



National Grain and Feed Association Arbitration Decision

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December 9, 2024

CASE NUMBER 3155

PLAINTIFF: COLUMBIA GRAIN INTERNATIONAL, LLC, RUDYARD, MY

DEFENDANT: JERRY ARNOLD, HINSDALE, MT

FACTUAL AND PROCEDURAL BACKGROUND

The plaintiff, Columbia Grain International, LLC, requested the entry of a default judgment in the amount of \$96,657.01 against the defendant, Jerry Arnold. The default judgment is granted for the reasons set forth below.

The plaintiff submitted an arbitration complaint dated April 15, 2024, to the National Grain and Feed Association (NGFA). The complaint alleged that the defendant failed to fully perform on contract 3126788 for Organic Dark Northern Spring Wheat.

The contract was duly executed by the parties and stated “Trade Rules to Govern: NATIONAL GRAIN & FEED ASSOCIATION” (emphasis in original).

The contract further stated under “Contract Notes” as follows:

This contract is governed by National Grain and Feed Association trade rules. Any disputes to this contract are to be decided by NGFA arbitration rules before any legal action can be taken.

Acting upon the plaintiff’s complaint, NGFA prepared an arbitration services contract and submitted it to the plaintiff for execution. By United States Postal Service (USPS) Priority Mail dated May 3, 2024, NGFA also sent to the defendant a letter providing notice of these proceedings with copies of the plaintiff’s complaint and attachments, as well as the NGFA Trade Rules and Arbitration Rules. USPS confirmed that this mailing to the defendant was delivered on May 10, 2024.

Upon receipt of the duly executed arbitration services contract from the plaintiff, NGFA then sent it with accompanying correspondence to the defendant by USPS Priority Mail on May 24, 2024. USPS confirmed that this mailing to the defendant was delivered on May 28, 2024.

On August 1, 2024, NGFA sent to the defendant another letter by USPS Priority Mail. USPS confirmed this mailing was delivered on August 9, 2024. NGFA’s letters of May 28, and August 1, 2024, to the defendant provided notice that Rule 2(E) of the NGFA Arbitration Rules required that the signed contract be returned within fifteen (15) days.

After not receiving any response from the defendant, NGFA sent another notice to the defendant on August 27, 2024, by USPS. This notice 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].

USPS confirmed that this mailing was delivered to the defendant on September 3, 2024.

NGFA has not received an executed arbitration services contract from the defendant.

DEFAULT JUDGMENT

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

The plaintiff filed its complaint in conformity with 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." The plaintiff executed and returned the arbitration services contract. The defendant elected to not comply with the NGFA Arbitration Rules.

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.

Pursuant to Rule 2(E), NGFA finds that entry of default judgment against the defendant is 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." Further, NGFA Arbitration Rule 7 provides that a default judgment issued by NGFA may be appealed under the rules by either party.

THE AWARD

THEREFORE, IT IS ORDERED THAT:

1. The plaintiff is awarded judgment against the defendant for \$96,657.01
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: October 9, 2024*

NATIONAL GRAIN AND FEED ASSOCIATION

* On October 9, 2024, 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.