



March 24, 2020

## CASE NUMBER 2858

**PLAINTIFF: CHS, INC.  
LINCOLN, NE**

**DEFENDANT: GRIEMSMAN L/S, LLC  
WORLAND, WY**

### FACTUAL AND PROCEDURAL BACKGROUND

The plaintiff, CHS, Inc. (CHS), requested the entry of a default judgment in the amount of \$400,306.57 against the defendant, Griemsman L/S, LLC (Griemsman). The default judgment is granted for the reasons set forth below.

CHS submitted an arbitration complaint dated April 30, 2019, to the National Grain and Feed Association (NGFA). The complaint alleged that Griemsman failed to pay for grain it purchased under contracts 552137, 586287, 586410, 610869 and 611124.

Acting upon CHS's complaint, NGFA prepared an arbitration services contract and submitted it to Griemsman for execution. By Federal Express dated May 21, 2019, NGFA also sent to Griemsman a letter providing notice of these proceedings with copies of CHS's complaint and attachments, as well as the NGFA Trade Rules and Arbitration Rules. Federal Express confirmed that this mailing to Griemsman was delivered on May 30, 2019.

Upon receipt of the duly executed arbitration services contract from CHS, NGFA then sent it with accompanying correspondence to Griemsman by Federal Express on June 13, 2019. Both CHS and Griemsman retained legal counsel to represent them in this proceeding. Griemsman duly executed and returned the arbitration services contract to NGFA on July 22, 2019. By the terms of the arbitration services contract, the parties agreed to comply with all NGFA Arbitration Rules and that noncompliance with any of these rules may result in a default judgment.

Following timely receipt of CHS's first argument on August 26, 2019, NGFA sent notice by Federal Express to Griemsman requesting its answer. Federal Express confirmed that this mailing to Griemsman was delivered on September 5, 2019, making Griemsman's answer due on September 25, 2019.

After not receiving any submission from Griemsman, NGFA attempted to contact Griemsman by telephone and left a voicemail on October 11, 2019. NGFA then sent a letter to Griemsman on November 13, 2019, reminding Griemsman that its answer was overdue and requesting that Griemsman

respond to NGFA within 15 days. This letter also specifically stated “Pursuant to NGFA Arbitration Rule 4(I), Griemsman is consequently deemed to be in default, and a default judgment shall be issued.”

NGFA has yet to receive any further response from Griemsman, despite repeated attempts to contact Griemsman.

## **DEFAULT JUDGMENT**

NGFA established jurisdiction over this matter pursuant to the duly signed arbitration services contract, the NGFA Arbitration Rules and by way of CHS’s status as a NGFA member.

CHS properly and in a timely manner filed its complaint under NGFA Arbitration Rule 2(A). Pursuant to Rule 2(B), NGFA then submitted an arbitration services contract to the parties. CHS and Griemsman properly executed and returned the arbitration services contract, whereby both parties agreed to comply with the NGFA rules and to abide by the decision reached by the NGFA in this case. The Arbitration Services Contract specifically stated:

*The parties agree to comply with all NGFA Arbitration Rules, including, but not limited to, those rules requiring the parties to advance approximate expenses when an oral hearing is requested. The parties agree that noncompliance with any NGFA Arbitration Rules may result in a default judgment.*

However, Griemsman subsequently refused to comply with any further arbitration-related procedures and notices.

NGFA Arbitration Rule 4(I) provides for the following:

*...where a plaintiff fails to file its first argument or a defendant fails to file its answer in accordance with the time limits specified in this rule or by the NGFA Secretary, the delinquent party shall be deemed to be in default.*

Notice to Griemsman was tendered on several occasions. Thus, it appears Griemsman made a conscious decision to disregard and to avoid its obligations under these arbitration proceedings. Therefore, pursuant to Rule 2(E) of the NGFA Arbitration Rules, the NGFA Secretary finds that entry of default judgment against Griemsman is proper and warranted.

NGFA Arbitration Rule 2(E) also sets forth the requirements and conditions under which, “[a]ny party against whom a default judgment has been entered may apply to vacate the default judgment within 15 days of entry of the default judgment.”\*

## **THE AWARD**

**THEREFORE, IT IS ORDERED THAT:**

1. CHS, Inc. is awarded judgment against Griemsman L/S, LLC for \$400,306.57.
2. Interest on the judgment shall accrue at the statutory rate available for judgments in the applicable jurisdiction from this date until paid in full. This award is not intended to preclude the plaintiff from pursuing an additional award for interest, legal fees or costs in a court of law.

Dated: January 14, 2020

**NATIONAL GRAIN AND FEED ASSOCIATION**

By: Charles M. Delacruz  
NGFA Secretary

\* On January 14, 2020, NGFA entered the default judgment against the defendant. The defendant was advised regarding the procedures for applying to vacate the default judgment, but the defendant did not apply to vacate the default judgment.