

Investment Company: Quick Beef Plant Sale Needed

BY DIRK LAMMERS
Associated Press

SIoux FALLS — An investment company that loaned a troubled South Dakota beef plant \$35 million last September says Northern Beef Packers has no cash and a quick sale is needed to preserve the value of the state-of-the-art facility.

The Aberdeen plant filed for protection under Chapter 11 last month. The bankruptcy court in Sioux Falls will look at the company's plan to obtain credit to move forward with a sale or restructuring during a hearing scheduled for Thursday morning.

In a memo filed Wednesday, White Oak Global Advisors attorney Roger Damgaard said the plant needs money to pay security guards and a skeleton staff of essential employees and assist with the bankruptcy case.

"The Debtor is not operating and has no cash," Damgaard wrote. "The Debtor's primary asset, the Aberdeen beef processing facility, currently sits idle and is in dire need of funding to pay critical post-petition expenses necessary to preserve value."

Once locally owned, Northern Beef Packers is 41 percent owned by

businessman Oshik Song with 69 other Korean investors who each gave at least \$500,000 under the federal EB-5 program that encourages foreign investment in exchange for qualifications to secure permanent residency.

Land for the \$109 million plant was first secured in 2006, but the company wasn't able to slaughter its first animal until late in 2012 and has since struggled to raise the operating funds to ramp up to full capacity.

Now, with \$138.8 million in liabilities and just \$79.3 million in assets, according to court documents, the plant has laid off most of its employees and is trying to figure out how it can restructure to resume production or sell.

Dennis Hellwig, an Aberdeen livestock businessman who was once Northern Beef's largest investor, sold his interest about four years ago. But he said a plant processing 1,500 head per day is still needed in the region to serve cattle ranchers in the Dakotas, Nebraska, Iowa, Minnesota.

"It's the right deal, it just has to get financed with enough money," Hellwig said. "Somebody will come along with the right program, but they need to change some stuff down there."

Hellwig invested in Northern Beef Packers in 2006 in response to then Gov. Mike Rounds' South Dakota

Certified Beef initiative. Rounds hoped to get the state's ranchers premium prices by allowing consumers to track animals from birth, through a feedlot and to a meatpacking plant.

But just as construction of the plant was about to begin,

local opponents forced a public referendum on the TIF bond plan. Voters gave their thumbs up, but then heavy spring rains brought severe flooding, prompting more delays.

Northern Beef Packers meanwhile used EB-5 to

attract investors and spur the start of construction, and Hellwig stepped down as general partner when the Korean investors asked to buy out his shares.

The new owners recruited another round of EB-5 investors, but the new

investment fund provided loan money instead of equity shares in the company. Northern Beef eventually began to ramp up production earlier this year to about 200 head a day — far short of the 1,500 capacity — after obtaining additional financing.

Out On The Town



VFW
Post 791 209 Cedar
OPEN TO THE PUBLIC
Wednesday & Sunday
5-7pm Cooks Choice
Thursday
5-7pm – Domestic Beers **\$1.50**
5-7pm – Hamburger/ Pizza Burger & Fries **\$5.00**
Friday
Karaoke with Papa Ray 8:30pm-12:30am
Yankee Pot Roast Serving 5:30-8:00
Saturday Entertainment
Veryl Hahn
Regular Menu 5:30-8:00
Bingo Wed. at 7:00pm
Sunday at 6:30pm
Happy Hour M-F 4:30-7:30
Chislic Served Last Wednesday of Month

Don't Miss Our
All-You-Can-Eat
Broasted Chicken & Pollock Buffet
With Salad Bar
Every Wednesday 5 to 9pm
Joe's Substation
Rural Lesterville
605-364-7414

Why Fly to Hawaii When You Can Drive To Hawaii?
It's Hawaiian Month At The Argo
Try Our Hawaiian Specialty Dishes & Tropical Drinks
Regular Menu Also Available
The Argo
Open Thurs.-Fri.-Sat. at 5:30
1-402-388-2400
www.theargohotel.com
email: argo@gocom.net CROFTON, NE

Wake Up With The Best!!
Breakfast Special \$3.95
Mon.-Fri. 6AM-11AM
Yesterday's Cafe
2216 Broadway, Yankton like us on... f

Yankton 8-Ball Captain's Meeting
Thursday, August 8 7:00pm
Captains only please.
304 W. 3rd, Yankton

PLAY TO WIN! HONDA \$11,699 msrp
BIGred multi utility vehicle
earn entries: **AUG. 1 - SEP. 28**
drawing: **SEP. 28: 10PM**
PURCHASED AT All Seasons Powersports

MEET & GREET HUSKER HALL-OF-FAMER TOMMIE FRAZIER
AUTOGRAPHS & PHOTOS **AUG 17 • 2-4PM**
FOUR WINDS EVENT CENTER
Ohiya CASINO • RESORT
7 MILES EAST OF NIOMBRARA, NE
402.857.3860 • OHIYACASINO.COM

Judge Limits Arguments In Neb. Lawsuit

OMAHA, Neb. (AP) — A judge has limited the arguments Creighton University can make in the upcoming trial of a lawsuit by a man who says the university's medical school discriminated against him because he is deaf.

Jury trial is set to begin Aug. 20 in federal court. The trial comes after the U.S. 8th Circuit Court of Appeals in March said a jury should be allowed to decide whether Creighton discriminated against Michael Argenyi (ar-GEN'-ee). Argenyi was accepted to Creighton's medical school after disclosing that he was hearing-impaired and requesting accommodations for his disability. He sued in 2009 after his requests for interpreters were refused.

On Friday, a judge barred Creighton from arguing that accommodating Argenyi's requests would fundamentally alter medical school curriculum or would pose a threat to the safety of patients.

Men Arrested On Underage Sex Charges

SIoux FALLS (AP) — Federal, state and Rapid City authorities say they've arrested seven men on charges of trying to pay for sex with underage girls after responding to online classified ads placed during the Sturgis Motorcycle Rally.

Records show that 29-year-old Scott Faulk, of Grand Junction, Colo., 19-year-old Miguel Aguilar, of Brighton, Colo., 43-year-old Michael Francis Fox Jr., of Owings, Md., and 54-year-old Timothy Gravens of Grapevine, Texas, were each charged in U.S. District Court with attempting to entice a person under 18 into a commercial sex act.

Attorney General Marty Jackley says three Rapid City men were also arrested: 31-year-old Jerry Lane Golliher, 27-year-old Eric D. Murphy and 24-year-old John Miller.

Attorneys were not listed.

An FBI agent's affidavit says investigators placed multiple advertisements on two websites offering young girls for prostitution.

Neb. Considers Eliminating Income Tax

LINCOLN, Neb. (AP) — The idea of eliminating the state income tax remains alive as the Nebraska Tax Modernization Committee continued its review of tax policy.

Earlier this year Gov. Dave Heineman proposed eliminating or reducing the state's income tax. He pulled back the idea after a torrent of criticism about new taxes that would have replaced the revenue lost.

State Sen. Galen Hadley, of Kearney, says he wants Nebraska to keep its income tax. He says Nebraska's overall tax rates are not far out of step with other states, and a major overhaul might not be needed.

Sen. Pete Pirsch, of Omaha, says legislators would have to find \$2.5 billion in new taxable transactions to make up for the loss of income tax.

Controversial Walmart Clears Hurdle

SIoux FALLS (AP) — The Sioux Falls City Council has approved the rezoning of about 40 acres of land to make way for a Walmart supercenter that some area residents have opposed.

The 7-1 council vote Tuesday night came after lengthy discussions involving city leaders, representatives of Wal-Mart Stores Inc. and residents. Walmart must now come back to the council for a permit before construction can start. The permit vote is expected in October.

Members of the Save Our Neighborhood group say they'll fight that permit, just as they fought the annexation of the land that has now been rezoned from agricultural use to commercial use.

The citizen group has tried several ways to block the store, including taking the city to court and hiring a consultant to review Walmart's traffic analysis.

The Lights Are On Again...
Serving Lunch 11am-4:30pm
Dinner 4:30pm-10pm 7 Days A Week
Lunch Special Two Slices of Cheese or Pepperoni Pizza and a pop\$5.50
Early Bird Special Served Nightly 4:30-6pm. Split Plate Steak.....\$22.50
Daily Specials Coffee, Soft Drinks, a wide variety of Beers or have a glass of wine. Tuesday Night \$5.95 Wings Monday Night \$12.99 Lg. Pizza
THE OLD LIGHTHOUSE
Pizza – Steak – Pasta – Burgers
2901 Broadway Under New Management
605.260.0870 {Call for Take-out Pizza}

Godfather's Pizza
All-You-Can-Eat Buffet Pizza, Salad, Desserts, & More!
LUNCH BUFFET: Monday-Sunday 11:00am-1:30pm
EVENING BUFFET: Tuesday-Wednesday-Friday 5:00pm-7:30pm
Yankton Mall | 605.665.2525 WE DELIVER!
ALL-YOU-CAN-EAT \$1.50 OFF Lunch Or Evening Buffet
KIDS ONLY \$9.99 KIDS 10 & Under \$9.99 Buffet
Jumbo Large Medium \$4 OFF \$3 OFF \$2 OFF
Present coupon when ordering. Valid at participating locations. Sales tax not included. Some restrictions. Apply expires 10/1/13

World Bible School
More than 1,000,000 people around the world are learning from the Bible with the help of lessons by mail from World Bible School!
SIGN UP TODAY FOR YOUR FREE LESSONS!
Send us your request to:
WBS • P.O. Box 242 • Yankton, SD 57078
or call 605-665-6379

Your home is his castle...
But It Doesn't Have To Smell That Way!
Carpet Cleaning Special \$75.95 for any 2 rooms (up to 300 sq. ft.)
Steamway CLEANING & RESTORATION
Not good with any other offer. Must present coupon. Expires 8/15/13
665-5700
1-800-529-2450

Lewis and Clark Theatre Company, Lewis and Clark Women of Today, & the Yankton Children's Theatre Company are proud to present....
National Award Winning Children's Performers...
PENNY & PALS
Workshop and Concert September 7 at the Dakota Theatre
Tickets \$10 For Youth/\$15 Adults
Call 605-665-4711 for reservations
No charge for the workshop. Limited to the first 15 to register. Workshop participants must be in 3rd through 8th grade this school year. Workshop registration will be held at the Dakota Theatre starting at noon, Monday, Aug. 12. Registration must be done in person.