

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Public Service Commission  
Hunter Hanson dba NoDak Grain  
Ex Parte Cease & Desist**

**Case No. GE-18-391**

**Public Service Commission  
Midwest Grain Trading  
Ex Parte Cease & Desist**

**Case No. GE-18-392**

**EX PARTE CEASE AND DESIST ORDER**

**November 21, 2018**

**Preliminary Statement**

On November 21, 2018 the Director of the Public Service Commission Compliance Division (Staff) filed an Affidavit providing the Commission with information sufficient to support issuance of an *Ex Parte* Cease and Desist Order against Hunter Hanson owner of Midwest Grain Trading (Midwest Grain Trading) and Hunter Hanson dba NoDak Grain (NoDak Grain), as authorized by North Dakota Century Code §§ 60-02.1-39 and 60-02-42.

**Discussion**

Hunter Hanson dba NoDak Grain, licensed as a grain warehouse at Rohrville, North Dakota since September 11, 2018 and Tunbridge, North Dakota since June 25, 2018. As required by North Dakota Century Code § 60-02-09 and North Dakota Administrative Code § 69-07-02-02, NoDak Grain has a \$150,000 bond on file with the Public Service Commission.

Hunter Hanson owns Midwest Grain Trading, licensed as a roving grain buyer since May 16, 2017. Midwest Grain Trading has a \$400,000 bond on file with the Public Service Commission. As required by North Dakota Century Code § 60-02.1-08 and North Dakota Administrative Code § 69-07-02-02.1, Midwest Grain Trading should have a bond of \$405,000 based upon Midwest Grain Trading's purchases from August 1, 2018 thru September 30, 2018 as reported in the Commission's required Roving Grain Buyer Monthly Report.

The affidavit indicates that on November 14, 2018, the Commission received an email with attachments from Jan Leishman with Shafer Commodities, Inc. of Morden, Manitoba, alleging Shafer Commodities, Inc. has not been paid for yellow peas sold to

Midwest Grain Trading and delivered to the NoDak Grain public warehouse facility at the Tunbridge, North Dakota location.

The affidavit indicates that on November 20, 2018, the Commission received an email with attachments from Shawn Madsen, Operations Manager for Southland Pulse, Inc. of Estevan, Saskatchewan, alleging Southland Pulse, Inc. has not been paid for yellow peas sold to sold to Midwest Grain Trading and delivered to the NoDak Grain public grain warehouse at the Rohrville, North Dakota location.

The affidavit indicates that also on November 20, 2018, the Commission received an email with attachments from Art Stacey, an attorney acting for Delmar Commodities Ltd. of Winkler, Manitoba, alleging a check written by Midwest Grain Trading to Delmar Commodities, Ltd. to pay for yellow peas was returned unpaid, and that Delmar Commodities, Ltd. has not been paid for additional yellow peas sold to Midwest Grain Trading and delivered to the NoDak Grain public grain warehouse at the Rohrville, North Dakota location.

The affidavit indicates that also on November 20, 2018, the Commission received an email with attachments from Dan Mostad, General Manager for Berthold Farmers Elevator, LLC of Berthold, North Dakota, alleging Berthold Farmers Elevator, LLC has not been paid for yellow peas sold to Midwest Grain Trading.

The affidavit indicates that since November 9, 2018, Commission Staff has received over 50 calls from elevators and producers who have sold grain to Midwest Grain Trading, and had grain picked up by Midwest Grain Trading or delivered grain to NoDak Grain. The persons who have called the Commission about this matter indicated that Midwest Grain Trading and NoDak Grain issued checks to pay for grain, and that the checks have been returned unpaid indicating nonsufficient funds (NSF), stop payment, or have been canceled, or that Midwest Grain Trading or NoDak Grain has otherwise not paid amounts Midwest Grain Trading or NoDak Grain owes for grain.

NoDak Grain has violated North Dakota Century Code § 60-02-09(4)(a) by failing to faithfully perform the licensee's duties as a public warehouseman and is insolvent under North Dakota Century Code § 60-04-02 by refusing, neglecting, or being unable upon proper written demand to make payment for grain purchased or marketed by the licensee or to make redelivery or payment for grain stored.

Midwest Grain Trading has violated North Dakota Century Code § 60-02.1-08(4)(a) by failing to faithfully perform the licensee's duties as a roving grain buyer and is insolvent under North Dakota Century Code § 60-02.1-28 by refusing, neglecting, or being unable upon proper written demand to make payment for grain purchased or marketed by the licensee or make redelivery.

The affidavit indicates that Staff is preparing documents for filing with District Court, asking that Midwest Grain Trading and NoDak Grain be declared insolvent, the

Commission be appointed trustee, and the sureties be joined as a party to the insolvency proceedings.

North Dakota Century Code §§ 60-02-42 and 60-02.1-39 provide the Commission with authority to issue a cease and desist order on its own motion without complaint, with or without hearing, against an entity that engages in an activity or practice that is contrary to the provisions of North Dakota Century Code Chapters 60-02, 60-02.1, or related rules. A cease and desist order must be accompanied by a notice of opportunity to be heard on the order within fifteen days of the issuance of the order.

The Commission has considered the information provided by Staff and finds that unless an *Ex Parte* Cease and Desist Order is issued, claimants and grain sellers are at risk to suffer immediate damage or injury as a result of the actions of Hunter Hanson, NoDak Grain, and Midwest Grain Trading.

Therefore, the Commission issues the following:

### Order

The Commission orders:

1. Hunter Hanson dba NoDak Grain to Cease and Desist all grain warehouse activities in North Dakota, including the purchase, sale, receipt, and delivery of grain.
2. Hunter Hanson, owner of Midwest Grain Trading, to Cease and Desist all roving grain buying activities in North Dakota, including the purchase, sale, receipt and delivery of grain.
3. Contemporaneously with this Order, the Commission is issuing to Hunter Hanson, owner of Midwest Grain Trading and Hunter Hanson dba NoDak Grain a Notice of Opportunity to be Heard within fifteen days of the issuance of this Order.

### PUBLIC SERVICE COMMISSION

		
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<b>Brian Kroshus</b> Commissioner	<b>Randy Christmann</b> Chairman	<b>Julie Fedorchak</b> Commissioner