



National Grain and Feed Association Arbitration Decision

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1400 Crystal Drive, Suite 260
Arlington, VA 22202

P: (202) 289-0873
F: (202) 289-5388

May 5, 2017

CASE NUMBER 2801

PLAINTIFF: **GAVILON GRAIN, LLC**
 RUSHVILLE, IN

DEFENDANT: **RATLIFF FARMING LLC**
 SHELBYVILLE, IN

FACTUAL AND PROCEDURAL BACKGROUND

The plaintiff, Gavilon Grain, LLC (Gavilon), requested the entry of a default judgment in the amount of \$14,425 against the defendant, Ratliff Farming LLC (Ratliff). The default judgment is granted for the reasons set forth below.

Gavilon submitted an arbitration complaint dated December 7, 2016, to the National Grain and Feed Association (NGFA). The complaint alleged that Ratliff failed to perform on contracts P142083 for 10,000 bushels of # 2 yellow corn and P142084 for 10,000 bushels of #1 yellow soybeans.

Both of the contracts were duly signed and stated “Rules to apply: NGFA” and in the terms and conditions:

CONTROVERSIES: Controversies and/or other disagreements between Buyer and Seller arising under this Contract shall be settled by arbitration which shall be a condition precedent to any right of legal action that either Buyer or Seller may have against the other party. Any arbitration shall be in accordance with the rules of the National Grain and Feed Association [NGFA]. At the time notice of arbitration is served by either Buyer or Seller upon the other, (I) if either is a member of NGFA, the NGFA Arbitration Committee shall serve as the arbitrator ...

Gavilon is a member of NGFA thereby satisfying the terms of the arbitration clause in the contracts.

Acting upon Gavilon’s complaint, NGFA prepared an arbitration services contract and submitted it to Gavilon for execution. By Federal Express dated December 9, 2016, NGFA also sent to Ratliff a letter providing notice of these proceedings with copies of Gavilon’s complaint and attachments, as well as the NGFA Trade Rules and Arbitration Rules. Federal Express confirmed that this mailing to Ratliff was delivered on December 14, 2016.

Upon receipt of the duly executed arbitration services contract from Gavilon, NGFA then sent it with accompanying correspondence to Ratliff by Federal Express on December 22, 2016. Federal Express confirmed that this mailing to Ratliff was delivered on December 27, 2016.

By telephone on January 10, 2016, Ratliff, through its counsel, notified NGFA that Ratliff would not be participating in arbitration in this case.

DEFAULT JUDGMENT

NGFA established jurisdiction over this matter pursuant to the express terms of the contracts and by way of Gavilon's status as a NGFA active member.

Gavilon 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." Gavilon properly executed and returned the arbitration services contract. Ratliff refused to comply with the NGFA Arbitration Rules, and participate in the NGFA Arbitration Process.

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 Ratliff 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 Ratliff 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. Gavilon Grain, LLC is awarded judgment against Ratliff Farming LLC for \$14,425.
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: April 7, 2017

NATIONAL GRAIN AND FEED ASSOCIATION

By: Charles M. Delacruz
NGFA Secretary

* On April 7, 2017, 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.