

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF Grand Forks

NORTHEAST CENTRAL JUDICIAL DISTRICT

_____)
Public Service Commission)
))
Petitioner,)
))
vs.)
))
Grand Forks Bean Company, Inc.)
))
Respondent.)
_____)
PSC Case No. GE-15-36)
_____)

CIVIL NO. _____

**AFFIDAVIT OF SERVICE
BY CERTIFIED AND
REGULAR MAIL**

STATE OF NORTH DAKOTA)
))
COUNTY OF BURLEIGH)

Geralyn R. Schmaltz deposes and says that:
she is over the age of 18 years and not a party to this action and, on the **17th day of February 2015**, she deposited in the United States Mail, Bismarck, North Dakota, 2 envelopes with certified postage, return receipt requested, securely sealed and each containing a photocopy of:

1. Notice of Application for Appointment as Trustee and for Ex Parte Order and Notice of Motion Under Rule 3.2
2. Application for Appointment as Trustee and for *Ex Parte* Order
3. Affidavit of Susan K. Richter in Support of Application
4. Brief in Support of Application for Appointment as Trustee and for *Ex Parte* Order
5. Proposed *Ex Parte* Order to Preserve Trust Assets
6. Proposed Order Appointing Trustee
7. Affidavit of Service by Certified and Regular Mail

The envelopes were addressed as follows:

Tad McGurk, President and
Registered Agent for
Grand Forks Bean Company, Inc.
2010 North Washington Street
Grand Forks, ND 58201
Certified No. 7013 2250 0001 0313 9324

Joel Arnason, Attorney
Grand Forks Bean Company, Inc.
301 North Third Street, Suite 300
Grand Forks, ND 58203
Certified No. 7013 2250 0001 0313 9331

Geralyn R. Schmaltz further deposes and says that on the **17th day of February, 2015**, she deposited in the United States Mail, Bismarck, North Dakota, 14 envelopes by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

The envelopes were addressed as follows:

Daniel L. Gaustad
Attorney for Brent Baldwin/Baldwin Farms
& Duane Altendorf
24 North 4th Street
PO Box 5758
Grand Forks, ND 58206-5758

Russ J. Melland
Attorney for Ronald Adams, Nickolas Adams,
Chuck B. Nelson & WJG Nelson (Jon & Steve
Nelson)
401 DeMers Avenue, Suite 500
Grand Forks, ND 58206-5849

Jon R. Brakke
Attorney for Curt Amundson &
The Estate of Brad Nelson
218 NP Avenue
Fargo, ND 58102

Tracy A. Kennedy
Attorney for Bremer Bank
3100 South Columbia Road Suite 200
Grand Forks, ND 58201

John D. Schroder
Attorney for Bremer Bank
3100 South Columbia Road Suite 200
Grand Forks, ND 58201

Scott Knudsvig,
Attorney for Fessenden Cooperative Assn.
2525 Elk Drive, PO Box 1000
Minot, ND 58702-1000

Curtis Amundson
CR Farms
43507 120th St. SW
East Grand Forks, MN 56721

Charles B. Nelson
Nelson Farms
795 11th Street NE
Thompson, ND 58278

Brad Nelson Estate
(Beth Nelson, Personal Representative)
27 Garden Ct. NW
East Grand Forks, MN 56721

Jon Nelson
WJS Nelson Farms
18281 495th Avenue NW
Oslo, MN 56744

Brent Baldwin
Baldwin Farms, Inc.
8244 144th Avenue NE
St. Thomas, ND 58276

Ron Adams
165 16th Street NE
Reynolds, ND 58273



Nick Adams
165 16th Street NE
Reynolds, ND 58273

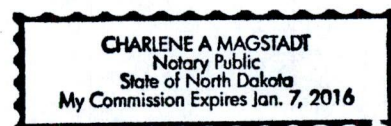
Duane Altendorf
14383 83 Rd. NE
St. Thomas, ND 58276

To the best of affiant's knowledge the addresses shown are the addressees' last reasonably ascertainable post office addresses.

Subscribed and sworn to before me
this **17th day of February, 2015**.

SEAL



Notary Public



STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF GRAND FORKS

NORTHEAST CENTRAL JUDICIAL DISTRICT

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Public Service Commission)
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Petitioner,)
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Grand Forks Bean Company, Inc.)
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Respondent.)
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PSC Case No. GE-15-36)
))
_____)

CIVIL NO. _____

**NOTICE OF APPLICATION
FOR APPOINTMENT AS
TRUSTEE AND FOR
EX PARTE ORDER AND
NOTICE OF MOTION UNDER
RULE 3.2**

TO: **Tad McGurk, President and Registered Agent for Grand Forks Bean Company, Inc., 2120 North Washington Street, Grand Forks North Dakota 58203-1447**

Joel Arnason, Attorney for Grand Forks Bean Company, Inc., 301 North Third Street, Suite 300, Grand Forks, ND 58203

Daniel L. Gaustad, Attorney for Brent Baldwin/Baldwin Farms, and Duane Altendorf, 24 North 4th Street, PO Box 5758, Grand Forks, ND 58206-5758

Russ J. Melland, Attorney for Ronald Adams, Nickolas Adams, Chuck B. Nelson, and WJG Nelson (Jon Nelson & Steve Nelson), 401 DeMers Avenue, Suite 500, Grand Forks, ND 58206-5849

Jon R. Brakke, Attorney for Curt Amundson, and the Estate of Brad Nelson, 218 NP Avenue, Fargo, ND 58102

Tracy A. Kennedy, Attorney for Bremer Bank, National Association, 3100 South Columbia Road, Suite 200, Grand Forks, ND 58201

1. **PLEASE TAKE NOTICE** that the Public Service Commission respectfully moves the Court for Appointment as Trustee and for *Ex Parte* Order. The Public Service

Commission further moves the Court for an order declaring Grand Forks Bean Company, Inc. insolvent within the meaning of North Dakota Century Code Chapter 60-04 and establishing the date of insolvency as December 19, 2014, the date the Public Service Commission received the first claim for nonpayment for grain delivered or sold to Grand forks Bean Company, Inc.

2. The application, affidavit and brief in support of the application are attached to this notice and by reference made a part hereof.
3. **YOU ARE HEREWITH NOTIFIED** that the attached Application includes a request for appointment as trustee and declaration of insolvency as of December 19, 2014, and a request for an *Ex Parte* Order under North Dakota Century Code section 60-04-03. The application for appointment as trustee and declaration of insolvency is submitted to the Court pursuant to Rule 3.2 of the North Dakota Rules of Court and will be decided on briefs unless oral argument is timely requested. You have fourteen (14) days after the service of the notice and brief to file your response and other supporting papers.
4. Bismarck, North Dakota, 13th this **day of February, 2015.**



Illona A. Jeffcoat-Sacco (03315)
Casey A. Furey (08035)
Special Assistant Attorneys General
Public Service Commission
600 E. Boulevard Avenue – Dept. 408
Bismarck, ND 58505
(701) 328-2407
(701) 328-2410 fax

Attorneys for the Public Service Commission

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF GRAND FORKS

NORTHEAST CENTRAL JUDICIAL DISTRICT

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Public Service Commission)
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Grand Forks Bean Company, Inc.)
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Respondent.)
_____)
PSC Case No. GE-15-36)
_____)

CIVIL NO. _____

APPLICATION FOR
APPOINTMENT AS
TRUSTEE AND FOR
EX PARTE ORDER

1. The North Dakota Public Service Commission (Commission) alleges as follows:
2. Grand Forks Bean Company, Inc. (Grand Forks Bean), a North Dakota business corporation, operates a licensed grain warehouse at Grand Forks, North Dakota, subject to North Dakota Century Code Chapters 60-02 and 60-04.
3. Grand Forks Bean operates its grain warehouse at Grand Forks, North Dakota, under license number 1164.
4. A surety bond is on file with the Commission as required by North Dakota Century Code section 60-02-09. The surety bond is for \$100,000.00 and identified as number 077708 66024305 with Auto-Owners Insurance Company, 6101 Anacapi Boulevard, Lansing, Michigan, as surety.
5. On November 18, 2014, the Licensing Division received a phone call from a producer inquiring about redelivery of dry edible beans that the producer had

delivered to Grand Forks Bean at its licensed grain warehouse in Grand Forks, North Dakota. The producer alleged Grand Forks Bean had not been able to market his dry edible beans according to his price later marketing agreement with Grand Forks Bean. The producer also stated he was contacting Licensing Division staff about taking redelivery of beans because Grand Forks Bean was not able to market the dry edible beans.

6. On November 19, 2014, Licensing Division staff contacted Grand Forks Bean to discuss the producer's request for redelivery of dry edible beans. Staff asked Grand Forks Bean about its current dry edible bean inventory and if the inventory was sufficient to make redelivery to each producer who had delivered dry edible beans to the licensed grain warehouse in Grand Forks. Staff asked Grand Forks Bean to fax a copy of all price later marketing agreements it had issued and related assembly sheets. Staff also asked Grand Forks Bean to fax a copy of all documents for any producer who delivered beans after a February 2014 grain warehouse examination.
7. On November 19, 2014 and November 20, 2014, Grand Forks Bean faxed staff copies of the requested price later marketing agreements and assembly sheets.
8. Between November 25, 2014 and December 19, 2014, the Licensing Division received additional phone calls from producers who delivered dry edible beans to the licensed grain warehouse in Grand Forks.
9. On December 1, 2014, a Commission Grain Warehouse Inspector visited Grand Forks Bean and measured the grain inventory, concluding the inventory

consisted of approximately 40,000 hundredweight of pinto beans. The Inspector was not able to review the Grand Forks Bean records at that time.

10. Between December 19, 2014 and December 23, 2014, the Commission received claims from eight producers. The claims were filed via electronic mail or facsimile. Each producer alleged Grand Forks Bean had not been able to market the producer's beans or pay for the beans delivered to Grand Forks Bean's facility in Grand Forks, North Dakota. A copy of each claim is attached as Exhibit 1.
11. On December 23, 2014, Grand Forks Bean Company, Inc. and Public Service Commission Staff executed a Stipulation in which Grand Forks Bean agreed that it will not receive additional grain, that the dry edible bean inventory in the Grand Forks Bean facility will not be sold, redelivered, or moved from the Grand Forks facility without prior Commission approval, that the beans will continue to be stored in suitable facilities and in a suitable fashion to maintain the quality of the dry bean inventory, and that Grand Forks Bean will continue to maintain insurance on the dry edible bean inventory.
12. The Stipulation provided that a violation of the Stipulation may result in further formal Commission proceedings, including the issuance of an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. Although Staff was not aware of any violation, Staff concluded, as a result of several discussions with growers, the warehouse and the bank, that the matter could not be resolved outside an insolvency proceeding. As a result, on January 16, 2015, Staff

recommended the Commission issue an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc.

13. On January 16, 2015, the Commission issued an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. ordering that Grand Forks Bean Company, Inc. cease and desist from receiving or purchasing grain, moving any grain out of the Grand Forks facility that may be an asset of the trust, or failing to maintain control of potential trust assets in a manner consistent with the Stipulation
14. The Commission, eight growers who had filed claims, and Bremer Bank continued to discuss the pending insolvency filing, the interests of the parties in the beans, and the need to sell the bean inventory in the Grand Forks Bean facility to maximize proceeds. All parties agreed the beans should be sold as quickly as possible, before deterioration and during acceptable weather for this commodity. The parties engaged in negotiations on a second Stipulation in order to provide a means to liquidate the inventory and preserve its value, to protect the proceeds, and also to preserve any interest the parties assert in those proceeds for resolution through the insolvency proceeding or via another means.
15. The growers assert, under North Dakota Century Code section 60-02-25.1, as outstanding receipt holders, they have a statutory first priority lien giving them rights to all beans held at the Grand Forks facility to satisfy their claims for the beans they sold or delivered to Grand Forks Bean. The bank asserts it has a perfected security interest in the grain inventory and other assets of Grand Forks bean that may become a part of the trust in any insolvency proceeding and filed

a claim to this effect on January 28, 2015. The Commission asserts an interest in the beans and other assets of Grand Forks Bean, arising by statute, with respect to the claims of the growers and other receipt holders, if any.

16. To move toward liquidation, bids were entertained for purchase of the beans. Central Valley Bean Cooperative, American Bean LLC, SRS Commodities Limited, Star of the West Milling Company, Forest River Bean Co. Inc., Johnstown Bean Company, and Walhalla Bean Company were provided an opportunity to inspect samples of the pinto beans and submit bids.
17. Central Valley Bean Cooperative (Central Valley Bean) submitted a bid of \$23.50/cwt delivered to Buxton or \$22.75/cwt based off a #1 pinto, normal discounts to apply with assurance of clean title to beans, including loading and hauling. American Bean LLC submitted a bid of \$22.25/cwt for three bins and \$16.25/cwt for one bin including loading and hauling. SRS Commodities Limited submitted a bid of \$20.00/cwt based on US #1 grade (discounts to be applied as necessary), US#2 - \$1/cwt discount and US#3 - \$2/cwt discount and would furnish equipment, labor and transportation.
18. All parties agreed the bid from Central Valley Bean was the most reasonable bid.
19. On January 30, 2015, a Stipulation for the Sale of Inventory and Deposit of Proceeds was executed by attorneys for the Commission, Grand Forks Bean Company, eight growers, and Bremer Bank, National Association. (Subsequently all parties agreed via electronic mail that the Letter of Credit from Central Valley Bean need not be irrevocable.)
20. Commission staff informed Central Valley Bean that its bid was accepted, based

on the terms submitted, with a price of \$22.75/cwt based off a #1 pinto, normal discounts to apply, including loading and hauling.

21. On February 3, 2015, Central Valley Bean began transporting the beans to its licensed grain warehouse in Buxton, North Dakota. The final load of beans was transported on February 11, 2015. A Grand Forks Bean outbound scale ticket was issued for each load of beans moved from the Grand Forks Bean warehouse and a copy of each outbound scale ticket was provided to the Commission. Commission Staff created an assembly report that included a record for each load of beans moved from the Grand Forks Bean warehouse.
22. Central Valley Bean issued an inbound scale ticket for each load of beans received with grading information and Grand Forks Bean, the Public Service Commission, and the trucking company indicated as the persons from whom the grain was received. Central Valley Bean provided a copy of each inbound scale ticket to the Commission. Central Valley Bean created a daily assembly report that included a record for each load of beans received and provided a copy of each daily assembly report to the Commission.
23. Once all beans were removed from the Grand Forks warehouse and delivered to Central Valley Bean, Central Valley Bean provided a final assembly report to the Commission. Central Valley Bean paid the Commission the full amount due, with a final payment made on February 11, 2015.
24. The proceeds from the sale of the Beans have been received and deposited in an interest bearing escrow account at the Bank of North Dakota under the name Grand Forks Bean Company, Inc., and the Stipulation for the Sale of Inventory

and Deposit of Proceeds was provided to the bank to evidence the conditions of the escrow. The funds will remain on deposit until the Commission is appointed trustee at which time the funds will be transferred into the Public Service Commission's Grand Forks Bean Company, Inc. trust account at the Bank of North Dakota.

25. The Commission was informed and has reason to believe there are outstanding obligations for unpaid claims for grain sold to Grand Forks Bean as a public warehouseman under North Dakota Century Code Chapter 60-02. Under the provisions of North Dakota Century Code section 60-02-09, bond protection is available for the benefit of all persons storing or selling grain to such warehouseman. Under the provisions of North Dakota Century Code section 60-10-04 a person is eligible to receive indemnity payments from the credit-sale contract indemnity fund if the licensed warehouse to which the person sold grain to becomes insolvent.
26. Grand Forks Bean is insolvent under North Dakota Century Code Chapter 60-04, in that it is unable upon proper demand to make payment for grain purchased or marketed by the licensee or to make redelivery or payment for grain stored.
27. North Dakota Century Code section 60-04-03 provides that the Court may issue *ex parte* a temporary order to preserve or protect any assets and potential assets of the trust fund until the Court issues its order granting or denying the application.
28. The Commission is legally entitled to be appointed trustee of the trust fund provided under North Dakota Century Code Chapter 60-04.

29. Bond proceeds may be needed to redeem outstanding receipts issued by Grand Forks Bean. North Dakota Century Code section 60-04-03.3 provides:

The surety on the warehouseman's bond must be joined as a party to the insolvency proceeding upon a motion by the commission when the commission believes that proceeds from the warehouseman's bond may be needed to redeem outstanding receipts issued by the warehouseman. When it appears in the best interests of the receipt holders, the court may order the surety to deposit the penal sum of the bond, or so much thereof as may be deemed necessary, into the trustee's trust account pending a final determination of the surety's liability under the bond.

30. The Commission is not requesting the bonding company be joined at this time, but will request joinder of the bonding company at a later date if the Commission believes bond proceeds are needed.

31. Proceeds from the Credit-Sale Contract Indemnity Fund may be needed to meet the licensee's obligations to any holders of credit-sale contracts. North Dakota Century Code section 60-10-05 provides:

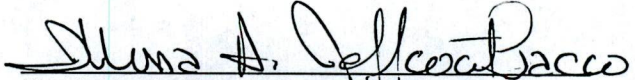
Upon the insolvency of a licensed public warehouse or grain buyer and a declaration that the Public Service Commission serve as the trustee, the Public Service Commission shall make the proceeds of the credit-sale contract indemnity fund available for use in meeting the licensee's obligations with respect to 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.

32. **WHEREFORE** the Public Service Commission respectfully requests:

33. That the Court issue *ex parte* a temporary **ORDER**:

- a. Requiring Grand Forks Bean Company, Inc. to preserve and protect any trust assets under North Dakota Century Code section 60-04-03.1 and

- b. Authorizing the Commission to immediately take any action deemed necessary to preserve and protect the trust assets under North Dakota Century Code section 60-04-03.1.
34. That the Court declare Grand Forks Bean Company, Inc. **INSOLVENT** within the meaning of North Dakota Century Code Chapter 60-04 and establish the date of insolvency as December 19, 2014, the date the first claim alleging nonpayment for grain delivered or sold was filed with the Commission.
35. That the Court **APPOINT** the Commission as trustee of the trust fund under North Dakota Century Code section 60-04-03.
36. Respectfully submitted at Bismarck, North Dakota, this 13th day of **February, 2015.**


Illona A. Jeffcoat-Sacco (03315)
Casey A. Furey (08035)
Special Assistant Attorneys General
Public Service Commission
600 E. Boulevard Avenue – Dept. 408
Bismarck, ND 58505
(701) 328-2407
(701) 328-2410 fax

Attorneys for the Public Service Commission

Exhibit 1

Richter, Susan K.

From: Nick Adams <nadams52@hotmail.com>
Sent: Friday, December 19, 2014 3:47 PM
To: Richter, Susan K.
Cc: Russ Melland ; Dad
Subject: RE: Grand Forks Bean Co., Inc.

Sue,

I would like to file a claim against Grand Forks Bean. The reason for this claim is because they have not been able to market our beans or pay us for them. Please respond so I know you received this.

Thanks

Nick Adams
218-779-0479

From: Richter, Susan K. [<mailto:srichter@nd.gov>]
Sent: Friday, December 19, 2014 11:12 AM
To: 'nadams52@hotmail.com'
Subject: Grand Forks Bean Co., Inc.

Nick,
The attached pdf contains copies of the Price Later Marketing Agreements that we have for Grand Forks Bean Co., Inc. Also included in the pdf is a copy of the delayed pricing grain purchase contract.

Sue Richter

Licensing Division
ND Public Service Commission
600 East Boulevard Ave, Dept. 408
Bismarck, ND 58505-0480
701-328-4097
srichter@nd.gov

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1 GE-15-36 Filed 12/19/2014 Pages: 3
Claim
Nick Adams

Richter, Susan K.

From: Nick Adams <nadams52@hotmail.com>
Sent: Sunday, December 21, 2014 9:32 PM
To: Richter, Susan K.
Cc: 'Russ Melland'; 'Dad'
Subject: RE: Grand Forks Bean Co., Inc.
Attachments: scan0159.pdf

Attached is assembly sheet to go along with my claim.

From: Richter, Susan K. [<mailto:srichter@nd.gov>]
Sent: Friday, December 19, 2014 4:03 PM
To: 'Nick Adams'
Cc: Russ Melland ; Dad
Subject: RE: Grand Forks Bean Co., Inc.

Nick,
As mentioned in my response email to Ron, you must file support documents.

Sue Richter

Licensing Division
ND Public Service Commission
Bismarck, ND 58505-0480
701-328-4097
srichter@nd.gov

From: Nick Adams [<mailto:nadams52@hotmail.com>]
Sent: Friday, December 19, 2014 3:47 PM
To: Richter, Susan K.
Cc: Russ Melland ; Dad
Subject: RE: Grand Forks Bean Co., Inc.

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Thanks

Nick Adams
218-779-0479

From: Richter, Susan K. [<mailto:srichter@nd.gov>]
Sent: Friday, December 19, 2014 11:12 AM

NICK ADAMS.xls

Date	TKT #	Splits %	Pick %	FIP%	Total Dig	Moist	Grade	Gross	Dock	Net	Moist Dock%	Net Grain
08/15/12	2584	0.40	2.88	1.60	4.88%	12.0	1	55,450	2,706	52,744		52,744
08/15/12	2585	1.00	4.60	1.40	7.00%	12.7	2	40,880	2,869	38,111		38,111
					0.00%				0	0		0

TOTAL NET GRAIN 90,855

DATE CHECK PRICE

Balance 90,855

Richter, Susan K.

From: Ron <radams8320@hotmail.com>
Sent: Friday, December 19, 2014 3:49 PM
To: Richter, Susan K.
Cc: Nick Adams ; Russ Melland
Subject: RE: Grand Forks Bean Contract

Sue,

I would like to file a claim against Grand Forks Bean. Grand Forks Bean has not been able to market our beans or pay us for them. Please respond when you receive this.

Thanks

Ron Adams

218-779-1728

From: Richter, Susan K. [<mailto:srichter@nd.gov>]
Sent: Friday, December 19, 2014 11:12 AM
To: 'radams8320@hotmail.com'
Subject: Grand Forks Bean Contract

Ron,
The attached pdf contains copies of the Price Later Marketing Agreements that we have for Grand Forks Bean Co., Inc. Also included in the pdf is a copy of the delayed pricing grain purchase contract.

Sue Richter

Licensing Division
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srichter@nd.gov

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Richter, Susan K.

From: Nick Adams <nadams52@hotmail.com>
Sent: Sunday, December 21, 2014 9:40 PM
To: Richter, Susan K.
Cc: 'Russ Melland'; 'Dad'
Subject: RE: Grand Forks Bean Co., Inc.
Attachments: scan0160.pdf

Sue

Here are the assembly sheets for Ron's claim

Thanks

From: Richter, Susan K. [<mailto:srichter@nd.gov>]
Sent: Friday, December 19, 2014 4:03 PM
To: 'Nick Adams'
Cc: Russ Melland ; Dad
Subject: RE: Grand Forks Bean Co., Inc.

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As mentioned in my response email to Ron, you must file support documents.

Sue Richter

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Thanks

Nick Adams
218-779-0479

RON ADAMS
165 16TH ST NE
REYNOLDS, ND 58273

2010 CROP

Date	TKT #	Splits %	Pick %	FM%	Total Dkg%	Moist	Grade	Gross	Dock	Net	Moist Dock%	Net Grain
09/20/10	2224	1.60	1.80	3.84	7.24%	14.9	1	31,040	2,248	28,792		28,792
09/29/10	2240	0.40	1.00	0.80	2.20%	17.7	1	6,610	146	6,464	4%	6,205
10/04/10	2265	1.60	2.20	2.60	6.40%	15.3		34,300	2,196	32,104		32,104
10/04/10	2268	2.00	2.12	1.80	5.92%	14.9		32,760	1,940	30,820		30,820
10/04/10	2269	1.80	2.20	1.40	5.40%			6,080	329	5,751		5,751
10/05/10	2275	1.60	3.12	3.88	8.60%	14.8	2	29,620	2,548	27,072		27,072
10/05/10	2277	1.60	2.20	2.00	5.80%	14.7		17,500	1,015	16,485		16,485
10/05/10	2278	2.60	2.80	3.12	8.52%	14.6		34,990	2,982	32,008		32,008
10/05/10	2279	3.80	2.40	3.80	10.00%	14.0		27,010	2,701	24,309		24,309
10/05/10	2280	3.80	2.20	1.80	7.80%	14.2		17,560	1,370	16,190		16,190
10/06/10	2281	2.20	4.80	2.80	9.80%	15.5	2	28,520	2,795	25,725		25,725
10/06/10	2282	5.40	1.00	2.60	9.00%	13.0		29,590	2,664	26,926		26,926
10/09/10	2283	2.80	1.40	2.60	6.80%	12.2		28,980	1,971	27,009		27,009
10/09/10	2284	3.80	1.00	4.00	8.80%	11.5		28,400	2,500	25,900		25,900
10/10/10	2285	1.00	1.20	1.80	4.00%	14.1		33,540	1,342	32,198		32,198
10/10/10	2286	1.40	1.00	3.40	5.80%	13.7		31,370	1,820	29,550		29,550
10/10/10	2287	1.40	0.80	2.00	4.20%	13.5		35,670	1,499	34,171		34,171
10/11/10	2288	0.88	1.00	3.12	5.00%	16.0		31,070	1,554	29,517	1%	29,220
10/11/10	2289	0.68	0.88	2.60	4.16%	15.7		33,430	1,391	32,039		32,039
10/11/10	2290	1.00	0.80	4.20	6.00%	16.0		27,420	1,646	25,774	1%	25,516
10/11/10	2291	1.20	1.00	2.40	4.60%	14.5		12,660	583	12,077		12,077
10/12/10	2292	2.40	0.80	2.20	5.40%	13.8		31,570	1,705	29,865		29,865
10/12/10	2293	1.80	1.28	1.68	4.76%	14.7		28,800	1,371	27,429		27,429
10/12/10	2294	2.40	1.40	2.80	6.60%	14.4		15,650	1,033	14,617		14,617
10/18/10	2295	1.00	3.80	8.00	12.80%	14.8	2	28,050	3,591	24,459		24,459
10/18/10	2296	2.60	4.40	5.40	12.40%	14.4	2	7,760	963	6,797		6,797
					0.00%				0	0		0

TOTAL NET GRAIN 623,233

DATE CHECK PRICE

RON ADAMS.xls

Date	TKT #	Splits %	Pick %	FM%	Total Dkg	Moist	Grade	Gross	Dock	Net	Moist Dock%	Net Grain
09/04/12	2471	3.68	4.08	1.60	9.36%	16.2	2	49,670	4,650	45,020	1%	44,569
09/04/12	2472	3.20	6.16	1.40	10.76%	15.3	3	42,080	4,528	37,552		37,552
09/04/12	2473	3.52	4.88	3.36	11.76%	16.2	2	16,950	1,994	14,956	1%	14,806
09/06/12	2485	1.72	1.28	1.40	4.40%	14.0	1	44,850	1,974	42,876		42,876
09/06/12	2486	2.40	2.48	0.60	5.48%	14.6	1	47,390	2,597	44,793		44,793
09/07/12	2488	1.28	1.20	2.12	4.60%	13.3	1	48,950	2,252	46,698		46,698
09/07/12	2489	1.28	2.80	1.72	5.80%	14.5		41,230	2,392	38,838		38,838
09/07/12	2492	1.80	4.20	0.80	6.80%	14.8	2	48,880	3,324	45,556		45,556
09/07/12	2493	1.92	4.12	2.24	8.28%	15.0		20,610	1,707	18,903		18,903
					0.00%				0	0		0

TOTAL NET GRAIN 334,591

DATE CHECK PRICE
 12/31/2012 6500 42.00 contracted

-180000

Balance 154,591

12:41

11/19/2014

RX Date/Time
 Nov. 19. 2014 11:39 AM

Richter, Susan K.

From: Brent Baldwin <baldwin@polarcomm.com>
Sent: Saturday, December 20, 2014 1:01 PM
To: Richter, Susan K.
Subject: Claim

Sue,

I would like to file a claim against Grand Forks Bean. Grand Forks Bean has not been able to market our beans or pay us for them. Please respond when you receive this.

Thanks,

Brent Baldwin
Baldwin Farms, Inc.

Sent from my iPhone

Richter, Susan K.

From: Jon Nelson <mntwins1966@yahoo.com>
Sent: Saturday, December 20, 2014 1:20 PM
To: Richter, Susan K.
Cc: Russ Melland; WJS Nelson Farms
Subject: Grand Forks Bean/WJS Nelson Farms

Sue,

We would like to file a claim against Grand Forks Bean. Grand Forks Bean has not been able to market our beans. Please respond when you receive this message. If you need anything else please let us know.

You can contact us at: wjs@invisimax.com or mntwins1966@yahoo.com. Our telephone numbers are: Office 218-695-0931, Jon 701-741-1137 or Steve 701-741-3087.

Thank-you for your time in this matter!

Jon Nelson

Richter, Susan K.

From: WJS Nelson Farms <wjs@invisimax.com>
Sent: Tuesday, December 23, 2014 3:13 PM
To: Richter, Susan K.
Cc: Russ Melland
Subject: RE: Grand Forks Bean/WJS Nelson Farms
Attachments: GF Bean Receipts.pdf

Sue,

Attached are our receipts showing the beans that we have hauled in to Grand Forks Bean. If you need anything else let us know.

Have a Merry Christmas & a Happy New Year!

Jon Nelson

From: Richter, Susan K. [<mailto:srichter@nd.gov>]
Sent: Monday, December 22, 2014 9:30 AM
To: 'Jon Nelson'
Cc: Russ Melland; WJS Nelson Farms
Subject: RE: Grand Forks Bean/WJS Nelson Farms

This is to confirm your email was received. Please file any support documents you may have such as scale tickets, contracts, assembly sheets, etc.

Sue Richter

Licensing Division
ND Public Service Commission
Bismarck, ND 58505-0480
701-328-4097
srichter@nd.gov

From: Jon Nelson [<mailto:mntwins1966@yahoo.com>]
Sent: Saturday, December 20, 2014 1:20 PM
To: Richter, Susan K.
Cc: Russ Melland; WJS Nelson Farms
Subject: Grand Forks Bean/WJS Nelson Farms

Sue,

We would like to file a claim against Grand Forks Bean. Grand Forks Bean has not been able to market our beans. Please respond when you receive this message. If you need anything else please let us know.

You can contact us at: wjs@invisimax.com or mntwins1966@yahoo.com. Our telephone numbers are: Office 218-695-0931, Jon 701-741-1137 or Steve 701-741-3087.

Thank-you for your time in this matter!

Jon Nelson

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This email has been checked for viruses by Avast antivirus software.

www.avast.com

B.W. # 9

02727

Comments:

80370 Vehicle & Grain..LBS
 25700 Vehicle.....LBS
 54270 Gross Grain.....LBS
 3012 Dockage.....LBS
 52658 Net Grain.....LBS
 Moist Dock.....%LBS
 Net Grain.....LBS

DATE 4/15/14

Name WTS NELSON

Name _____ DRIVER ON OFF

Address _____

Kind Pinto Grade 1 Bin No. FS

Splits 8 %Pick 2.08 %FM .8 %

Moist 15.4 % Total Dock 3.68 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF
GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

B.W. # 5

02726

Comments:

84010 Vehicle & Grain..LBS
 28080 Vehicle.....LBS
 55980 Gross Grain.....LBS
 2418 Dockage.....LBS
 53562 Net Grain.....LBS
 Moist Dock.....%LBS
 Net Grain.....LBS

DATE 4/14/14

Name WTS NELSON

Name _____ DRIVER ON OFF

Address _____

Kind Pinto Grade 1 Bin No. FS

Splits 64 %Pick 2.8 %FM .88 %

Moist _____ % Total Dock 4.32 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF
GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Comments:

80440 Vehicle & Grain..LBS

23590 Vehicle.....LBS

56850 Gross Grain.....LBS

2979 Dockage.....LBS

53871 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02728

#

1000.91 out.

DATE 4/15/14

Name WJS NELSON

Name _____ DRIVER ON OFF

Address _____

Kind _____ Grade 1 Bin No. _____

Splits 1.04 %Pick 1.2 %FM 3.0%

Moist 17.6 % Total Dock ~~14.5~~ 5.3%

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

**CERTIFICATE OF GRADE WEIGHT & DOCKAGE
OF GRAIN WEIGHED OVER THE SCALES OF
GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203**

Richter, Susan K.

From: Duane <daltndrf@polarcomm.com>
Sent: Saturday, December 20, 2014 3:29 PM
To: Richter, Susan K.
Subject: Grand Forks bean Contract

I would like to file a claim against Grand Forks Bean. Grand Forks Bean han not been able to market my beans or pay me for them please respond when you receive Thank You Duane Altendorf 701-520-0637

Richter, Susan K.

From: Duane <daltndrf@polarcomm.com>
Sent: Monday, December 22, 2014 1:11 PM
To: Richter, Susan K.
Subject: RE: Grand Forks bean Contract

would you have copy of the contract or assembly sheets to the best of my nollage i never sign a contract thank you Duane

From: Richter, Susan K. [mailto:srichter@nd.gov]
Sent: Monday, December 22, 2014 9:29 AM
To: 'Duane'
Subject: RE: Grand Forks bean Contract

This is to confirm your email was received. Please file any support documents you may have such as scale tickets, contracts, assembly sheets, etc.

Sue Richter

Licensing Division
ND Public Service Commission
Bismarck, ND 58505-0480
701-328-4097
srichter@nd.gov

From: Duane [mailto:daltndrf@polarcomm.com]
Sent: Saturday, December 20, 2014 3:29 PM
To: Richter, Susan K.
Subject: Grand Forks bean Contract

I would like to file a claim against Grand Forks Bean. Grand Forks Bean han not been able to market my beans or pay me for them please respond when you receive Thank You Duane Altendorf 701-520-0637

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Nelson Farms
795 11th St NE
Thompson, ND 58278

Home 701 599-2080
Cell 701 741-4901
Fax 701 599-5123

Fax

To:

From:

Public Service Commission

Charles B. Nelson

Attention:

Date:

Sue

12-20-14

Office Location:

Office Location:

Bismarck ND

Thompson, ND

Fax Number:

Phone #:

1-701-328-2410

C-1-701-741-4901

Urgent Reply ASAP Please Comment Please Review For your information

Comments: I would like to file a claim against Grand Folks
BEAN Co. Inc. They have not been able to market or give us
payment for the beans that we requested to be sold. Please respond
for further information requested.

Grand Folks Bean Co. Inc
Grand Folks ND, 58203

Nelson Farms by
Charles B. Nelson

Sue.

I would like to file a claim against Grand Forks
Bear. Grand Forks Bear has not been able to market our
beans or ~~to~~ pay us for them. Please respond when you receive
this fax.

Thank you.



cell 1-218-779-6565.

P.S. trying to send on my iPad also.

fax fax fax fax fax

CR FARMS
CURTIS AMUNDSON
43507 120TH ST SW
EAST GRAND FORKS,

TO: Susan Richter

FROM: CR AMUNDSON FARMS

PAGES SENT: 2 with face page

DATE: Dec 20, 2014

SUBJECT: Grand Forks Bean contract.



Richter, Susan K.

From: Betty Amundson <cbamundson@me.com>
Sent: Saturday, December 20, 2014 5:51 PM
To: Richter, Susan K.
Subject: Grand Forks Bean Contract

Sue:

I would like to file a claim against Grand Forks Bean. Grand Forks Bean has not been able to market our beans or pay us for them. Could you respond when you receive this.

Thank you. Curtis Amundson. 1-218-779-6565 cell.

Sent from my iPad

RX Date/Time
Nov 18 14 03:29p

11/18/2014 16:31 218 773 0631
Curt Amundson

218-773-0631

P.002
p.2

Comments: A	78760	Vehicle & Grain..LBS
	26800	Vehicle.....LBS
	51900	Gross Grain.....LBS
	1142	Dockage.....LBS
	50758	Net Grain.....LBS
		Moist Dock.....%LBS
		Net Grain.....LBS
	02652	

DATE 9/12/13

Name CURT AMUNDSON

Name _____ DRIVER ON OFF

Address _____

Kind Pinto Grade 1 Bin No. ES

Splits 24 %Pick 108 %FM 128 %

Moist 15.5 % Total Dock 2.2 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

**CERTIFICATE OF GRADE WEIGHT & DOCKAGE
OF GRAIN WEIGHED OVER THE SCALES OF
GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203**

PRICE LATER MARKETING AGREEMENT

COMPANY Grand Forks Bean Co., Inc.
GROWER CURT AMUNDSON
ADDRESS _____

WHEREAS, pinto beans undergo a quality deterioration in this area and cannot be stored over crop year and

WHEREAS, the parties desire to provide a market beneficial to the grower and to the company which requires a constant supply of pinto beans available to the company throughout the winter months and so the company may conduct an orderly marketing operation and so that the grower may also have choice in the time for marketing his pinto beans:

NOW THEREFORE, it is hereby agreed by and between the grower and the company as follows:

1. The company will accept, to the extent of its plant capacity to handle them, U.S. No. 1 and U.S. No. 2 Pinto Beans, with a moisture content not over 15%, grown and delivered to it by grower. Upon deliver of the pinto beans to the company plant, a receiving ticket will be issued to the grower and the issuing of the ticket will thereupon transfer title of th pinto beans to the company.
2. The beans delivered will be priced before July 1, 2014. On those pintos on which to Grower Prices, the price will be the posted market price on the date of pricing. ↑
3. The company reserves the right to withdraw from the market due to slow market conditions from time to time.
4. Checks for the pinto beans will be issued only on growers request.
5. Signing this agreement does not automatically put your beans under this Marketing agreement. It is necessary for you to notify the company at the time each truck is delivered.
6. Seller hereby warrants that he has good and merchantable title and the right to sell the beans hereinabove described and that said beans are free and clear of all liens, mortgages, and encumbrances of any kind of nature whatsoever.
7. This Contract shall be non-assignable by either Buyer or Seller.
8. Service fee of ~~\$:00539~~ ⁰⁰⁴⁹³ per day per cwt applies.

Dated this 5th day of SEPTEMBER, 20 13.

Grand Forks Bean Co., Inc. [Signature]
COMPANY BY
[Signature]
GROWER

THIS CONTRACT IS NOT PROTECTED BY NORTH DAKOTA STATUTORY WAREHOUSEMAN'S BOND COVERAGE IN THE EVENT OF BUYER'S INSOLVENCY.
[Signature]
Seller

Richter, Susan K.

From: BETH NELSON <bnelson@altru.org>
Sent: Monday, December 22, 2014 11:31 AM
To: Richter, Susan K.
Subject: Fwd: FW: gf bean
Attachments: GF Bean ticket & contract.pdf

Sue,
I have attached the contract and tickets for Brad Nelson's beans. I am the PR for his estate. If you have any questions I can be reached on my cell phone 218-779-7862
Beth Nelson

>>> "Beth Nelson" <banelson@gra.midco.net> 12/22/14 6:59 AM >>>

From: Beth Nelson [<mailto:banelson@gra.midco.net>]
Sent: Monday, December 22, 2014 6:57 AM
To: banelson@gra.midco.net; Beth work (bnelson@altru.org)
Subject: FW: gf bean

From: Beth Nelson [<mailto:banelson@gra.midco.net>]
Sent: Monday, December 22, 2014 6:55 AM
To: 'banelson@gra.midco.net'; Beth work (bnelson@altru.org)
Subject: gf bean

27 Garden Ct. NW
East Grand Forks, MN 56721
218.779.7862
banelson@gra.midco.net

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Grand Forks Bean Co, Inc.

Grand Forks, ND 58203

DRY BEAN CONTRACT

1054

Year 2013 CROP

Between Grand Forks Bean Co, Inc. of Grand Forks, North Dakota, hereinafter known as "Buyer"

and Brian Nelson, EGF, MN, hereinafter known as "Seller".

Seller agrees to deliver #1 pinto beans to the Buyer at the time of harvest, maximum 800 # per acre.

Acres 75 CWT 600

The undersigned Buyer agrees to pay to Seller for the above beans, the amounts as determined as follows:

\$ 33.00 per cwt., clean bean basis, #1's.

\$ _____ per cwt., clean bean basis, #2's.

\$ _____ per cwt., clean bean basis, #3's.

If Seller is unable to deliver commodity of the grade required by this Agreement, then Seller agrees to sell & Buyer agrees to purchase commodity of lower grades at the contract price less the applicable market discount at the time of sale. However, Buyer shall not be obligated hereunder to accept any sample grade commodity.

All beans delivered shall be below 16 % moisture or be subject to moisture discounts applicable at the time of sale.

All beans delivered hereunder shall be free and clear of all liens, security interests and other encumbrances, unless provided in writing herein by the Seller. It is further understood that the Seller has not contracted any other portion of the total acreage listed above. Title of the beans passes to the Buyer at the time and place of delivery.

In the event of breach, the Buyer shall be entitled to all costs taken in force of the same including reasonable attorneys fees.

This agreement may be assigned by either party only with the prior written consent of the other party. This Agreement shall be binding upon heirs, administrators, executors, personal representatives, successors and assigns of the parties hereto.

Performance of this agreement shall be excused to the extent the growing, harvesting, or delivery of the beans by Seller or their grading, receipt, or use by Buyer, is prevented by fire, explosion, war or acts of God.

Payment shall be made as follows; 100 % on Dec - 31 2013
(MONTH / DATE / YEAR)

_____ % on _____
(MONTH / DATE / YEAR)

_____ % on _____
(MONTH / DATE / YEAR)

Grand Forks Bean Co, Inc.

Seller

By: Todd M

By: phone w/ Brian

Date: 10/16/12

Date: 10/16/12

Comments:

88230 Vehicle & Grain..LBS

27130 Vehicle.....LBS

61100 Gross Grain.....LBS

1784 Dockage.....LBS

59316 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02670

DATE 9/14/13

Name BRAD NELSON

Name _____ DRIVER ON OFF

Address _____

Kind _____ Grade 1 Bin No. _____

Splits .48 %Pick .32 %FM 2.12%

Moist 13 % Total Dock 2.92 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Comments:

79136 Vehicle & Grain..LBS

26720 Vehicle.....LBS

52410 Gross Grain.....LBS

1048 Dockage.....LBS

51362 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02671

DATE 9/14/13

Name BRAD NELSON

Name _____ DRIVER ON OFF

Address _____

Kind _____ Grade _____ Bin No. 3/4

Splits .24 %Pick .48 %FM 1.28%

Moist _____ % Total Dock 2 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF

GRAND FORKS BEAN CO, INC.
GRAND FORKS, NORTH DAKOTA 58203

Comments:

80450 Vehicle & Grain..LBS

25270 Vehicle.....LBS

55180 Gross Grain.....LBS

1545 Dockage.....LBS

53635 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

J2672

DATE 9/14/13

Name BRAD NELSON

Name _____ DRIVER ON OFF

Address _____

Kind _____ Grade 1 Bin No. 3/4

Splits .6 %Pick .4 %FM 1.8 %

Moist _____ % Total Dock 2.8 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF GRAND FORKS BEAN CO, INC. GRAND FORKS, NORTH DAKOTA 58203

Comments:

44670 Vehicle & Grain..LBS

27300 Vehicle.....LBS

17320 Gross Grain.....LBS

589 Dockage.....LBS

16731 Net Grain.....LBS

Moist Dock.....%LBS

Net Grain.....LBS

02673

DATE 9/14/13

Name BRAD NELSON

Name _____ DRIVER ON OFF

Address _____

Kind _____ Grade 1 Bin No. _____

Splits .6 %Pick .8 %FM .2 %

Moist _____ % Total Dock 3.4 %

Check Seed Coats _____ %Base Price Per CWT _____

This warehouse is not responsible for returning an identical percentage of check seed coats back to receipt holder in the event of redelivery.

All Storage contracts on dry edible beans shall terminate on April thirtieth of each year.

Check No. _____ Storage Tkt. No. _____ Assembly Sheet No. _____

CERTIFICATE OF GRADE WEIGHT & DOCKAGE OF GRAIN WEIGHED OVER THE SCALES OF GRAND FORKS BEAN CO, INC. GRAND FORKS, NORTH DAKOTA 58203

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF GRAND FORKS

NORTHEAST CENTRAL JUDICIAL DISTRICT

_____)
Public Service Commission)
))
Petitioner,)
))
vs.)
))
Grand Forks Bean Company, Inc.)
))
Respondent.)
_____)
PSC Case No. GE-15-36)
_____)

CIVIL NO. _____

**AFFIDAVIT OF
SUSAN K. RICHTER
IN SUPPORT OF
APPLICATION**

STATE OF NORTH DAKOTA)
)ss
COUNTY OF BURLEIGH)

Susan K. Richter being duly sworn states as follows:

1. That she is a citizen of the United States of America, of legal age, residing at Bismarck, North Dakota.
2. That she is the Director of the Licensing Division for the Public Service Commission (Commission) and as such is charged with the duty of enforcing the provisions of North Dakota Century Code Chapters 60-02 and 60-04.
3. That Grand Forks Bean Company, Inc. (Grand Forks Bean), a North Dakota business corporation, operates a grain warehouse at Grand Forks, North Dakota since October 2005 under North Dakota Century Code Chapters 60-02 and 60-04.

4. That Grand Fork Bean operates its grain warehouse facility at Grand Forks, North Dakota under license number 1164.
5. As part of the licensing process, Grand Forks Bean filed a surety bond with the Commission as required by North Dakota Century Code section 60-02-09 and North Dakota Administrative Code section 69-07-02-02, in the amount of \$100,000 and identified as number 077708 66024305 with Auto-Owners Insurance Company, 6101 Anacapri Boulevard, Lansing, Michigan, as surety.
6. On November 18, 2014, the Licensing Division received a phone call from a producer inquiring about redelivery of dry edible beans that the producer had delivered to Grand Forks Bean at its licensed grain warehouse in Grand Forks, North Dakota. The producer alleged Grand Forks Bean had not been able to market his dry edible beans according to his price later marketing agreement with Grand Forks Bean. The producer also stated he was contacting Licensing Division staff about taking redelivery of beans because Grand Forks Bean was not able to market the dry edible beans.
7. On November 19, 2014, Licensing Division staff contacted Grand Forks Bean to discuss the producer's request for redelivery of dry edible beans. Staff asked Grand Forks Bean about its current dry edible bean inventory and if the inventory was sufficient to make redelivery to each producer who had delivered dry edible beans to the licensed grain warehouse in Grand Forks. Staff asked Grand Forks Bean to fax a copy of all price later marketing agreements it had issued and related assembly sheets. Staff also asked Grand Forks Bean to fax a copy of all

documents for any producer who delivered beans after a February 2014 grain warehouse examination.

8. On November 19, 2014 and November 20, 2014, Grand Forks Bean faxed staff copies of the requested price later marketing agreements and assembly sheets.
9. Between November 25, 2014 and December 19, 2014, the Licensing Division received additional phone calls from producers who delivered dry edible beans to the licensed grain warehouse in Grand Forks.
10. On December 1, 2014, a Commission Grain Warehouse Inspector visited Grand Forks Bean and measured the grain inventory, concluding the inventory consisted of approximately 40,000 hundredweight of pinto beans. The Inspector was not able to review the Grand Forks Bean records at that time.
11. Between December 19, 2014 and December 23, 2014, the Commission received claims from eight producers. The claims were filed via electronic mail or facsimile. Each producer alleged Grand Forks Bean had not been able to market the producer's beans or pay for the beans delivered to Grand Forks Bean's facility in Grand Forks, North Dakota.
12. On December 23, 2014, Grand Forks Bean Company, Inc. and Public Service Commission Staff executed a Stipulation in which Grand Forks Bean agreed that it will not receive additional grain, that the dry edible bean inventory in the Grand Forks Bean facility will not be sold, redelivered, or moved from the Grand Forks facility without prior Commission approval, that the beans will continue to be stored in suitable facilities and in a suitable fashion to maintain the quality of the

dry bean inventory, and that Grand Forks Bean will continue to maintain insurance on the dry edible bean inventory.

13. The Stipulation provided that a violation of the Stipulation may result in further formal Commission proceedings, including the issuance of an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. Although Staff was not aware of any violation, Staff concluded, as a result of several discussions with growers, the warehouse and the bank, that the matter could not be resolved outside an insolvency proceeding. As a result, on January 16, 2015, Staff recommended the Commission issue an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc.
14. On January 16, 2015, the Commission issued an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. ordering that Grand Forks Bean Company, Inc. cease and desist from receiving or purchasing grain, moving any grain out of the Grand Forks facility that may be an asset of the trust, or failing to maintain control of potential trust assets in a manner consistent with the Stipulation. A copy is attached as Exhibit A.
15. The Commission, eight growers who had filed claims, and Bremer Bank continued to discuss the pending insolvency filing, the interests of the parties in the beans, and the need to sell the bean inventory in the Grand Forks Bean facility to maximize proceeds. All agreed that the beans should be sold as quickly as possible, before deterioration and during acceptable weather for this commodity. The parties engaged in negotiations on a second Stipulation in order to provide a means to liquidate the inventory and preserve its value, protect the

proceeds, and also preserve any interest the parties assert in those proceeds for resolution through the insolvency proceeding or via another means.

16. The growers assert, under North Dakota Century Code section 60-02-25.1, as outstanding receipt holders, they have a statutory first priority lien giving them rights to all beans held at the Grand Forks facility to satisfy their claims for the beans they sold or delivered to Grand Forks Bean. The bank asserts it has a perfected security interest in the grain inventory and other assets of Grand Forks bean that may become a part of the trust in any insolvency proceeding and filed a claim to this effect on January 28, 2015. The Commission asserts an interest in the beans and other assets of Grand Forks Bean, arising by statute, with respect to the claims of the growers and other receipt holders, if any.
17. To move toward liquidation, bids were entertained for purchase of the beans. Central Valley Bean Cooperative, American Bean LLC, SRS Commodities Limited, Star of the West Milling Company, Forest River Bean Co. Inc., Johnstown Bean Company, and Walhalla Bean Company were provided an opportunity to inspect samples of the pinto beans and submit bids.
18. Central Valley Bean Cooperative (Central Valley Bean) submitted a bid of \$23.50/cwt delivered to Buxton or \$22.75/cwt based off a #1 pinto, normal discounts to apply with assurance of clean title to beans, including loading and hauling. American Bean LLC submitted a bid of \$22.25/cwt for three bins and \$16.25/cwt for one bin including loading and hauling. SRS Commodities Limited submitted a bid of \$20.00/cwt based on US #1 grade (discounts to be applied as

necessary), US#2 - \$1/cwt discount and US#3 - \$2/cwt discount and would furnish equipment, labor and transportation.

19. All parties agreed the bid from Central Valley Bean was the most reasonable bid.
20. On January 30, 2015, a Stipulation for the Sale of Inventory and Deposit of Proceeds was executed by attorneys for the Commission, Grand Forks Bean Company, eight growers, and Bremer Bank, National Association. A copy is attached as Exhibit B. (Subsequently all parties agreed via electronic mail that the Letter of Credit from Central Valley Bean need not be irrevocable.)
21. Commission staff informed Central Valley Bean that its bid was accepted, based on the terms submitted, with a price of \$22.75/cwt based off a #1 pinto, normal discounts to apply, including loading and hauling.
22. On February 3, 2015, Central Valley Bean began transporting the beans to its licensed grain warehouse in Buxton, North Dakota. The final load of beans was transported on February 11, 2015. A Grand Forks Bean outbound scale ticket was issued for each load of beans moved from the Grand Forks Bean warehouse and a copy of each outbound scale ticket was provided to the Commission. Commission Staff created an assembly report that included a record for each load of beans moved from the Grand Forks Bean warehouse.
23. Central Valley Bean issued an inbound scale ticket for each load of beans received with grading information and Grand Forks Bean, the Public Service Commission, and the trucking company indicated as the persons from whom the grain was received. Central Valley Bean provided a copy of each inbound scale ticket to the Commission. Central Valley Bean created a daily assembly report

that included a record for each load of beans received and provided a copy of each daily assembly report the Commission.

24. Once all beans were removed from the Grain Forks warehouse and delivered to Central Valley Bean, Central Valley Bean provided a final assembly report to the Commission, and paid to the Commission the full amount due, with a final payment on February 11, 2015.
25. The proceeds from the sale of the Beans have been received and deposited in an interest bearing escrow account at the Bank of North Dakota under the name Grand Forks Bean Company, Inc., and the Stipulation for the Sale of Inventory and Deposit of Proceeds was provided to the bank to evidence the conditions of the escrow. The funds will remain on deposit until the Commission is appointed trustee at which time the funds will be transferred into the Public Service Commission's Grand Forks Bean Company, Inc. trust account at the Bank of North Dakota.
26. Affiant believes that Grand Forks Bean refused, neglected, or is unable upon proper demand to make payment for grain purchased or marketed by the licensee or to make redelivery or pay for the grain
27. Affiant believes, based on the claims for nonpayment filed with the Commission, Grand Forks Bean is insolvent under North Dakota Century Code Chapter 60-04 because it refused, neglected, or is unable upon proper demand to make payment for grain purchased or marketed by the licensee or to make redelivery or payment for grain stored.

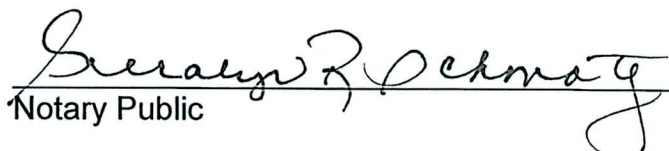
28. Affiant believes it is in the best interest of the potential claimants that the Commission be appointed trustee in an insolvency proceeding under the provisions of North Dakota Century Code Chapter 60-04.
29. Affiant believes bond proceeds may be needed to redeem outstanding receipts issued by Grand Forks Bean.
30. Affiant believes proceeds from the credit-sale contract indemnity fund may be needed to meet the licensee's obligations to any holders of credit-sale contracts.
31. Affiant understands, under North Dakota Century Code section 60-04-03.1, grain assets are part of the trust fund.
32. Affiant believes it is in the best interest of potential claimants that the Court issue *ex parte* a temporary order preserving and protecting any assets and potential assets of the trust under North Dakota Century Code Chapter 60-04.
33. That this affidavit is made for the purpose of securing the appointment of the North Dakota Public Service Commission as trustee of Grand Forks Bean Company, Inc. and preserving any assets of the trust under North Dakota Century Code Chapter 60-04.

Dated this 13th day of February 2015.



Susan K. Richter

Subscribed and sworn to before me
this 13th day of February 2015.



Notary Public

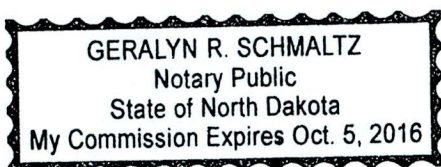


Exhibit A

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission
Grand Forks Bean, Co., Inc.
***Ex Parte* Cease & Desist**

Case No. GE-15-30

***Ex Parte* Cease and Desist Order**

January 16, 2015

On January 16, 2015, Licensing Division Staff (Staff) filed an Affidavit providing the Commission with information sufficient to support issuance of an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. (Grand Forks Bean) as authorized by North Dakota Century Code section 60-02-42.

The Affidavit indicated the following:

On November 18, 2014, the Licensing Division received a phone call from a producer inquiring about redelivery of dry edible beans that the producer had delivered to Grand Forks Bean Company, Inc. (Grand Forks Bean) at its licensed grain warehouse in Grand Forks, North Dakota. The producer alleged Grand Forks Bean had not been able to market his dry edible beans. The producer further informed the Affiant that he had contacted Grand Forks Bean staff about taking redelivery of beans because Grand Forks Bean was not able to market the dry edible beans.

Between November 18, 2014 and December 19, 2014, the Licensing Division received additional phone calls from producers who delivered dry edible beans to the licensed grain warehouse in Grand Forks.

On December 1, 2014 Commission Staff measured the dry edible bean inventory and it appears there is sufficient inventory to meet redelivery obligations.

Between December 19, 2014 and December 23, 2014, the Commission received information, via electronic mail or facsimile, from eight producers alleging Grand Forks Bean had not been able to market their dry edible beans or had not paid the producers for the dry edible beans delivered to Grand Forks Bean at their licensed grain warehouse in Grand Forks, North Dakota.

On December 23, 2014, Grand Forks Bean Company, Inc. and Public Service Commission Staff executed a Stipulation in which Grand Forks Bean agreed that the dry edible bean inventory in the Grand Forks Bean facility will not be sold, redelivered, or moved from the Grand Forks facility without prior Commission approval, that Grand Forks Bean will not receive additional grain, that the beans will continue to be stored in suitable facilities and in a suitable fashion to maintain the quality of the dry bean inventory, and that Grand Forks Bean will continue to maintain insurance on the dry edible bean inventory. A copy of this Stipulation is attached to and made a part of the Affidavit.

Commission Staff has reason to believe, after discussions with counsel for producers, that it is unlikely this matter can be resolved outside a formal insolvency proceeding.

The Stipulation entered into by Staff provides that a violation of the Stipulation may result in further formal Commission proceedings, including the issuance of an *Ex Parte* Cease and Desist order against Grand Forks Bean Company, Inc. Staff indicated staff is not aware of any violation of the Stipulation. However, because Staff now has reason to believe that it is unlikely the matter can be resolved informally, staff indicated it is recommending that the Commission apply to district court for appointment as trustee and also that an *Ex Parte* Cease and Desist Order against Grand Forks Bean is appropriate. Commission staff contacted Grand Forks Bean regarding the matter.

North Dakota Century Code section 60-02-42 provides the Commission with authority to issue an *Ex Parte* Cease and Desist Order without prior notice against an entity that engages in an activity or practice that is contrary to the provisions of North Dakota law or rules. A Cease and Desist Order must be accompanied by a Notice of Opportunity to be Heard on the order within fifteen (15) days of the issuance of the Order.

Affiant stated she believes that good cause exists requiring *ex parte* action by the Commission because sellers of grain may suffer immediate economic loss, damage, or injury if Grand Forks Bean Company, Inc. receives or purchases any grain, moves any grain out of the Grand Forks facility that may be an asset of the trust, or fails to maintain

control of potential trust assets in a manner consistent with the Stipulation attached to the Affidavit.

Affiant has informed the Commission that it is her opinion that based on the written information filed with the Commission for the nonpayment for dry edible beans delivered or sold to Grand Forks Bean Company, Inc., Grand Forks Bean Company, Inc. is insolvent under North Dakota Century Code Chapter 60-04.

The Commission has considered the information provided by Staff and finds that unless an *Ex Parte* Cease and Desist Order is issued, producers may suffer economic loss, damage, or injury as a result of the actions of Grand Forks Bean Company, Inc.

Therefore, the Commission issues the following:

Order


The Commission orders:

1. Grand Forks Bean Company, Inc. to Cease and Desist from receiving or purchasing any grain, moving any grain out of the Grand Forks facility without prior Commission permission that may be an asset of the trust, or failing to maintain control of potential trust assets in a manner consistent with the Stipulation attached to the Affidavit.
2. Contemporaneously with this Order, the Commission is issuing to Grand Forks Bean Company, Inc. a notice of opportunity to be heard within fifteen days of the service of this Order.

PUBLIC SERVICE COMMISSION


Randy Christmann
Commissioner


Julie Fedorchak
Chairman

 (vs)
Brian P. Kalk
Commissioner

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Public Service Commission
Grand Forks Bean Company, Inc.
Ex Parte Cease & Desist**

Case No. GE-15-30

NOTICE OF OPPORTUNITY FOR HEARING

January 16, 2015

On January 16, 2015, the Commission issued an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. of Grand Forks, North Dakota.

You are hereby notified that you have the opportunity to request a hearing on this matter. **A request for hearing must be made in writing and filed with the Commission within fifteen days of service of this notice and the order upon you.**

The issue to be considered in the hearing is whether a Cease and Desist Order is appropriate.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400; or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials please notify Darrell Nitschke, Director of Administration.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chairman



Brian P. Kalk
Commissioner

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission
Grand Forks Bean Company, Inc.
Ex Parte Cease & Desist

Case No. GE-15-30

AFFIDAVIT OF SUSAN K. RICHTER

STATE OF NORTH DAKOTA)
) ss
COUNTY OF BURLEIGH)

Susan K. Richter, being first duly sworn, deposes and states:

That she is the Director of the Public Service Commission's Licensing Division.

That on November 18, 2014, the Licensing Division received a phone call from a producer inquiring about redelivery of dry edible beans that the producer had delivered to Grand Forks Bean Company, Inc. at their licensed grain warehouse in Grand Forks, North Dakota. The producer alleged Grand Forks Bean Company, Inc. had not been able to market his dry edible beans and the producer had contacted grain warehouse staff about taking redelivery of beans because Grand Forks Bean Company was not able to market the dry edible beans.

That between November 18, 2014 and December 19, 2014, the Licensing Division received additional phone calls from producers that delivered dry edible beans to the licensed grain warehouse in Grand Forks.

That between December 19, 2014 and December 23, 2014, the Commission received notification, via electronic mail or fascimile, from nine producers alleging Grand Forks Bean Company, Inc. had not been able to market their dry edible beans beans or

had not paid the producers for the dry edible beans delivered to Grand Forks Bean Company, Inc. at their licensed grain warehouse in Grand Forks, North Dakota.

That on December 23, 2014, Grand Forks Bean Company, Inc. and Public Service Commission Staff executed a Stipulation agreeing that the dry edible bean inventory in the Grand Forks Bean facility will not be sold, redelivered, or moved from the Grand Forks facility without prior Commission approval, that Grand Forks Bean Company, Inc. will not receive additional grain, that the beans will continue to be stored in suitable facilities and in a suitable fashion to maintain the quality of the dry bean inventory, and that Grand Forks Bean Company, Inc. will continue to maintain insurance on the dry edible bean inventory.

That Commission Staff believes after discussions with counsel for producers, attempts to resolve this matter outside an insolvency are not possible.

That although the Stipulation provided that a violation of the Stipulation may result in further formal Commission proceedings, including the issuance of an *ex parte* cease and desist order against Grand Forks Bean Company, Inc., Staff is not aware of any violation, however, due to the fact that Staff will be recommending that the Commission apply to district court for appointment as trustee, Staff believes an *ex parte* cease and desist order against Grand Forks Bean Company, Inc. is appropriate.

That Grand Forks Bean Company, Inc., operates a licensed public grain warehouse in North Dakota at Grand Forks, North Dakota since 2005. As required by North Dakota Century Code section 60-02-09 and North Dakota Administrative Code section 69-07-02-02 Grand Forks Bean Company, Inc. has a \$100,000 bond on file with the Public Service Commission.

That the Licensing Division is preparing and will be asking the Commission to file documents with Grand Forks County District Court, asking that Grand Forks Bean Company, Inc. be declared insolvent under North Dakota Century Code Chapter 60-04, and the Commission be appointed trustee in the insolvency proceeding.

That it appears the bond on file with the Public Service Commission will not be sufficient to cover the total amount owed to producers for the dry edible beans delivered to Grand Forks Bean Company, Inc.

North Dakota Century Code section 60-02-42 provides the Commission with authority to issue a cease and desist order without prior notice against an entity that engages in an activity or practice that is contrary to the provisions of North Dakota Century Code Chapter 60-02 or related rules.

Affiant has reason to believe Grand Forks Bean Company, Inc. has violated North Dakota Century Code section 60-02-09 (4)(a) by failing to faithfully perform the licensee's duties as a public warehouseman and North Dakota Century Code section 60-04-02 by refusing, neglecting, or being unable upon proper demand to make payment for grain purchased or marketed by the licensee or to make redelivery or payment for grain stored.

Affiant believes that good cause exists requiring *ex parte* action by the Commission because sellers may suffer economic loss, damage or injury if Grand Forks Bean Company, Inc. were to receive or purchase grain as a licensed public warehouseman in North Dakota or if Grand Forks Bean Company, Inc. is permitted to move any more grain out of North Dakota that may be an asset of the insolvency trust.

It is Affiant's opinion that based on the written information filed with the Commission for the inability to market or pay for dry edible pinto beans delivered to

Grand Forks Bean Company, Inc. at Grand Forks, North Dakota, Grand Forks Bean Company, Inc. is insolvent under North Dakota Century Code Chapter 60-04.

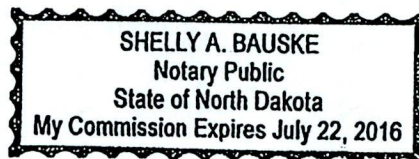
Further, it is Affiant's opinion that in order to preserve the potential trust, Grand Forks Bean Company, Inc. should not be allowed to receive or purchase any grain, move any grain out of the Grand Forks facility that may be an asset of the trust, or fail to maintain control of potential trust assets in a manner consist with the attached Stipulation.

Affiant requests that the Commission issue an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. as authorized by North Dakota Century Code section 60-02-42, ordering that Grand Forks Bean Company, Inc. cease and desist from receiving or purchasing grain, moving any grain out of the Grand Forks facility that may be an asset of the trust, or failing to maintain control of potential trust assets in a manner consistent with the attached Stipulation.

Susan K. Richter

Subscribed and sworn to before me this 16 day of January, 2015.

Shelly A Bauske
Notary Public



STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Grand Forks Bean Company, Inc.
Grain Warehouse
Annual Activity

Case No. GE-14-595

STIPULATION

1. Whereas, Grand Forks Bean Company, Inc., (Grand Forks Bean) a North Dakota business corporation, authorized to do business in North Dakota operates a licensed public grain warehouse at Grand Forks, North Dakota and is licensed under North Dakota Century Code Chapters 60-02 and 60-04.
2. Whereas, Grand Forks Bean operates its grain warehouse at Grand Forks, North Dakota, under license no. 1164, issued by the Commission in 2005.
3. Whereas, Grand Forks Bean has a \$100,000 surety bond on file with the Commission, as required by North Dakota Century Code section 60-02-09 and North Dakota Administrative Code section 69-07-02-02.
4. Whereas, since November 18, 2014, Commission staff received a number of calls from producers who delivered dry edible beans to Grand Forks Bean, indicating that Grand Forks Bean has not made payment for or redelivery of the beans.
5. Whereas, Commission staff contacted Grand Forks Bean regarding resolution of the matter. On December 1, 2014 Commission Staff measured the dry edible bean inventory and it appears there is sufficient inventory to meet redelivery obligations.
6. Whereas, to date, six claims have been filed electronically or via facsimile, of which three claims included support documents.
7. Commission staff has considered recommending that the Commission issue an ex parte cease and desist order for the purpose of protecting Grand Forks Bean's dry edible bean inventory.

Now, therefore, the parties to this Stipulation, Grand Forks Bean Company, Inc., and Public Service Commission Staff, agree that Grand Forks Bean Company, Inc. will:

1. Not sell any portion of the dry edible bean inventory in the Grand Forks Bean facility without prior Commission approval.
2. Not move or permit the movement of dry edible beans from the Grand Forks Bean facility without prior Commission approval.
3. Not make redelivery of any portion of the dry edible beans to any producer without prior Commission approval.
4. Not receive additional grain.
5. Continue storing the beans in suitable facilities and in a suitable fashion to maintain the quality of the dry bean inventory.
6. Continue to maintain insurance on the dry edible bean inventory.

Further, Grand Forks Bean Company, Inc. acknowledges that a violation of Stipulation may result in further formal Commission proceedings, including the filing of a formal complaint against Grand Forks Bean Company, Inc., the issuance of an *ex parte* cease and desist order against Grand Forks Bean, and the assessment of penalties against Grand Forks Bean Company, Inc. Grand Forks Bean Company, Inc. further certifies that TAD Mc GURK, as personal representative of Grand Forks Bean, has authority to sign the Stipulation and bind Grand Forks Bean Company, Inc. to the provisions of this Stipulation

This Stipulation is effective the date executed by Grand Forks Bean Company, Inc.

Dated this 23RD day of December, 2014.

Grand Forks Bean Company, Inc.

By



Its

PRESIDENT

(Title)

Dated this 23rd day of December, 2014.

North Dakota Public Service Commission
Licensing Division

By Susan K. Richter
Its Division Director
(Title)

Exhibit B

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Grand Forks Bean Company, Inc.
Grain Warehouse
Annual Activity

Case No. GE-14-595

Public Service Commission
Grand Forks Bean Company, Inc.
Ex Parte Cease & Desist

Case No. GE-15-30

**STIPULATION FOR THE SALE OF INVENTORY
AND DEPOSIT OF PROCEEDS**

RECITALS

1. Grand Forks Bean Company, Inc., ("Grand Forks Bean") is a North Dakota corporation, authorized to do business in North Dakota as a licensed public grain warehouse under North Dakota Century Code Chapters 60-02 and 60-04.
2. Grand Forks Bean operates a warehouse at 2010 N. Washington St., Grand Forks, Grand Forks County, ND, under license no. 1164, issued by the North Dakota Public Service Commission ("Commission") in 2005.
3. Grand Forks Bean and the Commission entered into a stipulation dated December 23, 2014, which is on file with the Commission.
4. On January 16, 2015 the Commission issued an *Ex Parte* Cease and Desist Order against Grand Forks Bean and issued a Notice of Opportunity for Hearing. The provisions of the Order are incorporated into this Stipulation and a copy is attached.
5. Certain persons who sold or delivered dry edible pinto beans to Grand Forks Bean ("Growers") have not been paid for said beans. Exhibit A annexed hereto is a nonexclusive list of Growers who assert they sold or delivered beans to Grand Forks Bean and have not been paid for the amounts on the list. The Growers assert, as

outstanding receipt holders under N.D.C.C. Section 60-02-25.1, they have a statutory first priority lien giving them rights to all beans held at Grand Forks Bean (the "Beans") to satisfy their claims for Beans they sold or delivered to Grand Forks Bean. The Growers assert their lien is statutorily preferred to any lien of other creditors. Alternatively, it has been asserted that with respect to the Beans sold or delivered, the Growers hold "credit-sale contracts," as defined under N.D.C.C. §§ 60-02-01(2), 60-02-19.1, 60-02.1-01(2), 60-02.1-14, 60-04-01(2), which then permits the Growers to seek payment for their claims under N.D.C.C. Chapter 60-10. Nothing in this Stipulation is intended to establish or otherwise determines whether any of the Growers have a first priority lien under N.D.C.C. § 60-02-25.1 or alternatively hold "credit-sale contracts" with respect to the Beans.

6. Based on the claims of the Growers, and any other receipt holders, the Commission asserts an interest in the Beans and other assets of Grand Forks Bean, arising by statute, its December 23, 2014 stipulation with Grand Forks Bean and/or its January 16, 2015 cease and desist order, with respect to the claims of the Growers and, any other receipt holders, if any.
7. Bremer Bank, National Association ("Bremer") provided financing to Grand Forks Bean, and asserts a first priority perfected security interest in the Beans, which asserted security interest does not arise under N.D.C.C. Section 60-02-25.1, and all other collateral covered by any security agreement executed by Grand Forks Bean and financing statement of public record. Nothing in this Stipulation is intended to establish or otherwise determines whether Bremer has any interest in the Beans or other assets of Grand Forks Bean.

8. This Stipulation is not intended to, and does not, resolve the assertions of the Growers, Bremer, or the Commission to the Beans or any remedy available to the Growers, Bremer or the Commission regarding the Beans and/or Grand Forks Bean.
9. In order to maximize the amount to be realized from the Beans, the parties agree that the proper course of action is to arrange for the immediate sale of the Beans with all parties preserving and retaining any and all rights they currently hold in the Beans and all proceeds. To this end, bids were entertained. Central Valley Bean Cooperative, American Bean LLC, SRS Commodities Limited, Star of the West Milling Company, Forest River Bean Co. Inc., Johnstown Bean Company, and Walhalla Bean Company were provided an opportunity to inspect samples and submit bids.
10. Central Valley Bean Cooperative submitted a bid of \$23.50/cwt delivered to Buxton or \$22.75/cwt based off a #1 pinto, normal discounts to apply with assurance of clean title to beans, including loading and hauling. American Bean LLC submitted a bid of \$22.25/cwt for three bins and \$16.25/cwt for one bin including loading and hauling. SRS Commodities Limited submitted a bid of \$20.00/cwt based on US #1 grade (discounts to be applied as necessary), US#2 - \$1/cwt discount and US#3 - \$2/cwt discount and will furnish equipment, labor and transportation.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION ACKNOWLEDGED AS HAVING BEEN EXCHANGED BY THE PARTIES, THE PARTIES AGREE AS FOLLOWS:

1. The above Recitals are hereby restated and incorporated into and made a part of the Stipulation.
2. The parties recognize the *Ex Parte* Cease and Desist Order issued against Grand Forks Bean and agree not to take any action that would result in a violation of that order.

3. Based on information currently known, the bid from Central Valley Bean Cooperative is the most reasonable bid. The Beans shall be sold to Central Valley Bean Co-op, PO Box 162, 401 Broadway, Buxton, ND 58218 ("Buyer") on the following terms: price to be \$22.75/cwt based off a #1 pinto, normal discounts to apply with assurance of clean title to beans and Buyer would supply letter of credit or equivalent for purchase price. Buyer will provide all handling and transportation of the Beans and have the Beans removed from the Grand Forks Bean facility as soon as possible. Bremer, Growers, and the Commission, to the extent allowed by law, shall sign any waiver or agreement for the sale of the Beans reasonably requested by the Buyer to ensure clean title to the Beans.
4. An irrevocable letter of credit or equivalent guaranteeing the purchase price on behalf of Central Valley Bean Cooperative must be provided to the Commission, prior to any beans being removed from the facility.
5. A Grand Forks Bean outbound scale ticket will be issued for each load of beans moved from the Grand Forks Bean warehouse indicating the Buyer, Public Service Commission and trucking company. The Buyer shall issue an inbound scale ticket for each load of beans received with grading information and Grand Forks Bean, Public Service Commission, and the trucking company indicated as the person from whom the grain is received.
6. Grand Forks Bean shall retain the warehouse's copy of each outbound scale ticket and provide a copy of each outbound scale ticket to the Commission. The Buyer shall provide a copy of each inbound scale ticket issued for each load of grain received to the Commission.
7. Commission Staff will create a shipment report recording each load of beans moved from

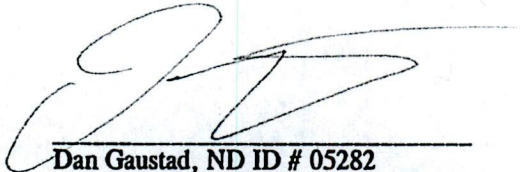
the Grand Forks Bean warehouse. The Buyer shall create an assembly report recording each load of beans received and provide a copy to Grand Forks Bean and the Commission.

8. Once all grain has been removed from the Grain Forks Bean warehouse and delivered to the Buyer, the Buyer shall provide a final assembly report to the Commission, and shall pay to the Commission the full amount due no later than three business days thereafter.
9. The proceeds from sale of the Beans shall be deposited in an interest bearing escrow account at the Bank of North Dakota under the name Grand Forks Bean Company, Inc. but held in escrow pursuant to the terms hereof. Said monies shall remain on deposit until the Commission is appointed trustee at which time the monies will be transferred into the Public Service Commission's Grand Forks Bean Company, Inc. trust account at the Bank of North Dakota. The parties' rights and interests shall attach to the proceeds with the same dignity, merits and priority as they attached to the Beans and sale of the Beans pursuant to this Stipulation will not impair, limit or restrict the rights of any of the parties as said rights exist or existed with respect to the Beans, and/or any rights or remedies of any of the parties that exist or existed. Without in any manner limiting any other term of this Stipulation but in addition thereto, that regardless of whether the transfer of funds to the Public Service Commission's Grand Forks Bean Company, Inc. trust account occurs or does not occur, no party is waiving, releasing or otherwise relinquishing any rights, titles, interests or claims in any respect, including without limit the Growers or any other receiptholders' payment from the funds held in escrow or in the trust through the insolvency proceeding, the Growers' payment under Chapter N.D.C.C. Chapter 60-10, the Growers or any other receiptholders' right to payment from Grand

Forks Bean Company, Inc., and/or other assets of Grand Forks Bean Company, Inc. and/or Bremer's claim to such funds and any right to payment from Grand Forks Bean Company, Inc. and/or other assets of Grand Forks Bean Company, Inc.

10. The undersigned represent and warrant each has the authority to bind the party designated under each person's signature. This Stipulation sets forth all of the terms of the agreement reached between the parties with respect to the subject matter of this Stipulation and supersedes any and all prior negotiations and understandings except for the January 16, 2015 *Ex Parte* Cease and Desist Order and the December 23, 2014 Stipulation. This Stipulation may not be amended except by a subsequent stipulation executed by all the parties hereto or by court order after notice and opportunity to be heard has been given to all parties. No party will be deemed to have waived any rights under this Stipulation absent a written statement of waiver signed by the party alleged to have waived any rights. Signatures to the Stipulation may be provided by facsimile or other electronic means and will be as binding on the party so providing them as an original signature. This Stipulation and any efforts to market and sell the Beans as provided hereunder does not, nor shall it be deemed, to create any partnership, agency, or employment relationship by or among the parties hereto. This Stipulation will be construed and interpreted under the laws of the State of North Dakota.
11. This Stipulation is effective as of the date executed by the final party and will remain in effect to the extent the provisions are not inconsistent with the Commission's appointment as trustee.

DATED THIS 30th day of January, 2015.



Dan Gaustad, ND ID # 05282
Attorney for the following Growers:

Brent Baldwin
Baldwin Farms, Inc.
Duane Altendorf

DATED THIS ____ day of January, 2015.

Russ Melland, ND ID # 04896
Attorney for the following Growers:

Ronald A. Adams
Nickolas Adams
Chuck B. Nelson
WJS Nelson (Jon Nelson & Steve Nelson)

DATED THIS ____ day of January, 2015.

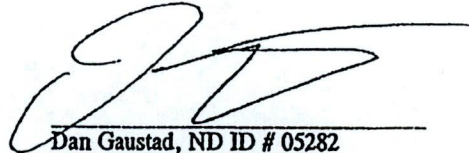
Jon Brakke, ND ID # _____
Attorney for the following Growers:

Curt Amundson, _____, ND
The Estate of Brad Nelson, _____, MN

DATED THIS ____ day of January, 2015.

Tracy A. Kennedy, ND ID # _____
Attorney for Bremer Bank, National Association

DATED THIS ____ day of January, 2015.



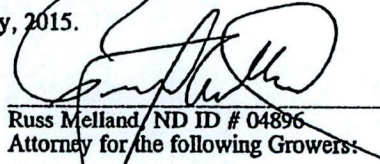
Dan Gaustad, ND ID # 05282
Attorney for the following Growers:

Brent Baldwin

Baldwin Farms, Inc.

Duane Altendorf

DATED THIS 30th day of January, 2015.



Russ Melland, ND ID # 04896
Attorney for the following Growers:

Ronald A. Adams

Nickolas Adams

Chuck B. Nelson

WJS Nelson (Jon Nelson & Steve Nelson)

DATED THIS ____ day of January, 2015.

Jon Brakke, ND ID # _____
Attorney for the following Growers:

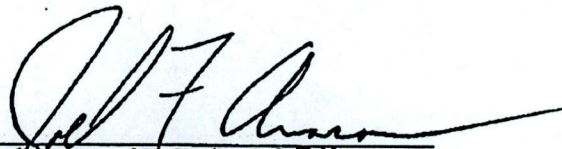
Curt Amundson, _____, ND

The Estate of Brad Nelson, _____, MN

DATED THIS ____ day of January, 2015.

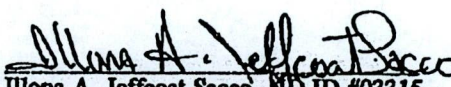
Tracy A. Kennedy, ND ID # _____
Attorney for Bremer Bank, National Association

DATED THIS ____ day of January, 2015.



Joel Arnason, ND ID # 03743
Attorney for Grand Forks Bean Company, Inc.

DATED THIS 27th day of January, 2015.



Ilona A. Jeffcoat-Sacco, ND ID #03315
Attorney for Public Service Commission

Grand Forks Bean Co,

Exhibit A

Stipulation for the Sale of Beans

<u>Grower</u>	<u>Net Outstanding Receipts</u>
Ronald E. Adams	7,778.24 cwt
Nicholas Adams	908.55 cwt
Curt Amundson	12,128.28 cwt
Chuck B. Nelson	1,316.08 cwt
Brent Baldwin	2,220.36 cwt
Baldwin Farms, Inc.	1,005.71 cwt
Brad Nelson Estate	1,810.44 cwt
Duane Altendorf	2,408.22 cwt
WJS Nelson (Jon & Steve Nelson)	1,600.91 cwt

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Public Service Commission
Grand Forks Bean, Co., Inc.
***Ex Parte* Cease & Desist**

Case No. GE-15-30

***Ex Parte* Cease and Desist Order**

January 16, 2015

On January 16, 2015, Licensing Division Staff (Staff) filed an Affidavit providing the Commission with information sufficient to support issuance of an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. (Grand Forks Bean) as authorized by North Dakota Century Code section 60-02-42.

The Affidavit indicated the following:

On November 18, 2014, the Licensing Division received a phone call from a producer inquiring about redelivery of dry edible beans that the producer had delivered to Grand Forks Bean Company, Inc. (Grand Forks Bean) at its licensed grain warehouse in Grand Forks, North Dakota. The producer alleged Grand Forks Bean had not been able to market his dry edible beans. The producer further informed the Affiant that he had contacted Grand Forks Bean staff about taking redelivery of beans because Grand Forks Bean was not able to market the dry edible beans.

Between November 18, 2014 and December 19, 2014, the Licensing Division received additional phone calls from producers who delivered dry edible beans to the licensed grain warehouse in Grand Forks.

On December 1, 2014 Commission Staff measured the dry edible bean inventory and it appears there is sufficient inventory to meet redelivery obligations.

Between December 19, 2014 and December 23, 2014, the Commission received information, via electronic mail or facsimile, from eight producers alleging Grand Forks Bean had not been able to market their dry edible beans or had not paid the producers for the dry edible beans delivered to Grand Forks Bean at their licensed grain warehouse in Grand Forks, North Dakota.

On December 23, 2014, Grand Forks Bean Company, Inc. and Public Service Commission Staff executed a Stipulation in which Grand Forks Bean agreed that the dry edible bean inventory in the Grand Forks Bean facility will not be sold, redelivered, or moved from the Grand Forks facility without prior Commission approval, that Grand Forks Bean will not receive additional grain, that the beans will continue to be stored in suitable facilities and in a suitable fashion to maintain the quality of the dry bean inventory, and that Grand Forks Bean will continue to maintain insurance on the dry edible bean inventory. A copy of this Stipulation is attached to and made a part of the Affidavit.

Commission Staff has reason to believe, after discussions with counsel for producers, that it is unlikely this matter can be resolved outside a formal insolvency proceeding.

The Stipulation entered into by Staff provides that a violation of the Stipulation may result in further formal Commission proceedings, including the issuance of an *Ex Parte* Cease and Desist order against Grand Forks Bean Company, Inc. Staff indicated staff is not aware of any violation of the Stipulation. However, because Staff now has reason to believe that it is unlikely the matter can be resolved informally, staff indicated it is recommending that the Commission apply to district court for appointment as trustee and also that an *Ex Parte* Cease and Desist Order against Grand Forks Bean is appropriate. Commission staff contacted Grand Forks Bean regarding the matter.

North Dakota Century Code section 60-02-42 provides the Commission with authority to issue an *Ex Parte* Cease and Desist Order without prior notice against an entity that engages in an activity or practice that is contrary to the provisions of North Dakota law or rules. A Cease and Desist Order must be accompanied by a Notice of Opportunity to be Heard on the order within fifteen (15) days of the issuance of the Order.

Affiant stated she believes that good cause exists requiring *ex parte* action by the Commission because sellers of grain may suffer immediate economic loss, damage, or injury if Grand Forks Bean Company, Inc. receives or purchases any grain, moves any grain out of the Grand Forks facility that may be an asset of the trust, or fails to maintain

control of potential trust assets in a manner consistent with the Stipulation attached to the Affidavit.

Affiant has informed the Commission that it is her opinion that based on the written information filed with the Commission for the nonpayment for dry edible beans delivered or sold to Grand Forks Bean Company, Inc., Grand Forks Bean Company, Inc. is insolvent under North Dakota Century Code Chapter 60-04.

The Commission has considered the information provided by Staff and finds that unless an *Ex Parte* Cease and Desist Order is issued, producers may suffer economic loss, damage, or injury as a result of the actions of Grand Forks Bean Company, Inc.

Therefore, the Commission issues the following:

Order


The Commission orders:

1. Grand Forks Bean Company, Inc. to **Cease and Desist** from receiving or purchasing any grain, moving any grain out of the Grand Forks facility without prior Commission permission that may be an asset of the trust, or failing to maintain control of potential trust assets in a manner consistent with the Stipulation attached to the Affidavit.
2. Contemporaneously with this Order, the Commission is issuing to Grand Forks Bean Company, Inc. a notice of opportunity to be heard within fifteen days of the service of this Order.

PUBLIC SERVICE COMMISSION


Randy Christmann
Commissioner


Julie Fedorchak (P.S.)
Chairman


Brian P. Kalk (V.S.)
Commissioner

had not paid the producers for the dry edible beans delivered to Grand Forks Bean Company, Inc. at their licensed grain warehouse in Grand Forks, North Dakota.

That on December 23, 2014, Grand Forks Bean Company, Inc. and Public Service Commission Staff executed a Stipulation agreeing that the dry edible bean inventory in the Grand Forks Bean facility will not be sold, redelivered, or moved from the Grand Forks facility without prior Commission approval, that Grand Forks Bean Company, Inc. will not receive additional grain, that the beans will continue to be stored in suitable facilities and in a suitable fashion to maintain the quality of the dry bean inventory, and that Grand Forks Bean Company, Inc. will continue to maintain insurance on the dry edible bean inventory.

That Commission Staff believes after discussions with counsel for producers, attempts to resolve this matter outside an insolvency are not possible.

That although the Stipulation provided that a violation of the Stipulation may result in further formal Commission proceedings, including the issuance of an *ex parte* cease and desist order against Grand Forks Bean Company, Inc., Staff is not aware of any violation, however, due to the fact that Staff will be recommending that the Commission apply to district court for appointment as trustee, Staff believes an *ex parte* cease and desit order against Grand Forks Bean Company, Inc. is appropriate.

That Grand Forks Bean Company, Inc., operates a licensed public grain warehouse in North Dakota at Grand Forks, North Dakota since 2005. As required by North Dakota Century Code section 60-02-09 and North Dakota Administrative Code section 69-07-02-02 Grand Forks Bean Company, Inc. has a \$100,000 bond on file with the Public Service Commission.

That the Licensing Division is preparing and will be asking the Commission to file documents with Grand Forks County District Court, asking that Grand Forks Bean Company, Inc. be declared insolvent under North Dakota Century Code Chapter 60-04, and the Commission be appointed trustee in the insolvency proceeding.

That it appears the bond on file with the Public Service Commission will not be sufficient to cover the total amount owed to producers for the dry edible beans delivered to Grand Forks Bean Company, Inc.

North Dakota Century Code section 60-02-42 provides the Commission with authority to issue a cease and desist order without prior notice against an entity that engages in an activity or practice that is contrary to the provisions of North Dakota Century Code Chapter 60-02 or related rules.

Affiant has reason to believe Grand Forks Bean Company, Inc. has violated North Dakota Century Code section 60-02-09 (4)(a) by failing to faithfully perform the licensee's duties as a public warehouseman and North Dakota Century Code section 60-04-02 by refusing, neglecting, or being unable upon proper demand to make payment for grain purchased or marketed by the licensee or to make redelivery or payment for grain stored.

Affiant believes that good cause exists requiring *ex parte* action by the Commission because sellers may suffer economic loss, damage or injury if Grand Forks Bean Company, Inc. were to receive or purchase grain as a licensed public warehouseman in North Dakota or if Grand Forks Bean Company, Inc. is permitted to move any more grain out of North Dakota that may be an asset of the insolvency trust.

It is Affiant's opinion that based on the written information filed with the Commission for the inability to market or pay for dry edible pinto beans delivered to

Grand Forks Bean Company, Inc. at Grand Forks, North Dakota, Grand Forks Bean Company, Inc. is insolvent under North Dakota Century Code Chapter 60-04.

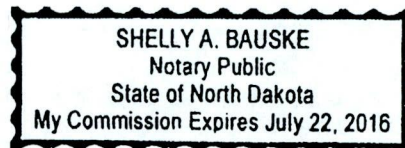
Further, it is Affiant's opinion that in order to preserve the potential trust, Grand Forks Bean Company, Inc. should not be allowed to receive or purchase any grain, move any grain out of the Grand Forks facility that may be an asset of the trust, or fail to maintain control of potential trust assets in a manner consist with the attached Stipulation.

Affiant requests that the Commission issue an *Ex Parte* Cease and Desist Order against Grand Forks Bean Company, Inc. as authorized by North Dakota Century Code section 60-02-42, ordering that Grand Forks Bean Company, Inc. cease and desist from receiving or purchasing grain, moving any grain out of the Grand Forks facility that may be an asset of the trust, or failing to maintain control of potential trust assets in a manner consistent with the attached Stipulation.

Susan K. Richter

Subscribed and sworn to before me this 16 day of January, 2015.

Shelly A. Bauske
Notary Public



STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Grand Forks Bean Company, Inc.
Grain Warehouse
Annual Activity**

Case No. GE-14-595

STIPULATION

1. Whereas, Grand Forks Bean Company, Inc., (Grand Forks Bean) a North Dakota business corporation, authorized to do business in North Dakota operates a licensed public grain warehouse at Grand Forks, North Dakota and is licensed under North Dakota Century Code Chapters 60-02 and 60-04.
2. Whereas, Grand Forks Bean operates its grain warehouse at Grand Forks, North Dakota, under license no. 1164, issued by the Commission in 2005.
3. Whereas, Grand Forks Bean has a \$100,000 surety bond on file with the Commission, as required by North Dakota Century Code section 60-02-09 and North Dakota Administrative Code section 69-07-02-02.
4. Whereas, since November 18, 2014, Commission staff received a number of calls from producers who delivered dry edible beans to Grand Forks Bean, indicating that Grand Forks Bean has not made payment for or redelivery of the beans.
5. Whereas, Commission staff contacted Grand Forks Bean regarding resolution of the matter. On December 1, 2014 Commission Staff measured the dry edible bean inventory and it appears there is sufficient inventory to meet redelivery obligations.
6. Whereas, to date, six claims have been filed electronically or via facsimile, of which three claims included support documents.
7. Commission staff has considered recommending that the Commission issue an ex parte cease and desist order for the purpose of protecting Grand Forks Bean's dry edible bean inventory.

Now, therefore, the parties to this Stipulation, Grand Forks Bean Company, Inc., and Public Service Commission Staff, agree that Grand Forks Bean Company, Inc. will:


1. Not sell any portion of the dry edible bean inventory in the Grand Forks Bean facility without prior Commission approval.
2. Not move or permit the movement of dry edible beans from the Grand Forks Bean facility without prior Commission approval.
3. Not make redelivery of any portion of the dry edible beans to any producer without prior Commission approval.
4. Not receive additional grain.
5. Continue storing the beans in suitable facilities and in a suitable fashion to maintain the quality of the dry bean inventory.
6. Continue to maintain insurance on the dry edible bean inventory.

Further, Grand Forks Bean Company, Inc. acknowledges that a violation of Stipulation may result in further formal Commission proceedings, including the filing of a formal complaint against Grand Forks Bean Company, Inc., the issuance of an *ex parte* cease and desist order against Grand Forks Bean, and the assessment of penalties against Grand Forks Bean Company, Inc. Grand Forks Bean Company, Inc. further certifies that TAD McGUIRE, as personal representative of Grand Forks Bean, has authority to sign the Stipulation and bind Grand Forks Bean Company, Inc. to the provisions of this Stipulation

This Stipulation is effective the date executed by Grand Forks Bean Company, Inc.

Dated this 23RD day of December, 2014.

Grand Forks Bean Company, Inc.

By 
Its PRESIDENT
(Title)

Dated this 23rd day of December, 2014.

North Dakota Public Service Commission
Licensing Division

By Susan K. Richter
Its Division Director
(Title)

Richter, Susan K.

From: Dee <dee@ralawfirms.com>
Sent: Tuesday, December 23, 2014 4:00 PM
To: Richter, Susan K.
Cc: rmelland@camrudlaw.com; allenflaten@northdakotalaw.net
Subject: Grand Forks Bean Company, Inc.
Attachments: Stipulation.pdf

Dear Ms. Richter,

Attached please find the stipulation executed by Mr. McGurk. Please be advised that he has the authority to sign the stipulation by virtue of the fact that he is the personal representative of the Todd McGurk Estate and the fact that a corporate resolution has been executed naming him President of the Corporation since Todd McGurk's death.

You may note that I am copying both Mr. Melland representing the farmers, and Mr. Flaten, representing Bremer Bank, and would encourage counsel to speak the each other regarding their client's respective interests prior to proceeding further in this matter.

Sending this on behalf of Joel F. Arnason, Attorney at law.

Dee Hillhouse

Rosenquist & Arnason, PLLP
301 North Third Street, Suite 300
Grand Forks, ND 58203
Telephone: 701-775-0654
Fax: 701-772-0855

3. The Commission was informed and has reason to believe that there are outstanding obligations for unpaid claims for grain sold to Grand Forks Bean Company, Inc. a public warehouseman under North Dakota Century Code Chapter 60-02. Under the provisions of North Dakota Century Code section 60-02-09, bond protection is available for the benefit of all persons storing or selling grain in such warehouseman. Under the provisions of North Dakota Century Code section 60-10-04 a person is eligible to receive indemnity payments from the credit-sale contract indemnity fund if the licensed warehouse to which the person sold grain to becomes insolvent.
4. Under North Dakota Century Code section 60-04-03.1, grain assets are part of the trust fund. On January 30, 2015, a Stipulation for the Sale of Inventory and Deposit of Proceeds was executed by attorneys for the Commission, Grand Forks Bean Company, Inc., eight growers, and Bremer Bank, National Association.
5. The Stipulation provided for the sale of the grain inventory in the Grand Forks Bean facility and that the proceeds from the sale of the grain in the Grand Forks Bean facility be deposited in an interest bearing escrow account at the Bank of North Dakota. The funds are to remain on deposit until the Commission is appointed trustee at which time the funds will be transferred into the Public Service Commission's Grand Forks Bean Company, Inc. trust account at the Bank of North Dakota. All of the grain inventory was sold and the funds were deposited into an interest bearing escrow account. The Commission is

concerned that if control of this potential trust asset is not maintained the trust fund may be compromised.

6. North Dakota Century Code section 60-04-03 provides that the Court may issue *ex parte* a temporary order to preserve or protect the assets or any potential assets of the trust fund until the court issues its order granting or denying the application.
7. It is in the best interests of all claimants that the Court declare Grand Forks Bean Company, Inc. insolvent and establish the date of insolvency as December 19, 2014, the date the first claim for collection of outstanding funds owed was filed with Commission, and that the Commission be appointed Trustee, and be given the powers under North Dakota Century Code Chapters 60-04 and 60-10 so that all claimants will be treated fairly. Further, it is in the best interest of the potential claimants that the Court issue *ex parte* a temporary order to preserve and protect any potential assets of the trust under North Dakota Century Code section 60-04-03.1.
8. Upon the insolvency, the Commission has the authority under North Dakota Century Code Chapter 60-04 to make payment of valid claims to any persons holding noncredit-sale receipts for grain sold or stored.
9. The Commission has authority under North Dakota Century Code section 60-10-05 to make payment to any person who sold grain to the licensee under a credit-sale contract and who was not fully compensated under the contract.

10. The Court has jurisdiction under North Dakota Century Code section 60-04-03, which provides for the filing of this action in the District Court, Northeast Central Judicial District.

11. Bismarck, North Dakota, this 13th day of February, 2015.

Respectfully submitted,



Illona A. Jeffcoat-Sacco (03315)

Casey A. Furey (08036)

Special Assistant Attorneys General

Public Service Commission

600 E. Boulevard Avenue – Dept. 408

Bismarck, ND 58505

(701) 328-2407

(701) 328-2410 fax

Attorneys for the Public Service Commission

1. The grain in the warehouse of the insolvent warehouseman or the proceeds as obtained.
2. The proceeds, including accounts receivable, from any grain sold from the time of the filing of the claim that precipitated an insolvency until the commission is appointed trustee must be remitted to the commission and included in the trust fund.
3. The proceeds of insurance policies on destroyed grain in the elevator.
4. The claims for relief, and proceeds therefrom, for damages upon bond given by the warehouseman to ensure faithful performance of the duties of a warehouseman.
5. The claim for relief, and proceeds therefrom, for the conversion of any grain stored in the warehouse.
6. Unencumbered accounts receivable for grain sold prior to the filing of the claim that precipitated an insolvency.
7. Unencumbered equity in grain hedging accounts.
8. Unencumbered grain product assets.

ORDER

4. **THEREFORE**, the Court orders that Grand Forks Bean Company, Inc. preserve and protect any trust assets as provided in North Dakota Century Code Chapter 60-04, until the Court issues its order granting or denying the application for appointment of the Public Service Commission as Trustee of the trust fund in this proceeding.

_____, North Dakota, this ____ day of _____, 2015.

BY THE COURT

Judge of the District Court

STATE OF NORTH DAKOTA
COUNTY OF GRAND FORKS

IN DISTRICT COURT
NORTHEAST CENTRAL JUDICIAL DISTRICT

Public Service Commission)
Petitioner,)
vs.)
Grand Forks Bean Company, Inc.)
Respondent.)

PSC Case No. GE-15-36)

CIVIL NO. _____

ORDER APPOINTING
TRUSTEE

1. The Public Service Commission has moved the Court for appointment as trustee of Grand Forks Bean Company, Inc. under North Dakota Century Code Chapter 60-04 and for an *Ex Parte* Order to Preserve Trust Assets. Grand Forks Bean Company, Inc., 2120 North Washington Street, Grand Forks, North Dakota 58201, operates as a grain warehouseman in the State of North Dakota.
2. It appears from the record that Grand Forks Bean Company, Inc. is insolvent under North Dakota Century Code Chapter 60-04 and that it is in the best interest of the potential claimants that a trustee be appointed.
3. **ORDERED THEREFORE**, on the Application and Motion of the Public Service Commission by and through its attorney, the Public Service Commission is appointed trustee of the trust fund provided by North Dakota Century Code

Chapter 60-04 for the purpose of marshalling all trust assets of the insolvent Grand Forks Bean Company, Inc. in the manner provided by law.

4. **ORDERED FURTHER** that the date of insolvency be established as December 19, 2014.

_____, North Dakota, this ____ day of _____, 2015.

BY THE COURT

Judge of the District Court