

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

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**IN THE MATTER OF ROSLYN  
ELEVATOR, ROSLYN, SOUTH  
DAKOTA**

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\*           **PETITION TO SUSPEND GRAIN**  
\*           **BUYER LICENSE AND SEEK**  
\*           **RECEIVERSHIP**  
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\*           **GW22-002**  
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COMES NOW, the Staff of the South Dakota Public Utilities Commission (Commission), pursuant to SDCL 49-45-16 and 49-45-16.1 and Petitions the Commission to grant authority to Staff to apply to Circuit Court for receivership of Roslyn Elevator (Roslyn) located in Roslyn, South Dakota and to suspend Roslyn’s grain buyer license. In support of its Petition, Staff asserts as follows:

1. Roslyn is a South Dakota Company in good standing with the South Dakota Secretary of State, and is located at 611 1<sup>st</sup> St., Roslyn, South Dakota 57261.
2. The registered agent for Roslyn listed with the Secretary of State is listed as Steven Schmidt, 611 1<sup>st</sup> St., Roslyn, South Dakota 57261.
3. Roslyn has held a grain buyer license and grain warehouse license in this state since at least 2004.
4. Roslyn holds a Class A grain buyer license and a grain warehouse license, both issued by the South Dakota Public Utilities Commission.
5. Roslyn currently holds valid bonds in compliance with its grain buyer license and its grain warehouse license.
6. In addition to Roslyn’s grain buyer and warehouse business, Roslyn also has an agronomy business that is tied into Roslyn’s financials, but not regulated by the PUC.
7. Staff has been closely monitoring Roslyn for many months due to non-compliant financials and Roslyn has been working with Staff to implement a plan to clear and restructure debt which would bring Roslyn back into compliance with state financial requirements. Roslyn has made significant progress implementing this plan over the past few months.

8. On or about January 10, 2022, Staff became aware that Roslyn's financial position had drastically changed because its bank modified the end date on an existing line of credit.
9. On January 31, 2022, Staff received Roslyn's quarterly statements which showed their financials were below minimum financial requirements for licensure.
10. It is Staff's understanding that non-renewal of the line of credit both eliminates access to capital that could be used for operating and may require Roslyn to pay the balance owed on the line of credit by March 31, 2022.
11. If Roslyn is required to pay the entire amount owed on the line of credit on March 31, 2022, and does not have access to any other source of credit, Roslyn would be in a position where it appears Roslyn would be unable to cover all liabilities currently on the books and receivership would be imperative.
12. Staff considers the facts in paragraph 8 through 11 to constitute acts of insolvency for which suspension of Roslyn's grain buyer license and seeking receivership is justified and necessary under SDCL 49-45-16 and 49-45-16.1.

While Roslyn has worked closely with Staff and has taken significant steps toward achieving a positive financial position, losing access to a significant line of credit has had a major effect on the company's financial position. Because of this, Staff believes it is necessary to suspend Roslyn's grain buyer license to ensure that Roslyn does not incur additional grain liabilities, particularly additional Voluntary Credit Sale contracts. Additionally, though Staff does not believe it is necessary to petition the court for receivership immediately, Staff believes it is imperative to request authority from the Commission at this point, so Staff has the ability to move quickly to petition the court for receivership if the situation were to deteriorate.

However, Staff does believe Roslyn's situation to be very unique in that the major contributing factor to Staff's complaint is the loss of its line of credit. Roslyn continues to have revenue from its agronomy business as well as grain storage and Staff believes the continued operation of these business will contribute to resolving Staff's financial concerns. Roslyn has also committed to working closely with Staff and has proactively begun pursuing alternative options for capital or financing. Roslyn also has some open contracts to be filled and has some

grain on site that will be marketable if blended, but Roslyn would need purchase grain to blend. Staff believes it is in the interest of the business and in the public interest to allow Roslyn to blend its grain on hand and to fulfill any outstanding contracts, with Staff approval. For these reasons, Staff recommends that the Commission grant an exemption to the suspension, allowing Roslyn to purchase grain, via cash sale and with Staff approval, for the sole purposes of fulfilling outstanding contracts and to blend grain on hand.

WHEREFORE, the Staff of the South Dakota Public Utilities Commission requests the Commission suspend Roslyn Elevator's grain buyer license and grant Staff authority to seek receivership of Roslyn Elevator, South Dakota. Staff recommends Roslyn's grain warehouse license remain in place. Staff further requests the Commission grant an exemption to the suspension, allowing Roslyn to purchase grain, via cash sale and with Staff approval, for the sole purposes of fulfilling outstanding contracts and to blend grain on hand.

Staff further requests an emergency ad hoc meeting for the Commission to hear this matter. Cody Chambliss, the Public Utilities Commission's Grain Warehouse Program Manager, will be available to testify.

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



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