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PUBLIC SERVICE COMMISSION

Great American Insurance Company
Bond Division
P.O. Box 2119
Cincinnati, OH 45201
Fax: 888-290-3706
Phone: 480-659-4093

August 20, 2010

Via Facsimile 701-328-2410 and Regular Mail

Liona A. Jeffcoat-Sacco, Esq.
State of North Dakota
Public Service Commission
600 East Boulevard Avenue, Dept 408
Bismark, ND 58505-0480

RE: Principal: Organic Grain and Milling
Claim # 909-503361; Bond #: 8632211
Penal Limit: \$ 62,500.00
Claimant: State of North Dakota; Claim Amt: \$ undetermined

Dear Ms. Jeffcoat-Sacco:

This letter serves to acknowledge receipt of your recent correspondence advising us of the Application for Appointment as Trustee, and the corresponding insolvency of Organic Grain and Milling. We are currently opening an investigation into the matter and contacting the referenced principal regarding their position.

If it is the State's intent to make a claim on the bond, please advise. Otherwise, we will simply monitor the situation and await the outcome of the Trustee's actions.

Please note that nothing contained in our acknowledgment of this claim should be construed as an admission of liability under our bond, nor as waiver of any rights or defenses of the Surety or its principal under the bond or applicable law or equity, all of which rights and defenses are expressly reserved. If you would like to discuss this matter, please feel free to contact me directly at any time during the course of the investigation @ 480-659-4093.

Sincerely,
GREAT AMERICAN INSURANCE COMPANY

Brian R. Sawyer
Bond Claim Director
(email: bsawyer@gajc.com)