



Chris Nelson, Chairman
 Kristie Fiegen, Vice Chairperson
 Gary Hanson, Commissioner

South Dakota
**PUBLIC UTILITIES
 COMMISSION**
 500 East Capitol Avenue
 Pierre, South Dakota 57501-5070
 www.puc.sd.gov

(605) 773-3201

Consumer Hotline
 1-800-332-1782

Email
 puc@state.sd.us

June 2, 2022

Jan Banghart
 Banghart Properties
 PO Box 93
 Gettysburg, SD 57442

RE: Application for Class A license

I have completed my review of Banghart Properties' financial statement for the year ending Dec. 31, 2021. My review indicates a positive working capital and a shareholders' equity in the amount of [REDACTED] for year-end 2021. While that is a positive number, there are errors in your reviewed income statement regarding interest expense.

Enclosed are two copies of the Financial Statement Requirements for Grain Buyer Licenses and the Financial Criteria for Grain Buyer Licensing. Please keep one copy for your records and give the other copy to your accountant. ARSD 20:10:12:15 requires at a minimum, the balance sheets show positive net worth of \$100,000 for a Class A license, or positive net worth for a Class B license, and current assets are equal to or greater than current liabilities before a license can be issued by the Commission.

Also, I am aware of actual changes since Dec. 31, 2021, which have a material impact on Banghart Properties' financial condition. Specifically, Banghart Properties was assessed a \$290,000 penalty by the Nebraska Public Service Commission this spring which is not reflected in the year-end financials. Taking this penalty into consideration, Banghart Properties does not show positive net worth and does not qualify for a grain buyer license. Therefore, for financial reasons and for good cause, Grain Warehouse Staff must deny your application for a grain buyer license pursuant to SDCL 49-45-7 for the upcoming licensing year which begins July 1, 2022.

Please submit any updated financial information prepared in accordance with the enclosed rules that would indicate that your company meets the financial criteria for licensing as soon as possible. Your accountant should provide an explanatory statement about each subject matter noted in order for the financial statements to conform with generally accepted accounting principles.

If you contend the financial position of your company has not changed, and you believe my assessment of your financial position is incorrect, you may request a hearing before the Commission to contest Staff's findings. If you choose to do so, please email the Commission at PUC@state.sd.us to communicate your formal request for a hearing.

Thank you for your attention to this matter. If you have any questions, please contact me.

Note: Your current grain buyer license will expire and cannot be used to purchase grain on or after July 1, 2022.

Cody Chambliss
 Grain Warehouse Program Manager