

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

IN THE MATTER OF HIGH COUNTRY MERCANTILE, INC.)))))	AFFIDAVIT OF PAUL KENEFICK-ASCHOFF GW19-002
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STATE OF SOUTH DAKOTA)
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COUNTY OF HUGHES)

I, Paul Kenefick-Aschoff, being first duly sworn, state as follows:

1. I am an Inspector and Administrator with the Grain Warehouse Division of the South Dakota Public Utilities Commission (Commission).
2. I first became aware that High Country Mercantile, Inc. (HCM) was purchasing grain in the state of South Dakota on or about January 30, 2019, when I received an inquiry from another grain buyer.
3. After making this discovery, I contacted HCM via phone on January 30, 2019, to inform them of the need to be licensed in order to purchase grain in this state. I left a voicemail at this time.
4. My phone call was returned by the owner of HCM on February 1, 2019, at which time I informed the owner of the licensing requirement. Cody Chambliss was on this phone call, as well.
5. On March 15, 2019, I sent an email to HCM to follow up and see where they were at on the licensing process. See Attachment 2, page 1.
6. On March 25, 2019, I received an email response from Jason Scott, an employee of HCM, informing that HCM had a check for the licensing fee ready to send. I was also provided a copy of the application for grain buyer license at this time. See Attachment 1, page 2 or Attachment 3, page 3.
7. On March 25, 2019, I responded stating page 3 #14 the financial section needed filled out, also form 4 (a) needed to be filled out. I also reminded them a financial statement and bond was needed to complete the application. See Attachment 1, page 2.
8. On April 15, 2019, I sent an email to Pam Connally, the owner of HCM; and Jason Scott and Vicki Clingman, employees of HCM, inquiring as to where they were at in the

application process. Ms. Connally responded via email that day stating that their accountant was busy with tax season, but they would have financials to us later that week. See Attachment 1, page 1.

9. On April 18, 2019, I emailed HCM to inform that we had received the check for the licensing fee. See Attachment 2, page 1.
10. On June 6, 2019, I sent another email to HCM to again see where they were at in submitting the necessary items for licensing. At this time, I informed HCM that we were in the process of renewing licenses for the 2019-2020 period. In this communication, I also informed HCM that we were aware that they continued to operate as a grain buyer in South Dakota, which could subject them to penalties for operating without a license. I informed them that we would be forced to take further action if the matter was not resolved soon. See Attachment 3, page 3.
11. On June 6, 2019, Vicki Clingman responded to me that the application had been emailed to Cody Chambliss. I informed her that we still needed the original application, as well as the necessary changes to be made to the application. I also informed that we are waiting on HCM's financial statement and bond. See Attachment 3.
12. On June 14, 2019, Ms. Clingman emailed a report from Quickbooks, to which I responded that the numbers from this report would work for item number 14 on page 3 of the license application. See Attachment 4.
13. In addition to the numerous email correspondence, I have also had a number of phone calls with HCM.
14. I am aware from my other inspections that since the time I first made HCM aware of the need to obtain a license, HCM has purchased grain in South Dakota at least thirty times. Of those purchases, at least twelve were made after the June 6, 2019 communication, at which time I informed HCM that they could be subject to penalties and we would need to take further action if the matter was not resolved.

Dated this 31st day of July 2019.



Paul Kenefick-Aschoff

Subscribed and sworn to before me this 31st day of July, 2019.



(Notary Public)

My Commission expires: TINA DOUGLAS
by Commission Expires
March 21, 2023

