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LICENSED TO PRACTICE IN SOUTH DAKOTA

February 27, 2023

HAND DELIVERED

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

RE: Response to February 16, 2023 Banghart Properties Data Requests

Dear Amanda,

The purpose of this letter is to provide you with responses to the data requests sent by your office on February 16, 2023. Based upon the weekends, holiday, blizzard, and agreement of the parties, I believe our response is timely. I have enclosed with this letter numerous documents, several of which are original colored documents or carbon copies of the requested documents. Pursuant to our phone conversation this afternoon, I am agreeable to providing the original documents to your office by 5:00 today; with the caveat that the originals will be copied/ scanned by your office this week, and available for my pickup on Friday (unless your staff needs more time). With that, I have enclosed the following documents pursuant to your requests:

In data requests 1, 2, and 4 you are requesting the following:

- 1. Provide all purchase contracts Banghart entered between June 1, 2021, and February 16, 2023, whether complete or incomplete and regardless of jurisdiction.**
- 2. Provide all bills of lading associated with all purchase contracts identified in 2-1 regardless of jurisdiction.**
- 4. Provide all scale tickets associated with all contracts identified in 2-1 and 2-3 regardless of jurisdiction.**

In response to these requests my client are providing several lettered folders containing the requested information. The folders are:

A. Sunflower Purchase Contracts from #1003 - #4999. This folder also includes the applicable (if available) bill of ladings and scale receipts for the various contracts.

B. Sunflower Purchase Contracts from #5000 - Current. This folder is a continuation of the sunflower folder in folder "A."

C. Millet Purchase Contracts (all). This folder also includes the applicable (if available) bill of ladings and scale receipts for the various contracts.

D. Milo Purchase Contracts (all). This folder also includes the applicable (if available) bill of ladings and scale receipts for the various contracts.

E. Safflower Purchase Contracts (all). This folder also includes the applicable (if available) bill of ladings and scale receipts for the various contracts.

F. Wheat Purchase Contracts (all). This folder also includes the applicable (if available) bill of ladings and scale receipts for the various contracts.

G. Confection Sunflower Purchase Contracts (all). This folder also includes the applicable (if available) bill of ladings and scale receipts for the various contracts.

H. Corn Purchase Contracts (all). This folder also includes the applicable (if available) bill of ladings and scale receipts for the various contracts.

For all of the folders and grains listed above, not all of the contracts are included. On a few of the sales, the contracts were either never returned back to Banghart and the contract became an oral agreement, or the entirety of the contact was oral. The following customers either proceeded on an oral agreement basis or did not return the proposed contract:

1. Sunflowers

- [REDACTED] #5007. This contact was not signed and returned.
- [REDACTED] #5083 - This contact was not signed and returned.
- [REDACTED] #5082 - This contact was not signed and returned.
- [REDACTED] #1009SFS - This contact was not signed and returned.

2. Corn

- [REDACTED] #5730C - This contact was not signed and returned.

Regarding scale tickets, as you are aware, my client does not own or operate a scale. The purchase of grain is made by delivery of the grain to other destinations. These destinations provide the individual scale tickets to the truckers or producers. Many times, if not the majority of the time, these scale tickets are not returned to Banghart. This is unfortunately how it goes with truckers. However, Banghart does retain the scale tickets that are returned, and it also receives a scale ticket summary from the destination points. It is my understanding that in prior

audit/reviews, due to the nature of my clients business that the inspectors accepted and utilized the designation scale ticket summaries from the various purchasing entities/destinations. If you have any questions about the scale ticket summaries, please let me know.

Similarly, bill of lading (BOL) are not routinely returned by the truckers or the producers. I do not believe Banghart is required to maintain or produce a BOL as the grain is not owned by Banghart until delivered. To the extent they are returned, they have been provided.

With regard to data request #3 you requested the following:

Provide all sales contracts Banghart entered between June 1, 2021, and February 16, 2023, whether complete or incomplete regardless of jurisdiction.

Enclosed please find folder "I" that contains all applicable purchase agreements. Please note, that several purchasers do not sign a written agreement to purchase grain from Banghart. Some of these producers, and not by way of limitation, are: [REDACTED]
[REDACTED] These customers typically do their contract by phone, or text. Some of these entities were perhaps offered a contract but it was never signed. All available sales agreements have been included in folder "I."

With regard to data request #5, you requested the following:

Provide a list of all 2023 purchases to date regardless of jurisdiction.

Attached please find a purchase summary spreadsheet generated by my client's grain maintenance software showing total purchases below the annual threshold. Any deliveries made after the date of cease and desist were instances where truckers were in route or set in motion prior to notice.

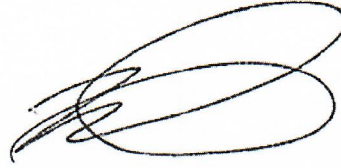
With regard to data request #6, you requested the following:

Provide a current unsettled ticket report to date for all transactions regardless of jurisdiction.

Attached please find a purchase summary spreadsheet generated by my client's grain maintenance software showing all currently unsettled tickets.

If you have any questions or concerns about the data disclosure, or any other pending matters, please feel free to reach out to me. I have been working and requesting diligently updated financial documents. I am still told that these are a work in progress. We are doing everything that we can do to speed up the process. Please review the enclosed data requests and perhaps we can discuss when you are done. Let me know if you need more time to make copies.

Best Regards,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke, positioned above the printed name.

ROBERT T. KONRAD

Enclosed: Folders A-I. (Originals)
 unsettled ticket report
 2023 Spreadsheet of purchases