

Crockford, Konrad S.

From: Art Stacey <AJS@tdslaw.com>
Sent: Monday, November 19, 2018 17:27
To: Nitschke, Darrell D.
Cc: Crockford, Konrad S.; Dale Heide; Keith Friesen
Subject: Midwest Grain Trading / Claim of Delmar Commodities Ltd.
Attachments: ajs-delmar-midwest20181119.pdf

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Mr. Nitschke: please see letter and enclosures attached. Hard copies are being sent via courier.
Thank you.



**THOMPSON
DORFMAN
SWEATMAN**

1700 - 242 Hargrave Street
Winnipeg, Manitoba R3C 0V1

Art Stacey

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November 19, 2018

By EMAIL & Courier

North Dakota Public Service Commission
Executive Secretary
600 East Boulevard Avenue
Department 408
Bismarck, North Dakota 58505-0480

Attention: Mr. Darrell Nitschke

Dear Sir:

Re: Midwest Grain Trading
Claim of Delmar Commodities Ltd.
Our Matter No. 0162583 AJS

We act for Delmar Commodities Ltd. ("Delmar"). Midwest Grain Trading ("Midwest") is indebted to our client in the sum of \$598,079.94 (USD). Enclosed please find the following:

1. Copy of Statement of Account;
2. Copy of demand letter dated November 16, 2018 to which we have had no reply;
3. Copy of email transmission of demand letter.

Midwest has recently bounced a cheque for \$36,810.01 payable to Delmar and, after promising that a cheque for \$287,000 was "in the mail", acknowledged that no payment could be made. On November 15, 2018 Midwest advised our client that it no longer was in a position to pay any of its obligations.

Our client understands that there is a surety bond in place under which the North Dakota Public Services Commission is the obligee (the "Bond") on behalf of parties such as Delmar who are unpaid creditors of Midwest. Please confirm by return that this letter and its enclosures are sufficient to constitute the submission of a claim by Delmar under the Bond and that the same will be addressed under the terms of the Bond and applicable North Dakota



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law. Based upon my conversation last week with Mr. Konrad Crockford, I understand that Chapters 60-02, 60-02.1 and 60-04 of the North Dakota statute law would apply.

Please provide me a copy of the Bond and your advice as to whether anything further is required from our client in regard to this claim. I understand from Mr. Crockford that a fund will be established from the proceeds of the Bond, potentially from proceeds of a second bond in respect fo two warehouse facilities owned by Midwest, from proceeds of the sale of grain held in those warehouses, from collection of Midwest's accounts receivable and from any insurance proceeds which may be payable in respect of water damage to the grain stored in the warehouses (the "Fund"). Please provide details of the Fund referred to above.

Finally, please advise as to the process of evaluating and settling claims such as this one submitted by Delmar. Thank you.

Yours truly,

THOMPSON DORFMAN SWEATMAN LLP

Per:

A. J. Stacey

AJS
Encl.

cc. Konrad Crockford
Dale Heide
Keith Friesen



Delmar Commodities

Page: 1

Date: 2018-11-15

Customer:

11620
MIDWEST GRAIN TRADING

PO BOX 183

LEEDS ND 58346

Credit Limit: Unlimited
Payment Terms: Net 30
Finance Charge Currency Amount \$0.00

Currency: USD

| Document No. | Date | Description | Debit | Credit | Balance |
|--------------|------------|---------------------------------|--------------|--------|--------------|
| HO112445 | 2018-10-29 | SLS HO112445 | \$36,810.01 | | \$36,810.01 |
| PYT0006642 | 2018-10-29 | PMT Ck From Nodak Grain | | \$0.00 | \$36,810.01 |
| SLS001178 | 2018-11-01 | SLS 204,305 x .07 = \$14,301.35 | \$14,301.35 | | \$51,111.36 |
| HO112540 | 2018-11-07 | SLS HO112540 | \$287,931.11 | | \$339,042.47 |
| SLS001187 | 2018-11-07 | SLS Extra Freight Charge | \$600.00 | | \$339,642.47 |
| HO112619 | 2018-11-15 | SLS HO112619 | \$258,437.47 | | \$598,079.94 |

Balance Due

\$598,079.94

USD

SLS Sales / Invoices
SCH Scheduled Payments
DR Debit Notes

FIN Finance Charges
SVC Service / Repairs
WRN Warranties

CR Credit Notes
RTN Returns
PMT Payments

Current
\$598,079.94

0 - 30 Days
\$0.00

31 - 60 Days
\$0.00

61 - 90 Days
\$0.00



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November 16, 2018

BY E-MAIL

Midwest Grain Trading
P.O. Box 183
Leeds, North Dakota
58346

Attention: Hunter Hanson

Dear Sir:

Re: Account of Delmar Commodities Ltd.
 Our Matter No. 0081321 AJS

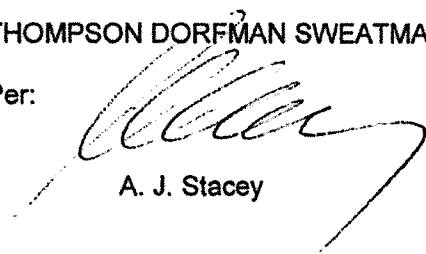
We act for Delmar Commodities Ltd. ("Delmar"). Our client has provided us with the attached Statement of its Account with Midwest Grain Trading. We are advised that the second item in the statement reflects that a cheque sent in payment of the debt of \$36,810.01 was returned by your bank for insufficient funds. Further, we are advised that despite promises of payment from Midwest Grain Trading no further payments have been received.

On behalf of Delmar we hereby demand immediate payment in full of your indebtedness due to Delmar, being the sum of \$598,079.94 (USD). If this amount is not paid immediately Delmar will take all remedies available to it at law.

Yours truly,

THOMPSON DORFMAN SWEATMAN LLP

Per:



A. J. Stacey

AJS
cc. Dale Heide
 Keith Friesen

Art Stacey

From: Art Stacey
Sent: Friday, November 16, 2018 4:47 PM
To: Hunter.midwestgraintrading@gmail.com
Cc: Dale Heide; Keith Friesen
Subject: Account of Delmar Commodities Ltd.
Attachments: ajs-midwest20181116.pdf

Please see the attached demand letter.



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