

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF ANDERSON SEED) PETITION TO IMMEDIATELY
CO. INC'S GRAIN BUYER'S LICENSE) SUSPEND A GRAIN BUYER'S
) LICENSE PURSUANT
) TO SDCL 49-45-16
)
) **GW12-001****

Comes now the staff of the South Dakota Public Utilities Commission ("Commission"), pursuant to SDCL 49-45-16, and Petitions the Commission to immediately suspend Anderson Seed Co Inc.'s grain buyer license. In support of this Motion, staff asserts as follows:

1. Anderson Seed Co. Inc. (here in Anderson), a Minnesota Corporation with a certificate from the SD Secretary of State to do business in South Dakota. Anderson is located at 17284 384th Ave, Redfield, SD. Anderson applied for a grain buyer's license on June 1, 2011. Anderson met the statutory requirements in SDCL 49-45 and ARSD 20:10:12 and was granted a grain buyer's license on July 1, 2011.
2. Ron Anderson is listed with the SD Secretary of State as the President of Anderson. Ron Anderson was a shareholder or officer of other related but separate corporate entities including St. Hilaire Seed Company, Inc. None of the other entities are, however, licensed with this Commission as a grain buyer or warehouse in this state.
3. On or about January 14, 2012 Jim Mehlhaff, the Public Utilities Commission's Grain Warehouse Division Manager, was contacted by concerned producers who had not received payment on grain delivered to Anderson.
4. Through conversation with Ron Anderson and Stephanie Anderson (believed to be a manager of the Redfield Anderson location) Mr. Mehlhaff had reason to suspect financial problems existed and South Dakota producers were at risk.
5. As a result, Mr. Mehlhaff requested Anderson immediately send its most recent audited financial reports. The report was received on or about February 6, 2012. The report confirmed Mr. Mehlhaff's concern and he requested a meeting with both Ron Anderson and Stephanie Anderson.
6. A telephonic meeting was held on February 7, 2012. Both Ron and Stephanie Anderson assured Mr. Mehlhaff that refinance activity was underway and agreed to provide him with various documents. See Attached Exhibit A for more detail regarding the February 7, 2012 meeting.

7. At no time did either Ron or Stephanie Anderson indicate they intended to sell assets and they expressly stated bankruptcy was not considered.
8. Anderson ultimately failed to completely comply with the agreement made on February 7, 2012. Anderson failed to provide Items 3 & 4 from the attached Exhibit A and did not provide the desired detail as requested in Item 1. Mr. Mehlhaff followed up via e-mail and telephone. Both Ron and Stephanie Anderson continued to assure Mr. Mehlhaff the documents were forthcoming, and failed to indicate their refinance plans changed. In fact, they assured Mr. Mehlhaff the refinance would be complete by Thursday, February 15, 2012.
9. On February 15, 2012 after several failed attempts to contact Anderson, the automated telephone message at 218-637-8204 changed. The message seemed to indicate new ownership. Upon investigation, Mr. Mehlhaff confirmed the sale. In fact, assets of Anderson including the Mentor MN location and grain receiving stations in ND were sold to Legumex Walker Inc. Upon information and belief, Anderson, the South Dakota licensed location remains under the same ownership and has not been sold.
10. Gary Leistico of the Rinke, Noonan law firm in St. Cloud, MN represents Anderson. Staff spoke with Mr. Leistico on February 16, 2012. Mr. Leistico is unable to provide precise detail regarding Anderson's plans at this time. He indicated, however, Anderson does not intend to accept any additional grain.
11. Staff has reason to believe unpaid obligations to South Dakota producers could be in excess of 2.6 million dollars. As such it is appropriate for this Commission to take immediate action to prevent further damage.

WHEREFORE, the Staff of the South Dakota Public Utilities Commission requests the Commission take immediate action to suspend Anderson Seed Co. Inc's grain buyer license pursuant to SDCL 49-45-16. We are specifically aware of acts of insolvency and stress an immediate suspension of Anderson Seed Co Inc's license is the only way to prevent further potential damage to South Dakota producers. Should Anderson Seed Co Inc. desire a hearing, it may request the same within fifteen days.

Staff further requests an ad hoc meeting for the Commission to hear this matter. Mr. Mehlhaff will be available to testify.

Respectfully submitted this ^{16th} ___ day of February, 2012



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