



Public Service Commission

State of North Dakota

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July 17, 2014

Eric Larson, President of the Board
Larson Grain Company
10106 72nd St. SE
LaMoure, ND 58458

RE: Grain Warehouse Inspection

Dear Mr. Larson:

The Public Service Commission's Grain Warehouse Inspectors recently completed a routine grain warehouse examination at Larson Grain Company (Englevale Location). The inspectors:

1. Reviewed company operations to determine if generally accepted business practices and state warehousing laws and rules were being adhered to, if documents complied with statutory requirements, and if required notices were posted appropriately.
2. Physically inspected warehouse facilities, to determine if grain was being stored only in approved space and whether the stated physical capacity was accurate and adequately bonded.
3. Physically measured all grain on hand to determine if inventories agreed with company records and were of a kind, quality, and quantity sufficient to cover all outstanding storage obligations.

At the conclusion of the examination, the inspectors issued a Memorandum of Adjustment (MOA). A MOA is the final product of an examination and discloses any conditions that must be corrected. The MOA was completed and presented to the Bean Director for review and signature. Larson Grain Company (Englevale Location) was asked to provide proof of corrective action to the Licensing Division.

A copies of the MOA is being provided to you as a courtesy. If you have any questions, I can be reached at 701-328-4097.

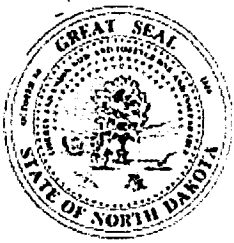
Sincerely,

Susan K. Richter
Licensing Division Director

Enclosure

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GE-14-562 Filed: 7/17/2014 Pages: 2
Letter Forwarded to the President of the Board
Along With Attached Memorandum of Adjustment
(Englevale Location)
Public Service Commission



North Dakota Public Service Commission
Memorandum of Adjustment

06/24/2014 03:15:26 PM

Page: 1

License No: 1068

Exam Date: 06/24/2014

Examiner: 1

Number of items on this report: 2

Larson Grain Company
PO Box 198
LaMoure, ND
County:

An examination of this warehouse and/or the commodities stored there disclosed the following conditions which must be corrected as soon as possible. These conditions may also be in violation of state laws or rules. The issuance of this form is a report of the conditions found at this examination and is not an election by the North Dakota Public Service Commission to be taken..

Examiner comments are shown in *italic* below each item.

No Book Adjustments Required

Item no: 1110

refer to: NDCC 60-02-01(2) & 60-02-19.1

Credit-Sale Contract means a written contract for the sale of grain pursuant to which the sale price is to be paid or may be paid more than 30 days after the delivery or release of the grain for sale and which contains: (1) the seller's name and address; (2) conditions of delivery; (3) the amount and kind of grain delivered; (4) the price per unit or basis of value; (4) the price per unit or basis of value; (5) the date payment is to be made; (6) the duration of the credit-sale contract; and (7) notice in a clear and prominent manner that the sale is not protected by the bond. The contract must be signed by both parties and executed in duplication with one copy retained by the warehouseman and one copy delivered to the seller.

Condition: Price Later contracts do not have the indemnity fund assessment statement on them. Please add the correct language for the indemnity fund assessment on your contracts or use a stamp that will put the language on them. Please forward a copy of the corrected contract to the Licensing Division Office within 30 days. If you have any further questions please contact the office. Thank you.

Item no: 1220

refer to: NDCC 60-10-01

An assessment at the rate of 2/10 of 1% is placed on the value of all grain sold in ND as provided for in 60-02-19.1 and 60-02.1-14. The licensee purchasing the grain shall note the assessment on the contract and shall deduct the assessment from the purchase price payable to the seller. The licensee shall submit any assessment collected under this section to the Public Service Commission.

1 Michael McNamee
Name of PSC Examiner

06/24/2014
Date

I acknowledge receipt of this form. I understand that the above conditions must be corrected as soon as possible. The corrective action must be mailed to the licensing division offices within 30 days of the date received. If all corrections are not completed in 30 days, I will report my progress and continue to submit reports at 15-day intervals until all corrections are completed.

[Signature]
Licensee's Signature
Bean Director
Title

Nick Shockman
By (please print)
6/24/14
Date

Please submit report to: Licensing Division
Public Service Commission
600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480

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