



Public Service Commission

State of North Dakota

COMMISSIONERS

Kevin Cramer
Tony Clark
Brian P. Kalk

Executive Secretary
Darrell Nitschke

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
Web: www.nd.gov/psc
E-mail: ndpsc@nd.gov
Phone 701-328-2400
Toll Free 1-877-245-6685
Fax 701-328-2410
TDD 800-366-6888 or 711

September 23, 2010

Mr. Thomas Grabanski
Grabanski Grain, LLC
223 West 17th Street
Grafton, ND 58237

Mr. DeWayne Johnston
Grabanski Grain, LLC
212 South 4th Street, Suite 201
Grand Forks, ND 58201-4776

**RE: Platte River Insurance Company
 Grabanski Grain, LLC
 Grain Elevator Warehouse Bond No. 41134564**

Dear Mr. Grabanski and Mr. Johnston:

This is to inform you that the Public Service Commission received a cancellation notice on the referenced bond, indicating an effective date of November 28, 2010. November 28, 2010, is a Sunday, so the statutory effect date of the bond cancellation is November 29, 2010.

North Dakota Century Code § 60-02-09.1 (copy enclosed) provides that the Commission shall immediately suspend the warehouseman's license if the licensee fails to file a replacement bond at least thirty days before cancellation of the current bond filing. Grabanski Grain, LLC must file, no later than October 29, 2010, a new bond or proof that the referenced bond will remain in effect or the Commission, without hearing, will immediately suspend Grabanski Grain, LLC's grain warehouse license.

North Dakota Century Code § 60-02.10.1 (copy enclosed) provides that during the suspension of a license a warehouseman may, upon approval of the Commission, operate the warehouse and purchase or redeliver grain previously received, **but may not receive additional grain.** It provides that grain may not be sold without prior approval of the Commission. North Dakota Admin. Code § 69-07-01-10 (copy enclosed) provides that Grabanski Grain, LLC must surrender its grain warehouse license and must post suspension notices in the office window or on the front driveway door of the facility.

8 GE-10-498 Filed 09/23/2010 Pages: 4
Letter to Grabanski Grain re. Bond cancellation & revocation dates
Public Service Commission

5 GE-10-456 Filed 09/23/2010 Pages: 4
Letter to Grabanski Grain re. Bond cancellation & revocation dates
Public Service Commission

Mr. Grabanski and Mr. Johnston
September 23, 2010
Page 2

If Grabanski Grain, LLC's license is suspended, Grabanski Grain, LLC has until November 29, 2010, to procure and file an adequate bond. If a bond is not filed by November, 29, 2010, the suspension will remain in place and the Commission will start the revocation process.

If you have any questions, please call me at 701-328-4097.

Sincerely,



Susan K. Richter, Director
Licensing Division

Enclosures

cc: Ginny Spencer, Attorney-in-Fact, Platte River Insurance Company
John Dusek, Nodak Mutual Insurance

line of elevators, mills, or warehouses, owned, controlled, or operated by one individual, firm, corporation, or limited liability company, and such bond shall be construed to cover such elevators, mills, or warehouses, as a whole and not a specific amount for each.

60-02-09.1. Bond cancellation - Release of surety. The surety on a bond is released from all future liability accruing on the bond after the expiration of ninety days from the date of receipt by the commission of notice of cancellation by the surety or on a later date specified by the surety. This provision does not operate to relieve, release, or discharge the surety from any liability already accrued or which accrues before the expiration of the ninety-day period. Unless the warehouseman files a new bond at least thirty days before liability ceases, the commission, without hearing, shall immediately suspend the warehouseman's license and the suspension may not be removed until a new bond has been filed and approved by the commission. When a license is so suspended, the warehouseman shall give notice of such suspension to each receipt holder having grain stored in the warehouse. The warehouseman shall further notify each receipt holder having grain stored in the warehouse that the grain must be removed from the warehouse or it will be priced and redeemed in cash in accordance with section 60-02-41.

60-02-10. Warehouse license to be posted. The license obtained by a public warehouseman shall be posted in a conspicuous place in the public warehouse.

60-02-10.1. Revocation and suspension. The commission may suspend or revoke the license of any warehouseman for cause upon notice and hearing. Notwithstanding any other provisions of this chapter, the license of a warehouseman must automatically be suspended for failure at any time to have or to maintain either a bond or insurance policy in the amount and type required. During a suspension of a license the warehouseman may, upon the commission's approval, operate the warehouse and purchase or redeliver grain previously received, but may not receive additional grain for purchase, storage, shipping, or processing. Grain may be sold only with the prior approval of the commission.

60-02-11. Scale ticket - Contents - Conversion.

1. Every public warehouseman, upon receiving grain into its warehouse, shall issue a uniform scale ticket for each load of grain received. Such tickets must be numbered consecutively, and one copy of each ticket must be retained and remain as a permanent record. The original ticket must be delivered to the person from whom the grain is received, upon receipt of each load of grain. All scale tickets must be converted into cash, noncredit-sale contracts, credit-sale contracts, or warehouse receipts within forty-five days after the grain is delivered to the warehouse.
2. Nothing in this chapter requires a warehouseman to receive grain for storage. A warehouseman shall publish and post, in a conspicuous place in its warehouse, a publication identifying whether storage will be available to its patrons or whether grain will be accepted via cash or a credit-sale contract arrangement.

60-02-12. Penalty. Any person who shall violate any of the provisions of this chapter or any rule adopted pursuant to this chapter, if punishment is not specifically provided for, shall be guilty of an infraction.

60-02-13. Purchase by warehouseman - Form of receipt. There may be printed on each warehouse receipt issued by a warehouseman a receipt executed by the owner for use in case the grain represented thereby is purchased by the warehouseman. The warehouseman shall record the purchase, as to the amount paid per bushel, on the stub record or copy of its warehouse receipt books. The receipt must be in substantially the following form:

Received from _____, _____ dollars and _____ cents net, in full payment for the grain represented by this warehouse receipt. Gross price per bushel _____, storage per bushel _____, net price per bushel _____. I certify that I am the owner of the grain for which this receipt was issued, and that there are no liens, chattel mortgages, or other claims against the grain represented by this receipt.

surrendered to the commission and the suspension notice must be posted in a conspicuous manner at the facility, if applicable.

History: Effective February 1, 1991; amended effective August 1, 1999.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDCC 60-02-09, 60-02-09.1, 60-02-10.1, 60-02-35, 60-02-35.1, 60-02.1-08, 60-02.1-09, 60-02.1-21, 60-02.1-22

69-07-01-09. Change in capacity. A licensee may not change its physical capacity without prior commission approval. A request to change capacity must be in writing and specifically identify the capacity being added or deleted. Deleted capacity must be physically disconnected from other capacity. Added capacity must be properly bonded. Additions not previously licensed must be accompanied by a diagram showing the location and capacity of the space involved.

History: Effective February 1, 1991; amended effective August 1, 1999.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDCC 60-02-09, 60-02.1-03

69-07-01-10. License suspension. Upon suspension of its license, a licensee must:

1. Within five days of receipt of notice, provide each receipt holder with written notice that its license is suspended, if applicable, and that grain must be removed from the facility or it will be priced and redeemed in cash in accordance with state law. The notice must contain the projected date of license revocation and indicate that if a receipt holder chooses not to sell the grain to the licensee and does not take redelivery prior to revocation, the grain may no longer be covered by insurance or bond.
2. If applicable, keep the commission's suspension notice conspicuously posted in the office window or on the front driveway door of the facility.
3. Surrender the license to the commission.
4. If applicable, not receive additional grain for purchase, storage, shipping, or processing.
5. If applicable, refrain from selling or shipping grain without prior written commission approval.

History: Effective February 1, 1991; amended effective August 1, 1999; March 1, 2003.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDCC 60-02-09.1, 60-02-10.1, 60-02-35.1, 60-02.1-09, 60-02.1-11, 60-02.1-22