

Delbert Cousins
 Box 38
 Weirdale, SK
 S0J 2Z0

13 April, 2013

Public Service Commission
 Bismarck, ND 58505-0480

Susan Richter



Re: Unpaid grain claim – Delbert Cousins & Earth Harvest Mills

Earth Harvest Mills owes me **\$25,949.00** plus interest from organic wheat I sold them in March 2012.

On the 10th January, 2012, Chris Krenzle of Earth Harvest Mills sent me a quote on what they would pay me for my organic wheat, which was above 14 % protein. The price was \$14.00 per bushel. (Copy of their quote is attached and marked **Appendix A**)

I agreed to sell my wheat at that price and on 15 March, 2012, Grayson Hoberg, CEO of Earth Harvest Mills sent me a contract via email, which I signed and returned to him by email that same day. (Copy of the Contract is attached and marker **Appendix B**) On the contract Grayson estimated the value of two truck loads of grain, final amount would be know when grain reached the mill.

I arranged for two trucks and on that same day the 15 March, 2012 the two trucks arrived and loaded up my organic wheat. The trucks were weighed at our local scale and a copy of the trucks weigh receipts are attached. (They are marked **Appendix C**)

I arranged for an Export Licence. (Copy of the Export Licence marked **Appendix D**) The licence shows the organic wheat crossed the Border on the 16 March, 2012.

My organic wheat arrived at Earth Harvest Mill on the 16 March, 2012 and the loads were unloaded into Bin 2 & Bin 4. Weights are recorded on the receipts. Copy of the receipts are attached and marked **Appendix F**) Two loads held 1891.33 bushels. At \$14.00 per bushel I expected around \$26000.00. Although the grain was fairly clean I knew there would be some screening waist when clean to a higher standard.

I did not receive payment for my organic wheat within 30 days as required by the contact so I called Chris Krenzle by email & phone on several occasions but to no avail. He finally told me I should talk with Grayson Hoberg. I contacted Mr Hoberg on numerous occasions and he would often say a check would be in the mail but non ever came.

On about the 19 June 2012 I received a Deferred Payment Contact date 19 June, 2012 by mail from Grayson Hoberg. (Copy of this contract attached and marked **Appendix G**) He advised signing this contract would guarantee me 80% payment from the Government if they went Bankrupt. The contract shows he owed me **\$25,949.00**. I did not sign the contract as there was no mention of the 80% guarantee.

I started searching data on the internet about Earth Harvest Mills and that is how I found that the Public Service Commission was looking into the mill so I called them. Susan Richter explained the Deferred Payment Contract to me.

Time passed and I never did receive any payment from Earth Harvest Mills. After learning more about a Deferred Payment Contract, I signed a Deferred Payment Contract with Grayson Hoberg dated 12 February, 2013. (Copy of this contract Marked **Appendix H**) The contract states I would receive payment by the 31 March 2013 but no payment was received.

I paid all expenses to ship the wheat to Earth Harvest Mills. I paid for the trucking, Boarder crossing fees, Canada Wheat Board fees, and partial cleaning expense. Total expense was about \$5,000.00. I am out my wheat plus these out of pocket expenses Earth Harvest Mills had no expense on this sale so made full profit on the sale of the milled flour. They sold my wheat and used the money to pay others; doing this in Canada can constitute a Criminal Offence.

One year has now passed and I have not received a payment of any sort from Earth Harvest Mills. I have made many emails & phone calls back and forth to Grayson & Eric Hoberg and have had many promises that payment would be in the mail but no money has been received.

I am convinced that when Earth Harvest Mills purchased our wheat in March of 2012, they at that time had no intention of paying us. This was one of their tactics to raise some money to keep operating. Many times they would tell us "You will have a check by Friday". No check ever came.

Attachments: Appendix A – Offer to pay \$14.00 per bushel
Appendix B – Sale Contract
Appendix C – Trucks weigh tickets
Appendix D – Export Licence
Appendix F - Earth Harvest Mills' weigh ticket
Appendix G – First Deferred Payment Contract, shows what the Mill owes me
Appendix H – Deferred Payment Contract, signed by Grayson Hoberg & myself

Yours truly,


Delbert Cousins

Chris Krenzle chris@dakota-prairie.com Jan 10
Delbert.

Here is the price structure I am currently using. The pricing is FOB Harvey, ND
I am interest in all of the grain and will pay (following the attached chart) according to proteins. Please read the standards we have at the bottom of the chart for TW, bugs, and smell.

Chris Krenzle

HRSW pricing for November 1, 2011

	Protein of the grain	Proposed \$/bu/bushel FOB Harvey
Delivered Price for 16%+ Protein HRSW:	16% or higher	\$15.00
Delivered price for 14.0%-15.99% Protein HRSW:	17% or less	\$14.00
Delivered price for 13.0%-13.9% Protein HRSW:		
Proteins from 13.0%-13.3%	13.00%-13.29%	\$12.50
Proteins from 13.4%-13.7%	13.30%-13.69%	\$12.60
Proteins from 13.7%-13.9%	13.70%-13.99%	\$13.20
Delivered price for 12.0%-12.9% Protein HRSW:		
Proteins from 12.0%-12.19%	12.0%-12.19%	\$12.00
Proteins from 12.20%-12.39%	12.20%-12.39%	\$12.10
Proteins from 12.40%-12.59%	12.40%-12.59%	\$12.30
Proteins from 12.60%-12.79%	12.60%-12.79%	\$12.50
Proteins from 12.8%-12.99%	12.80%-12.99%	\$12.40
Proteins below 12% Protein	less than 12%	Pay on protein=11.9% is \$11.90/bushel Pay on protein=11.5% is \$11.50/bushel

All incoming grain must be at least 58 TW, below 14% moisture and 300 falling number. Loads not meeting our protein, moisture and falling number specs can be rejected. We can also reject loads for extreme, high declage (above 20%), odor or rocks.

Appendix B

Sales Agreement

Agreement# DPO031512HRSW

Seller

Delbert Cousins
Box 38
Weirdale, Saskatchewan
Phone 306-929-4813
Fax 306-929-4813

Buyer

Earth Harvest Mills
DBA Dakota Prairie Organic Flour Co.
500 North St West
Harvey, ND 58341
Phone 701-324-4330
Fax 701-324-4334

Delbert Cousins agrees to sell Earth Harvest Mills approximately 1700 bushels of 14.0% protein (average), 60+ TW, hard red spring wheat. The 2011 crop year HRSW will be shipped from Weirdale, Saskatchewan to Harvey, ND via truck. Trucking will be arranged/paid by the seller.

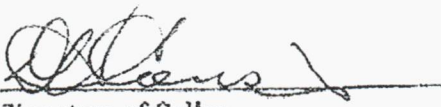
Bushel price is \$ 14.00/bushel less dockage, FOB Harvey, ND

Invoice total: \$23,800 less dockage

- *Weight and total price to be adjusted according to weight on printed scale ticket after loading, less dockage.
- Grain can be rejected for any of the following reasons: Moldy/rancid smell, vomitoxin above 1 ppm, falling number below 300, TW below 58, rocks, and/or bugs.
- Payment terms are Net 30 Days from arrival date.
- An Organic Certification, BOL, and clean truck affidavit paperwork must accompany each load of grain.
- Copies of paperwork will be transmitted via fax, email, or mail to Earth Harvest Mills as they are available.
- Product can be shipped starting 03/15/12 and shipped at farmers discretion.


 Grayson Hoberg, CEO-Earth Harvest Mills
 Signature of Purchaser

3/15/12
 Date


 Signature of Seller

3/15/12
 Date

DAHL TRUCKING LLC

No. 6559

9240 Hwy. 1 S., Langdon, ND 58249
Phone 701-256-3959 • 800-624-8680

From: Shipper name and address Delbert Cousins Meath Park, SK		Date: 3/15/12	
To: Receiver name and address Dakota Prairie Organics Harvey, ND		Load #:	
Commodity wht.		Weight lbs. 60 804	Rate
Driver Name (print): Kevin Nygaard		Driver Signature: <i>Kevin Nygaard</i>	
Truck #: 91		Trailer #: 140	

SHIPPER COPY

ELROY TRUCKING LLC

No. 1060

P.O. Box 85, Gilby, ND 58235
Cell 218-791-1344 • Fax 701-869-2104

From: Shipper name and address Delbert Cousins Farm Meath, Park SK		Date: 3-15-2012	
To: Receiver name and address Dakota Prairie Organics Harvey, ND		Load #:	
Commodity Organic wheat		Weight lbs. 52,757 LBS	Rate
Driver Name (print): Kevin Larson		Driver Signature: <i>Kevin Larson</i>	
Truck #: 56808 - E18		Trailer #: T771272 - ET8	

CWB EXPORT LICENCE FOR WHEAT OR BARLEY / Permis d'exportation de blé ou d'orge

Read all terms and condition on this application carefully / Veuillez lire attentivement les modalités de cette demande.

IT IS AN OFFENCE:

1. Under the Canadian Wheat Board Act to export wheat, barley or their products without an export licence and to otherwise contravene the Canadian Wheat Board Regulations or Instructions to the Trade issued pursuant to the Act. 2. Under the Canada Customs Act to fail to stop and report to Canada Border Services Agency at the point and time of exit and produce a valid export licence before exporting wheat, barley or their products.

Il est interdit:

1. Aux termes de la Loi sur la Commission canadienne du blé, d'exporter du blé, de l'orge ou des produits dérivés de blé ou d'orge sans permis d'exportation de la CCB; de telles actions constitueront une infraction au Règlement sur la CCB et aux Instructions au négoce s'y rapportant. 2. Aux termes de la Loi sur les douanes, il est interdit de ne pas s'arrêter et de ne pas se présenter à l'Agence des services frontaliers du Canada au point de sortie et au moment de la sortie du Canada et de ne pas produire de permis d'exportation valide avant d'exporter du blé, de l'orge ou des produits dérivés de blé ou d'orge.

1 Applicant / Exporter / Demandeur / Exportateur :

Name / Nom Delbert Cousins Address / Adresse GD, Weirdale
Province / State / Etat SK Country / Pays Canada Postal Code / Code Postal S0J 2Z0
Phone / Tel 306-929-4813 Fax / Télécopieur 306-929-4813

Exporter is a Canadian Citizen? / L'Exportateur est citoyen du Canada. Yes / Oui No / Non

2 Agent / Agent :

Name / Nom _____ Address / Adresse _____
Province / State / Etat _____ Country / Pays _____ Postal Code / Code Postal _____
Phone / Tel _____ Fax / Télécopieur _____

Agent is a Canadian Citizen? / L'Agent est citoyen du Canada. Yes / Oui No / Non

3(a) Commodity purchased from / Marchandise obtenue de :

Name / Nom Delbert Cousins Address / Adresse GD, Weirdale
Province / State / Etat SK Country / Pays Canada Postal Code / Code Postal S0J 2Z0
Phone / Tel 306-929-4813 Fax / Télécopieur 306-929-4813 3(b) CWB Contract No / Numéro de contrat CCB 317210

4(a) Commodity being exported / Marchandise exportée (Product/Grain/Grade/Protein) / (Produit/Grain/Grade/Teneur en protéines) 2CWRS - Wheat
4(b) Quantity being exported / Quantité exportée (Quantity/Unit of Measure) / (Quantité/Unité de mesure) 51.70 MT
4(c) Country of final Destination of commodity being exported / Pays où la marchandise exportée est expédiée United States

5(a) Canada Border Services Agency (CBSA)-Point of Exit / Bureau de sortie de l'Agence des services frontaliers du Canada (ASFC): North Portal, SK
5(b) Mode of transport from point of exit / Mode de transport à partir du point de sortie:
Air/Avion Mail/Courier Rail/Rail Highway/Route Marine/Maritime

6 Applicant has read and agrees to all the terms and conditions found on pages one and two of the export licence application / Le demandeur a pris connaissance des Termes et Conditions aux pages Un et Deux de ce formulaire.
[Signature] 5 Mar 2012 Owner
Applicant's Signature / Signature du demandeur Date Company / Société Position / Fonction

For CWB use only / Réserve à l'usage de la CCB

Applicant is issued an export licence, for the total quantity of the product outlined above, subject to the terms and conditions of this application. / Un permis d'exportation a été octroyé au requérant, pour le volume total du produit indiqué ci-dessus, sous réserve des modalités de cette demande.

The Canadian Wheat Board / La Commission canadienne du blé
423 Main Street / 423. rue Main,
P.O. 816 Station Main / C.P. 816
Winnipeg, Manitoba, Canada R3C 2P5
Export Licencing / Permis d'exportation (204) 983-3569
Export Licencing Fax / Permis d'exportation Télécopieur (204) 987-4178
CWB Representative / Agent CCB [Signature]
Export Licence # / N° de permis 31721021
Issue Date / Date de délivrance March 05, 2012
Expiry Date / Date d'expiration May 04, 2012

Appendix
F



DAKOTA PRAIRIE ORGANIC FLOUR CO.
500 NORTH STREET WEST
HARVEY, ND 58341

DATE 3-16-12

TK1

COMMODITY HRSW

TO Bin 2 TRUCK
FROM _____ RAILCAR

UNIT NUMBER _____

GROSS

TARE

NET

ID 031612.1 09:32AM 03/16/2012

93100 lb INBOUND

ID 031612.1 11:38AM 03/16/2012

wrong
+ 1 lb

GROSS 93100 lb RECALLED

TARE 32800 lb

NET 60300 lb

101300 Bu

Dahl Trucking LLC
 9240 HWY 1 South
 Langdon, ND 58249
 P: 701-256-3959 F: 701-256-3960

INVOICE
 162078
 03/19/2012

Bill To

Delbert/Linda Cousins
 Box 38
 Weirdale, SK S0J 2Z0

Terms: Net 21
 Reference: 031612.1/6559
 Office: 27

Company	Address	City, St	Zip	Ref
Shipper		Meath Park, SK		
Consignee		Harvey, ND		

Commodity	Description	Reference	Pcs	Act Wgt	Tar Wgt	Bill Wgt
Wheat	6559	031612.1	1,013	60,780	0	60,780

Accessorial	Reference	Rate	Units	Amount
Fuel Surcharge	per bu	0.32	1,013	324.16

Pickup Date: 3/15/12	Total Pieces: 1,013	Actual Wgt: 60,780	As Wgt: 60,780	Truck: 91
Delivery Date 3/16/12	Total Space: 0	Tariff Wgt: 0	Miles: 575	Trailer: T1201

Payable only in U.S. Funds	Rate By: Piece	Freight:	1,296.64
Payment due net 30 days or finance charges apply	Rate: 1.28	+ Accessorials:	324.16

(For your Records)

Invoice Total: 1,620.80 *pd*



DAKOTA PRAIRIE ORGANIC FLOUR CO.
500 NORTH STREET WEST
HARVEY, ND 58341

DATE 3-16-12

TK2

COMMODITY HRSLW

TO Bin #

TRUCK

FROM _____

RAILCAR

UNIT NUMBER _____

GROSS

TARE

NET

52700

ID 031612.2 10:05AM 03/16/2012
81380 lb INBOUND
ID 031612.2 12:37PM 03/16/2012

GROSS 81380 lb RECALLED

TARE ^{WEIGHER} 28680 lb

NET 52700 lb

TKL *TKL*

$52700 = 878.33$
Bu

Appendix F

Frontier Freight
 9240 Hwy 1 South
 Langdon, ND 58249
 P: (701)256-3959 F: (701)256-3960

INVOICE
 12892
 03/21/2012

Bill To

Delbert or Linda Cousins
 Box 38
 Weirdale, SK S0J 2Z0

Terms: Net 21
 Reference: 031612.2
 Office: 1

Company	Address	City, St	Zip	Ref
Shipper Delbert Cousins		Meath Park, SK		
Consignee Dakota Prairie Organic Flo	500 N St. W	Harvey, ND		

Commodity	Description	Reference	Pcs	Act Wgt	Tar Wgt	Bill Wgt
Wheat	1060	031612.2	878.33	52,700	0	52,700

Accessorial	Reference	Rate	Units	Amount
-------------	-----------	------	-------	--------

Pickup Date: 3/15/12	Total Pieces: 878.33	Actual Wgt: 52,700	As Wgt: 52,700	Truck:
Delivery Date 3/16/12	Total Space: 0	Tariff Wgt: 0	Miles: 575	Trailer:

Rate By: Piece
 Rate: 1.60

Freight: 1,405.33
 + Accessorials: 0.00

Invoice Total: 1,405.33 *pd*

(for your records)

G

Jun 19
Delbert,

We are in a major growth in the wheat and gluten-free area. From last month to this month we are growing 60% and it has hurt our cash flow.

We are planning on paying this bill within the next four months thru the profits of the company or faster thru an equity raise that we are in the process of.

In the meantime, I attached a deferred payment contract. This is filled with the State of North Dakota and it provides a guarantee from the State of 80% of the total. So it is a benefit to you.

Thank you for your help.

Grayson Hoberg
CEO

Appendix H

Dakota Prairie Organic Flour Company
Deferred Payment Contract

NO. 139

THIS AGREEMENT, made and entered into by and between Dakota Prairie Organic Flour Company (Buyer) with its principal place of business at 500 North Street West, Harvey, ND 58341 and Delbert Cousins (Seller) whose principal place of business is at Box 38, Weirsdale, SK Canada S0J2Z0

The parties hereto hereby promise and agree as follows:

1. Seller has sold (or sells) and Buyer has purchased (or hereby purchases) and acknowledges receipt of the following described grain(s):

Table with 5 columns: Receipt No., Kind of Grain, Net Bushels, Price, Amount. Includes rows for 'On File' (Hard Red Wheat) and a summary row for 'Total Gross Amount' (25,949.00) and 'Net Amount' (25,949.00).

2. Purchase Price: As and for the purchase price, Buyer promises to pay the "net amount" stated above.

3. Deferred Payment: Which Buyer agrees to pay Seller between the dates of 2/12/13 and 3/31/13

4. Liens: Seller hereby warrants to Buyer that all grain delivered hereunder is now and will remain up to and including the time of delivery, free of all liens, encumbrances or security interest of any kind except as follows: Dakota Prairie Organic Flour Company is to pay 5% interest per year on outstanding balance owing from 16th March 2012, the date they received the wheat.

5. Title: Title to the grain shall pass to the buyer at time of delivery.

6. Merchantable Quality: All grain delivered under this contract shall be of merchantable quality, unadulterated, and unrestricted from movement in interstate commerce within the meaning of the federal Food, Drug and Cosmetics Act, Environmental Protection Agency tolerances, the U.S. Grain Standards Act and Applicable state law.

7. Tax Consequences: Buyer has made no representations regarding the tax consequences of this contract.

8. Arbitration: Buyer and Seller agree that all disputes and controversies between them with respect to this contract shall be arbitrated by District Court, Wells County, North Dakota and that judgement may be entered on the arbitration award in any court of competent jurisdiction. Seller agrees to pay all Buyer's costs resulting from Seller's breach, including, but not limited to, reasonable attorney's fees and court costs. Buyer agrees to pay all Seller's costs resulting from Buyer's breach, including, but not limited to, reasonable attorney's fees and court costs.

9. Binding Effect: This contract, and any amendments thereto agreed to mutually by the Seller and buyer, shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives and successors of the respective parties. This contract may not be assigned.

10. Final and Complete Agreement: This contract shall represent the final, complete and exclusive statement of agreement between the parties and may not be modified, supplemented or waived, except in writing signed by both parties.

In witness whereof, the parties have signed this contract this 12 day of February (month) 2013 (year)

CREDIT-SALE CONTRACT INDEMNITY
This contract is not protected by bond coverage in the event of buyer's insolvency.
Upon the insolvency of a licensed warehouse or a grain buyer the PUBLIC SERVICE COMMISSION shall use the credit-sale contract indemnity fund for 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.
The amount payable to any eligible person from the credit-sale contract indemnity fund for each insolvency may not exceed the lesser of eighty percent of the amount owed to that eligible person in accordance with all of that person's unsatisfied credit-sale contracts or two hundred eighty thousand dollars.

BUYER: [Signature]

SELLER: [Signature]