

Sharon A. Sergeant

Claims Manager

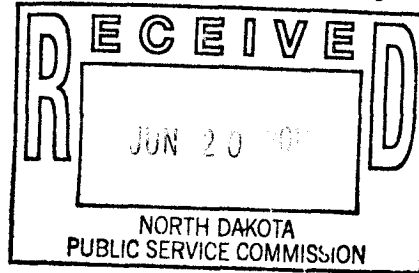
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June 16, 2011

Mr. Darrell Nitschke
North Dakota Public Service Commission
600 East Boulevard Avenue
Department 408
Bismarck, ND 58505



Principal: Mitchell Feeds, Inc.
Surety: Western Surety Company
Obligee: State of North Dakota
Bond No.: 15352088
Claim No.: 9A-331660

Dear Mr. Nitschke:

This serves as a follow up to my May 17, 2011 letter to you and as confirmation of Western Surety Company's, ("WSC"), receipt of a copy of the Order Appointing Trustee and Joining Surety as a Party in your Case Number PSC GE-11-51.

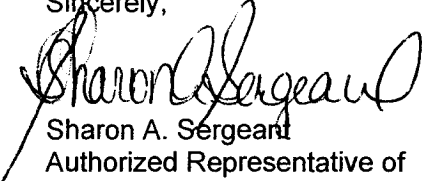
After discussions with Susan K. Richter of your office, it is my understanding that the joinder of WSC is in due course for this type of proceeding and that your office will now publish a Notice to File Claims.

WSC does not intend to hire counsel to file an answer or response in this matter as, given the nature of this bond, WSC has no defenses other than what Mitchell Feeds, Inc. might assert, if any. WSC respectfully requests that you not seek the entry of a judgment *as against WSC*. Rather, once an order or judgment is entered against Mitchell Feeds please forward a copy of that entry to my attention and WSC will promptly satisfy the judgment against Mitchell Feeds, to the extent of WSC's liability. Please confirm whether this arrangement is acceptable.

As an additional matter, the penal sum of this bond is \$70,000.00. This amount represents WSC's maximum liability for any order or judgment entered against Mitchell Feeds.

Please do not hesitate to contact me should you have any questions or concerns.

Sincerely,


Sharon A. Sergeant
Authorized Representative of
Western Surety Company

cc: Illona A. Jeffcoat-Sacco
Mark Gruman
Special Assistant Attorneys General
State Capitol – 12th Floor
600 East Boulevard Avenue – Department 408
Bismarck, ND 58505-0480

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Follow-up to CAN Surety's May 17, 2011 letter