



Public Service Commission

State of North Dakota

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June 15, 2011

Tracy Kennedy
Zimney Foster P.C.
Bremer Financial Center – Suite 200
3100 South Columbia Road
PO Box 13417
Grand Forks, ND 58208-3417

Re: Mitchell Feeds, Inc.

Ms. Kennedy,

Thank you for your June 8th letter, summarizing American Federal Bank's position concerning the grain. As indicated in previous phone conversations, the North Dakota Public Service Commission's (Commission) stance towards this issue continues to be researched. It is expected that, after Staff has had sufficient time to analyze this matter, a recommendation will be made to the Commissioners in order to determine our next course of action.

At this point we are maintaining that the grain and its proceeds are a part of our trust corpus. Additionally, it is certainly possible that the Commissioners would approve the liquidation of the sunflowers, as well as the establishment of an escrow account, in order to maximize its value. It is our understanding that the mechanics of this approach are currently being formulated between yourself and Mr. Mitchell's counsel, David Johnson. A stipulation, in this regard, would be reviewed with all expedience.

Sincerely,

A handwritten signature in black ink that reads "Mark Gruman".

Mark Gruman
Legal Counsel
North Dakota Public Service Commission