

Exhibit 3

FILED

SEP 15 2016



CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH DAKOTA
SOUTHERN DIVISION

<p>CHS HEDGING, LLC, a Delaware LLC,</p> <p>Plaintiff,</p> <p>v.</p> <p>DUANE J. STEFFENSEN, an individual, and JOANNE STEFFENSEN, an individual,</p> <p>Defendants.</p>	<p>CIV. <u>16-4132</u></p> <p>COMPLAINT</p>
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Plaintiff, CHS Hedging, LLC (“CHS Hedging” or “Creditor”), for its Complaint against Defendants Duane J. Steffensen and JoAnn Steffensen (the “Steffensens” or “Defendants” or “Guarantors”) states and alleges as follows:

INTRODUCTION

1. This is an action for breach of contract arising out of the Steffensens failure to make payments due and owing under a Guaranty of Past and Future Indebtedness (the “Guaranty”) signed by them November 15, 2011 (attached as Exhibit 1.). The Guaranty was entered into by the Steffensens in order provide security to Creditor who was allowing the Steffensens’ LLC to obtain credit for the purpose of commodity hedging.

PARTIES

2. CHS Hedging is an LLC organized under the laws of the state of Delaware, registered in Minnesota with its principal place of business in Inver Grove Heights, Minnesota.

3. Upon information and belief, Duane J. Steffensen is an individual residing at 212 Main Ave., Hetland, SD 57212.

4. Upon information and belief, JoAnne Steffensen is an individual residing at 212 Main Ave., Hetland, SD 57212.

JURISDICTION AND VENUE

5. Jurisdiction is proper in this Court pursuant to 28 U.S.C. § 1332, because the parties are of diverse citizenship and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

6. Defendants are subject to personal jurisdiction in the State of South Dakota because they citizens of that State and conduct business therein.

7. Venue is proper in this District and Division because Defendants reside in Hetland, South Dakota, Kinsbury County. In addition, venue is proper under 28 U.S.C. § 1391, because a substantial part of the events giving rise to this breach of contract action, including Defendants' guaranty of financing of a business located in Hetland, South Dakota, occurred in this District and Division.

BACKGROUND FACTS

8. Based on information and belief, the Steffensens are officers and directors in H&I Grain of Hetland, Inc., a South Dakota LLC ("H&I" or the "Debtor"). H&I desired to conduct commodity hedging and opened an account with Country Hedging, Inc. The account of the Debtor was opened by signing a Customer Agreement (the "Agreement") (attached as Exhibit 2). The Agreement was signed by Jared Steffensen, an authorized agent of H&I.

9. Country Hedging merged with CHS Hedging, LLC which is now and has been at all relevant times relating to the events described herein the successor by merger to Country

Hedging, Inc.

10. Debtor conducted trades in the account and as of July 7, 2016 had a trading deficiency of \$436,593.23. Creditor initiated an automated clearing house transfer from Debtor's account in the amount of \$437,000 on Friday, July 8, 2016. Creditor received notification on Wednesday, July 13, 2016 that there were insufficient funds in Debtor's account at its bank to cover the transfer.

11. In the meantime, Creditor sent \$476,000 to Debtor's account via automated clearing house transfer on Monday, July 11, 2016 for trading on Friday, July 8, 2016. Debtor also had trading deficiencies for Monday, July, 11, 2016 and Tuesday, July 12, 2016, in the aggregate amount of \$1,472,181.30.

12. As a result of the foregoing, Debtor is obligated to Creditor in the amount of \$1,907,799.25 as of July 15, 2016 pursuant to the Agreement.

13. Under the terms of the Guaranty, Guarantors are obligated to pay the full amount due and owing by Debtor.

14. Demand has been made on the Guarantors for the full amount owing under the Guaranty. As of the date of filing this Complaint, Guarantors have made no payments on the amount owing under the Guaranty.

COUNT I
BREACH OF CONTRACT
(against Defendants Duane J. Steffensen and JoAnne. Steffensen)

15. CHS Hedging realleges the foregoing paragraphs as if fully set forth herein.

16. In exchange for CHS Hedging's extension of credit to H&I, Duane J. Steffensen and JoAnn Steffensen each personally and unconditionally guaranteed H&I's

prompt payment and performance of all of its obligations under the Agreement. By such guarantee, Duane J. Steffensen and JoAnn Steffensen each entered into a valid, binding contract with CHS Hedging's predecessor in interest, Country Hedging, Inc.

17. According to the terms of the Guaranty, "Guarantors, jointly and severally, guarantee prompt repayment when due of all amounts advanced ... by creditor to debtor for use in debtor's conduct of the business described above. If debtor defaults in the payment of any such indebtedness, Guarantors will pay to creditor or its order on demand, the amount due."

18. Also, according to the terms of the Guaranty, "Guarantors shall also pay to the creditor or its order on demand reasonable attorneys' fees and all costs and other expenses incurred by creditor in collecting or compromising any indebtedness of debtor guaranteed hereunder or in enforcing this guaranty against guarantor."

19. CHS Hedging advanced credit to H&I in the amount of not less than \$1,907,799.25. H&I has failed to pay CHS Hedging pursuant to the terms of the Agreement.

20. CHS Hedging has made demand on Guarantors for payment of the total amount of credit advanced Debtor and Guarantors have failed to make payment as required by the Guaranty.

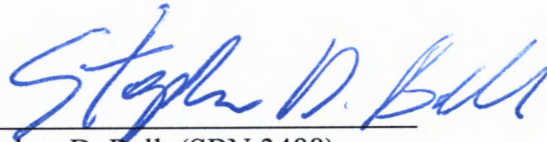
21. As a proximate result of Duane J. Steffensen and JoAnn Steffensen breach of contract, CHS Hedging has sustained damages to date in the amount of \$1,907,799.25

and is owed all past due and future payments for the entire term of the Agreement, as well as late fees, and interest, and attorneys' fees and costs pursuant to the terms of the Agreement. Interest continues to accrue on this amount. Guarantors are now obligated to pay CHS Hedging for all amounts due.

WHEREFORE, CHS Hedging prays for judgment:

- A. Awarding it damages in an amount to be proven at trial but not less than \$1,907,799.25;
- B. As provided by the Guaranty, awarding it costs, including attorneys' fees incurred to collect amounts due and to prosecute this action;
- C. Awarding it pre – and post-judgment interest at the rate permitted by law;
- D. Awarding it such other and further relief as the Court deems just and equitable.

Dated: September 14, 2016.



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