

Banghart Properties
126 Hilltop Drive
PO Box 93
Gettysburg, SD 57442
fearlessgrainmarketing@gmail.com
jank2560@venturecomm.net
605-354-4975

February, 12, 2021

Dear Rita,

I am writing this letter to provide further explanation and detail regarding application for a Grain Buyer License and attainment of a surety bond. In the past 4 ½ years I have worked for Fearless Grain Marketing (FGM) learning the marketing of grain in order to get the producer the best price for his/her grain. During this time, I have established business relationships with numerous producers and grain buyers. I have and am fortunate to learn from one of the best in the field, Jeremy Frost who has over 20 plus years of grain merchandising along with his Series 3 and Series 31 license. Since August of 2020, FGM has brought on an additional 3 Grain Merchandising Advisors (GMA). Two of those GMA's each have at least 15 plus years of merchandising grain.

As FGM has grown, Banghart Properties has also taken a different approach. I find it crucial to share the history of Banghart Properties in order to "paint the picture" of the future of FGM Storage & Arbitrage DBA Banghart Properties (BP). My husband, Rick Banghart, and I are well versed in managerial and owning/operating businesses. In my tenure, I have 20 plus years in management through working for State of SD and Benchmark while Rick has 15 plus years of management with Automatic Vendors. Additionally, prior to establishing BP, we owned and operated Shenanigans in Huron, SD for 10 years. When we started BP we strictly were involved with purchasing and managing rentals in Huron. Since moving to Gettysburg, 5 years ago, we have recently sold our rental properties in Huron as we believe management needs to be "hands on" and available at all times. We have now purchased the old "Bakery" in Gettysburg, renovated it, and are operating it as the newest "Event Venue" in the area. Along with this, we are looking at Grain Storage opportunities.

The reason, I shared the above background is to present what our business model for FGM Storage & Arbitrage dba Banghart Properties. Both my husband and I grew up on farms and have strong roots in agriculture. With that said, our business model would be established with the management completed by myself and my husband, marketing by Sebastian Frost, and the grain buying & selling would be completed by those with the knowledge, skills, and abilities, namely Jeremy Frost, Wade Harges, and Tom Wanquist. We are confident that this business model would be successful for the producers, the community, and FGM Storage & Arbitrage dba Banghart Properties.

I have attached a flow chart of the business model, and respectfully request a surety bond to move forward in our venture. If you have any further questions, I am available, as is any of our team, to visit in person, via telephone or Zoom. You can reach me at 605-354-4975 or at fearlessgrainmarketing@gmail.com. I look forward to further communication and can only again reassure you that combining the managerial experience with the grain merchandising experience is a strong business model built for success. I believe strongly, as does our entire team, that South Dakota was built on people willing to create new businesses as is supported through our current government administration's continued promotion of new businesses in South Dakota..

Thank you for your time and consideration and again I look forward to further communication.

Sincerely,



Jan Banghart

605-354-4975

fearlessgrainmarketing@gmail.com

jank2560@venturecomm.net

**BANGHART PROPERTIES dba FGM Storage & Arbitrage
Business Model Flow Chart**

Advisory Committee

Representatives of Select Expertise (Both staff and non-member staff)
(Management, a GMA, Attorney, Marketing, Agronomist, Producer) The Advisory Committee would meet a set date/time of each month and members can participate via Zoom.

Management

(Jan & Rick Banghart)

Grain Merchandising

(Jeremy Frost, Wade Harges, Tom Wanquist)

Accounting

(Jan Banghart & Lisa Boomsma, CPA)

Governing Authority

(Jeremy Frost, Series 1 & 31)

Marketing & Technical Assistance

(Sebastian Frost)

Analytics

(Tom Wanquist, Wade Harges)

Supervision would be provided through self-accountability. Jeremy Frost would provide supervision and oversight of GMA's and provide direction to GMA's regarding analytics. An employee handbook would outline employee requirements in accordance with applicable laws and company expectations. Any required disciplinary action would be performed by management upon the advice of the Advisory Committee.

By creating specific divisions, we create accountability. The Advisory Committee would meet monthly to review and advise Banghart Properties dba FGM Storage & Arbitrage. Review would include marketing portfolio, GMA report, financials and any current practices/trends that may be beneficial for the company to research/partake. Training would be on-going to keep apprised on the current market and best risk management practices. Any arbitration would be presented to the Advisory Committee.

In addition, regularly scheduled staff meetings would occur on Monday and Wednesdays to discuss market trends, customer base and how to increase, what positions GMA's may have with buyers/sellers, etc.