

KONRAD LAW, PROF. LLC
ROBERT T. KONRAD
ATTORNEY AT LAW
1110 E. SIOUX AVE
PIERRE, SD 57501
605-494-3004
605-494-3005(FAX)
rob@xtremejustice.com

LICENSED TO PRACTICE IN SOUTH DAKOTA

January 25, 2023 - By Email

Amanda Reiss
Staff Attorney
500 East Capitol Ave.
Pierre, SD 57501

RE: January 12, 2023 Data Requests

Dear Amanda,

Pursuant to your data requests served late in the day on the 12th of January, attached please find the requested information. I am providing you the following files for your review:

-  2021 Paid Shipments
-  2022 End of Year Financial Statements
-  2023 Grain Purchases so far
-  all sales contracts bp 1-20-2023.pdf
-  Fiscal Year 2021 - South Dakota Total
-  Fiscal Year 2022 Purchases
-  Load Dispatch - Loads Dispatched before C and D letter served
-  Open Invoices
-  purchase contract - contract summary.pdf
-  purchase contract contract summary format with cust name.pdf
-  tickets 1-1-2021 to now.pdf
-  unpaid grain 1-20-2023.pdf

Since the formation of Banghart Properties (prior to grain license) Banghart operated under a calendar year fiscal year, and has not made any kind of IRS election to a different fiscal year. As such, the documents are compiled on the calendar year fiscal year.

Most of these attachments, by title, are self explanatory. The file entitled “load dispatch” is a summary of the grain shipments by truck or rail that were dispatched prior to the serving of the cease and desist letter. As you know, it is not possible to stop a rail shipment. Outside of these shipments made prior to your January 12, 2023 letter, there have been no further grain deliveries or purchases. Previously, we had agreed by email that paying for deliveries made

prior to the 12th would not be treated as a violation of the cease and desist letter. We are requesting some guidance as to these shipments that were commenced on or before the 12th, but delivered after the letter. Keep in mind, several of these shipments were headed out of state. Several farmers are concerned about these loads, so we would appreciate some clarification or guidance in this regard.

My client has attached year end 2022 balance sheets and financial information. However, these were generated through quickbooks, and quickbooks does not account for accounts receivable and accounts payable. My client believes that the accounts receivable to accounts receivable is a net positive of more than [REDACTED]

Prior to the cease and desist letter being served, my client retained the services of an accountant, and as discussed by phone, Banghart intends to permanently utilize the services of an accountant. The accountant is working on draft and reviewed financial documents, and those will be supplemented to this request and the pending Class A application as soon as they are available. My client has requested expedited production of those documents.

Lastly, my client has utilized a technical expert to tweak its grain management software to allow for the instant production of a chart that breaks out grain purchases by state. Therefore, the various states will always have an updated tally.

Please let me know if these attachments all open for you. If there is a problem, let me know, and I can bring you a jump drive. As always, I am available for any questions that you may have.

Best Regards,

A handwritten signature in black ink, appearing to read 'R. Konrad', with a large, stylized flourish at the end.

ROBERT T. KONRAD

Enclosed: Data Request Production in list above