

STATE OF SOUTH DAKOTA)
 :SS
COUNTY OF BON HOMME)

IN CIRCUIT COURT

FIRST JUDICIAL CIRCUIT

**IN THE MATTER OF
FARMERS COOPERATIVE
ELEVATOR, AVON, SOUTH
DAKOTA**

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04CIV21-037

**JUNE 2022
MONTHLY UPDATE**

Cody Chambliss, Receiver for Farmers Cooperative Elevator (FCE), hereby files this Monthly Update, as required by the Court’s Order Appointing Receiver.

The sale of the grain elevator, agronomy business, and bulk fuel business to Battle Creek Farmers Cooperative, Non-Stock (Pride Grain) closed on March 28, 2022. Upon closing, proceeds were utilized to pay FCE creditors in full, closing out all payables. To date, all producers have been issued checks and all payables are now current. Since the checks were issued to all producers and patrons, Receiver has monitored the account to confirm that the checks have been cashed. To date, all producer checks have cleared and only one check remains outstanding for patron bin notes. That check is for \$16,500 not a large check however, Receiver or FCE will continue to encourage the recipient to cash the check.

Receivership was only granted for the grain entity of FCE. Due to the sale of that business and its assets, many of the rows in the Financial Report below are longer applicable. For example, all cash in the common account is now attributable to the still-operating businesses and all grain inventory has been sold. Because the trucks were sold, there is no longer any trucking income to note.

Financial Report

	August	October	December	February	May	June
Cash (Common Account)	\$507,785	\$819,097	\$370,752	\$207,578	\$578,950	N/A
Cash (Receiver Account)		\$30,300	\$56,324	\$76,077	\$63,365	\$63,365
Grain Inventory	\$665,340	\$41,275	-	-	-	-
Inventory	\$503,000	\$360,202	\$466,361	\$305,551	\$190,541	N/A
Receivables	\$410,063	\$181,413	\$142,077	\$87,840	\$69,758	N/A
Trucking Income		\$19,420	\$5,175	\$23,655	N/A	N/A
Investments	\$1,344,694	\$1,344,694	\$1,344,694	\$1,223,819	N/A	N/A
Fixed Assets less Depreciation	\$1,669,988	\$1,669,988	\$1,669,988	\$1,669,988		N/A
General Payables	\$929,979	\$428,138	\$304,546	\$140,024	\$12,216	\$0
Grain Payable	\$1,693,500	\$1,480,407	\$1,467,627	\$1,244,836	\$0	\$0
Customer Prepays	\$73,100	\$67,893	\$62,375	\$137,108	\$0	N/A
Term Loans	\$2,899,601	\$2,885,940	\$2,631,868	\$1,683,192	\$0	\$0

Other than the one outstanding check, Receiver has little to report this month. The only notable development was in relation to the pending bankruptcy proceeding. In May, Receiver, through Assistant Attorney General Jonathan K. Van Patten, conducted a debtor's exam. Through the debtor's exam, it became clear that the no-asset bankruptcy was not, in fact, a no-asset bankruptcy, and there would be significant money to pay unsecured creditors. Following the exam, the debtors' plan was withdrawn, and the confirmation hearing was canceled. Receiver had previously filed an objection to the plan. Receiver anticipates debtors will file a new plan in the near future. We appreciate the willingness the debtors have now shown to correct the errors in the filed bankruptcy schedules and work in good faith to come up with a workable payment plan.

In May, Receiver also closed out another receivable that had previously been written off as uncollectable. This receivable was related to 04SMC18-000153, which was ultimately dismissed due to an inability to locate and serve the debtor. Receiver had located the debtor last fall and had worked out a payment plan, which has now been fulfilled.

Of the receivables that had been written off which Receiver began to attempt to collect, only two remain outstanding. This includes the aforementioned bankruptcy and one active small

claims judgment, 04SMC15-000055. Receiver has located the debtor in the small claims judgment and will work to execute that judgment. The two remaining receivables do not include those which Receiver confirmed were uncollectable for reasons of bankruptcy discharge, expiration of time to collect on judgment, or amounts Receiver confirmed to be otherwise uncollectable.

The plan of action at this time is to continue the work in the bankruptcy proceeding and other debt collections.

Dated this 6 day of June 2022.



Cody Chambliss, Receiver
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