



National Grain and Feed Association Arbitration Decision

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June 30, 2022

CASE NUMBER 2933

PLAINTIFF: GREAT LAKES GRAIN & TRANSPORTATION, LLC, BAY CITY, MI

DEFENDANT: GO FARMS, LLC, STEPHEN, MN

FACTUAL AND PROCEDURAL BACKGROUND

The plaintiff, Great Lakes Grain & Transportation, LLC (GLGT), requested the entry of a default judgment in the amount of \$43,000 against the defendant, Go Farms, LLC (Go Farms). The default judgment is granted for the reasons set forth below.

GLGT submitted an arbitration complaint dated October 9, 2021, to the National Grain and Feed Association (NGFA). The complaint alleged that Go Farms failed to perform on contracts 2000093 and 2000094 for organic yellow feed corn.

The contracts were duly executed by both parties and stated under the terms as follows:

NGFA® TRADE RULES AND ARBITRATION TO APPLY: Except as otherwise provided herein, this Contract shall be subject to the Trade Rules of the National Grain and Feed Association (NGFA), which are incorporated herein. The parties agree that the sole remedy for resolution of any and all disagreements or disputes arising under or related to this Contract (including, but not limited to, any statutory or tort claims arising from the relationship between the parties) shall be through arbitration proceedings before the NGFA pursuant to the NGFA® Arbitration Rules without the necessity of court order, provided further that Seller consents to enforcement of the obligation to arbitrate disputes in any state or federal court and expressly waives the defenses of personal jurisdiction and venue with respect to any such action. The decision and award determined through such arbitration shall be final and binding upon the parties. Judgment upon the arbitration award may be entered and enforced in any court having jurisdiction thereof. Copies of the NGFA® Rules are available from the NGFA (Telephone: 202-289-0873; Website: <http://www.ngfa.org>). The parties agree that any arbitration conducted hereunder shall be governed by the Federal Arbitration Act, 9 United States Code §§ 1-16, as now existing or hereinafter amended.

Acting upon GLGT's complaint, NGFA prepared an arbitration services contract and submitted it to GLGT for execution. By USPS Priority Mail dated November 17, 2021, NGFA also sent to Go Farms a letter providing notice of these proceedings with copies of GLGT's complaint and attachments, as well as the NGFA Trade Rules and Arbitration Rules. USPS confirmed that this mailing to Go Farms was delivered on November 22, 2021.

Upon receipt of the duly executed arbitration services contract from GLGT, NGFA then sent it with accompanying correspondence to Go Farms by Federal Express on December 10, 2021. Federal Express confirmed that this mailing to Go Farms was delivered on December 13, 2021.

On January 18, 2022, NGFA sent to Go Farms another letter by Federal Express. Federal Express confirmed this mailing was delivered on January 24, 2022. NGFA's letters of December 10, 2021, and January 18, 2022, to Go Farms specifically provided notice that Rule 2(E) of the NGFA Arbitration Rules required that the signed contract be returned within fifteen (15) days.

After still not receiving any response from Go Farms or any indication that a response was forthcoming, NGFA sent yet another notice to Go Farms on February 16, 2022, by Federal Express. This notice further specifically stated as follows:

NGFA Arbitration Rules 2(D) and (E) provide for the entry of a default judgment when a party fails to execute the arbitration contract and pay the service fee within fifteen (15) days. Based upon the lack of any response from you thus far, we must anticipate that you do not intend to respond. ***This is our last attempt to elicit a response from you. A default judgment may be entered against you at any time, which the Plaintiff may enforce in a court of law.*** [Emphasis in original].

Federal Express confirmed that this mailing was delivered to Go Farms on February 22, 2022.

NGFA has yet to receive an executed arbitration services contract from Go Farms, despite the repeated attempts by NGFA to contact Go Farms.

DEFAULT JUDGMENT

NGFA established jurisdiction over this matter pursuant to the express terms of the contract and by way of GLGT's status as an NGFA active member.

GLGT 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. Rule 2(D) states that, "Each party must return the completed arbitration services contract within 15 days from the date the party receives it from the NGFA Secretary." GLGT properly executed and returned the arbitration services contract. Go Farms refused to comply with the NGFA Arbitration Rules, and refused to respond to any requests from NGFA for the executed contract.

NGFA Arbitration Rule 2(E) provides for the following:

Where a party fails to execute the arbitration services contract or pay the arbitration services fee, the NGFA Secretary may without further submissions by the parties enter a default judgment or such other relief as the NGFA Secretary deems appropriate.

As it appears that Go Farms made a conscious decision to disregard these arbitration proceedings, pursuant to Rule 2(E) of the NGFA Arbitration Rules, the NGFA Secretary finds that entry of default judgment against Go Farms 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. Great Lakes Grain & Transportation, LLC is awarded judgment against Go Farms, LLC for \$43,000.
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: March 24, 2022*

NATIONAL GRAIN AND FEED ASSOCIATION

By: Charles M. Delacruz
NGFA Secretary

* On March 24, 2022, 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.