**Section 281.80 Failure; Claims; Liquidation**

a) In the event of a failure, notices shall be posted at all facilities of the licensee by the Department and at all office locations of the licensee. Notices shall contain the following information:

1) The name of the licensee, the grain warehouse license number and the grain dealer license number.

2) The effective date the license was terminated, suspended, revoked or surrendered, or renewal was denied.

3) The licensee has been ordered to cease and desist doing business as a licensed grain warehouseman and grain dealer in the State of Illinois.

4) Persons may contact the Illinois Department of Agriculture, Bureau of Warehouses, P.O. Box 19281, Springfield IL 62794-9281, (800)654-0082.

b) Liquidating Licensee

1) Procedure for Determining the Value of Grain on the Date of Failure.

The Department shall use an average of the cash bid prices, as solicited from grain dealers located within the market area of the failed licensee, and the actual cash bid that would have been offered by the failed licensee on the date of closing, for all grain stored or unpriced as indicated by the evidence of storage or sale of grain, less transportation, handling costs and discounts. The schedule of discounts (which include, but are not limited to, moisture; foreign material; test weight; heating; musty, sour or commercially objectionable foreign odor; heat damage; weevil damage; splits and damaged kernels) of the failed licensee shall be used by the Department to determine discounts to be assessed against the valid claimant. For all grain delivered, sold and priced prior to the date of failure, the price per bushel shall be agreed upon by the failed licensee and the claimant.

2) Procedure for the Sale of Grain from a Failed Warehouse and/or Grain Dealer.

The Department shall solicit at least 3 competitive bids from within the market area of the failed licensee. The Department shall solicit quotations for market discounts (i.e., moisture; foreign material; test weights; heating; musty, sour or commercially objectionable foreign odors; heat damage; weevil damage; splits and damaged kernels) from each bidder who submits a bid. The Department shall consider the following factors in determining who shall purchase the grain:

A) The bid price for the grain.

B) Transportation costs to be deducted from the bid price for the grain.

C) Market discounts that will be applied against the bid price for the grain.

D) The amount of the grain that the bidder can take delivery of during the contracted time period for transporting the grain.

c) Claims Procedure

1) Claimants shall file their claims at the location indicated in the public notice or mail claims to the Department of Agriculture, Bureau of Warehouses, P.O. Box 19281, Springfield IL 62794-9281.

2) Claim forms will be made available at the locations of the failed licensee.

3) All scale tickets, settlement sheets, warehouse receipts and contracts must be submitted with the claim.

4) All original warehouse receipts shall be submitted to the Department prior to receiving payment of a claim.

5) All claims must be signed by the claimant whose name appears on the claim.

6) All claims must have a tax identification number affixed for claims verification purposes.

(Source: Amended at 33 Ill. Reg. 1647, effective January 16, 2009)