

SUPREME COURT OF NORTH DAKOTA

Public Service Commission v. Wimbledon Grain Co.

663 N.W.2d 186, 2003 ND 104 (N.D. 2003) · No. No. 20020274 · Decided June 17, 2003

SUMMARY

The Supreme Court of North Dakota held that farmers with unpaid credit-sale contracts were "claimants" entitled to participate in the non-bond assets of a trust fund established after a grain buyer's insolvency. The court also held that the Public Service Commission was obligated to marshal those non-bond trust fund assets for the farmers' benefit, while expressing no opinion on priority among claims. The court affirmed the trial court's Rule 54(b) certification, reversed the judgment, and remanded.

CASE DETAILS

COURT	Supreme Court of North Dakota
WRITING FOR THE COURT	Kapsner, Justice; Dale V. Sandstrom, Acting Chief Justice; William F. Hodny, Surrogate Judge; Mary Muehlen Maring, Justice; William A. Neumann, Justice
JURISDICTION	North Dakota
DECIDED	June 17, 2003
DOCKET	No. 20020274
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Intervening farmers appealed from a declaratory judgment determining that holders of credit-sale contracts payable more than thirty days after delivery were not claimants entitled to participate in a grain-insolvency trust fund and that the Public Service Commission had no duty to marshal trust assets for them. The appeal followed the trial court's certification of the judgment under N.D.R.Civ.P. 54(b).
STANDARD OF REVIEW	A Rule 54(b) certification is reviewed for abuse of discretion. Statutory interpretation and application are questions of law reviewed de novo.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Mike Clemens, individually and on behalf of other creditors, Specified members of the Wimbledon Grain Farmers Group v. Public Service

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QUESTIONS PRESENTED

1. Whether the trial court abused its discretion by certifying the declaratory judgment as final under N.D.R.Civ.P. 54(b).
2. Whether farmers holding unpaid credit-sale contracts payable more than thirty days after delivery are claimants entitled to participate in the non-bond assets of the trust fund established under N.D.C.C. § 60-02.1-30.
3. Whether the Public Service Commission must marshal non-bond trust-fund assets for the benefit of those credit-sale-contract claimants under N.D.C.C. § 60-02.1-34.

HOLDINGS

1. The trial court did not abuse its discretion in certifying the declaratory judgment as final under N.D.R.Civ.P. 54(b).
2. Farmers with unpaid credit-sale contracts payable more than thirty days after delivery or release of grain are claimants entitled to participate in the non-bond assets of the trust fund under N.D.C.C. § 60-02.1-30.
3. Because the farmers are valid claimants entitled to participate in non-bond trust-fund assets, the Public Service Commission must marshal those assets for their benefit under N.D.C.C. § 60-02.1-34.

KEY QUOTATIONS

“Under the plain meaning of the term, a claimant is a person who asserts a right to payment for grain sold to a licensee, and, in this case, includes WGFG members.” (¶ 22)

“Therefore, by use of the term “or,” the Legislature indicated that a claim may be supported by “receipts,” or, in the alternative, by “other evidence of the claims.”” (¶ 24)

“We conclude that WGFG members with unpaid credit-sale contracts with the insolvent grain buyer are “claimants” entitled to participate in the non-bond assets of the trust fund under N.D.C.C. § 60-02.1-30.” (¶ 29)

FACTUAL BACKGROUND

Wimbledon Grain Company, a licensed North Dakota grain buyer and federally licensed grain warehouse, became insolvent after releasing its grain inventories, equipment, and records and advising the Public Service Commission that it could not redeem farmers' receipts and scale tickets. Farmers filed 181 claims totaling \$4,279,796.47, while grain proceeds and receivables were deposited into accounts in related state and federal proceedings. The Wimbledon Grain Farmers Group consisted of farmers whose written credit-sale contracts required payment more than thirty days after delivery or release of grain.

PROCEDURAL HISTORY

Wimbledon Grain became insolvent, and the trial court appointed the Public Service Commission trustee of a statutory trust fund. The Commission grouped claims into categories and refused to recognize the Wimbledon Grain Farmers Group members' credit-sale-contract claims. The trial court adopted that position, ordered a transfer of trust-related funds to the federal interpleader proceeding, retained jurisdiction over other issues, and certified the declaratory judgment for immediate appeal under Rule 54(b).

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand for proceedings consistent with the determination that Wimbledon Grain Farmers Group members are claimants entitled to participate in non-bond trust-fund assets and that the Commission must marshal those assets for their benefit. The court did not determine priority among non-bond claimants or assets.

CASES CITED

- Klagues v. Maintenance Eng'g, 2002 ND 59, ¶¶ 6, 28, 643 N.W.2d 45
- Nodak Mut. Farm Bureau v. Kosmatka, 2000 ND 210, ¶¶ 7-8, 619 N.W.2d 852
- Hansen v. Scott, 2002 ND 101, ¶¶ 10-11, 645 N.W.2d 223
- Krank v. A.O. Smith Harvestore Prod., 456 N.W.2d 125, 127 n.1 (N.D. 1990)
- Nelson v. Johnson, 1999 ND 171, ¶ 7, 599 N.W.2d 246
- Shiek v. North Dakota Workers Comp. Bureau, 2002 ND 85, ¶ 12, 643 N.W.2d 721
- Meljie v. North Dakota Workers Comp. Bureau, 2002 ND 174, ¶ 15, 653 N.W.2d 62
- Doyle ex rel. Doyle v. Sprynczynatyk, 2001 ND 8, ¶ 10, 621 N.W.2d 353
- McDowell v. Gillie, 2001 ND 91, ¶ 11, 626 N.W.2d 666
- Grey Bear v. North Dakota Dep't of Human Servs., 2002 ND 139, ¶ 7, 651 N.W.2d 611
- North Dakota Pub. Serv. Comm'n v. Central States Grain, Inc., 371 N.W.2d 767, 779 (N.D. 1985)
- North Dakota Pub. Serv. Comm'n v. Valley Farmers Bean Ass'n, 365 N.W.2d 528, 536, 544 (N.D. 1985)
- State v. Hoover Grain Co., 63 N.D. 344, 352, 248 N.W. 275, 278 (1933)
- Security State Bank v. Orvik, 2001 ND 197, ¶ 9, 636 N.W.2d 664
- Weisgerber v. Workmen's Comp. Bureau, 70 N.D. 165, 171, 292 N.W. 627, 630 (1940)

- North Dakota Pub. Serv. Comm'n v. Central States Grain, Inc., 371 N.W.2d 767, 778 n.7 (N.D. 1985)
- Schaefer v. North Dakota Workers Comp. Bureau, 462 N.W.2d 179, 182 (N.D. 1990)
- Little v. Tracy, 497 N.W.2d 700, 705 (N.D. 1993)
- City of Dickinson v. Thress, 69 N.D. 748, 290 N.W. 653, 657 (1940)
- Selzler v. Selzler, 2001 ND 138, ¶ 18, 631 N.W.2d 564
- Sprynczynatyk, 2001 ND 8, ¶¶ 10-12, 621 N.W.2d 353

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