



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



**PUBLIC UTILITIES
COMMISSION**

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Consumer Hotline
1-800-332-1782

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April 4, 2023

Banghart Properties LLC
Jan Banghart
126 Hilltop Drive
Gettysburg, SD 57442

Ms. Banghart,

I have completed my review of the Application Class A grain buyer license submitted by Banghart Properties LLC (Banghart) on April 4, 2023. I have also reviewed Banghart's reviewed financial statement for the year ending December 31, 2022 (Financial). Pursuant to ARSD 20:10:12:15, my review disallowed accrued grain, open contracts in the amount of [REDACTED] listed in Banghart's Financial. Also, I am disallowing for loan receivable as it appears to be receivable from an employee in the amount of [REDACTED]. Disallowing these numbers decreases your current assets to [REDACTED]. I also question the age of accounts receivable listed as assets in Banghart's Financial as these listed assets should be disallowed under ARSD 20:10:12:15 if they are over 180 days. Staff made inquiry but has not yet received this requested information.

In reviewing Banghart's Financial, I have discovered additional expenses that are not accurately reflected. Salaries and wages of [REDACTED] are listed on your Financials, however comparing this to your bank reconciliation reports from June 2022 until December 2022 show discrepancies in actual payments made to employees. Specifically, the actual payments reflected in the reconciliation report show Jan, Jeremy, and Sabastian's wages from May 20, 2022, and Wade's wages for the entire year total [REDACTED]. Staff awaits requested reconciliation reports from the rest of the year in a third data request sent on April 3, 2023. The reconciliation report also shows payments for trucking, but these payments do not appear to be reflected in Banghart's Financial.

Significantly, Banghart's financials appear to include a total amount of purchases far in excess of the \$5 million permitted per licensing period, as permitted by Banghart's Class B license. Staff considers the profits realized through violation of state law to be ill-gotten gains that should be disallowed from Banghart's Financial.

Additionally, there is good cause to deny this application under SDCL 49-45-7, which allows for denial of a license for "good cause." Banghart has repeatedly submitted misleading or inaccurate data though data requests, inspections, and applications. Staff has alleged Banghart made purchases far in excess of the \$5 million permitted by Banghart's Class B License for two consecutive years, a blatant violation of state law. These repeated instances show a lack of respect for the laws of South Dakota and cause concern as to whether Banghart will comply with any restrictions of their Grain Buyer license requested by Staff. I am unable to approve your application for a Class A grain buyer license effective immediately.



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If you disagree with my assessment of your application, SDCL 49-45-7 provides you an opportunity for a Commission hearing on this matter at your request. If you would like to pursue such hearing, please submit a request in writing to myself via email cody.chambliss@state.sd.us or by mail to the address above.

Sincerely,

Cody Chambliss
Manager Grain Warehouse Program
Public Utilities Commission