
REDACTED
STAFF MEMORANDUM

TO: COMMISSIONERS AND ADVISORS
FROM: CODY CHAMBLISS, LOGAN SCHAEFBAUER, AMANDA REISS
RE: DOCKET GW23-001
DATE: June 10, 2024

Staff of the Public Utilities Commission (Staff) submits this Memorandum regarding Banghart's Application for a Class B Grain buyers license.

BACKGROUND

On January 30, 2023, Staff filed a complaint against Banghart. On June 21, 2023, after multiple hearings on the matter, the Commission issued an Order on July 7, 2023, Granting a Class B grain buyers license to Banghart for licensing year ending June 30, 2024.

Seeing Banghart has recently been before the Commission, Staff wanted to give the Commissioners a chance to follow up on their previous Order and allow the Commission to make the final determination regarding licensure.

On June 6, 2024, Banghart submitted its application for a Class B grain buyers license for licensing year beginning July 1, 2024. Staff reviewed the application and finds Banghart meets the minimum qualifications for a Class B license and recommends the Commission grant Banghart a Class B grain buyer license.

STAFF'S ANALYSIS AND SETTLEMENT RESOLUTIONS

Banghart submitted a complete application. SDCL 49-45-7 requires applicants to submit a signed application identifying each owner and principal management, identifying the location of the principal office, and the financial condition of the company as well as submit a bond as required by law. Banghart's application meets each of these requirements.

Banghart submitted a bond in the proper form, and in the amount above what is required by law. SDCL 49-45-9 requires applicants obtain a bond in the amount established by statute. The bond amount varies based on the applicant's purchases over the previous years. Under statute, Banghart is required to obtain a bond in the amount of [REDACTED]. Banghart obtained a bond in the amount of [REDACTED] which satisfies state law.

Banghart meets the financial requirements to obtain a Class B grain buyers license. ARSD 20:10:12:15 imposes two specific financial requirements on applicants for a Class B grain buyer license: 1) the applicant's balance sheet must show current assets greater than current liabilities and 2) that applicant must show a net worth of \$100,000. Banghart meets both of these financial requirements.

In reviewing the application, Staff did note that Banghart's financials still reflect a Nebraska Penalty. It is Staff's understanding that the amount reflected in the financials is the full amount of the penalty ordered

by the Nebraska Public Service Commission. It was Staff's understanding that this penalty was appealed and upheld by the Nebraska Supreme Court and Staff anticipated this penalty would have been paid and no longer reflected on Banghart's financials at this point. On June 7, 2024, Staff did ask Banghart in a data request for additional financial information and the status of the Nebraska penalty. However, this does not affect Banghart's financials in a manner that would impact Banghart meeting financial requirements for a grain buyer license.

RECOMMENDATION

Staff recommends the Commission grant Banghart a Class B grain buyer license for licensing year beginning July 1, 2024.