

DORCHESTER GRAIN COMPANY INVESTIGATION

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Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) is providing an update on the investigation of Dorchester Grain Company. This update providing the current status as of July 28, 2011, as well as previous updates, can be found on TDA's website at www.TexasAgriculture.gov.

- Recently, producers were sent copies of a motion filed by the office of The Attorney General of Texas (OAG) on the Texas Department of Agriculture's (TDA) behalf. The motion asked the court to approve a modified proof of claim form for deficiency claims a producer may likely still have remaining against Dorchester Grain Company for the difference between what farmers will receive from grain proceeds to what farmers would have been entitled to had Dorchester Grain properly stored and safeguarded farmers' grain.
- On July 26, 2011, Honorable United States Bankruptcy Judge Brenda T. Rhoades signed an [order granting TDA's motion](#). The order, see excerpt below, allows qualifying producers to file the [alternate proof of claim form](#) developed by the OAG.

ORDERED that the that any party or person engaged in the production or raising of grain, as defined in 11 U.S.C. §557(b) ("Producer") who may be entitled to a priority claim ("Priority Claim") of up to \$5,775 pursuant to 11 U.S.C. § 507(a)(6)(A) may utilize the Alternate Proof of Claim Form attached to this Order as Exhibit A.

- A copy of the [form](#) may be found on TDA's website.
- As noted in a previous update, by law neither the TDA nor the OAG are permitted to provide legal advice to producers regarding these potential claims, including advice as to whether the producer qualifies for the claim or how to fill-out and submit the form.

June 28, 2011

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

EOD
07/26/2011

IN RE: §
§
DORCHESTER GRAIN COMPANY § CASE NO. 10-40475
§ CHAPTER 7
§
DEBTOR §

**ORDER GRANTING TEXAS DEPARTMENT OF AGRICULTURE’S MOTION
REQUESTING DETERMINATION AS TO WHETHER FARMERS MAY USE
ALTERNATE PROOF OF CLAIM FORM**

CAME ON FOR CONSIDERATION, the Texas Department of Agriculture’s Motion Requesting Determination as to whether Farmers may use Alternate Proof of Claim Form (the “Motion”). The Court, having considered the Motion, finds that the relief requested in the Motion should be granted.

Accordingly, it is hereby

ORDERED that the that any party or person engaged in the production or raising of grain, as defined in 11 U.S.C. §557(b) (“Producer”) who may be entitled to a priority claim (“Priority Claim”) of up to \$5,775 pursuant to 11 U.S.C. § 507(a)(6)(A) may utilize the Alternate Proof of Claim Form attached to this Order as Exhibit A.

SO ORDERED this _____ day of July, 2011.

Signed on 07/26/2011

Brenda T. Rhoades SR
HONORABLE BRENDA T. RHOADES,
CHIEF UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT _____ DISTRICT OF _____		PROOF OF CLAIM
Name of Debtor: _____		Case Number: _____
<i>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.</i>		
Name of Creditor (the person or other entity to whom the debtor owes money or property): _____		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ <i>(If known)</i> Filed on: _____ <input type="checkbox"/> This is an original proof of claim (POC) not previously filed.
Name and address where payment should be sent (if different from above): _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
Telephone number: _____		
1. Amount of Claim as of Date Case Filed: \$ _____ If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(6)(A) * Amount entitled to priority: \$ _____ <i>*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>
2. Basis for Claim: _____ (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. <i>(See instruction 7 and definition of "redacted" on reverse side.)</i> DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.		
Date: _____		FOR COURT USE ONLY
Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.		

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity owed a debt by the debtor that arose on or before the date of the bankruptcy filing. See 11 U.S.C. §101 (10)

Claim

A claim is the creditor's right to receive payment on a debt owed by the debtor that arose on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

DEFINITIONS

1. 11 U.S.C §507(a)(6)(A) recites "persons engaged in the production or raising of grain as defined in section 557(b) of this title [11 U.S.C §557(b)], against a debtor who owns or operates a grain storage facility, as defined in section 557(b) of this title [11 U.S.C §557(b)], for grain or the proceeds of grain.
2. 11 U.S.C §557(b) defines a grain storage facility as a site or physical structure regularly used to store grain for producers, or to store grain acquired from producers for resale.
3. 11 U.S.C §557(b) defines producer as an entity which engages in the growing of grain.



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) is providing an update on the investigation of Dorchester Grain Company. This update providing the current status as of July 14, 2011, as well as previous updates, can be found on TDA's website at www.TexasAgriculture.gov.

- Recently, producers were sent copies of a motion filed by the office of The Attorney General of Texas (OAG) on the Texas Department of Agriculture's (TDA) behalf. These documents are NOT related to the distribution of PROCEEDS from the sale of stored grain. As previously stated, producers with claims related to stored grain need do nothing more if they agree with the TDA report filed with the bankruptcy court.

The motion most recently sent out by OAG relates to the deficiency claims a producer may likely still have remaining against Dorchester Grain Company for the difference between what farmers will receive from grain proceeds to what farmers would have been entitled to had Dorchester Grain properly stored and safeguarded farmers' grain.

Neither the TDA nor the OAG are permitted by law to provide legal advice to producers regarding these potential claims. (By way of example but not limitation, advising a producer whether the producer qualifies for such a priority claim in bankruptcy or the amount of such claim.)

- A hearing is scheduled for July 26 before the Bankruptcy Court for the bankruptcy judge to determine whether farmers may utilize a special modified proof of claim "form". Producers are welcome to attend that hearing which will be held at 9:45 A.M. at 660 North Central Expressway, Suite 300B in Plano, Texas.



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) is providing an update on the investigation of Dorchester Grain Company. This update providing the current status as of June 24, 2011, as well as previous updates, can be found on TDA's website at www.TexasAgriculture.gov.

- On June 24, 2011, TDA distributed prorated shares of the bond to depositors who submitted the required Texas Identification Number (TIN) form. The amount distributed represented 94% of the total bond proceeds. To date, 63 out of 94 depositors have applied for their share of the bond.
- TDA will continue to accept TIN forms until July 15, 2011. For more information about the form or the distribution process, depositors may contact Rick Garza, Coordinator for Grain Warehouse Program, at (512) 936-2430 or via email address Rick.Garza@TexasAgriculture.gov.
- After July 15, 2011, unclaimed prorated shares of the bond will be reported to the Texas Comptroller of Public Accounts as unclaimed funds.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE:

DORCHESTER GRAIN COMPANY

DEBTOR

§
§
§
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CASE NO. 10-40475
CHAPTER 7

**TEXAS DEPARTMENT OF AGRICULTURE'S NOTICE
OF INTENT TO DISTRIBUTE BOND PROCEEDS**

PLEASE TAKE NOTICE that the Texas Department of Agriculture ("TDA"), by and through the Office of the Texas Attorney General, respectfully advises this honorable court, parties-in-interest, the Debtor and creditors that this Notice of Intent to Distribute Bond Proceeds ("Notice") indicates the following:

OVERVIEW

In order for the Debtor to become licensed to operate as a public grain warehouse in the State of Texas, the Debtor was required to post a bond¹, payable to the TDA, which the TDA could call in situations where the Debtor's storage obligations could not be satisfied with the Debtor's grain inventory, such as the instant case. The TDA has called the Debtor's bond, in the amount of three hundred eighteen thousand dollars, and is ready to distribute these proceeds to bond claimants ("Claimants"), who have already provided claim forms relating to these proceeds to the TDA, pursuant to TDA procedures.²

DISCUSSION

¹ See Texas Agric. Code §14.031(a).

² See 4 Texas Agric. Code § 13.18 (providing procedures for bond claims).

1. Pursuant to the Texas Agriculture Code, Title 2, Ch. 14, Regulation of Public Grain Warehouse Operators, the Texas Department of Agriculture is charged to:

- (1) investigate the storing, shipping, and handling of grain and complaints relating to these activities through the inspection of:
 - (A) any public grain warehouse;
 - (B) the grain stored in any warehouse; or
 - (C) all property and records pertaining to a warehouse;Texas Agric. Code §14.015(1).

2. The TDA inspected the Debtor's facilities between November 3 and December 12, 2009. As part of this inspection, grain was measured and an audit of scale tickets and producer accounts was conducted pursuant to Texas Agric. Code §14.082.³ This information was compiled as the TDA's Audit Report ("the Audit Report"), which was provided to the Chapter 7 Trustee and interested parties who requested it, including through the TDA's Public Information Office as well as published on the TDA's website.⁴ As set out in the TDA's Deposit Estimated Summary, Exhibit I of Docket #92, attached hereto as Exhibit A, the approximate amount of grain shortages discovered was 718,472 bushels of grain of various types (which amount represented a loss of almost 60% of the total grain which should have been held at the Dorchester facilities).⁵

³ Specifically, as set out in Texas Agric. Code 14.082(c), if the TDA takes possession of grain due to a shortage the TDA is authorized by statute to perform an audit of the remaining grain:

The department may then audit and investigate the affairs of the public grain warehouse, especially with respect to the grain of which there is an apparent shortage. The purpose of the audit and investigation is to determine the amount of the shortage and, if practicable, to compute the shortage as to each depositor, as shown by the warehouse operator's records. The department shall notify the warehouse operator and the surety on the warehouse operator's bond of the approximate amount of the shortage. The department shall notify each depositor affected by the shortage by sending notice to the depositor's last known address, as shown by the warehouse operator's records.

TAC 14.082(c).

⁴ A web link to the summary of the TDA's Audit Report is also available online:
http://www.agr.state.tx.us/agr/program_render/0,1987,1848_5607_0_0,00.html?channelId=5607
(Last visited on 4/22/11).

⁵ As of the date of the TDA inspection and Audit Report, the following amounts of grain should have been present at the Debtor's facilities:

Corn	804,902.15 bushels (bu)
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3. The Debtor filed a voluntary Chapter 7 petition in this court on February 15, 2010 commencing the present case.

4. As a requirement to operate its business the Debtor was required to post a bond of Three Hundred Eighteen Thousand Thirteen Dollars and Ninety-Four cents (\$318,013.94) (“the Bond”), made payable to the State of Texas pursuant to the Texas Agriculture Code. *See* Texas Agric. Code §14.031(a)(“In accordance with this section, each applicant for a license shall file or have on file a bond with the department.”) *and* Texas Agric. Code §14.031(b)⁶. A copy of the Bond is attached to this Notice as Exhibit B.

5. The Bond was conditioned on the Debtor’s “faithful performance” of “each obligation of a warehouse operator as to receipted grain and open storage grain under this chapter and rules adopted under this chapter...” *See* Texas Agric. Code §14.031(c).

6. Once the Debtor’s massive grain shortage was discovered, the Debtor was in violation of the Texas Agriculture Code. Following the Debtor’s filing of the instant bankruptcy case, the TDA called the Bond on March 11, 2010. A copy of the letter sent by the TDA is attached to this Notice as Exhibit C.

7. The Bond and its proceeds are not property of the bankruptcy estate pursuant to 11 U.S.C. § 541 and are not part of the proceeds of the sale of grain stored at the Debtor’s facilities, but represent a separate fund from which Claimants can seek to recover.

Soft wheat	477,633.08 bu
Soybeans	9,150.66 bu
Milo	132,486.94 hundredweight (cwt)
Hard Wheat	472.43 bu

⁶ Texas Agric. Code 14.031(b):

The bond must: (1) be payable to the State of Texas; (2) be executed by the applicant as principal; (3) be issued by a corporate surety licensed to do business as surety in the State of Texas; and (4) be in a form and contain terms and conditions prescribed by the department.

8. The TDA utilized the allocations set out in its Audit Report (as supplemented) as a starting point for notifying potential Claimants that they are eligible to receive a *pro rata* share of the Bond proceeds. TDA's original allocations were based on the estimate of grain in storage determined during its inspection. At a later date, the actual amount of grain in storage was determined through weighing during the Trustee's sale and load-out of all grain in storage. Allocations are now based on the weight of grain determined during load-out.

9. Unlike the procedures determined by the Court concerning the proceeds of the sale of grain by the Chapter 7 Trustee pursuant to 11 U.S.C. § 557, the TDA is distributing the Bond proceeds in accordance with the notice and claim procedures utilized by the TDA, which included the TDA mailing out letters to potential Claimants requesting that each potential Claimant supply the TDA with a tax identification number (TIN) or an application for a TIN, either of which is a prerequisite to distributing the Bond proceeds. An example of the TIN request letter is attached to this Notice as Exhibit D. The TDA has received the claim forms back from the Claimants and is ready to distribute the Bond Proceeds to Claimants.

10. A number of the identified depositors did not file claims with TDA for the Bond proceeds, or could not be located in order to provide notice of the intended distribution of the Bond. The *pro rata* shares of such depositors will be retained by TDA and reported to the Texas Comptroller of Public Accounts as unclaimed funds. If a Claimant does not provide a TIN as requested by the TDA as part of the Bond distribution process, the TDA will retain and report those *pro rata* shares in the same manner.

11. Attached to this Notice as Exhibit E is a list of those persons eligible for receiving a bond distribution, not those who will actually receive one (*e.g.*, a person who did not file a claim will not get a request for a TIN and, therefore, no distribution will be available to them and their *pro*

rata share will be retained by TDA and reported as unclaimed funds to the Comptroller).

12. The TDA shall distribute the Bond proceeds to Claimants no less than twenty-one (21) days of the date of this Notice.

Respectfully submitted,

GREG ABBOTT
Attorney General of Texas

DANIEL T. HODGE
First Assistant Attorney General

BILL COBB
Deputy Attorney General for Civil Litigation

RONALD R. DEL VENTO
Assistant Attorney General
Chief, Bankruptcy & Collections Division

/s/ Matthew P. Crouch
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Attorneys for THE TEXAS DEPARTMENT OF
AGRICULTURE

Certificate of Service

I certify that on June 2, 2011, a true and correct copy of the foregoing has been served via the Court's Electronic Filing System on all parties requesting notice in this proceeding and by U.S. Mail, first class postage prepaid to the parties listed on the attached mailing matrix.

/s/ Matthew P. Crouch
Matthew P. Crouch
Assistant Attorney General

A & C FARMS (CHRISTIE)
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SHERMAN, TX 75092

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ANDY HOLT
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B & B WETZEL FARMS
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SHERMAN, TX 75090

BEAZLEY PARTNERSHIP
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ECTOR, TX 75439

BEN SCHOLZ
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WYLIE, TX 75098

BEN WIBLE
1171 STATE HWY 289
SHERMAN, TX 75092

BILL WAIDELICH
3563 CR 2150
CADDO MILLS, TX 75135

BILLY AYCOCK
P.O. BOX 172
HONEY GROVE, TX 75446

BILLY BOB & KAREN
AYCOCK
P.O. BOX 172
HONEY GROVE, TX 75446

BILLY BOB AYCOCK
P.O. BOX 172
HONEY GROVE, TX 75446

BOB MITCHELL
PO BOX 897
TERRELL, TX 75160

BOB THORNTON
1479 CR 222
ANNA, TX 75409

BOBBY SOLLIS
1501 HALL CEMETERY RD
HOWE, TX 75459

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BRYAN MCCRAW
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TELEPHONE , TX 75488

CASEY HICKS
485 CR 4309
WHITEWRIGHT, TX 75491

CASEY WEGER
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HENDRIX, OK 74741

CHANDLER & STEPHANIE
STRAWN
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HOWE, TX 75459

CHANNEY BROTHERS
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BONHAM, TX 75418

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CELINA, TX 75009

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ROYSE CITY, TX 75089

CLINT HENDRICKS
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ANNA, TX 75409

D J FARMS (JAY NORMAN)
245 CR 3820
WOLFE CITY, TX 75496

DAVID WAYNE BURNS
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BAILEY, TX 75413

DEAN LINDOP
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FORNEY, TX 75126

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4100 N MULLBERRY
KANSAS CITY, MO 64116

DODSON
207 S ELM ST
ROYSE CITY, TX 75189

DONALD CALVERT
6196 COUNTY ROAD 29
MCLEAN, TX 79057-5812

DOUG REDDEN
7953 CR 464
PRINCETON, TX 75407

EL GRESSETT & SON
230 ROCKY FORD RD
COLLINSVILLE, TX 76233

FALLON FARMS
PO BOX 100
TOM BEAN, TX 75489

GAGE COMPANY
PO BOX 516
NEVADA, TX 75173

GENE DECKARD
517 BLAKLEY RD
SADLER, TX 76264

GEORGE & SALLY LIGHT
135 RANGE CREEK RD.
COLLINSVILLE, TX 76233

GEORGE (CHICO) LIGHT
135 RANGE CREEK RD.
COLLINSVILLE, TX 76234

GIDNEY FARMS
6110 FM 543
MCKINNEY, TX 75070

IDA L&C
199 HOGSKIN RD
SHERMAN, TX 75090

J.D. HORTON
9409 CR 502
BLUE RIDGE, TX 75424

J.D. JACOBS
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ROCKWALL, TX 75032

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JERRY WOOD
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CADDO MILLS, TX 75005

JERRY WRIGHT
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ROYSE CITY, TX 75189

L&L CATTLE COMPANY
3217 REFUGE RD.
SHERMAN, TX 75092

LANSING GRAIN
PO BOX 27267
OVERLAND PARK, KS 66225

LARRY BILNER
BOX 717
WHITEWRIGHT, TX 75491

LINDA STRAWN
1732 WYATT RD.
HOWE, TX 75459

LOONEY FARMS
3217 REFUSE RD
SHERMAN, TX 75092

LYNDON TAYLOR
7014 MASON DILLS RD
DALLAS, TX 75230

MARK BROWN
2553 ENTERPRISE RD
SHERMAN, TX 75092

MARK WETZEL
P.O. BOX 718
TOM BEAN, TX 75489

MYERS VITTITOE
807 FM 1566E
GREENVILLE TX 75401

NORMAN FARMS
4871 MACKEY RD
HOWE, TX 75459

NORMAN GRAIN
4871 MACKEY RD
HOWE, TX 75459

NORMAN VENTURES
4563 MACKEY RD.
HOWE, TX 75459

PAUL LAWRENCE
14107 CR 830
ANNA, TX 75409

PETE WOODRUFF
10485 S HWY 121
TRENTON, TX 75490

PICKETT FARMS
2621 FM 547
FARMERSVILLE, TX 75442

R E "BUTCH AYCOCK, JR.
2752 CR 338
MCKINNEY, TX 75401

RANDY WATSON
3126 BETHANY RD
SHERMAN, TX 75090

REGGIE HOUSER
PO BOX 442
ROYSE CITY, TX 75189

REID BENTLEY
P.O. BOX 70
CADDO MILLS, TX 75135

RICHARD SELLS
1009 SOUTH FM 898
ECTOR, TX 75439

RICHARD SMITHWICK
2247 HALL CEMETERY RD.
HOWE, TX 75459

ROBERT CATCHING
686 MCBEE RD
HOWE, TX 75459

ROLAND TAYLOR
PO BOX 87
LAVON, TX 75166

RONALD CARVER
1257 CR 1035
GREENVILLE, TX 75401

RONNIE LUMPKINS
2785 FM 896
LEONARD, TX 75452

ROY LEE THOMAS
P.O. BOX 182
SAVOY, TX 75479

SCOTT HARTWELL
2600 FM 2815
BONHAM, TX 75418

SCOTT RENFRO
P.O. BOX 34
HOWE, TX 75459

STEPHEN RAVSTEN
1617 VERSAILLES DR.
RICHARDSON, TX 75081

STEVE THOMPSON
11225 S HWY 121
TRENTON, TX 75490

TAYLOR STRAWN
2232 FM 697
SHERMAN, TX 75090

TERRY BOMAR
1200 BIG MINERAL RD
SADLER, TX 76264

WATSON BROTHERS
P.O. BOX 1169
LEONARD, TX 75452

WEGER FARMS
1396 LIBERTY ROAD
HENDRIX, OK 74741

WETZEL FARMS
977 CAMPGROUND RD
SHERMAN, TX 75090

WILBANKS FARMS
P.O. BOX 308
TRENTON, TX 75490

WILD BROTHERS
P.O. BOX 177
DODD CITY, TX 75438

WRIGHT FARMS
PO BOX 75
MERIT, TX 75458



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) is providing an update on the investigation of Dorchester Grain Company. This update providing the current status as of June 8, 2011, as well as previous updates, can be found on TDA's website at www.TexasAgriculture.gov.

- On June 2, 2011, the Attorney General's office filed a notice with the bankruptcy court outlining TDA's intent and procedures for distribution of bond proceeds. As provided in the notice, TDA intends to distribute the bond proceeds beginning June 24, 2011.
- On May 5, 2011, TDA mailed Texas Identification Number (TIN) forms to depositors with an address on file. A completed TIN form is required for issuance of bond proceeds to a depositor. Depositors who did not receive a TIN form should contact Rick Garza, Coordinator for Grain Warehouse Program, at (512) 936-2430 or via email address Rick.Garza@TexasAgriculture.gov.
- In order for an eligible depositor to receive their respective prorated share of the bond from TDA, the depositor must have a TIN form on file with TDA by June 24, 2011. After that date, the prorated shares of the bond for those depositors who did not submit a TIN form will be reported to the Texas Comptroller of Public Accounts as unclaimed funds.



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) is providing an update on the investigation of Dorchester Grain Company. This update providing the current status as of May 25, 2011, as well as previous updates, can be found on TDA's website at www.TexasAgriculture.gov.

- On May 5, 2011, TDA mailed Texas Identification Number (TIN) forms to depositors with an address on file. A completed TIN form is required for issuance of bond proceeds to a depositor. Depositors who did not receive a TIN form should contact Rick Garza, Coordinator for Grain Warehouse Program, at (512) 936-2430 or via email address Rick.Garza@TexasAgriculture.gov.
- The bankruptcy trial for Dorchester Grain Company is scheduled for July 5-7 with follow-up dates scheduled for July 18-22, if needed.
- The Attorney General's office will soon file a notice of TDA's intent and procedures for distribution of bond proceeds. Once the notice has been filed, an update will be provided by TDA.



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) is providing an update on the investigation of Dorchester Grain Company. This update providing the current status as of January 26, 2011, as well as previous updates, can be found on TDA's website at www.TexasAgriculture.gov.

- With respect to bankruptcy proceedings, the discovery phase has ended and a hearing involving some preliminary motions by the parties will be held on February 14, 2011. The trial to determine producer interests and other matters is currently scheduled for July 5, 2011 - July 8, 2011. The Texas Attorney General's Office will represent the interests of producers as they were defined in TDA's report.
- TDA has taken an active role in the bankruptcy proceedings and continues to work closely with the Attorney General's Office to ensure a fair outcome for producers. However, the bankruptcy litigation itself and the legal process surrounding it by law limits TDA's ability to comment on this portion of the matter.
- In recent months, TDA has been cooperating with the Grayson County District Attorney (DA) who has been investigating the situation for possible criminal charges. Information related to the criminal investigation and any resulting criminal charges must be obtained from the Grayson County DA. The Grayson County DA will hold a meeting with producers on January 27, 2011 at 2:00 pm at the Grayson County Courthouse, to provide information related to their investigation. Producers are encouraged to contact the DA's office for more information about the meeting.
- TDA understands that the USDA – Risk Management Agency (RMA) has authorized distribution of crop insurance proceeds, related to certain grain involved in this matter. TDA, however, has been unable to obtain information from RMA about the amount or timing of those distributions. Questions concerning crop insurance proceeds should be directed to RMA.
- TDA has recently obtained information from the trustee regarding the amount of grain sold in the auction and is now in the process of determining the amounts of bond payments due to depositors. TDA intends to provide prior notice to the bankruptcy court before distributing bond proceeds. TDA will also continue to provide periodic updates regarding progress on the distribution of bond proceeds, including information about any delays in distribution that may arise as the result of the bankruptcy proceeding, other litigation, or the lack of RMA information.

Further updates on the status of the investigation will be provided periodically. Producers are encouraged to visit TDA's website at www.TexasAgriculture.gov for the latest information.

For additional information or to comment, contact TDA at (800) TELL TDA or Pub.Info@TexasAgriculture.gov.

January 26, 2011



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) last provided an update on the investigation of Dorchester Grain Company on May 28, 2010. That report and the following update providing the current status as of June 15, 2010, can be found on TDA's website at www.TexasAgriculture.gov.

- On May 10, the bankruptcy trustee conducted an auction to sell the remaining grain in the facilities at Dorchester Grain Company. TDA inspectors are continuing to oversee the load out of the grain and are monitoring the amount of grain moved out of the facilities in order to determine the actual grain inventory. Approximately 65% of the grain remains in the facilities.
- The expected completion of the load out is August 1. The trustee will hold the proceeds of the grain in escrow and distribute them in accordance with procedures approved by the bankruptcy court.
- Another operator of a state-licensed grain warehouse has leased the former Dorchester Grain Company facilities in Sherman, Greenville and Whitewright. These facilities are now licensed with TDA and eligible to store grain.
- TDA participated in a conference call with USDA's –Risk Management Agency (RMA) on June 10 to discuss the sale of the corn as it relates to the settlement of crop insurance claims filed by producers. TDA is assisting RMA officials by providing information that will be useful for RMA to determine a price for the corn used in settling claims.

Further updates on the status of the investigation will be provided periodically. Producers are encouraged to visit TDA's website at www.TexasAgriculture.gov for the latest information.

For additional information or to comment, contact TDA at (800) TELL TDA or Pub.Info@TexasAgriculture.gov.

Detail of Commodity Interests
TDA Audit of Dorchester Grain

Dorchester Grain Company - Depositor Commodity Summary

	Corn (lbs)	Soft Wheat (lbs)	Soybeans (lbs)	Sorghum (lbs)	Hard Wheat (lbs)
Amount of Warehouse Receipted Grain	5,333,832.00	6,188,496.00	0.00	3,000,000.00	0.00
Amount of Grain Supposed to be in Open Storage	40,623,192.40	22,469,488.80	549,039.60	10,248,693.00	28,345.80
Total Amount of Grain Supposed to be in Storage*	45,957,024.40	28,657,984.80	549,039.60	13,248,693.00	28,345.80
Company Owned Grain	0.00	0.00	0.00	0.00	0.00
Total Grain Loaded Out	32,190,534.00	6,814,849.80	69,307.80	5,210,538.00	0.00
Amount of Grain Missing	13,766,490.40	21,843,135.00	479,731.80	8,038,155.00	28,345.80
	245,830.19 bu	364,052.25 bu	7,995.53 bu	80,381.55 cwt	472.43 bu
Percentage Short	29.96%	76.22%	87.38%	60.67%	100.00%
Percentage of Total Grain Stored by Type	51.96%	32.40%	0.62%	14.98%	0.03%

Total Number of Depositors affected: 95

* As determined through the investigation conducted by the Texas Department of Agriculture.

Commodity Pro rata Share for Dorchester Grain Company

Total Bond Amount: \$318,013.94

	amt of commodity missing (bu)	market price as of 11/4/09	value of missing grain	percentage for value of missing grain	Pro rata share by commodity**
CORN	245,830.19	\$3.96	\$974,163.57	30.76%	\$97,815.72
SOFT WHEAT	364,052.25	\$4.46	\$1,624,765.19	51.30%	\$163,142.61
SOYBEANS	7,995.53	\$8.70	\$69,561.11	2.20%	\$6,984.63
SORGHUM (cwt)	80,381.55	\$6.18	\$496,557.03	15.68%	\$49,859.27
HARD WHEAT	472.43	\$4.46	\$2,108.46	0.07%	\$211.71
TOTALS			\$3,167,155.35	100.00%	\$318,013.94

** Pro rata share by commodity was determined by multiplying the percentage for value of missing grain by the bond amount.

Dorchester Grain Company

SOFT RED WHEAT
Bu.

Total amount (bu.) of soft wheat that is supposed* to be in storage within the combined Texas facilities 477,633.08
 Total amount of soft wheat loaded out (remaining grain) 113,580.83
 Pro rata Share (\$) of Bond for Soft Wheat **\$163,142.61**

Name	Amount (bu.) of soft wheat that each depositor is suppose* to have within the combined Texas facilities	Depositor's share (%) of the total amount of soft wheat that is suppose* to be stored within the combined Texas facilities	Pro rata Share Payout of Bond Proceeds
A. R. Weathery	15,215.38	3.19%	\$5,197.04
Akins Farms	66,862.07	14.00%	\$22,837.72
Albert Fuller	442.85	0.09%	\$151.26
Andy Holt	1,856.86	0.39%	\$634.24
B & B Wetzel Farms	913.04	0.19%	\$311.86
Beazley Partnership	2,650.05	0.55%	\$905.16
Ben Scholz	26,387.57	5.52%	\$9,013.06
Billy Aycock	103,141.60	21.59%	\$35,229.53
Bill Waideleich	1,090.35	0.23%	\$372.43
Bob Thornton	103.32	0.02%	\$35.29
Bobby Sollis	9,399.94	1.97%	\$3,210.69
Brady Williams	5,504.65	1.15%	\$1,880.19
Bryan McCraw	902.37	0.19%	\$308.22
Charles Huddleston	8,355.77	1.75%	\$2,854.04
Chris Miller	440.07	0.09%	\$150.31
A & C Farms (Christie)	621.24	0.13%	\$212.19
Clint Hendricks	8,803.01	1.84%	\$3,006.80
D. J. Farms (Jay Norman)	1,345.74	0.28%	\$459.66
Donald Calvert	515.17	0.11%	\$175.96
Doug Redden	328.25	0.07%	\$112.12
El Gressett & Son	1,256.99	0.26%	\$429.34
Richard Sells (Ellison, Redman, Weddle,)	957.14	0.20%	\$326.93
Fallon Farms	622.29	0.13%	\$212.55
Gary Thomas	146.67	0.03%	\$50.10
Gene Deckard	12,816.33	2.68%	\$4,377.61
George & Sally Light	34,620.04	7.25%	\$11,824.98
George Light	17,395.76	3.64%	\$5,941.78
J.D. Horton	101.80	0.02%	\$34.77
James T. Conner	571.59	0.12%	\$195.23
Jerry Wood	2,168.93	0.45%	\$740.83
John McMillian/John McCullough	940.57	0.20%	\$321.27
Junior Strawn	9,793.81	2.05%	\$3,345.22
L&L Cattle Company	1,272.76	0.27%	\$434.73
Linda Strawn	506.22	0.11%	\$172.91
Larry Bilner	43.06	0.01%	\$14.71
Looney Farms	1,598.41	0.33%	\$545.96
Mark Brown	6,463.95	1.35%	\$2,207.86
Myers Vittitoe	757.33	0.16%	\$258.68
Norman Farms	61,210.99	12.82%	\$20,907.51
Norman Grain	18,833.04	3.94%	\$6,432.70
Paul Lawrence	13,068.65	2.74%	\$4,463.79
Randy Watson	14,636.25	3.06%	\$4,999.23
Ronald Carver	3,923.67	0.82%	\$1,340.19
Roland Taylor	2,665.67	0.56%	\$910.50
Roy Lee Thomas	3,200.52	0.67%	\$1,093.18
Scott Hartwell	1,622.34	0.34%	\$554.13
Taylor Strawn	7,945.05	1.66%	\$2,713.75
Terry Bomar	382.98	0.08%	\$130.81
Wright Farms	3,230.97	0.68%	\$1,103.59
	477,633.08	100.00%	\$163,142.61

* As determined through the investigation conducted by the Texas Department of Agriculture.

Dorchester Grain Company

SOYBEANS

Bu.

Total amount (bu.) of soybean that is supposed* to be in storage within the combined Texas facilities
 Total amount (bu.) of soybean loaded out (remaining grain)
 Pro rata Share (\$) of Bond for soybean

9,150.66
 1,155.13
\$6,984.63

Name	Amount (bu.) of soybean that each depositor is suppose* to have within the combined Texas facilities	Depositor's share (%) of the total amount of soybean that is suppose* to be stored within the combined Texas facilities	Pro rata Share Payout of Bond Proceeds
Chris Miller	1,266.43	13.84%	\$966.66
Keith Clinard	3,145.67	34.38%	\$2,401.07
Reid Bentley	712.66	7.79%	\$543.97
Reggie Houser	764.06	8.35%	\$583.20
Weger Farms	292.62	3.20%	\$223.35
Casey Weger	2,969.22	32.45%	\$2,266.38
TOTAL	9,150.66	100.00%	\$6,984.63

* As determined through the investigation conducted by the Texas Department of Agriculture.

Dorchester Grain Company

SORGHUM

Cwt

Total amount (bu.) of sorghum that is supposed* to be in storage within the combined Texas facilities	132,486.93
Total amount (bu.) of sorghum loaded out (remaining grain)	52,105.38
Pro rata Share (\$) of Bond for Sorghum	\$49,859.27

Name	Amount (cwt.) of sorghum that each depositor is suppose* to have within the combined Texas facilities	Depositor's share (%) of the total amount of sorghum that is suppose* to be stored within the combined Texas facilities	Pro rata Share Payout of Bond Proceeds
A.R. Weatherly	827.60	0.62%	\$311.45
Aaron & Sandy Looney	732.25	0.55%	\$275.57
Andy Holt	345.80	0.26%	\$130.14
Ben Wible	10,638.71	8.03%	\$4,003.70
Billy Bob Aycok	85.75	0.06%	\$32.27
Chandler & Stephanie Strawn	16,284.45	12.29%	\$6,128.38
Chaney Brothers	238.45	0.18%	\$89.74
Charlie Morrison	158.20	0.12%	\$59.54
DeBruce Grain	51,475.68	38.85%	\$19,372.02
Dodson	337.40	0.25%	\$126.97
J.D. Jacobs	974.90	0.74%	\$366.89
Jerry Wright	594.80	0.45%	\$223.84
Junior Strawn	6,257.66	4.72%	\$2,354.97
Taylor Strawn	6,948.45	5.24%	\$2,614.93
Logan Farms	86.80	0.07%	\$32.67
Mark Brown	15,340.78	11.58%	\$5,773.25
Pete Woodruff	1,125.80	0.85%	\$423.68
Pickett Farms	19,107.59	14.42%	\$7,190.83
Roy Lee Thomas	925.87	0.70%	\$348.44
TOTAL	132,486.94	100.00%	\$49,859.27

* As determined through the investigation conducted by the Texas Department of Agriculture.

Dorchester Grain Company

HARD RED WINTER WHEAT

Bu.

Total amount (bu.) of hard wheat that is supposed* to be in storage within the combined Texas facilities	472.43
Total amount of hard wheat loaded out (remaining grain Amount (bu.) missing)	0.00 472.43
Pro rata Share (\$) of Bond for hard wheat	\$211.71

Name	Amount (cwt.) of HRW that each depositor is suppose* to have within the combined Texas facilities	Depositor's share (%) of the total amount of HRW that is suppose* to be stored within the combined Tx facilities	Pro rata Share Payout of Bond Proceeds
Mark Brown	472.43	100.00%	\$211.71
TOTAL	472.430	100.00%	\$211.71

* As determined through the investigation conducted by the Texas Department of Agriculture.



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) last provided an update on the investigation of Dorchester Grain Company, on April 16, 2010. That report and the following update providing the current status as of May 28, 2010, can be found on TDA's website at www.TexasAgriculture.gov.

- TDA recently published on its website a copy of the commodity detail of each depositor's interests in grain stored at Dorchester Grain Company.
- On May 10, the bankruptcy trustee conducted an auction to sell the remaining grain in the facilities at Dorchester Grain Company. TDA inspectors are now overseeing the load out of the grain and monitoring the amount of grain moved out of the facilities in order to determine the actual grain inventory.
- It is TDA's understanding that the bankruptcy trustee is not requiring depositors who agree with TDA's determination of grain interests and prorated amounts in the commodity detail audit to file any additional claim on grain with the bankruptcy court. Only those depositors who do not agree with TDA's findings concerning their grain claim are being asked by the trustee to file a claim with the trustee in accordance with procedures filed with the bankruptcy court.
- TDA has received the proceeds of the security bond issued for Dorchester Grain Company. Within two weeks of the date upon which the bankruptcy trustee has completed allocating the proceeds of the grain sale, TDA will distribute the bond proceeds on a prorated basis. The bankruptcy trustee has not provided a timeline for the completion of the allocation process.

Further updates on the status of the investigation will be provided periodically. Producers are encouraged to visit TDA's website at www.TexasAgriculture.gov for the latest information.

For additional information or to comment, contact TDA at (800) TELL TDA or Pub.Info@TexasAgriculture.gov.



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) last provided an update on the investigation of Dorchester Grain Company, on March 25, 2010. That and the following update providing the current status as of April 16, 2010, can be found on TDA's Website at www.TexasAgriculture.gov.

- TDA has completed its investigation and provided the final investigation report and narrative to the court-appointed trustee for Dorchester Grain Company. A copy of the final investigation report and narrative is available through the Texas Department of Agriculture's public information request process.
- TDA continues to work closely with the bankruptcy trustee for Dorchester Grain Company, Office of the State Chemist and the Attorney General's Office (OAG) regarding disposition of the depositor's grain assets.
- Recently the trustee filed a motion with the bankruptcy court regarding approval of procedures to determine interest in the grain stored in the warehouse. All depositors should have received a copy of this motion. The procedures in the motion do not reference or utilize the TDA investigation report. The court has afforded interested parties an opportunity to file comments/objections, and TDA is working with OAG to file a formal objection with the court.
- On April 7, 2010, TDA sent grain depositors a letter indicating the quantity of grain determined to be outstanding for their respective grain accounts. The findings were determined through a review of claim forms (if submitted to TDA by a depositor) as well as records obtained during the investigation. Depositors have 20 days from the date of receipt of the letter to appeal the findings and notify TDA of any concerns or discrepancies. *Given the bankruptcy court's authority in distribution of assets, any process for satisfying claims or determining pro rata shares in grain in store or the proceeds from the sale of such grain must be determined in accordance with applicable bankruptcy laws.*

Further updates on the status of the investigation will be provided periodically. Producers are encouraged to visit TDA's Website at www.TexasAgriculture.gov for the latest information.

For additional information or to comment, contact TDA at (800) TELL TDA or Pub.Info@TexasAgriculture.gov.



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) last provided an update on the investigation of Dorchester Grain Company, on Feb. 16, 2010. The previous and following updates providing the current status as of March 25, 2010, can be found on TDA's Web site at www.TexasAgriculture.gov.

- Dorchester Grain Company recently filed for bankruptcy protection. Texas Office of the Attorney General is representing the State's interest in the bankruptcy proceedings. TDA is working closely with the bankruptcy trustee regarding disposition of depositor grain assets (i.e., grain assets of producers and other who deposited grain into Dorchester facilities for storage purposes).
- TDA has completed its investigation of grain assets and will provide a copy and summary of the final investigation report to the bankruptcy court when appropriate. A copy of the investigation report will be available April 1, 2010 through the public information request process.
- TDA has been contacting producers/depositors over the past few weeks concerning their respective accounts and claims submitted to TDA. Given the bankruptcy court's role and authority, any process for satisfying claims must be determined in cooperation with the trustee and bankruptcy court.
- TDA recently submitted a letter to USDA's Risk Management Agency concerning a waiver of certain crop insurance requirements for those producers who had stored corn with 300 ppb or more of aflatoxin. As with other assets, disposition of aflatoxin-contaminated grain must be determined in cooperation with the trustee and bankruptcy court.

Updates on the status of the investigation will be provided periodically. Producers are encouraged to visit TDA's Web site at www.TexasAgriculture.gov for the latest information.

For additional information or to comment, contact TDA at (800) TELL TDA or Pub.Info@TexasAgriculture.gov.

March 25, 2010



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) is continuing to finalize the investigation of Dorchester Grain Company. An update was previously provided on [February 3, 2010](#) and can be found on TDA's website at www.TexasAgriculture.gov. The following provides a status update.

- TDA staff continue to review documents obtained during the investigation as well as grain claim forms submitted by producers and other grain depositors. Depositors who have not submitted a grain claim form were sent a letter requesting submission of their claim information and supporting documentation.
- Upon completion of verifying grain claims over the coming weeks, TDA will contact each producer about their respective claim.
- Dorchester Grain Company recently filed for bankruptcy protection. The Texas Office of the Attorney General (OAG) will represent TDA during bankruptcy proceedings. TDA is working closely with the OAG to provide the results of department's investigation report to the bankruptcy court.

An update on the status of the investigation will be provided periodically and producers are encouraged to visit TDA's website at www.TexasAgriculture.gov for the latest information.

For additional information, contact TDA at (800) TELL TDA.



Update – Dorchester Grain Company Investigation

The Texas Department of Agriculture (TDA) is in the final stages of its investigation of Dorchester Grain Company. TDA held an informational meeting with affected producers on December 17, 2009 at the Grayson County Courthouse in Sherman. Producers were requested to submit a grain claim form to TDA, to assist in the completion of the investigation. The following provides a status update.

- TDA staff is in the process of reviewing documents obtained during the investigation as well as grain claim forms submitted by producers and other grain depositors.
- Upon completion of verifying grain claims in the coming weeks, TDA will contact each producer about their respective claim.
- Producers and other grain depositors will have 20 days to appeal TDA's decision regarding their claim.
- Once claims are resolved, grain assets and bond proceeds will be distributed on a prorated basis.
- TDA has learned that a sale of the grain facilities licensed by Dorchester Grain Company is possible prior to claim resolution. We have been informed that the potential sale will address the concerns of all interested parties, including all grain depositors. TDA is monitoring this situation closely and we are in contact with all parties to the negotiations. TDA will require any new owner and operator of the facilities to obtain a license and meet all bonding and insurance requirements.
- While sale negotiations are in process, TDA is working closely with the Office of the Attorney General to assert our rights and duties under Texas grain warehouse law. TDA has requested the Attorney General to intervene in any pending litigation that threatens a fair distribution of grain assets to ensure the interests of all depositors are protected.

To ensure TDA has the most complete and up-to-date information available, we request that any producers who have not filed a grain claim form to immediately do so in order for the claim to be considered during the investigation.

An update on the status of the investigation will be provided periodically and producers are encouraged to visit TDA's website at www.TexasAgriculture.gov for the latest information.

For additional information, contact TDA at (800) TELL TDA.

February 3, 2010