

S.D. Beef Plant Looking For Buyer

BY DIRK LAMMERS
Associated Press

SIOUX FALLS — A state-of-the-art South Dakota beef packing plant that has lacked the money to ramp up to full production is set on finding a buyer rather than reorganizing.

Northern Beef Packers in Aberdeen, which filed for Chapter 11 bankruptcy protection last month, asked the court in Sioux Falls on Thursday to allow it to hire investment banking firm Lincoln International, which is now recommending a sale.

Chris Stradling, a mergers and acquisitions adviser with Lincoln, testified Thursday that his company would look for a “stalking horse” bid, in which one potential buyer makes an initial offer to set the floor for an auction that invites competitive bids.

“The most likely outcome is that someone else will own this business in a control position,” Stradling said.

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 reach anywhere near its production target of 1,500 head per day.

“We didn’t have the capital necessary to ramp up operations,” said Bob Wright, Northern Beef’s chief operating officer.

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 halted production.

Since May, Northern Beef executives have been working with Lincoln to find either a buyer or additional investors to help Northern Beef purchase enough cattle to turn a profit.

Stradling said new investors were weary of putting in money since there would be so many investors in line ahead of them.

“It was an unfavorable investment, ultimately, when you do the math,” he said.

Once locally owned, Northern Beef Packers is 41 percent owned by businessman Oshik Song with 69 other Ko-

rean 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.

Northern Beef Packers was pitched 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. 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.

Mother Pleads Guilty To Drug Charge

SIOUX FALLS (AP) — A Sioux Falls woman charged with drug possession and child neglect after a December fire that killed her three children pleaded guilty Thursday to the drug charge as part of a plea deal.

Rhiannon White, 35, also entered an Alford plea to a charge of child neglect. An Alford plea lets a defendant maintain innocence while admitting that prosecutors have enough evidence to convict.

Other charges against White were dropped as a part of the plea deal.

Judge Bradley Zell said Thursday that he will take time to review the child neglect charge to see if it is applicable.

Minnehaha County Deputy State’s Attorney Tom Hensley said White was having an affair with her methamphetamine dealer and smoked the drug with him hours before the blaze. When firefighters arrived, White was unsure how many children were inside the burning rental house, the *Argus Leader* reported.

“The investigators spent quite a bit of time looking for a fourth victim, and they did that because she thought her teenage son had a guest that night,” Hensley said. They eventually learned there was no overnight guest.

The prosecutor said White tested positive for methamphetamine and ecstasy and some prescription drugs after the Dec. 22 house fire that killed Michael Hensley, 16, Savannah Coon, 12, and Alivia Coon, 6. White and her husband escaped the fire by jumping from a second-story window.

The house had been too badly damaged for fire investigators to safely enter right away, and the danger of collapse was aggravated by a snowfall and rain in the weeks following the fire. Much of the evidence was frozen inside what remained of the house.

Donations from the community poured in after the blaze, but those who raised money later said there was a cloud over their efforts after they learned that White would face charges.

The possession charge carries a maximum penalty of 10 years in prison.

Minnesota

Man Claims Third Of \$448M Jackpot

BY STEVE KARNOWSKI
AND GEOFF MULVIHILL
Associated Press

ROSEVILLE, Minn. — A Minnesota man claimed his third of a \$448 million Powerball jackpot on Thursday, wasting no time before revealing his good fortune to the world and saying he had “been waiting for this day my entire life.”

Paul White, 45, a project engineer from Ham Lake, said his family often gave him a hard time for frequently playing the lottery, and he had a tough time convincing many of them that he had finally won.

“The only person who didn’t feel I was BSing them was my mother,” a beaming White said at a news conference where he was joined by his girlfriend, brother and two colleagues.

White said he’ll take a lump sum, which will amount to \$58.3 million after taxes. Despite the minuscule odds of a jackpot win, White said he often day-dreamed about how he’d spend his winnings if he won.

“I’ve totally been waiting for this day my entire life,” he said, lamenting that he has to wait two weeks for his money. “Start the clock right now,” he said, eliciting laughs.



ANNA REED/MINNEAPOLIS STAR TRIBUNE/MCT
Paul White with his significant other, Kim VanReese, holds a news conference after claiming a \$149.4 million Powerball jackpot at the Minnesota State Lottery office in Roseville, Minnesota, on Thursday.

The other two winning tickets were sold in New Jersey, including in a coastal community that is still recovering from Superstorm Sandy. But no one had stepped forward to claim either of those two shares as of Thursday afternoon.

White said his girlfriend called him Thursday morning to say a winning ticket had been sold in Minnesota, and he quickly checked the 10 he had bought the night before.

Mega-jackpot winners often wait days or weeks before claiming their prizes, giving

them time to prepare and make legal arrangements. White said he had an attorney and financial adviser in mind, and wasn’t afraid of the publicity — noting the New Jersey winners hadn’t stepped forward yet.

“I hope I’m yesterday’s news as soon as possible,” he said.

Grand Jury Indicts Suspect In S.D. Crash

PIERRE (AP) — A South Dakota man accused of driving under the influence and killing two federal wildlife researchers has been indicted on manslaughter, vehicular homicide, and alcohol- and drug-related charges.

State Attorney General Marty Jackley and Charles Mix County State’s Attorney Thomas Doadrick announced the grand jury indictment against 29-year-old Ronald Fischer on Thursday.

Fischer, of Lake Andes, is accused of driving drunk and with marijuana in his system and running a stop sign on July 8, hitting the two U.S. Fish and Wildlife Service researchers in a motel parking lot in the Pickstown area. Killed were 46-year-old Robert Klumb, of Pierre, and 25-year-old Maegen Spindler, of Cazenovia, N.Y.

A telephone listing for Fischer could not immediately be found. He could face life in prison if convicted.

Robby Knievel Arrested On DUI Charge

DEADWOOD (AP) — The daredevil son of Evel Knievel has been arrested on a drunk driving charge in South Dakota.

Meade County Chief Deputy Tom Wilts told the *Rapid City Journal* that Robbie Knievel drove his motorhome into a couple of parked vehicles at the Buffalo Chip Campground, a popular spot during the Sturgis Motorcycle Rally.

Wilts says the Tuesday evening incident caused some property damage and the owner reported it. Knievel was stopped a short time later by a South Dakota Highway Patrol trooper in Boulder Canyon and taken to the Lawrence County Jail.

Authorities say Knievel pleaded guilty to first-offense DUI on Wednesday morning and was released with his driver’s license suspended for 30 days and about \$600 in fines.

Nebraska

Judge Consolidates Lawsuits Of 6 People Cleared By DNA Evidence

BY MARGERY A. BECK
Associated Press

OMAHA, Neb. — A federal judge has consolidated the lawsuits of six people cleared by DNA evidence in the 1985 killing of a Beatrice woman and set trial for next year.

U.S. Magistrate Judge Cheryl Zwart on Sunday consolidated the lawsuits of James Dean, Kathleen Gonzalez, Debra Shelden, Ada JoAnn Taylor, Joseph White and Thomas Winslow.

The trial is set to begin Jan. 6 and run for 10 days, including jury selection and closing arguments.

The trial was scheduled after a federal appeals court ruled in October that lawsuits filed by five of the so-called Beatrice Six against several Gage County officials could continue.

The ruling reversed a federal judge’s dismissal of lawsuits brought by Winslow, Taylor, Dean and Gonzalez. The lower court had found they voluntarily entered guilty pleas in Wilson’s death, but

the appeals court said evidence suggested that officials systematically coached witnesses into providing false testimony.

A different federal judge allowed White’s lawsuit to proceed, and Gage County officials appealed that decision. The appeals court upheld that decision.

Shelden did not sue the county until 2011, and her case was stayed until after the 8th U.S. Circuit Court of Appeals decision reinstating the other lawsuits.

The six were convicted in the 1985 murder of Helen Wilson and spent a combined 87 years in prison before they were exonerated in 2008 after DNA testing implicated another man.

They sued, saying Gage County officials deliberately trampled on their rights by fabricating and coercing evidence as they tried to get convictions in the high-profile case that rocked the southeast Nebraska city of Beatrice nearly 30 years ago.

They were the first people in Nebraska to be exonerated

in a murder case based on DNA evidence and were cleared after a 2007 Nebraska Supreme Court ruling allowed new DNA tests in old convictions.

Investigators originally described a gruesome scene in which 68-year-old Helen Wilson was held down and raped in front of a group of people. Her hands were bound, and she died of suffocation.

But after the new DNA tests, officials said the crime was committed by one man, Bruce Allen Smith, who grew up in Beatrice, returned to town days before the slaying and then quickly went back to Oklahoma. He died of AIDS in 1992 at the age of 30.

Gage County officials plan to see the case through trial, an attorney for the officials said Thursday.

“At this point, we’re preparing for the trial to forward in January,” Jennifer Tomka said.

Attorneys for the Beatrice Six did not immediately return phone messages left Thursday seeking comment.

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South Dakota

Court Censures Former Lawmaker

PIERRE (AP) — The South Dakota Supreme Court publicly censured former state Rep. R. Shawn Tornow on Thursday for his actions in two cases when he was an assistant city attorney for Sioux Falls.

Tornow, who served two separate terms in the state House, had asked for only a private reprimand, but the Supreme Court ruled unanimously that his conduct was serious enough to warrant a public censure, which gets noted in the State Bar’s monthly newsletter.

The State Bar’s Disciplinary Board had recommended publicly censuring Tornow for violating rules governing lawyers’ conduct.

The Disciplinary Board found that while Tornow was as-

sistant city attorney, he acted unfairly by not giving some information to a former city commissioner involved in a case before the city’s Ethics Board. The board also found that Tornow had an improper conversation with another lawyer

representing Tornow’s daughter on a traffic violation.

Tornow declined to comment, referring questions to his lawyer, Darrell Jesse. The Dakota Dunes attorney didn’t respond to phone messages seeking comment about the ruling.