



NEWS RELEASE
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****For Immediate Release****
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NDPSC ready to file its recommendation in Falkirk Farmers Elevator Insolvency

BISMARCK, N.D. ----At a Special Meeting today, the Public Service Commission voted to file a Report and Recommendation with the District Court for McLean County, North Dakota, in the Falkirk Farmers Elevator insolvency.

Today's action is much-anticipated news for the producers who had valid credit sale contracts with Falkirk Farmers Elevator and were not paid. Valid credit sale contracts are partially protected by a producer-funded indemnity fund, while valid claimants without contracts are protected only by the grain warehouseman's bond and grain assets.

Claims totaling nearly \$2 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 by North Dakota's Credit Sale Contract Indemnity Fund at 80% of the amount owed not to exceed \$280,000. "Cash Claims" are protected by a Trust Fund consisting of proceeds from selling grain on hand at the date of insolvency, certain accounts receivable and the grain warehouseman's bond.

Commissioner Randy Christmann said "The Commission took a new and unique approach to this case. We are asking the court to allow us to separate the credit sale contract claims from the lone claim to trust assets. Issues related to that claim against the trust fund are part of a case in federal court and could take a long time to resolve, but there is no reason to delay payment to the seven valid credit sale claimants."

After careful review of the claim documents the Commission has determined there are seven valid credit sale contract claims totaling nearly \$279,000. According to state law, each of these claimants is entitled to 80% reimbursement from the indemnity fund. One credit sale contract claim was deemed invalid, and a \$1.7 million claim against the trust assets is related to litigation in federal court.

"Today's action is good news for the farmers who have been waiting for well over a year for payment for the grain they sold," Commissioner Julie Fedorchak said. "No one wins in an insolvency. But this approach allowed us to resolve a bulk of the claims while work on the unrelated, outstanding legal issues of the remaining claim continues."

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.

If a producer made a claim for payment and has an objection to the Commission's Report, he can file an objection with the Court. The hearing on the Report is scheduled for March 13, 2014 in the Burleigh County Courthouse and the Court must approve the Commission's proposed distribution from the indemnity fund.