

IMPORTANT NOTICE

April 2013

Due to a recent court ruling regarding Voluntary Credit Sale contracts, Revillo Farmers Elevator must have signed contracts returned to us within 30 days of delivery.

If we do not have signed contracts in our possession, all grain will be priced and paid 30 days after delivery.

(“Voluntary Credit Sale” or also known as VCS contracts are: Installment Sales contracts, Deferred Payment contracts and Price Later contracts.)

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Scroll down to the next page to see the notice released by the South Dakota PUC.

FOR IMMEDIATE RELEASE: Monday, April 15, 2013

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GRAIN SELLERS AND GRAIN BUYERS CONTACT: James Mehlhaff, grain warehouse manager, james.mehlhaff@state.sd.us, 605-773-3201.

Notice to grain sellers and grain buyers

On April 4, 2013, Circuit Judge Tony L. Portra issued a ruling overturning one of the South Dakota Public Utilities Commission's findings in the matter of the Anderson Seed Co., Inc. grain buyer bond.

The commission ruled in support of staff's findings that pursuant to SDCL 49-45-9 Martinmaas Dairy should not be eligible to participate in the bond proceeds because its entire claim amount was subject to the terms of a voluntary credit sale (VCS) contract. Martinmaas Dairy challenged the PUC ruling based on the fact that it had not signed the VCS contract that was prepared to memorialize the agreement to defer payment. In finding Martinmaas Dairy had entered into a VCS contract, the Commission relied on SDCL 57A-2-201, which provides exceptions to the signature requirement for contracts for the sale of grain, as well as the sworn testimony of Raymond Martinmaas that he did intend to defer payment.

When the PUC presented recommendations for the disbursement of the bond to the 5th Judicial Circuit Court on March 19, 2013, Raymond Martinmaas appeared on behalf of Martinmaas Dairy and asked the court to overturn the PUC's findings with respect to the Martinmaas Dairy claim. The court found, pursuant to SDCL 49-45-11 and ARSD 20:10:12:13, that a VCS contract is not enforceable unless signed by both parties.

Therefore, going forward all grain purchases more than 30 days old will be considered cash sales that must be paid pursuant to SDCL 49-45-10 unless the grain buyer has in its possession a VCS contract signed by both parties.

South Dakota Public Utilities Commission

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