



NEWS RELEASE
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****For Immediate Release****
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NDPSC Reaches Settlement in Anderson Seed Insolvency

BISMARCK, N.D.----At a Special Meeting today, the Public Service Commission voted to file its Report and Recommendation with the District Court for Cass County, North Dakota, in the Anderson Seed Company, Inc. insolvency.

Today's action is long-awaited news for the producers who delivered their sunflower seeds to Anderson Seed Co., Inc. in North Dakota and were not paid.

Commissioner Randy Christmann said "The Commission as Trustee has worked hard to collect as much money as possible to reimburse the farmers for what they are owed by Anderson Seed. This settlement with Anderson Seed Company, the Andersons, and Legumex Walker, Inc., who purchased the sunflower seeds from Anderson Seed, adds \$685,000 to our trust fund to help offset losses to producers with cash claims."

The \$685,000 settlement will be added to the forfeited bond and the cash value of the seeds the Commission held, bringing the trust fund total to over \$965,000.

Claims totaling \$4.1 million dollars were filed with the Commission. Claims generally fall into two categories; "Credit Sale Claims," where the producer has a contract for payment at a later date, or "Cash Claims." Valid "Credit Sale Claims" are protected up to 80% in most cases by North Dakota's Credit Sale Contract Indemnity Fund. "Cash Claims" are only protected by a Trust Fund consisting of the value of the grain on hand and the grain buyer's bond. In this case, however, the \$685,000 settlement will be added to the Trust Fund.

After careful review of the claim documents the Commission has determined valid "Cash Claims" total \$2.233 million and valid "Credit Sale Claims" total \$809,000. Claims totaling approximately \$1 million were deemed invalid according to state law.

Christmann said, "The Commission investigated the possibility of recovering additional funds for payment to producers. Litigation would delay payment to the farmers by possibly years and there is always a risk involved with litigation, therefore, I am confident the Commission's decision to reach a settlement is in the best interest of the farmers. Even if litigation were to result in a verdict that exceeds the amount of the settlement, collection of that amount is not guaranteed."

Claimants will be mailed a copy of the Commission's Report and will have a chance to review the Report documents. The documents outline the process that the Commission used in evaluating the claims.

With the proceeds from the settlement, along with the bond and minimal grain proceeds there will be funding available from the Trust Fund to pay each valid cash claimant approximately 43% of his or her valid "Cash Claim." Valid "Credit Sale Claims" will be reimbursed at 80% from the Indemnity Fund.

If a producer made a claim for payment and has an objection to the Commission's Report, they can file an objection with the Court. The hearing on the Report will be scheduled as soon as possible in the Cass County Courthouse and the Court must approve the settlement and the Commission's proposed distribution of the trust funds.

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