



October 16, 2025

Antitrust Division  
U.S. Department of Justice  
<https://www.justice.gov/atr/webform/submit-whistleblower-report-online>

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*Via web form, email and U.S. Mail*

**Re: Antitrust Violations, Fraud, Criminal Coercion, Insider Trading, Material Misrepresentations, and Other Unlawful Activities by CHS, Inc. (NASDAQ: CHSCL, CHSCM, CHSCN, CHSCO, CHSCP)**

To U.S. law enforcement agencies:

1. I am a lawyer representing farmer and whistleblower Dennis Carlson<sup>1</sup> with important disclosures concerning **CHS, Inc.**,<sup>2</sup> a Fortune 100<sup>3</sup> company with annual revenue exceeding \$45 billion and net income ~\$2 billion. Headquartered in Minnesota, CHS is the largest

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<sup>1</sup> [REDACTED]

<sup>2</sup> See <https://www.chsinc.com/en>.

<sup>3</sup> See <https://www.50pros.com/fortune500> for list without paywall.

agricultural cooperative in the United States, with nearly 600,000 farmer and local co-op Member owners, and advertises itself as “Farmer-Owned.”<sup>4</sup>

2. My client has irrefutable documentary evidence<sup>5</sup> that CHS leadership unlawfully pushed through recent bylaw changes—very harmful for farmers and local co-ops—on the basis of **fraud, material misrepresentations, insider trading** on their Preferred Stock, unlawful activities to **suppress competition**, and criminal coercion, with Member owner harms on the scale of ~\$400 million annually.
  3. **Motives:** The motives for all of this are simple: further, **massive consolidation** of the agricultural sector inside CHS, enabling **higher compensation** for CHS senior executives. For example, soon after the bylaw change was approved by the membership, CHS successfully purchased West Central,<sup>6</sup> a large local cooperative, and CHS publicly attempted to merge with GrowMark,<sup>7</sup> the fourth largest agricultural cooperative in the United States. (Although the GrowMark deal ultimately fell apart, the announcement of the negotiations indicates that consolidation is a high priority for CHS, and the bylaw change makes such consolidation efforts more likely to succeed in the future).
  4. We have been in communication with the SEC and the CFTC, who urged us to file these disclosures with your agencies. A CFTC Commissioner recently called CHS “a **recidivist**,” and urged stronger penalties against the company for its repeat offenses.<sup>8</sup> Following DOJ Antitrust Division’s recent announcement of collaboration with the U.S. Department of Agriculture “to protect competition in key agricultural markets,”<sup>9</sup> this matter should be a high priority for the law enforcement.
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5. CHS Member owners **buy inputs** (petroleum products, seed, fertilizer, pesticide, etc.) from CHS, and **sell outputs** (grains) to and through CHS (including via commodity futures and marketing programs). CHS is designed to achieve **economies of scale** to benefit local farmers and co-ops, including through, e.g., oil refineries and rail shuttle facilities. CHS has about 10,000 corporate employees, and is governed by an elected, 17-person Board of Directors, all

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<sup>4</sup> See <https://www.chsinc.com/about-us/owners-and-investors>.

<sup>5</sup> On information and belief, nothing in the instant disclosure or its exhibits is subject to a valid claim of Attorney-Client Privilege by CHS, Inc. Please be advised that although the undersigned, as counsel, has prepared this disclosure for submission, my client reviewed its contents and the positions espoused herein are his own. Thus, where a factual statement is asserted and does not include a citation to a supporting document or declaration, the source is my client.

<sup>6</sup> See <https://www.greatamericancrop.com/news-resources/article/2025/01/03/chs-west-central-225m-merger-final>.

<sup>7</sup> See <https://www.prnewswire.com/news-releases/growmark-and-chs-enter-into-exploratory-process-to-discover-opportunities-to-best-serve-customers-and-owners-302033705.html>.

<sup>8</sup> See <https://www.cftc.gov/PressRoom/SpeechesTestimony/romerostatement122022>.

<sup>9</sup> <https://www.justice.gov/opa/pr/justice-department-and-usda-coordinate-protect-competition-agricultural-inputs>

of whom must be active farmer Members. Most CHS Members are in the American Midwest and Western states (with far fewer in southern and eastern states).

6. **Capital Structure:** As a for-profit cooperative, CHS employs a capital structure that is very unusual for a company with tens of billions of dollars in annual revenue:
  - a. **Patronage Equity:** Most of CHS profits have historically been paid directly to “Members” (i.e. individual farmers, or local cooperatives of farmers) based on the amount of business they conducted with CHS in a particular year. Some profits are paid in cash at the end of the year, while a majority are paid in the form of “Patronage equity” (also called “Allocated equity”), which sits on CHS books until it is redeemed about 15 years later. For example, in 2023 CHS redeemed Patronage equity originally issued in 2010. Patronage equity is what makes co-ops so distinctive. Members have governance / voting rights for the Board of Directors and Bylaw changes based on the amount of Patronage Equity they hold. In 2023, Member equity totaled about \$7.4 billion, of which \$5.4 billion was “Allocated” to particular Members, and \$2 billion was unallocated. Patronage equity, the primary asset at issue in this matter, most likely does not qualify as a “security” subject to SEC regulation, because it lacks some of the “characteristics traditionally associated with stock: [it is] not negotiable; [it] cannot be pledged or hypothecated; ... and [it] cannot appreciate in value.”<sup>10</sup> For this reason, state Attorneys General (as opposed to the SEC) may be best positioned to prosecute the CHS fraud concerning patronage equity specifically.
  - b. **Preferred Stock:** A minority of CHS equity (~\$2.3 billion outstanding) is in the form of Preferred Stock issued between 2000 and 2014, traded on NASDAQ (meaning that CHS is subject to SEC jurisdiction at least regarding these shares). Trading is relatively illiquid / low-volume, and therefore easily manipulated. Preferred Stock ownership does not itself confer governance or voting rights to its holders (though in practice, Preferred Stock holders include individual members and local cooperatives either through direct purchases or conversions of patronage equity to preferred stock at CHS’ sole discretion). While there are slight differences between the various vintages of Preferred Stock, they all pay about 8% dividend per year, or ~\$169 million, and CHS holds the right to redeem Preferred Stock at par value of \$25/share (note that it is currently trading well above that, indicating that the dividend is quite valuable to stockholders).
  - c. **No Common Stock:** Unusually for a large company founded in the 1930s, CHS has not issued any common stock.<sup>11</sup>

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<sup>10</sup> Cf. *United Housing Foundation, Inc. v. Forman*, 421 U.S. 837, 851 (1975).

<sup>11</sup> See Articles of Incorporation, as amended, available at <https://mc-607b9d1c-3283-4f31-97f8-4475-cdn-endpoint.azureedge.net/-/media/project/chs/chs-inc/files/about-us/owners-and-investors/chs-articles-of-incorporation.pdf>.

7. **Status Quo Ante:** The co-ops that ultimately became CHS were founded in 1936 as a creative solution to empower American farmers devastated by the Great Depression. For 88 years, until the new bylaw change, CHS was required to return **90% of its total net income as Patronage equity** back to Members. For four or five generations in many farming families, this arrangement meant that CHS Patronage equity was an important means of income and wealth generation. And while Patronage equity by default takes 13-15 years to redeem, farmers who turn age 70 can have all of their remaining equity redeemed immediately, thereby making CHS Patronage equity a crucial form of retirement planning for many American farmers.
8. The Preferred Stock Dividend, dating to the early 2000's was, before the bylaw change, taken from the unallocated reserve which is funded by the remaining 10 percent of patronage earnings and any profits from non members.
9. **Effect of Bylaw Change:** The bylaw change, approved by nationwide Member vote in December 2023 and effective on September 1, 2024,<sup>12</sup> drastically altered two aspects of this arrangement:
  - a. Going forward, **CHS profits are first reduced** by the amount of the Preferred Stock dividend, \$169 million, **before the Patronage equity is calculated**. Obviously this reduces the money available to pay as Patronage.
  - b. And, instead of 90% of remaining CHS profits allocated to Patronage, **now only 65% must be allocated to Patronage**, depending on what the Board decides each year. The rest (up to 35% of post-Preferred-dividend profits) now stays in CHS's unallocated fund, controlled by CHS's executive team and Board.
10. These changes dramatically **decrease Patronage equity** returned to the Members, and dramatically **increase retained / unallocated corporate CHS profits**. Fundamentally, the bylaw changes are just a zero-sum transfer of future profits away from Member farmers, and to the CHS, Inc. corporation. In a sector where profit margins are already notoriously low, my client reasonably believes these changes will have the intended effect of driving local agricultural co-ops out of business, so that CHS can execute the greatest consolidation in the agricultural sector in decades (a result which, not coincidentally, would raise CHS executive compensation, which is tied to total revenue).
11. These bylaw changes are transparently harmful to the interests of CHS Member farmers and co-ops. Therefore, the only way CHS corporate leadership (its executive team, and almost its entire Board of Directors) could convince local farmers and co-ops to vote against their own interests and approve the bylaw change was by **repeatedly and systematically lying** to

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<sup>12</sup> See current bylaws, as amended, available at <https://mc-607b9d1c-3283-4f31-97f8-4475-cdn-endpoint.azureedge.net/-/media/project/chs/chs-inc/files/about-us/owners-and-investors/chs-bylaws-proposed-equity-management-amendments.pdf>.

Members about the state of the company, and the projected effects of the bylaw changes. While some of the lies and misconduct are complex, some are straightforward and easy to prove.

12. **“Cash Taxes” Deceptions:** For example, senior leadership simply lied to voting Members about the projected impacts on cash taxes for CHS. Here is an excerpt from a Frequently Asked Questions (FAQ) document disseminated to the Membership and dated February 14, 2023:

**How would this change taxes?**

Everything else being equal, CHS will not pay any additional cash taxes to the IRS due to these proposed bylaws changes. CHS may, however, see an increase in the noncash tax expense for accounting purposes.

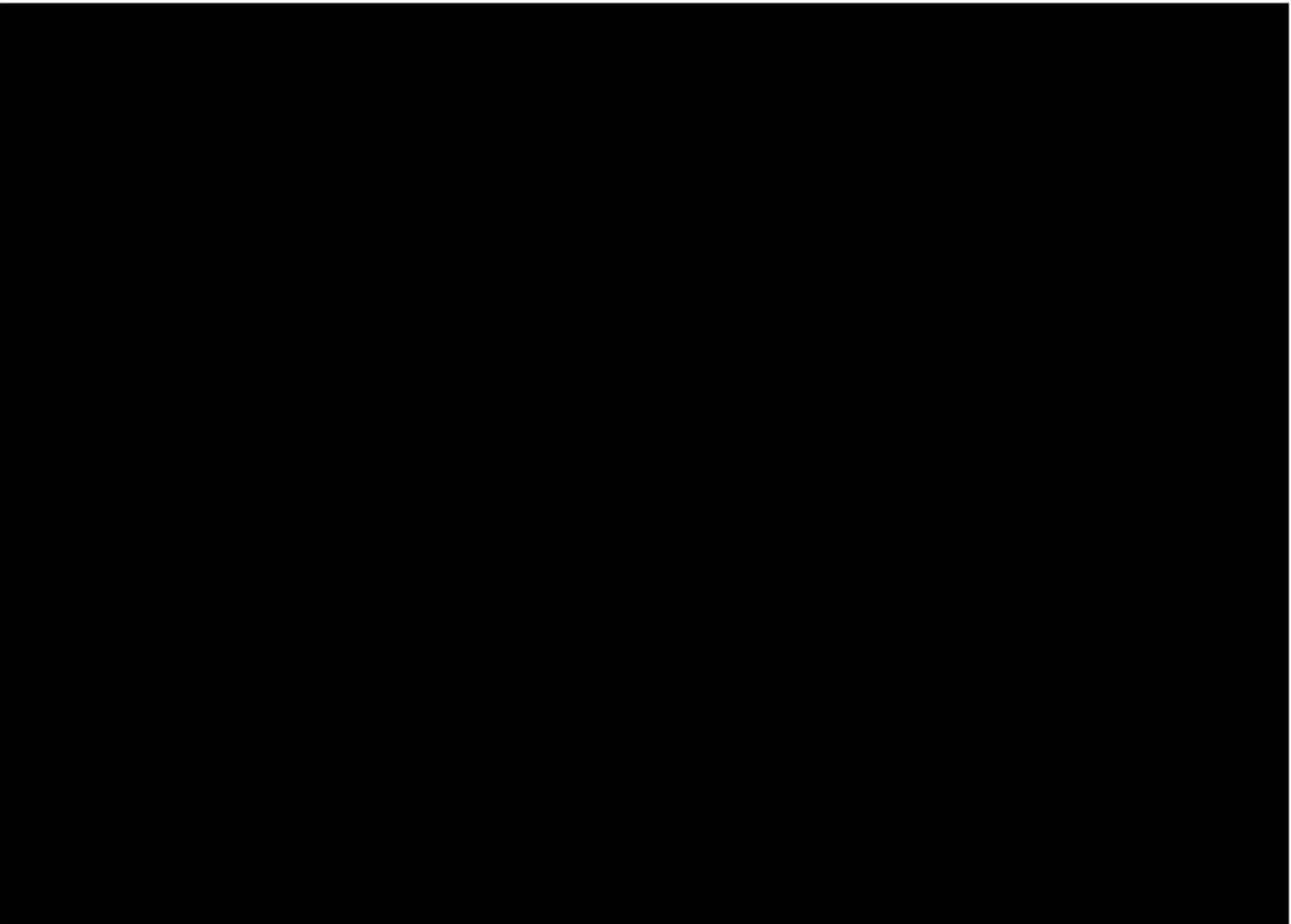
13. A week later, on February 21, 2023, the North Dakota Cooperative Directors’ Association invited the CHS Board of Directors to an event at the Ramada Inn in Bismarck, North Dakota, to discuss the proposed bylaw changes. An audio recording of the meeting, plus the powerpoint deck as shared in the simultaneous webinar, is available on YouTube.<sup>13</sup> Dan Schurr, CHS Board Chair, and five other CHS Board Directors attended. During a discussion about the tax implications of the proposed bylaw change, Schurr told the assembled Members:

We’re moving from allocated member name to unallocated still member equity. *Doesn’t change taxes*, doesn’t change the rest. (emphasis added. 2:26:59) ...

So, we ran the scenarios and the tax structure we have now, *it doesn’t change our taxes*. (emphasis added, 2:27:20)

14. But these were lies. In fact, CHS knew that the proposal would drastically increase cash taxes, from zero to almost \$100 million *annually*. [REDACTED]

<sup>13</sup> See <https://www.youtube.com/watch?v=Jj-XdwK7C1A><https://www.youtube.com/watch?v=Jj-XdwK7C1A>.

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15. Obviously, an additional nearly \$100 million in projected annual cash taxes is no small matter, even for a company as large as CHS. And there is a simple explanation for the change: Assuming CHS profit stays the same going forward, and CHS maintains consistent equity redemption policies, then about ~\$400 million in profits that would have gone to Member Patronage equity will henceforth stay inside the corporation, and be subjected to new, double taxation.
16. CHS leadership delivered the same deliberate, material misrepresentations to many other Member meetings, one-on-one phone calls, etc., as part of a coordinated, national communications strategy to mislead the national membership, which my client can meticulously document, and which was ultimately successful. By June, the Board updated communications with Members, with the lie slightly softened (from “will not pay” to “does not anticipate paying”):

**How would this change taxes?**

CHS does not anticipate paying additional cash taxes to the IRS due to these proposed bylaws

17. Anyone who understood the details of CHS finances would know that the “no new cash taxes” claims could not possibly be true, at least not without unreasonable assumptions (about, e.g., future tax credits) and massive, planned-in-secret-but-not-disclosed changes in equity redemption policy that will be extremely adverse to Members—namely, pushing a huge new tax burden directly onto Members themselves by redeeming Non-Qualified instead of Qualified Equity. My client can explain these nuances to investigators in person.
18. If a Board *accidentally* subjected corporate earnings to double taxation, generating \$100 million in avoidable new taxes, that would violate their Fiduciary Duty of Care and expose them to civil liability. But *deliberately* imposing \$100 million in new taxes on owners, and lying to them about it, is criminal. While the misrepresentations on taxes are probably enough, standing alone, to win an enforcement action, CHS lies go much deeper.
19. **Sandbagging CHS.** Note an unusual feature of this scheme: Securities frauds like pump-and-dump schemes typically rely on *overstating* securities’ value, to induce victims to *overpay for worthless equity*. But in this CHS matter, the fraud is reversed: corporate leadership deliberately sandbagged Members, painting a provably false, *undeservedly dire* picture of the company’s finances, to convince Members to *undersell their valuable equity back to CHS*. Leadership understood that Members would never vote to voluntarily reduce their own Patronage equity unless they could somehow be convinced that their current and future Patronage equity was worth much less than they had always believed — and much less than reality. Here are some of the incorrect and/or misleading statements designed to fraudulently induce the Members to approve the bylaw changes.<sup>14</sup>

**Allocated equity is growing faster than it can be redeemed**

<b>What does this mean for CHS and its owners?</b>	<b>The time to redeem equity would increase over time, and may eventually grow to many decades</b>
<b>While the amount of equity stays the same, inflation would erode its value over longer redemption periods</b>	<b>CHS may be less attractive to capital and liquidity providers over time, limiting ability to grow and serve owners</b>

CHS © 2021 CHS LLC. Page 34

20. **Specific, Provably False Claims:** Admittedly, reasonable people can disagree about the state of a balance sheet, or where a business might go in the future. But my client has identified more than a **dozen specific, factual, material and provably false claims** by CHS leadership

<sup>14</sup> From a public deck widely disseminated; these screenshots were captured from the Feb. 21 Bismarck meeting YouTube recording.

repeatedly made to induce approval of the bylaw change. While the details and motivations can get complex, and we haven't included everything in this disclosure, here are some easy-to-follow examples:

21. **Equity Redemptions:** CHS leadership repeatedly stated that the bylaw change would not alter redemptions of existing equity, but in fact that is false. Internally, leadership acknowledged that the company would need move away from redeeming "Qualified" Patronage equity (on which Members already paid income taxes years ago) towards "Non-Qualified" Patronage redemptions (on which Members owe new taxes, creating an entirely unwelcome and misrepresented tax burden on Members in the current tax year). This massive change in direction was deliberately and repeatedly misrepresented to victims. [REDACTED] [REDACTED] would shock the Membership:
- [REDACTED]

22. **Misrepresenting Equity as "Debt," and Dividends as "Interest" to benefit insiders:** CHS leadership repeatedly (i) deliberately mischaracterized the Preferred Stock as "debt" and "debt-like" (in fact the Prospectus clear states it is equity); (ii) mischaracterized the dividend as "interest," and made other related, provably false claims about the Preferred Stock. My client suspects, but does not know for sure, that leadership's motive here is to promote the interests of insiders who hold Preferred Stock, at the expense of the majority of Member-owners who do not. Notably, the Preferred Shares are trading well above par value and could therefore be easily retired; for a leadership that nevertheless wishes to protect high Preferred Shareholder profits, it is a useful rhetorical device to elevate them from optional-sounding "dividends" to mandatory-sounding "debts."
23. Here is a telling exchange from the February 21, 2023 Bismarck meeting, in which a careful questioner exposes the lie (though the vast majority of Members nationwide would not have heard this before voting):<sup>15</sup>

Audience: You made a comment about [Preferred Shares] viewed as, like debt. So, does the board view the preferred stock and qualified equity, do you view that as debt?

Board Member Johnsrud: I do. And I think, you know, Mr. Chairman, correct me but I look at it as debt. We're using somebody else's money, we're paying a dividend or in my

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<sup>15</sup> *Id.* at 1:42:19

opinion, it's interest. Some others don't call it debt. They look at it differently, but I truly believe it is and I think each one of those probably wants to look at it differently, but I think it's debt.

Audience: How do you report it on the 10k?

Board Chair Schurr: It is equity.

Johnsrud: Equity.

Audience: Why would you report it as equity if you refer to it as debt?

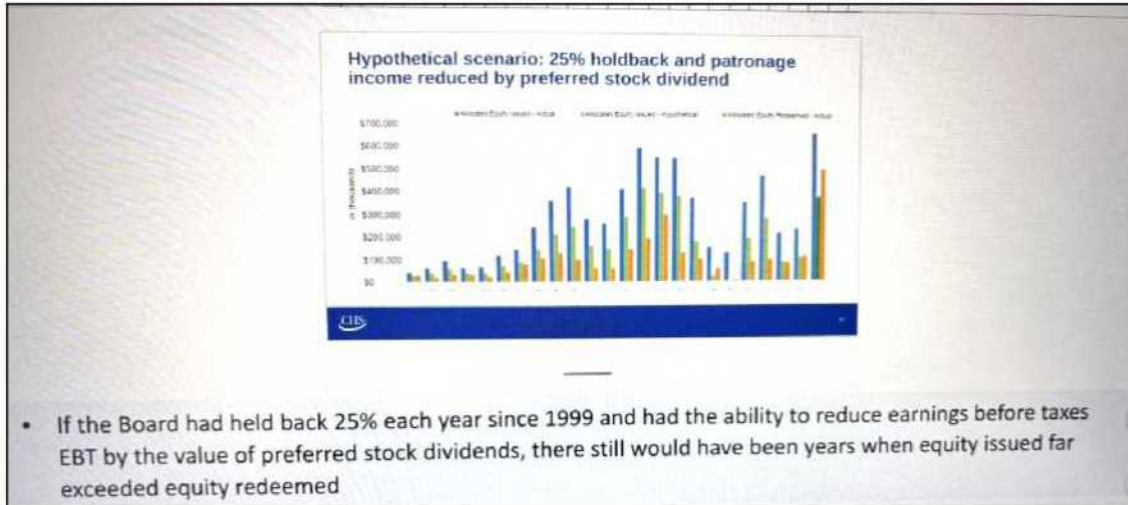
Johnsrud: That's the way the auditors for us, require us to, report it. It's not our, it's not like it's our decision.

Schurr: FASB rules require that we report this as equity in their eyes... So we have to report it as that. That is what it is. It's equity on our balance sheet. But we believe that the dividend that we pay is interest-like. It's no different.

- 24. Deduct Dividends from Earnings; Reduce Taxes?** The false suggestion that Preferred Share dividends were actually “interest” on debt had another benefit to CHS leadership. Namely, unlike dividends, “interest” is deducted from earnings before calculating taxes. Of course, the implication that the bylaw change would allow dividends to be deducted from earnings before taxes, thereby reducing taxes, is completely false. From the 2023 FAQs:

Finally, CHS Bylaws currently prohibit CHS from reducing earnings by the amount of preferred stock dividends when calculating patronage. Earnings are reduced by interest expense on debt, and we believe preferred stock dividends should be treated the same way.

- 25.** From a public deck leadership shared widely to generate support for the bylaw change, dated February 14, 2023, falsely suggesting that making the bylaw change earlier would have given “the Board... the ability to reduce earnings before taxes EBT by the value of preferred stock dividends”:



26. As of April 2, 2023, during a crucial period for consideration of the bylaw proposal, the CHS website falsely stated that the change would “allow reduction of earnings by preferred stock dividends.”<sup>16</sup>

#### **Amend CHS Bylaws to allow reduction of earnings by preferred stock dividends**

- Preferred stock is similar to debt, so treat dividends like interest
- This would **not** change the amount of cash generated by CHS

27. My client was approached by a key employee of CHS who mistakenly believed, quite naturally based on these misrepresentations, that going forward the Preferred Stock dividends would be deducted from earnings before taxes.

28. My client intends to provide further, irrefutable documentary proof of material misrepresentations concerning, *inter alia*:

- End-of-Year Cash Payments:** CHS leadership repeatedly promised that the bylaw change would have no impact whatsoever on annual, end-of-year cash payouts to Members. But this promise is almost certainly false; at the very least it can be shown to rely on uncertain and unreasonable assumptions.
- Balance Sheet Treatment of Patronage Equity:** CHS leadership repeatedly, falsely stated that higher Patronage equity on the books could harm the

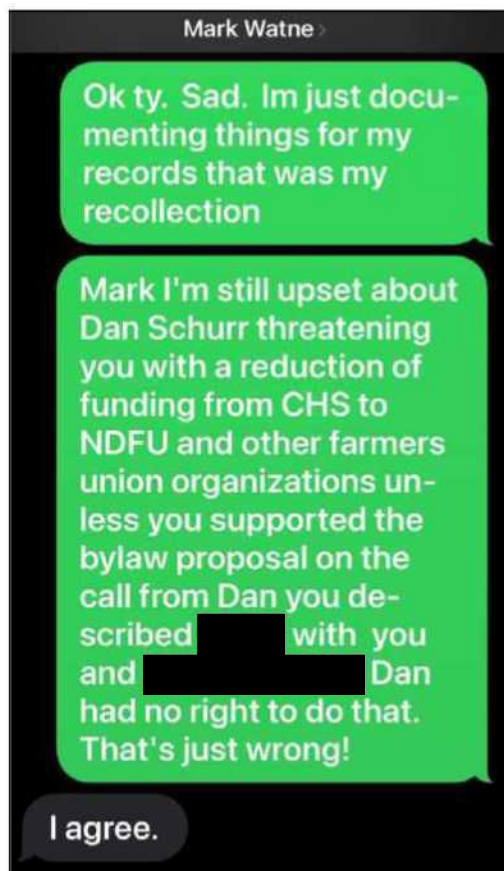
<sup>16</sup> See Internet Archive Wayback Machine: 2023\_4\_2: <https://web.archive.org/web/20230402185608/https://www.chsinc.com/about-chs/owners-and-investors/equity>

company's balance sheet for future loan / financing purposes; this statement was explicitly rejected by multiple bankers who work with agricultural co-ops.

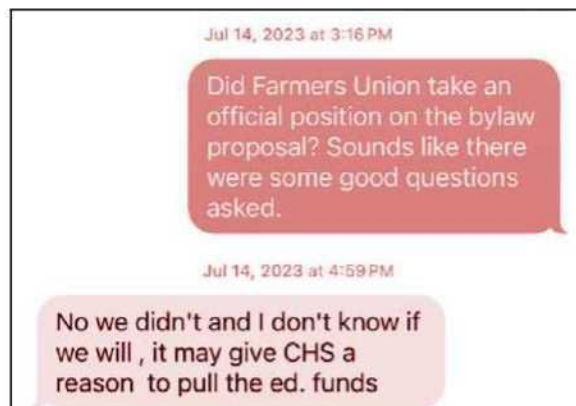
- c. **Governance Rights:** Corporate governance voting is based on Member Patronage equity and also annual sales revenue attributed to each Member. Leadership misrepresented how the bylaw change will drastically reallocate voting rights away from Patronage holders and towards sales-makers.
- d. **Threatened Retirement Payouts:** Perhaps most egregiously for the Members, and most crucial for inducing votes to pass the bylaw change, was the false claim that, absent the bylaw change, farmers who turned 70 years of age might no longer be allowed to cash out their accumulated Patronage equity. This false statement was unfounded (in fact, CHS had enough profits to even lower the cash-out age to 68) and terribly threatening to many farmers who are utterly dependent on CHS Patronage equity redemptions to support them through their retirement years.

29. **Insider Trading:** In June 2022, before a proposal or vote had even been publicly announced, CHS executive leadership and Board provided a few special, invitation-only briefings to several dozen favored Members and local co-ops, many of whom were major owners of CHS Preferred Stock. During these closed briefings, these favored Members learned valuable, material, non-public information about the likely future direction of CHS's capital structure. CHS made no effort to prevent these favored Members from trading on this material, non-public information with respect to the NASDAQ Preferred Shares. My client does not have particularized trading records for that period, but reasonably expect that unlawful insider trading occurred, and could perhaps help investigators identify particular suspicious trades. [REDACTED]

30. **Unlawful Threats via CHS Foundation:** On or around March 3, 2023, Mark Watne President of the North Dakota Farmers Union (NDFU, one of the major local co-op Members of CHS), called [REDACTED] to say that he (Watne) had received a call from Dan Schurr, Chairman of CHS. During the call, Schurr said he (Schurr) was disappointed that NDFU Board of Governors had voted to not support the bylaw proposal. Schurr reminded Watne that CHS Foundation (the company's tax-exempt, not-for-profit entity) was a major funder for NDFU's summer camps for the children of farmer Members, and other educational programs, and told Watne that NDFU's refusal to support the bylaw change put those funds "in jeopardy." Watne told [REDACTED] that he (Watne) told Schurr "Don't threaten us." [REDACTED] was another witness to the call between Watne and [REDACTED] in which Watne described the call from Schurr, confirmed by this text message from Watne:



31. On July 14, 2023 [redacted] was in a text conversation with [redacted] [redacted] NDFU. [redacted] asked whether NDFU would take a position on the CHS bylaw proposal, [redacted] confirmed the threat from CHS to pull educational funds if NDFU took a position:



32. CHS Foundation in fact reduced its at least \$100,000 annual educational funding to NDFU by about half in 2024, then to zero in 2025. And separately, CHS Kindred (a local division of CHS) entirely eliminated its prior educational grant to NDFU (on information and belief, about \$100,000). These facts are sufficient to support criminal prosecution for coercion in both Minnesota and North Dakota, and action for violation of IRS exempt organization regulations. Finally, the threats provide irrefutable proof that the CHS leadership was acting in bad faith, and thought unlawful threats were needed to secure their desired bylaw change.

33. **Unlawful discrimination against other producer associations:** Federal law, 7 U.S. Code § 2303, and Minnesota and North Dakota state laws prohibit discriminating against producers for their membership in associations like local cooperatives, which historically have been a huge part of CHS membership. But instead of seeing local associations as allies, CHS has perceived them as competitors. And, my client learned this year that CHS has been unlawfully discriminating against farmers for membership in associations.

34.



## **Legal Analysis**

35. The conduct described here, and other examples not included, implicate the following state and federal statutes:

### **36. Theft**

Minn. Stat. § 609.52(a)(4) (2024): *Acts constituting theft. (a) Whoever does any of the following commits theft ... (4) by swindling, whether by artifice, trick, device, or any other means, obtains property ... from another person*

N.D. Cent. Code § 12.1-23-02 (2024): *Theft of property. A person is guilty of theft if he...intentionally deprives another of his property by deception...*

§ 12.1-23-10: *"Deception" means: ... Failing to correct a false impression which the actor previously created or reinforced, or which he knows to be influencing another to whom he stands in a fiduciary or confidential relationship; ...[or] Failing to correct an impression which the actor previously created or reinforced and which the actor knows to have become false due to subsequent events*

### **37. Violation of Fiduciary Duty**

Minn. Stat. § 308A.328 (2024) *A director shall discharge the duties of the position of director in good faith, in a manner the director reasonably believes to be in the best interests of the cooperative, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.*

### **38. Criminal Coercion**

Minn. Stat. § 609.27 *Coercion. Whoever orally or in writing makes any of the following threats and thereby causes another against the other's will to do any act or forbear doing a lawful act is guilty of coercion ... (3) a threat to unlawfully injure a trade, business, profession, or calling*

N.D. Cent. Code § 12.1-17-06. *Criminal coercion. A person is guilty of a class A misdemeanor if, with intent to compel another to engage in or refrain from conduct, he threatens to: ... impair another's credit or business repute*

### **39. Sherman & State Antitrust Laws**

15 U.S. Code § 1: *Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal...*

15 U.S. Code § 2: *Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a felony...*

Minnesota Antitrust law of 1971, codified at Minn. Stat. §§ 325D.49-.66 (2024).

North Dakota Uniform State Antitrust Act, codified at N.D. Cent. Code §§ 51-08.1-01 to -10.

#### **40. Discrimination against agricultural associations**

7 U.S. Code § 2303: *It shall be unlawful for any handler knowingly to engage or permit any employee or agent to engage in the following practices:*

*(a) To coerce any producer in the exercise of his right to join and belong to or to refrain from joining or belonging to an association of producers, or to refuse to deal with any producer because of the exercise of his right to join and belong to such an association; or*

*(b) To discriminate against any producer with respect to price, quantity, quality, or other terms of purchase, acquisition, or other handling of agricultural products because of his membership in or contract with an association of producers; or*

*(c) To coerce or intimidate any producer to enter into, maintain, breach, cancel, or terminate a membership agreement or marketing contract with an association of producers or a contract with a handler*

Minn. Stat. § 235.01 *Supervision over grain. The department of agriculture shall supervise the grain interests of the state; buying, selling, handling, and storage of grain; and management of public warehouses and public grain markets, including chambers of commerce, boards of trade, and grain exchanges. The department shall investigate, on complaint or its own motion, all cases of fraud and injustice in the grain trade, unfair practices, or unfair discrimination in the buying or selling of grain. The department may compel the discontinuance of unfair practices or unfair discrimination in grain transactions and make rules for carrying out and enforcing state laws relating to subjects covered by this section.*

N.D. Cent. Code § 4.1-59-15. *Discrimination by grain buyer prohibited. 1. A grain buyer may not discriminate:*

*a. In the buying, selling, receiving, and handling of grain or in the charges made or the service rendered to owners of purchased grain; ... [or]*

*c. In regard to the persons offering grain for sale*

[REDACTED]

42. [REDACTED] My client has much more detailed documentation on the allegations outlined here, and others. He hopes to meet with investigators at your earliest convenience.

43. For the foregoing reasons, my client urges U.S., Minnesota and North Dakota law enforcement agencies to immediately open investigations into CHS, Inc.'s misconduct.

Sincerely,



John N. Tye<sup>18</sup>  
Napier Network PLLC

[REDACTED]  
Washington DC 20009

CC: U.S. Securities and Exchange Commission, U.S. Commodity Futures Trading Commission

8 Enclosures:

1. [REDACTED]
2. [REDACTED]
3. FY23 Proposed Bylaw Amendment Deck 2.14.23 FINAL.pptx.pdf
4. Bismarck Transcript 2023\_2\_21 with comments.pdf
5. chsinc.com 2023\_4\_02.pdf
6. FY23 Proposed Equity Bylaw Amendment FAQ 6.8.23 FINAL.pdf
7. FY23 Proposed Bylaw Amendment FAQ 2.14.23 FINAL.pdf
8. [REDACTED]

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<sup>17</sup> [REDACTED]

<sup>18</sup> Admitted to practice law in Washington, DC.

