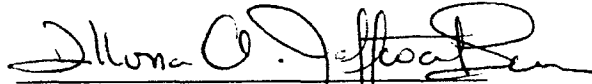
Frankie E. Cooley, Attorney in Fact, Liberty Mutual Insurance Company, 6800 College Boulevard, Suite 701, Overland Park, KS 66211

Office of the US Trustee, Attn: Mary Kenney, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19802

PLEASE TAKE NOTICE that the Public Service Commission, Movant in the above proceeding, respectfully moves the Court for an order appointing the Public Service Commission Trustee for VeraSun Hankinson, LLC for the limited purpose of allowing the Commission to take such action as may be required to secure its appointment as trustee under Chapter 60-04 of the North Dakota Century Code, issue and publish a notice of appointment and notice to file claims with the Commission, enable the Commission to evaluate claims presented to it as prescribed by applicable North Dakota law, and prepare a draft Report and Recommendation of Trustee. The application, affidavit and brief in support of the application are attached to this notice and by reference made a part hereof.

YOU ARE HEREWITH NOTIFIED that the attached Application for Appointment as Trustee has been submitted to the Court pursuant to Rule 3.2 of the North Dakota Rules of Court. The motion will be decided on briefs unless oral argument is timely requested. You have ten (10) days after the service of the Notice to file your response and other supporting papers.

Bismarck, North Dakota, this 5th day of October, 2009.



Ilona A Jeffcoat-Sacco (ID#03315)
Annette Bendish (ID#05790)
Special Assistant Attorneys General
Public Service Commission
State Capitol – 12th Floor
600 E Boulevard Ave – Dept 408
Bismarck, North Dakota 58505-0480
701-328-2400

Attorneys for the Public Service Commission

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF RICHLAND

SOUTHEAST JUDICIAL DISTRICT

Public Service Commission

CIVIL NO. _____

Petitioner,

vs.

AFFIDAVIT OF SERVICE
BY CERTIFIED MAIL

VeraSun Hankinson, LLC

Respondent.

PSC Case No. GE-09-104

STATE OF NORTH DAKOTA)

)ss

COUNTY OF BURLEIGH)

John Hamre deposes and says that:

he is over the age of 18 years and not a party to this action and, on the **5th day of October, 2009**, he deposited in the United States Mail, Bismarck, North Dakota, **12 envelopes** with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

1. Application for Appointment as Trustee
2. Affidavit of Susan K. Richter
3. Brief in Support of Application for Appointment as Trustee
4. Notice of Application for Appointment as Trustee
5. Affidavit of Service by Certified Mail

The envelopes were addressed as follows:

Joel West, Vice President of Risk Management
VeraSun Hankinson, LLC
110 North Minnesota Avenue Suite 300
Sioux Falls, SD 57104-6440
Cert. No. 7008 2810 0000 4606 7313

C T Corporation System
VeraSun Hankinson, LLC's Registered Agent
P.O. Box 400
Bismarck, ND 58502
Cert. No. 7008 2810 0000 4606 7320

Ian Connor Bifferato
Kevin G. Collins
Bifferato LLC
Attys for Liberty Mutual Insurance Company
800 N. King St., First Floor
Wilmington, DE 19801
Cert. No. 7008 2810 0000 4606 7337

Mark S. Chehi, Esquire
Davis L. Wright, Esquire
Megan E. Cleghorn, Esquire
Jason M. Liberi, Esquire
Skadden, Arps, Slate, Meagher & Flom LLP
Attys for VeraSun Energy Corporation
One Rodney Square
P.O. Box 636
Wilmington, DE 19899
Cert. No. 7008 2810 0000 4606 7344

Michael E. Collins
Scott C. Williams
Manier & Herod
Attys for Liberty Mutual Insurance Company
150 4th Ave. North, Suite 2200
Nashville, TN 37219
Cert. No. 7008 2810 0000 4606 7351

Timothy R. Pohl, Esquire
Felicia Gerber Perlman, Esquire
John K. Lyons, Esquire
Attys for VeraSun Energy Corporation
Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive
Chicago, IL 60606
Cert. No. 7008 2810 0000 4606 7368

Adam W. Hamm
State Capitol – 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0320
Cert. No. 7008 2810 0000 4606 7375

John Bullis, Attorney
P.O. Box 275
Wahpeton, ND 58074-0275
Cert. No. 7008 2810 0000 4606 4879

James Wirtz
17275 95 R St SE
Fairmount, ND 58030
Cert. No. 7008 2810 0000 4606 4886

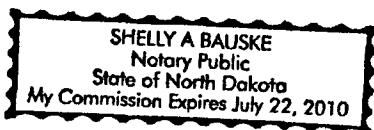
Frankie E. Cooley
Liberty Mutual Insurance Company
6800 College Boulevard, Suite 701
Overland Park, KS 66211
Cert. No. 7008 2810 0000 4606 4893

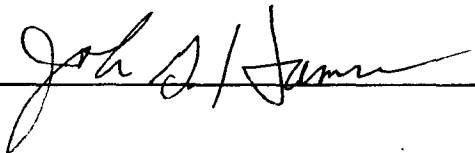
Office of the US Trustee
Attn: Mary Kenney
844 King Street, Suite 2207
Lockbox 35
Wilmington, DE 19801
Cert. No. 7008 2810 0000 4606 4909


Dennis A. Meloro, Esquire
Donald J. Detweiler, Esquire
Monica Loftin Townsend, Esquire
Sandra G.M. Selzer, Esquire
Greenberg Traurig
The Nemours Building
1007 North Orange Street, Suite 1200
Wilmington, DE 19801
Cert. No. 7008 2810 0000 4606 7405

Subscribed and sworn to before me
this **5th day of October, 2009.**

SEAL







Notary Public