

Crockford, Konrad S.

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**North Dakota
Court System**

Filing Accepted

Envelope Number: 3608004
Case Number: 35-2018-CV-00088
Case Style: Public Service Commission vs.
Hunter Hanson d/b/a NoDak Grain, et al.

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Filing Details	
Court	Pierce County - Northeast District
Case Number	35-2018-CV-00088
Case Style	Public Service Commission vs. Hunter Hanson d/b/a NoDak Grain, et al.
Date/Time Submitted	11/1/2019 9:03 AM CST
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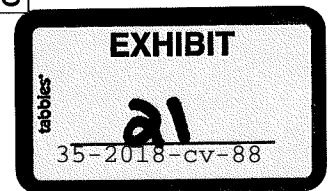
Claimant Name & Address
Pfau, Murray 208 F Ave. N Upham, ND 58789 701-263-7505
Attorney: Erich M. Grant Phone: 701-852-2544

Date Claim Filed	March 29, 2018
Date Payment Demand Made	None

PSC Calculated value total	\$	154,239.25
Less-Over payment on Estimate #164	\$	(8,320.24)

\$ 145,919.01 **Total cash claim**

Settlement #	na	Date		date	
ECGM Trade Confirmation #	na				
Seller Contract #	na				
Midwest Contract #	187203	6/1/2018			
Claim applied to:					
Commodity	Cash				
	Corn				
Contracted Price Per Bushel	\$	3.50			
Contracted Bushels		80,000.00			
Delivered bushels*		44,178.78			
Gross Amount Due*	\$	154,625.81	\$	-	\$
Less Total Fees & assessments*	\$	386.56	\$	-	\$
PSC calculated value*	\$	154,239.25	\$	-	\$
Estimated Value per midwest					
Claimant calculated claim	\$	154,856.92			



Comments:

1. Summary:

- a. Claim was received by the PSC on March 29, 2019.
 - i. Claim included the PSC's claim form, Midwest grain purchase contract #187203, BOL's to support the claim, and two checks from Midwest numbered 1503 & 1516.
 - ii. Midwest Purchase contract #187203
 1. Contracted 80,000 bushels of corn
 2. Priced at \$3.50 per bushel
 3. No discount/premiums listed
 - iii. PSC claim form:
 1. Claimant stated that 85,660.85 bushels in total had been delivered against contract #187203
 - a. Claimant included Midwest check 1503 that was written on 8-24-18 for \$59,301.17
 - b. Claimant included Midwest check 1516 that was written on 8-31-18 for \$85,674.87
 - i. Both checks deposited successfully
 - c. Claimant states that they were paid a total of \$144,976.04 for 41,421.73 bushels
 - i. Claimant did acknowledge that there were some discrepancies between the partial settlement statements (Estimates 164 & 179) provided by Midwest Grain Trading and the trucking tickets that the claimant had collected.
 - d. Claimant stated that they were still owed \$154,856.92 for 44,239.12 bushels of corn delivered.
 2. A supplement to the original claim was received by the PSC from the claimant on May 30, 2019.
 1. It included a copy of the previously submitted claim form.
 2. Also included was a spreadsheet prepared by the claimant that listed all the loads delivered along with indications of which loads had been paid for.
 - a. The total bushels delivered based on the spreadsheet was 83,280.7
2. Difference in claim calculation explained:
 - a. Claimant did not account for the commodity checkoff that would be deducted prior to final settlement, per industry standard practice.
 - b. Claimant did not include destination scale tickets with their claim.
 - i. PSC staff contacted Scoular Canada Ltd. (Scoular) for additional documents including destination scale tickets and settlement information.

ii. Note – Flow of grain bought and sold:



- c. All destination scale tickets used metric tons as their unit of measure and needed to be converted to bushels.
- i. The purchase contract used bushels as the unit of measure.
 - ii. PSC used the following formula to calculate net bushels:
 1. $(\text{net metric tons}) / (0.0254) = \text{net bushels (rounded to the nearest hundredth)}$
 - a. CORN (56 lb/bu) 1 bushel = .0254 metric ton (sourced from the U.S. Grains Council website)
- d. Note – For scale ticket #85434 (Terra Grain Fuels) both Scoular and the claimant show the scale ticket being split.
- i. Based on a conversation with Scoular staff this scale ticket was split as they also had an 80,000 bushel contract with Midwest Grain Trading and this scale ticket was split to evenly fill Scoular’s contract and the overage was applied to a Scoular overage contract with Midwest.
 - ii. PSC’s spreadsheet lists the scale ticket as a whole.
- e. For scale ticket #83895 (Terra Grain Fuels)
- i. The scale ticket information is filled out by hand
 - ii. On the scale ticket the net tons delivered was miscalculated on the destination scale ticket
 1. Scoular paid for the incorrect amount on settlement #S6237911
 2. Midwest based the bushel amount (1071.6) that they paid to the claimant off of this incorrect amount.
- iii. Scoular made a correction to this scale ticket error on settlement #S6253440
- iv. Since the claimant had already successfully been paid for part of the load the portion (19.74 bu) that remains unpaid is included in the PSC’s calculations.
1. $(27.72 \text{ MT}) * (0.0254) = 1091.34 \text{ bu.}$
 2. $1091.34 - 1071.6 (\text{Estimate \#179}) = 19.74 \text{ bushels not paid for.}$
- f. For Scale ticket #82911 (Terra Grain Fuels) listed on Midwest Estimate #164
- i. Scoular made a typo when settling the scale ticket
 1. Initially settled 1190.39 bu (Scoular settlement #S6202656)
 2. Scoular made a correction to the correct amount of 1189.31 (Scoular settlement #S6213870)
 - ii. Midwest listed this scale ticket on their Estimate three times with the different bushel amounts.
 1. Based on the listed bushel amounts, time of delivery, Scoular settlements the PSC staff determined that the scale ticket had been listed on the Estimate three separate times.
 - i. Twice with the incorrect bushels (1,190.39)

- ii. Once with the correct bushels (1,189.3)
Based on all the aforementioned it seems clear that the scale ticket was paid for three times and therefore overpayment occurred.
- iii. 1. The PSC included the total amount of the two scale tickets with the incorrect bushel amount (1,190.39) listed on the Midwest Estimate (#164) as an offset to the total claim amount (\$4,160.12 * 2 = \$8,320.24)
 - a. Offset amount is listed in the final claim value calculations table as an overpayment on Estimate #164

Summary Table of grain delivered and paid for prior to insolvency:

Scouler #	BOL Information			Destination Information - inbound			Scale ticket Grade Factors				Contracts			Scouler Settlement #
	Trucker	BOL Date	BOL #	Elevator	Scale Ticket #	Delivery Date	Net Bu	TW	MST	BCFM	Estimate #	ECGM Trade	Seller Contract	
6966-12	Downs	7/3/2018	144454	Terra Grain Fuels	82911	7/4/2018	1189.30	57.1	14.7		164	Paid for by Midwest	187203	187203
207429	W.Slawinski	7/4/2018	190802	Husky Oil Mkt	100898	7/5/2018	1311.75	58.8	14.0		164	Check #1503, dated August 24, 2018	187203	187203
6966-13	Downs	7/5/2018		Terra Grain Fuels	82983	7/5/2018	1243.64	57.9	15.2		164		187203	187203
207430	W.Slawinski	7/5/2018	190803	Husky Oil Mkt	100926	7/5/2018	1328.67	58.5	13.0		164		187203	187203
207432	W.Slawinski	7/6/2018	190805	Husky Oil Mkt	100961	7/6/2018	1259.39	58.2	14.0		164	*Note scale ticket #82911 was listed	187203	187203
207431	W.Slawinski	7/6/2018	190804	Husky Oil Mkt	100934	7/6/2018	1324.35	58.0	12.2		164		187203	187203
6966-14	Downs	7/9/2018	143983	Terra Grain Fuels	83071	7/9/2018	1300.33	59.9	14.5		164	and paid for three times and the	187203	187203
207090	W.Slawinski	7/12/2018	31500	Husky Oil Mkt	101143	7/12/2018	1211.75	58.4	14.5		164	deduction for	187203	187203
207647	W.Slawinski	7/13/2018	13501	Husky Oil Mkt	101174	7/13/2018	1217.66		12.9		164	overpayment is	187203	187203
6966-16	Cottonwood	7/23/2018	52586	Terra Grain Fuels	83593	7/23/2018	1042.07	59.3	14.5		164	listed in the claim	187203	187203
6966-17	Cottonwood	7/24/2018	49752	Terra Grain Fuels	83655	7/25/2018	1109.00	59.0	15.5		164		187203	187203
6966-18	Cottonwood	7/25/2018	52587	Terra Grain Fuels	83681	7/25/2018	1049.94	58.5	13.8		164	totals table.	187203	187203
208201	W.Slawinski	7/26/2018	31502	Husky Oil Mkt	101519	7/26/2018	1289.30	57.0	15.3		179		187203	187203
6966-21	W.Slawinski	7/27/2018	31503	Terra Grain Fuels	83770	7/27/2018	1140.89	58.2	13.0		179		187203	187203
208202	W.Slawinski	7/30/2018	31504	Husky Oil Mkt	101609	7/31/2018	1305.44	56.5	14.8		179		187203	187203
6966-27	Cottonwood	7/31/2018	53683	Terra Grain Fuels	83896	7/31/2018	1024.75	56.7	14.0		179		187203	187203
6966-20	Cottonwood	7/31/2018	51347	Terra Grain Fuels	83855	7/31/2018	1064.91	56.5	13.5		179		187203	187203
6966-30	Cottonwood	7/31/2018	49270	Terra Grain Fuels	83888	7/31/2018	1088.14	59.3	14.0		179		187203	187203
6966-19	Cottonwood	7/31/2018	50735	Terra Grain Fuels	83891	7/31/2018	1088.14	57.3	14.0		179		187203	187203
6966-28	Cottonwood	7/31/2018	52224	Terra Grain Fuels	83895	7/31/2018	1071.60	56.7	14.0		179		187203	187203
6966-31	Cottonwood	8/1/2018	53273	Terra Grain Fuels	83937	8/1/2018	1148.37	59.9	13.1		179	Paid for by Midwest	187203	187203
6966-29	Cottonwood	8/1/2018	50039	Terra Grain Fuels	83901	8/1/2018	1188.14	59.9	13.1		179	Check #1516, dated August 31, 2018	187203	187203
208203	W.Slawinski	8/1/2018	31505	Husky Oil Mkt	101686	8/1/2018	1225.92	57.0	11.5		179		187203	187203
208204	W.Slawinski	8/2/2018	31506	Husky Oil Mkt	101720	8/2/2018	1284.19	56.6	11.7		179		187203	187203
6966-32	Raider	8/3/2018	84027	Terra Grain Fuels	84027	8/3/2018	1097.58	57.0	13.5		179		187203	187203
208205	W.Slawinski	8/3/2018	31507	Husky Oil Mkt	101771	8/3/2018	1203.08	57.3	14.7		179		187203	187203
6966-23	W.Slawinski	8/7/2018	31508	Terra Grain Fuels	84065	8/7/2018	1221.58	57.7	13.0		179		187203	187203
208437	W.Slawinski	8/8/2018	31509	Husky Oil Mkt	101882	8/9/2018	1293.24	56.8	13.6		179		187203	187203
208438	W.Slawinski	8/9/2018	31510	Husky Oil Mkt	101968	8/10/2018	1233.41	57.1	15.0		179		187203	187203
6966-33	Raider	8/14/2018	52862	Terra Grain Fuels	84240	8/14/2018	1070.42	57.7	13.8		179		187203	187203
6966-36	Raider	8/15/2018	52407	Terra Grain Fuels	84270	8/15/2018	1031.44	57.7	12.6		179		187203	187203
6966-34	Raider	8/15/2018	52572	Terra Grain Fuels	84276	8/15/2018	1166.48	57.9	13.5		179		187203	187203
6966-35	Raider	8/15/2018	50300	Terra Grain Fuels	84262	8/15/2018	1278.28	57.4	13.5		179		187203	187203

Summary Table of how claim calculated:

Scoutlar #	BOL Information		Destination Information - inbound		Net MT	Pricing			Scale ticket Grade Factors			Contracts			Scoutlar Settlement #			
	BOL Date	BOL #	Elevator	Scale Ticket #		Delivery Date	Net Bu	Net Price per Bu	Gross Amount Due	Checkoff	NET Amount Due	TW	MST	BCFM		Estimate #	ECGM #	Seller Contract
6966-28	7/31/2018	52224	Terra Grain Fuels	83895	7/31/2018	19.74	27.72	\$ 3.50	\$ 69.09	\$ 0.17	\$ 68.92	56.7	14.0	na	na	na	187203	\$6253440
207056	6/22/2018	16286	Husky Oil Mkt	100592	6/22/2018	1,292.91	32.84	\$ 3.50	\$ 4,525.19	\$ 11.31	\$ 4,513.88		12.3	na	na	na	187203	\$6196967
207057	6/26/2018	16287	Husky Oil Mkt	100682	6/26/2018	1,249.21	31.73	\$ 3.50	\$ 4,372.24	\$ 10.93	\$ 4,361.31		10.2	na	na	na	187203	\$6196967
207058	6/27/2018	16288	Husky Oil Mkt	100719	6/27/2018	1,238.58	31.46	\$ 3.50	\$ 4,335.03	\$ 10.84	\$ 4,324.19			na	na	na	187203	\$6196967
207089	6/28/2018	16289	Husky Oil Mkt	100762	6/28/2018	1,240.16	31.50	\$ 3.50	\$ 4,340.56	\$ 10.85	\$ 4,329.71		10.7	na	na	na	187203	\$6196967
6966-10	7/3/2018	144591	Terra Grain Fuels	82840	7/3/2018	1,116.54	28.36	\$ 3.50	\$ 3,907.89	\$ 9.77	\$ 3,898.12		14.0	0.5	na	na	187203	\$6198166
6966-11	7/3/2018		Terra Grain Fuels	82887	7/3/2018	1,134.65	28.82	\$ 3.50	\$ 3,971.28	\$ 9.93	\$ 3,961.35		14.8	0.3	na	na	187203	\$6198166
208621	8/16/2018	31519	Husky Oil Mkt	102118	8/16/2018	1,243.70	31.59	\$ 3.50	\$ 4,352.95	\$ 10.88	\$ 4,342.07		11.7	na	na	na	187203	\$6245657
208620	8/17/2018	31513	Husky Oil Mkt	102160	8/17/2018	1,174.80	29.84	\$ 3.50	\$ 4,111.80	\$ 10.28	\$ 4,101.52		12.7	na	na	na	187203	\$6245657
6966-51	8/20/2018	52867	Terra Grain Fuels	84350	8/20/2018	1,053.15	33.65	\$ 3.50	\$ 4,636.80	\$ 11.59	\$ 4,625.21		11.7	na	na	na	187203	\$6245657
6966-52	8/20/2018	53502	Terra Grain Fuels	84348	8/20/2018	1,188.98	30.20	\$ 3.50	\$ 4,161.43	\$ 10.40	\$ 4,151.03		15.8	0.2	na	na	187203	\$6245657
208623	8/20/2018	31515	Husky Oil Mkt	102202	8/20/2018	1,231.50	31.28	\$ 3.50	\$ 4,310.25	\$ 10.78	\$ 4,299.47		15.6	0.5	na	na	187203	\$6245657
208622	8/20/2018	31514	Husky Oil Mkt	102165	8/20/2018	1,328.74	33.75	\$ 3.50	\$ 4,650.59	\$ 11.63	\$ 4,638.96		15.5	na	na	na	187203	\$6245657
6966-50	8/20/2018	50304	Terra Grain Fuels	84352	8/20/2018	1,348.82	34.26	\$ 3.50	\$ 4,720.87	\$ 11.80	\$ 4,709.07		16.2	0.3	na	na	187203	\$6245657
6966-56	8/21/2018	31517	Husky Oil Mkt	102248	8/21/2018	1,096.85	27.86	\$ 3.50	\$ 3,838.98	\$ 9.60	\$ 3,829.38		15.2	0.3	na	na	187203	\$6245657
208625	8/21/2018	31516	Husky Oil Mkt	102209	8/21/2018	1,251.97	31.80	\$ 3.50	\$ 4,381.90	\$ 10.95	\$ 4,370.95		11.6	na	na	na	187203	\$6245657
208624	8/21/2018	31511	Husky Oil Mkt	102295	8/21/2018	1,424.80	34.26	\$ 3.50	\$ 4,720.87	\$ 11.80	\$ 4,709.07		14.7	na	na	na	187203	\$6245657
208626	8/22/2018	21518	Husky Oil Mkt	102259	8/22/2018	1,462.99	31.11	\$ 3.50	\$ 4,286.80	\$ 10.72	\$ 4,276.08		11.8	na	na	na	187203	\$6245657
6966-53	8/28/2018	52419	Terra Grain Fuels	84576	8/28/2018	1,095.67	27.83	\$ 3.50	\$ 3,834.85	\$ 9.59	\$ 3,825.26		11.3	na	na	na	187203	\$6245657
209103	8/29/2018	31521	Husky Oil Mkt	102506	8/29/2018	1,197.24	30.41	\$ 3.50	\$ 4,190.34	\$ 10.48	\$ 4,179.86		14.5	0.3	na	na	187203	\$6245657
208778	8/29/2018	31520	Husky Oil Mkt	102477	8/29/2018	1,412.99	35.89	\$ 3.50	\$ 4,945.47	\$ 12.36	\$ 4,933.11		15.4	na	na	na	187203	\$6245657
109104	8/30/2018	31522	Husky Oil Mkt	102517	8/30/2018	1,462.99	37.16	\$ 3.50	\$ 5,120.47	\$ 12.80	\$ 5,107.67		11.0	na	na	na	187203	\$6245657
6966-60	9/20/2018		Terra Grain Fuels	85187	9/20/2018	1,133.07	28.78	\$ 3.50	\$ 3,965.75	\$ 9.91	\$ 3,955.84		10.8	0.2	na	na	187203	\$6267162
6966-71	9/21/2018	31523	Terra Grain Fuels	85242	9/21/2018	1,256.69	31.92	\$ 3.50	\$ 4,398.42	\$ 11.00	\$ 4,387.42		10.5	na	na	na	187203	\$6267162
6966-66	9/24/2018	24369	Terra Grain Fuels	85248	9/24/2018	1,032.28	26.22	\$ 3.50	\$ 3,612.98	\$ 9.03	\$ 3,603.95		10.8	0.5	na	na	187203	\$6267162
6966-63	9/24/2018	25344	Terra Grain Fuels	85255	9/24/2018	1,084.25	27.54	\$ 3.50	\$ 3,794.88	\$ 9.49	\$ 3,785.39		10.6	0.5	na	na	187203	\$6267162
6966-61	9/24/2018	24117	Terra Grain Fuels	85260	9/24/2018	1,087.01	27.61	\$ 3.50	\$ 3,804.54	\$ 9.51	\$ 3,795.03		12.0	0.5	na	na	187203	\$6267162
6966-65	9/25/2018	24798	Terra Grain Fuels	85307	9/25/2018	1,031.10	26.19	\$ 3.50	\$ 3,608.85	\$ 9.02	\$ 3,599.83		11.3	0.3	na	na	187203	\$6267162
6966-64	9/27/2018	25347	Terra Grain Fuels	85367	9/27/2018	1,102.76	28.01	\$ 3.50	\$ 3,859.66	\$ 9.65	\$ 3,850.01		12.0	0.5	na	na	187203	\$6289310
6966-62	9/27/2018	24119	Terra Grain Fuels	85358	9/27/2018	1,118.50	28.41	\$ 3.50	\$ 3,914.75	\$ 9.79	\$ 3,904.96		11.8	0.5	na	na	187203	\$6289310
6966-69	9/28/2018	24800	Terra Grain Fuels	85391	9/28/2018	1,082.28	27.49	\$ 3.50	\$ 3,787.98	\$ 9.47	\$ 3,778.51		11.0	0.3	na	na	187203	\$6289310
6966-68	10/1/2018	25349	Terra Grain Fuels	85413	10/1/2018	1,067.72	27.12	\$ 3.50	\$ 3,737.02	\$ 9.34	\$ 3,727.68		10.9	0.3	na	na	187203	\$6289310
6966-70	10/1/2018	44852	Terra Grain Fuels	85414	10/1/2018	1,097.24	27.87	\$ 3.50	\$ 3,840.34	\$ 9.60	\$ 3,830.74		11.4	0.3	na	na	187203	\$6289310
6966-67	10/1/2018	44849	Terra Grain Fuels	85434	10/1/2018	1,123.23	28.53	\$ 3.50	\$ 3,931.31	\$ 9.83	\$ 3,921.48		10.9	0.3	na	na	187203	\$6289310/
6966-77	10/3/2018	44885	Terra Grain Fuels	85483	10/3/2018	1,105.12	28.07	\$ 3.50	\$ 3,867.92	\$ 9.67	\$ 3,858.25		11.2	0.3	na	na	187203	\$6289311
6966-72	10/4/2018	25103	Terra Grain Fuels	85505	10/4/2018	1,116.93	28.37	\$ 3.50	\$ 3,909.26	\$ 9.77	\$ 3,899.49		11.0	0.3	na	na	187203	\$6289311