



NATIONAL GRAIN AND FEED ASSOCIATION

Arbitration Decisions

September 26, 1985

Arbitration Case Number 1626

Plaintiff: S. M. Whitney Co., Inc., Augusta, Ga.
Defendant: Mundy, Inc., Waynesboro, Ga.

On Feb. 18, 1985, S. M. Whitney Co., a member of the National Grain and Feed Association, submitted an original complaint and request for arbitration by the National Grain and Feed Association to resolve a dispute with Mundy, Inc., Waynesboro, Ga., also a member of the National Grain and Feed Association.

The dispute involved an acquisition by S. M. Whitney Co. of 72,173 bushels of corn stored at Mundy, Inc.'s facilities during USDA's payment-in-kind program.

In accordance with arbitration procedures outlined in Section 5 of the Arbitration Rules, an arbitration contract was prepared and sent to S. M. Whitney Co., Inc. S. M. Whitney Co. on March 22 returned the signed contract to the National with an arbitration fee of \$300. The contract was mailed to Mundy, Inc. and was received on March 29, 1985.

Mundy, Inc. failed to sign the arbitration contract and pay the arbitration fee within the 30-day time limit as specified in the Arbitration Rules. In accordance with Article X of the By-Laws, the National sent a letter by certified mail on May 24, 1985, informing the company that refusal to arbitrate was grounds for expulsion. This letter informed Mundy, Inc. of its rights under Article X of the By-Laws to make written reply to the National Secretary to object or offer defense against the proposed expulsion of membership from the National Grain and Feed Association. Mundy, Inc. responded on May 28 offering resignation of membership from the National Grain and Feed Association. This offer of resignation was refused in accordance with Article IX Section I of the By-Laws which states in part, "...no resignation can be accepted while unadjusted trade differences exist, or while an award of an Arbitration Committee remains unsettled."

On June 13, 1985 documentation of the case was sent to the Executive Committee of the National Grain and Feed Association. Article IX of the By-Laws states "The Executive Committee by at least two-thirds vote of the total committee, shall have authority to suspend or expel any member from this corporation for violation of any provision of the Articles of Incorporation, By-Laws, Trade Rules, Arbitration Rules, or the Code of Ethics." The Executive Committee voted by the necessary two-thirds majority to expel Mundy, Inc.

Mundy, Inc. was informed of this vote by certified mail on July 30, 1985 and was informed of Article X Section 2 of the By-Laws which permits appeal of expulsion to the Board of Directors within 10 days of the notification. Mundy, Inc. did not appeal the expulsion.

Mundy, Inc. is hereby expelled from membership in the National Grain and Feed Association.