Indiana Grain Buyers and Warehouse Licensing Agency
One North Capitol Avenue
Suite 600
Indianapolis, IN 46204
Phone: (317) 232-1360
Fax: (317) 232-1362

FAQ for Cline Grain, Inc. closure

Q: What is the situation?

A: On April 8, 2016, Cline Grain Inc. voluntarily surrendered their Indiana Grain Buyer/Warehouse License. As a result, the company is no longer authorized to receive grain for storage, grain bank, warehouse receipts, deferred pricing, or to conduct any other grain merchandising. The Indiana Grain Buyers and Warehouse Licensing Agency (IGBWLA) has taken possession of Cline Grain, Inc.'s business for the purpose of settling outstanding grain accounts.

Q: How and when do I submit a claim for grain-related losses?

A: In early May, 2016 you should receive a letter and "Statement of Proof of Loss" from the IGBWLA. The claim form will include the amounts due to each claimant per Cline Grain, Inc.'s records. If you are in agreement with those figures, you may simply sign and submit the form as instructed. Or you may attend the claims hearing (discussed below) to present your claim. Even if you have no dispute, the form MUST be returned to the IGBWLA for your claim to be considered. There will also be an online option for those claimants who have no dispute.

If you dispute the amounts shown, you must complete the claim form and provide written proof (settlement sheets, scale tickets, contracts, etc.) of your claim. The claim form and documentation may be submitted by mail as instructed, or may be presented at a formal claims hearing (discussed below).

Q: What is a claims hearing and how does it work?

A: A claims hearing will be held in mid-to-late May 2016. The date, time, and location of the hearing will be included in letters to potential claimants and advertised in local newspapers in counties served by Cline Grain, Inc. This hearing will be a formal proceeding overseen by an Administrative Law Judge appointed by the Indiana Attorney General. Claimants will have the opportunity to present their claims of loss to the administrative law judge. At the hearing, auditors from IGBWLA will be present to assist with completing "Proof of Loss" forms. Please bring all of your supporting documentation to the claims hearing.

ALL MAILED OR ONLINE CLAIMS MUST BE SUBMITTED WITHIN 15 DAYS AFTER THE CLAIMS HEARING.

Q: Do I need an attorney for this process?

A: You are not required to have legal representation for this process, but are welcome to do so if you wish.

Q: How soon will I be paid?

A: Expect the process to take several months. Most likely, you will receive two separate payments. The first payment will be a pro rata distribution of the proceeds from Cline Grain, Inc. assets (primarily grain and a surety bond) seized upon the closure of the business. Once the Administrative Law Judge completes a finding of fact and final order for distribution of those funds, your claim will then be submitted to the Indiana Grain Indemnity Corporation (IGIC). Upon approval of a claim, the Indemnity Board has 90 days to pay a claim unless extended by the board under certain circumstances outlined in the statute.

Q: How much reimbursement can I expect?

A: Claimants with financial losses (payables, delivered basis or deferred price contracts, bad checks) can expect a minimum of 80% of the total loss reimbursed through the process. Customers with grain held on warehouse receipt or open storage will be reimbursed 100% of the value of the grain.

Q: Can I sue Cline Grain, Inc. for the 20% that wasn't reimbursed?

A: According to Indiana state law (IC 26-4-6-6-6), you may be required by the IGIC to sign a letter of subrogation if you accept compensation from the Indemnity Fund, which could prevent additional legal action against Cline Grain, Inc.

Q: I don't have all my records, what can I do?

A: The burden of proof is on the claimant to provide all necessary supporting documentation for the claim. Without supporting documentation, the claims will be limited to the amount the IGBWLA determines from Cline Grain, Inc. records.

Q: My deferred price (DP) or basis contract grain was not priced. How will my reimbursement amount be decided?

A: For DP contracts, the average bid price for several similar local elevators on the day of closing will be used to determine the value of the grain. Basis contracts will be priced using the May 2016 Chicago Board of Trade (CBOT) futures prices plus or minus the contracted basis amount.

Q: What happens to any flat price, hedge-to-arrive, or undelivered basis contracts?

A: Any contracts for which no grain has been delivered are considered null and void as of the date of the business closing.

I pre-paid for fertilizer from Cline Grain, Inc. that I have not received. What should I do?
IGBWLA and IGIC do not handle fertilizer claims. Their assistance is limited to delivered grain. You will need to contact Allen Cline to discuss this matter or seek legal counsel.