

Martinmaas 1



Chris Nelson, Chair  
Kristie Fiegen, Vice Chair  
Gary Hanson, Commissioner

*South Dakota*

**PUBLIC UTILITIES COMMISSION**

500 East Capitol Avenue  
Pierre, South Dakota 57501-5070  
www.puc.sd.gov

Capitol Office  
(605) 773-3201  
1-866-757-6031 fax

Grain Warehouse  
(605) 773-5280  
(605) 773-3225 fax

Consumer Hotline  
1-800-332-1782

October 9, 2012

Ray Martinmaas  
Martinmaas Dairy, Inc.  
35273 176th Street  
Orient, SD 57467

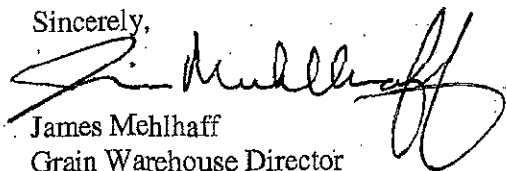
Re: **Proof of Claim for Cash Grain**

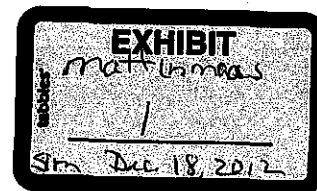
Dear Mr. Martinmaas,

The South Dakota Public Utilities Commission regulates grain buyers in this state. As you know, we are working through issues connected to Anderson Seed in Redfield, SD. Specifically, due to Anderson Seed's failure to pay for grain, its bond has been surrendered and now must be distributed. We understand from the information you sent, you believe you are entitled to some of the bond proceeds.

The Commission's Grain Warehouse Staff has evaluated your claim of \$46,973.92 and determined that the full amount of your claim is subject to the terms of a voluntary credit sale contract; pursuant to South Dakota Codified Law 49-45-9 (see attached) your claim is not eligible for participation in the bond proceeds. If it is your wish to challenge Staff's findings at hearing please respond in writing by November 16, 2012 that you do not agree with staff's findings and request a hearing before the Commission. If you have questions about the process or would like to discuss your claim please call our office at 605-773-5278.

Sincerely,

  
James Mehlhaff  
Grain Warehouse Director



**Martinmaas Dairy, Incorporated**

Amount Claimed:       **\$46,973.92**  
Staff Findings:       **\$0.00**

The amount on the claim is listed on a Voluntary Credit Sale (VCS) Contract, a copy of which was submitted with the claim. While the contract is not signed by claimant, Staff's position is that possession of the contract by claimant shows intent to defer the amount claimed. Staff verified that all tickets on the VCS contract were issued in November 2011. Staff recommends remitting no bond proceeds to claimant.

**49-45-9. Bond requirements--Violation as misdemeanor--Amount.** Before any grain buyer license is issued by the commission, the applicant shall file with the commission a bond conditioned to secure the faithful performance of the applicant's obligations as a grain buyer and full and unreserved compliance with the laws of this state and the rules of the commission, relating to the purchase of grain by the grain buyer. The bond is for the specific purpose of protecting persons selling grain to the grain buyer. However, the bond may not benefit any person entering into a voluntary credit sale with a grain buyer. Any person who does business as a grain buyer without a bond is guilty of a Class 1 misdemeanor. Each day a person conducts the business of a grain buyer without a bond is a separate offense.

The amount of the bond for a Class A or Class B grain buyer's license shall be based on a rolling average of the dollar amount of grain purchased by the applicant in South Dakota during the last three calendar years. For a new grain buyer, the first year's bond shall be based on projected purchases. For a grain buyer with less than three years experience as a grain buyer, the bond shall be based on the average actual purchases made by the grain buyer in all of its previous years as a grain buyer. The bond applies to all grain purchases for all of the grain buyer's business locations.

The amount of the bond for a Class A grain buyer's license is:

Dollar Amount of Grain Purchased	Bond Requirement
Less than \$2,000,001	\$50,000
\$2,000,001--\$10,000,000	\$100,000
\$10,000,001--\$25,000,000	\$200,000
\$25,000,001--\$60,000,000	\$350,000
\$60,000,001--\$100,000,000	\$500,000

Bond requirements are increased twenty-five thousand dollars for each additional ten million dollars in purchases above one hundred million dollars.

The amount of the bond for a Class B grain buyer's license is:

Dollar Amount of Grain Purchased	Bond Requirement
Less than \$2,000,001	\$50,000
\$2,000,001--\$10,000,000	\$100,000

The grain buyer may stipulate to a higher bond amount requested by the commission or may post additional security in another form.

PROOF OF CLAIM FOR CASH GRAIN

(Grain which is priced and sold and payment has not been made).

I, Martinmaas Dairy Inc, the undersigned, do hereby submit this claim against any grain funds or applicable bond(s) for the following grain which I delivered and sold to a grain buyer named Anderson Seed Co located at Redfield, S.D.

Listed below are the loads delivered which were not paid for:

Scale ticket number	Date	Kind of grain	Bushels Units	Price	Lien Holder, N/A if no liens
40527		Sunflower	323.14	32.25	n/a
40529		}	274.97	}	}
40534			240.25		
40537			334.49		
40572			259.13		

Explanation of Claim:

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Attached are copies of the above documents which I offer as proof of delivery and evidence of my claim. I submit the above claim and state that it is true under penalty of law.

Signature of Claimant Ray Martinmaas Date 9-12-12  
 Address city 35210 176st. Orient State S.D. Zip 57467  
 Phone # 605-392-2433

Check box if email only service is acceptable.

**RECEIVED**  
 SEP 13 2012  
 SOUTH DAKOTA PUBLIC  
 UTILITIES COMMISSION

Email address: \_\_\_\_\_

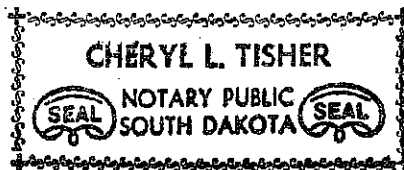
Subscribed and sworn to me this 12th day of September 2012

Notary Cheryl L Tisher Cheryl L Tisher

County of: Faulk State of: South Dakota

My Commission Expires: \_\_\_\_\_ Affix Seal:

**My Commission Expires Feb. 20, 2015**



**ANDERSON SEED CO., INC**  
**DEFERRED PAYMENT GRAIN PURCHASE AGREEMENT**

439

AGREEMENT entered into this 19th day of December, 2011,  
 by and between MARTIN MCGAS Daily Inc  
 located at (address) 35273 176th Street, ORIENT S.D 57467  
 hereinafter referred to as "Seller", and ANDERSON SEED CO., INC. (Company), hereinafter referred to as "Buyer", witnesseth:

WHEREAS, Seller is the owner of 1,432.48 CWT,  
 of good, sound, dry, and merchantable Oil Sulfowers (Grain) grading NO 1 Editable,  
 now stored in ANDERSON SEED CO., INC. elevator  
 located at (city) Redfield (county) SPINK (state) SD  
 represented by grain storage or warehouse receipt or receipts as follows:

KIND	RECEIPT NO.	GROSS BUSHELS	DOCK. CWT	NET CWT	PRICE	STORAGE	AMOUNT
	<u>See attached</u>	<u>assembly</u>				<u>Sheets</u>	
↓	↓	↓	↓	↓	↓	↓	↓
↓	↓	↓	↓	↓	↓	↓	↓
↓	↓	↓	↓	↓	↓	↓	↓

and; WHEREAS, Buyer desires to purchase and take title to said described grain;  
 NOW THEREFORE, in consideration of the mutual promises of the parties hereto as hereinafter set forth, it is agreed as follows:

- Seller agrees to sell to Buyer said grain, as above described, by endorsement and delivery by Seller to Buyer of the said storage or warehouse receipt or receipts on the date of execution hereof, at which time title to said grain shall pass to buyer.
- Seller warrants that all the above described grain and said storage or warehouse receipt or receipts, are free and clear of all liens, charges, and incumbrances of any nature whatsoever (except as here noted), and Seller agrees to warrant and defend the said described personal property against any and all lawful claims of any person or persons whomsoever, excepting such claims above noted.
- Buyer agrees to buy the said described grain from Seller at the following:

Price per CWT ..... \$ \_\_\_\_\_; Gross Amount ..... \$ 46,973.92  
 Less: Accrued charges ..... \$ \_\_\_\_\_  
 Less: SD Sulfower Tax ..... \$ 57.30  
 (ND Indemnity Fund Assessment; .2% (.002) x value of grain covered by this contract) ..... \$ \_\_\_\_\_  
 NET AMOUNT TO BE PAID ..... \$ 46916.62

which Buyer agrees to pay to Seller between the dates of JAN 7th 2012, and JAN 14th 2012.

- In entering into this contract, Seller recognizes and agrees that he shall have no right to receive payment for this grain except at times above provided and Seller shall not have the right to assign, transfer, mortgage, encumber or use as collateral for a loan any of Seller's right to receive payment of the balance due under the terms of this contract. This contract shall be binding upon heirs, administrators, executors and successors of the respective parties.

IN WITNESS WHEREOF, Seller has hereunto set his hand, and Buyer has caused this contract to be executed by its agent duly authorized thereunto, all on the day and year first above written.

WITNESSES:  
 As to Seller \_\_\_\_\_ Date \_\_\_\_\_  
 As to Seller \_\_\_\_\_ Date \_\_\_\_\_  
 As to Buyer \_\_\_\_\_ Date \_\_\_\_\_  
 As to Buyer Anderson seed Date 12/19/11

<b>NOTICE TO SELLER OF FINANCIAL RISK</b>	
MINNESOTA	- THIS CONTRACT CONSTITUTES A VOLUNTARY EXTENSION OF CREDIT AND IS NOT COVERED BY ANY GRAIN BUYER'S OR STORAGE BOND.
NORTH DAKOTA	- THIS CONTRACT IS NOT PROTECTED BY BOND COVERAGE IN THE EVENT OF BUYER'S INSOLVENCY.
SOUTH DAKOTA	- THIS CONTRACT IS NOT PROTECTED BY SOUTH DAKOTA STATUTORY BOND COVERAGE.
SELLER _____	DATE _____

ANDERSON SEED CO., INC. (Buyer)  
 By [Signature]

# Anderson Seed Co., Inc.

16774 300th Street SE  
Mentor, MN 56736

Martinmaas Dairy Inc.  
35273 176th Street  
Orient, SD 57467

Customer: \_\_\_\_\_

RECEIVED

SEP 13 2012

Date: 12/19/2011  
Customer: MarDai

## SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Assembly : 12321

11/04/2011 Sun Oil (SunOil) - Anderson Seed Co., Inc.-Redfield (Redfld)

Date	DPR	Split	Contract	Dock %	Shrk %	TW	Moist	Dock	%Over8	%Over7	Frt Ded	DrkRst	Price	Prem Disc	Net Price	Gross Units	Dock+ Shrink	Net Units	Amount	Drying
						Scl	IDK	Delivery	Storage											
11/04	PR	100.00		6.80	0.45	22.02	10.30	6.80	69.80	77.20			32.7500	0.0000	32.7500	348.40	25.26	323.14	10582.84	0.00
open market \$32.75 per Pat																				
11/04	PR	100.00		6.60	0.00	22.25	9.40	6.60	65.00	73.00			32.7500	0.0000	32.7500	294.40	19.43	274.97	9005.27	0.00
open market \$32.75 per Pat defer pmt til after 1st of year																				
11/07	PR	100.00		6.80	1.80	22.18	11.20	6.80	70.20	79.40			33.0000	0.0000	33.0000	263.40	22.65	240.75	7944.75	0.00
open market \$33																				
11/07	PR	100.00		6.50	1.20	21.52	10.80	6.50	69.80	78.40			32.7500	0.0000	32.7500	362.40	27.91	334.49	10954.55	0.00
open market \$32.75 per pat																				
11/16	PR	100.00		9.00	0.90	21.37	10.60	9.00	67.00	73.20			32.7500	0.0000	32.7500	287.60	28.47	259.13	8486.51	0.00
open market \$32.75 per pat																				
Avg		11/07/2011		7.10	0.85	21.85	10.45	7.10	68.44	76.32			32.7923	0.0000	32.7923	1556.20	123.72	1432.48	46973.91	0.00

	<u>DPR</u>	<u>Assembly</u>	<u>Assembly</u>	<u>Assembly</u>
	Priced	Net	Settled	Remaining
		1,432.4800	1,432.4800	0.0000

Oils - OM 2011 crop - DEFER PAYMENTS until after JAN 2012

Element	Date	Source	SourceRef	Destination	CheckRef	SettUnits	Price	GrossAmt
3	01/02/2012	Scale Ticket	40527	Priced - Not Paid	232	323.14	32.7500	10,582.84
3	01/02/2012	Scale Ticket	40529	Priced - Not Paid	232	274.97	32.7500	9,005.27
5	01/02/2012	Scale Ticket	40534	Priced - Not Paid	275	240.75	33.0000	7,944.75
3	01/02/2012	Scale Ticket	40537	Priced - Not Paid	275	334.49	32.7500	10,954.55
5	01/02/2012	Scale Ticket	40572	Priced - Not Paid	355	259.13	32.7500	8,486.51
						1,432.48		46,973.92