



Chris Nelson, Chair
Kristie Fiegen, Vice Chair
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South Dakota

PUBLIC UTILITIES COMMISSION

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1-800-332-1782

June 29, 2012

TO ALL PATRONS OF ANDERSON SEED CO., INC. WITH UNSETTLED OR UNPAID GRAIN TRANSACTIONS:

Anderson Seed Co, Inc. (Anderson) was a licensed grain dealer under the jurisdiction of the South Dakota Public Utilities Commission (Commission). Pursuant to SDCL 49-45-9 Anderson furnished a \$100,000 bond to "secure the faithful performance of the applicant's obligations as a grain dealer and full and unreserved compliance with the law of this state and the rules of the commission..." In January the Commission became aware of acts of insolvency by Anderson. On February 17, 2012, pursuant to SDCL 49-45-16, the Commission suspended Anderson's grain buyer's license due to unpaid grain transactions. On March 15, 2012, pursuant to SDCL 49-45-16, the Commission issued an Order Revoking Anderson's License and for Commencement of Receivership Action due to Anderson's failure to follow state law.

The Fifth Circuit Court of the State of South Dakota appointed the Commission as Receiver of the grain buyer's bond. As a result, the Commission took possession of the \$100,000 Anderson bond proceeds. You have been identified as a potential claimant. The purpose of this letter is to inform you of your potential rights under South Dakota law. If you have not received payment for grain which you sold to Anderson, you may be covered in whole or in part by the grain dealer bond.

Pursuant to South Dakota law, the grain buyer's bond is intended to protect, "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.**" (see SDCL 49-45-9). A voluntary credit sale is defined in SDCL 49-45-1.1 as "a sale of grain or seeds pursuant to which the sale price is to be paid more than thirty days after the delivery or release of the grain for sale, including those contracts commonly referred to as deferred-payment contracts, deferred-pricing contracts and price-later contracts." Please contact our office if you need assistance to determine whether you entered into a voluntary credit sale and as a result are excluded from bond coverage.

We do not believe the \$100,000 bond will be sufficient to cover 100% of the anticipated claims, and as a result claims will be paid on a pro rata basis. To verify the total dollar amount of potential claims against the bond, the Commission must receive written verification of the amount Anderson owes you. Enclosed is a claim form that you must complete and return to the Commission. Copies of scale tickets, settlement sheets, checks, contracts or any other evidence you possess which establishes you sold grain to Anderson and are covered by the bond must be provided to substantiate your claim. We have taken possession of some Anderson records and may be able to assist if you are unable to provide said evidence.

Please forward all information, including your claim form to the Commission as soon as possible, **but no later than September 18, 2012**. The Commission will hold a hearing after September 18, 2012, to determine the proper allocation of bond proceeds. If you submit a claim form, you will receive personal notice of the hearing.

Thank you for your attention to this matter. If you have any questions concerning this letter or your legal rights, please contact me at 1-800-332-1782.

Sincerely,

A handwritten signature in black ink, appearing to read "James Mehlhaff", written in a cursive style.

James Mehlhaff
Director, Grain Warehouse Division

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