

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

**IN THE MATTER OF ROSLYN  
ELEVATOR**

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**AFFIDAVIT OF  
CODY CHAMBLISS**

**GW22-002**

I hereby swear and affirm as follows:

1. I am the manager of the Grain Warehouse Program of the South Dakota Public Utilities Commission (Commission).
2. On or about May 11, 2021. I met with Steve Schmidt, owner of Roslyn Elevator (Roslyn). Financial concerns and licensing requirements were discussed.
3. Monthly inspections gave staff a current picture on the progress and financial position of Roslyn.
4. On January 10, 2022, during a monthly inspection Roslyn reported their operating line had loan modifications made by the lender. Their lender ceased advances on the operating line and setup monthly payments including interest until this loan expires March 31, 2022. Without operating funds Roslyn cannot guarantee payment to producers upon demand. (Confidential Attachment 1).
5. On January 31, 2022, Roslyn reported their December 31, 2021, quarterly statement which showed progress over the 2020 numbers; but is still below minimum requirements. (Confidential Attachment 2).
6. On February 1, 2022, I spoke with Roslyn and their accountant. Roslyn is and has been fully cooperative with PUC staff. The hard work of Roslyn doesn't go unnoticed they have made significant progress to correct their 2020 financials. As an essential and staple business in the community the importance of this elevator cannot be stressed enough.
7. On February 2, 2022, I spoke with Roslyn and discussed a plan. Staff is willing to work with Roslyn to find a new bank, restructure debt, and continue to provide guidance while cooperatively trying to reach the goal of paying all producers and keeping a necessary business in the community. (Attachment 3).
8. On February 3, 2022, inspectors Justin Blais and Sarah McIntosh conducted a full and thorough inspection of Roslyn. The results of this inspection suggest that Staff may be able to assist Roslyn getting back into compliance with financial requirements and that Roslyn will be able to be fully licensed and operational in the near future.
9. It is my opinion that license suspension is necessary at this time to prevent Roslyn from

entering into additional contacts that could negatively affect its financial position. Receivership of Roslyn would be necessary if the Commission revokes Roslyn's grain buyer license, or if Roslyn is unable to secure a new funding source or restructure debt.

Dated this 3<sup>rd</sup> day of February 2022.

*Cody Chambliss*  
Cody Chambliss

Subscribed and sworn to before me this 3<sup>rd</sup> day of February, 20 22

*Juli Hedrick* (Notary Public)

My Commission expires: 8-31-27

