



National Grain and Feed Association Arbitration Decision

www.ngfa.org | www.ngfa.org/decisions

1400 Crystal Drive, Suite 260
Arlington, VA 22202

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

November 19, 2025

CASE NUMBERS 2892, 2896, 2905, 2913, 2925, 2970, 2974, 3014, 3015, 3117, 3118, 3119, 3120, 3121, 3122, 3123

PLAINTIFF: THE ARC GROUP, LLC, LINCOLN, NE

DEFENDANTS: JUSTIN D. HEINLE, BISMARCK, ND (CASE NO. 2892)
KEVIN W. JOHNSON, PLAZA, ND (CASE NO. 2896)
SCOTT E. MATTIS, HETTINGER, ND (CASE NO. 2905)
DONNA LAUFER, MOTT, ND (CASE NO. 2913)
GARRET SWINDLER, MOTT, ND (CASE NO. 2925)
SCOTT KATUS, WATAUGA, SD (CASE NO. 2970)
MESSER BEAVER CREEK RANCH, GP, RICHARDTON, ND (CASE NO. 2974)
LEONARD KAUFMAN, REGENT, ND (CASE NO. 3014)
STAN BLICKENSDERFER, MOTT, ND (CASE NO. 3015)
BRANDON AND LACY SCHATZ, NEW LEIPZIG, ND (CASE NO. 3117)
BLAKE ULRICH, ELGIN, ND (CASE NO. 3118)
FRIED FARM & RANCH, LLC, BISON, SD (CASE NO. 3119)
ESTATE OF MITCH MILLER, HETTINGER, ND (CASE NO. 3120)
TERRY MILLER, HETTINGER, ND (CASE NO. 3121)
CHRISTOPHER CARLSON, MOTT, ND (CASE NO. 3122)
JOSHUA JOHNSON, PLAZA, ND (CASE NO. 3123)

THE DECISION

Plaintiff The ARC Group, LLC (“ARC”) brought actions against 16 producers (“Producers”), alleging breaches of various contracts. A federal court referred the matters for arbitration. Because of the similarity of the cases involving a common plaintiff, the parties consented to consolidating the matters to be heard in a single proceeding. All parties executed the NGFA arbitration services agreements.

In addition to the presentations contemplated by the NGFA Arbitration Rules, Producers filed a separate motion and arguments urging that the NGFA lacked jurisdiction of the matters because ARC had not been a member of the NGFA at the time when the disputes arose or when the parties entered the contracts at dispute in this matter. The arbitrators reviewed the filings and conducted an on-line hearing of the jurisdictional arguments.

CHRONOLOGY

2020: ARC and the Producers engaged in discussions that result in the creation of the contract documents that are the subject of this arbitration. During this time, the NGFA had a webpage explaining that to invoke NGFA jurisdiction “The member-party must also have been a member at the time the arbitration complaint is filed, and at the time the underlying dispute arises” (the “Old Policy”).

January 6, 2021: A lawyer for defendants Heinle (2892), Fried (3119), Mitch Miller (now deceased) (3120), Terry Miller (3121), and Carlson (3122) sent a letter disputing ARC’s characterization of their clients’ obligations under the contract documents.

February 15, 2021: A lawyer for defendant Laufer (2913) sent a letter disputing ARC’s characterization of his clients’ obligations under the contract documents.

February 24, 2021: ARC applied for membership to the NGFA.

February 25, 2021: The NGFA welcomed ARC to the NGFA.

March 1, 2021: The NGFA updated its website to show that ARC was a member of the NGFA.

April 9, 2021: ARC filed for NGFA arbitration against Heinle (2892).

May 6, 2021: ARC filed for NGFA arbitration against Kevin Johnson (2896).

May 24, 2021: ARC filed for NGFA arbitration against Mattis (2905).

September 13, 2021: ARC filed for NGFA arbitration against Swindler (2925).

Effective October 1, 2021, the NGFA Board of Directors adopted a policy stating that to invoke NGFA jurisdiction “The member-party must also have been a member at the time the arbitration complaint is filed, and at the time the underlying contract or transaction was agreed upon or formed” (the “New Policy”).

January 20, 2022: ARC filed for NGFA arbitration against Katus (2970).

March 6, 2023: Upon ARC’s motion, a federal court referred Producer claims to the NGFA for arbitration.

March 2023: ARC filed for NGFA arbitration against Messer (2974), Laufer (2913), Kaufman (3014), Blickensderfer (3015), Schatz (3117), Ulrich (3118), Fried (3119), Estate of Mitch Miller (3120), Terry Miller (3121), Carlson (3122) and Joshua Johnson (3123).

DISCUSSION

ARC first contends that Producers waived their right to contest jurisdiction because the federal court referred the claims to NGFA arbitration, and Producers consented to having their claims submitted to NGFA arbitration. The federal court, however, specifically deferred the jurisdictional decision to the NGFA arbitrators. Furthermore, Producers clearly challenged NGFA jurisdiction from the onset. For these reasons, the arbitrators find that Producers did not waive challenges to NGFA arbitration.

ARC next contends that the plain wording of the NGFA arbitration rule requires the NGFA to exercise jurisdiction over the cases. At all times relevant to the proceedings, NGFA arbitration rule 1(A) has recited, in pertinent part:

(A) NGFA may consider a case involving a dispute between or among the following:

(2) An Active ... member of the NGFA and another party, by consent of both parties or by court order.

When a party to a contract asserts the existence of a dispute involving an active NGFA member in good standing and all parties have signed a contract referring to NGFA arbitration, they create a rebuttable presumption that the NGFA may and should take the case.

From time to time the NGFA board of directors adopted and published policies on the Frequently Asked Questions (“FAQ”) page of its website to guide parties and arbitrators on questions of its jurisdiction. The policies demonstrate that the NGFA wants to assure (1) that either side of a dispute may invoke NGFA jurisdiction, rather than leave the choice of forum to the entity that could create or destroy jurisdiction by paying or withholding dues and (2) that the forum is available to bona fide members of the NGFA who demonstrated a continuous stake in the association, rather than to entities that may jump into and out of the NGFA, effectively enlisting the arbitration services of experienced industry volunteers to help with dispute resolution solely when the need arises.

For many years ahead of the events that gave rise to these disputes, the NGFA board of directors determined that its objectives could be met upon a finding that “[t]he member-party must also have been a member at the time the arbitration complaint is filed, and at the time the underlying dispute arises” (the “Old Policy”). This Old Policy was published on the NGFA FAQ page.

The NGFA board of directors later refined the definition of cases subject to its jurisdiction from the slippery time of when the “underlying dispute arises” to the more readily verifiable time of when the “underlying contract or transaction was agreed upon or formed*” (the “New Policy”). The asterisk pointed to a note indicating that this New Policy became effective Oct. 1, 2021.

The arbitrators believe that the rules would allow their exercise of jurisdiction if read without any regard to the Old Policy or New Policy. They note, agree and adopt the board or directors’ determination, however, that the NGFA should not exercise jurisdiction in these cases unless the member, the dispute and the contracts meet the specified criteria of the applicable Old Policy or New Policy.

Cases Excluded by the New Policy

Twelve cases filed after October 1, 2021, involve contracts dated before ARC joined the NGFA on February 25, 2020. Under the New Policy, the arbitrators decline to exercise jurisdiction over Katus (2970), Messer (2974), Laufer (2913), Kaufman (3014), Blickensderfer (3015), Schatz (3117), Ulrich (3118), Fried (3119), Estate of Mitch Miller (3120), Terry Miller (3121), Carlson (3122) and Joshua Johnson (3123).

Cases Excluded by the Old Policy

The Old Policy directs arbitrators to exclude matters in which the dispute arose before the NGFA member joined the association. The parties and their representatives frequently discussed what they perceived their rights and responsibilities to be. Sometimes the discussion led to contract amendments. Sometimes the discussion did not lead to amendments.

The arbitrators found two occasions upon which communications unequivocally demonstrated the existence of disputes. On January 6, 2021, an attorney representing Heinle (2892), Fried (3119), Mitch Miller (now deceased) (3120), Terry Miller (3121), and Carlson (3122) wrote ARC to claim that his clients owed no duties to ARC under the contract documents. An attorney for Laufer (2913) wrote a similar letter on February 15, 2021. The arbitrators find that disputes between the parties existed on or before the dates of these letters, which were before ARC became a member of the NGFA and that jurisdiction should be declined under the Old Policy. Of these six cases, Heinle (2892) is excluded under the Old Policy, and Laufer (2913), Fried (3119), Estate of Mitch Miller (3120), Terry Miller (3121) and Carlson (3122) are excluded under both the New Policy and the Old Policy.

Cases Subject to Jurisdiction

This leaves Kevin Johnson (2896), Mattis (2905) and Swindler (2925) as defendants for whom ARC filed petitions before the October 1, 2021 New Policy effective date and from whom the arbitrators have seen insufficient evidence to determine that a dispute existed before ARC joined the NGFA on February 25, 2020, which would cause the arbitrators to exclude these cases under the Old Policy. The arbitrators believe that the conduct of each defendant must be examined separately, and one defendant's actions to dispute contracts cannot be imputed to another defendant. In this regard, the arbitrators found no evidence of Mattis and Swindler disputed their contracts prior to ARC joining the NGFA. Kevin Johnson requires more analysis due to the two recorded phone calls he had with ARC in late 2020. However, there were no statements made in either call that contracts would not be honored or demanding cancellation. The arbitrators do not believe that the frustrations voiced in either phone call rose to the level of a dispute. For these reasons, the arbitrators find that these three cases are subject to NGFA jurisdiction.

Decided: December 4, 2024

Submitted with the unanimous consent of the arbitrators, whose names appear below:

Simon Buckner, Chair
Senior Corporate Counsel
Bartlett Grain Company
Kansas City, MO

Lynn Krueger
Director, Raw Material Food
and Industrial
Ingredion Incorporated
Westchester, IL

Todd Lafferty
Co-Chief Executive Officer
and General Counsel
Wheeler Brothers Grain Company
Watonga, OK