

UNITED STATES DISTRICT COURT, DISTRICT OF NEBRASKA

| | |
|-------------------------------------|---|
| <hr/> | |
| GREEN PLAINS TRADE GROUP LLC, |) |
| GREEN PLAINS INC., GREEN PLAINS |) |
| WOOD RIVER LLC, GREEN PLAINS ORD |) |
| LLC, GREEN PLAINS ATKINSON LLC, |) |
| GREEN PLAINS CENTRAL CITY LLC, |) |
| GREEN PLAINS YORK LLC, GREEN |) |
| PLAINS SHENANDOAH LLC, GREEN |) |
| PLAINS OTTER TAIL LLC, GREEN PLAINS |) |
| FAIRMONT LLC, GREEN PLAINS |) |
| HEREFORD LLC, GREEN PLAINS MOUNT |) |
| VERNON LLC, GREEN PLAINS MADISON |) |
| LLC, GREEN PLAINS HOPEWELL LLC, |) |
| GREEN PLAINS SUPERIOR LLC, GREEN |) |
| PLAINS OBION LLC, GREEN PLAINS |) |
| BLUFFTON LLC, |) |
| |) |
| Plaintiffs, |) |
| |) |
| v. |) |
| |) |
| ARCHER DANIELS MIDLAND COMPANY, |) |
| |) |
| Defendant. |) |
| |) |
| <hr/> | |

Case No.

JURY TRIAL DEMANDED

COMPLAINT

Adam J. Levitt
John E. Tangren
Mark S. Hamill
DICELLO LEVITT GUTZLER LLC
Ten North Dearborn Street, Sixth Floor
Chicago, Illinois 60602
Tel.: (312) 214-7900
alevitt@dicellolevitt.com
jtangren@dicellolevitt.com
mhamill@dicellolevitt.com

Greg G. Gutzler
DICELLO LEVITT GUTZLER LLC
60 East 42nd St., Suite 2400
New York, New York 10165
Tel.: (646) 933-1000
ggutzler@dicellolevitt.com

David A. Domina (#11043NE)
DOMINA LAW GROUP PC LLO
2425 South 144th Street
Omaha, Nebraska 68144
Tel.: (402) 493-4100
ddomina@dominalaw.com

Dated: October 26, 2021



SUMMARY OF THE CASE

1. Archer Daniel Midlands Company (“ADM”) is a major producer and seller of ethanol in the Midwest and throughout the United States. Most relevant to this lawsuit, ADM produces ethanol at multiple bioprocessing sites in the United States and sells ethanol into cash markets, including a cash spot market at the Kinder Morgan Argo Terminal in Argo, Illinois (the “Argo Terminal”). While being one of many cash spot markets, the Argo terminal is unique because it serves as the price reference point for nearly all physical and financial ethanol transactions across the world. As a producer and seller of ethanol, ADM should want pricing mechanisms that reflect actual market prices at the Argo Terminal and any other locations they sell ethanol.

2. During the relevant time period, from November 2017 through at least September 2019 (the “relevant time period”), ADM routinely acquired financial derivative contracts that went up in value if the price for ethanol at the Argo Terminal went down.

3. As a physical producer of ethanol, ADM should want stable or rising prices so that its physical sales would earn a profit. However, because of the disproportionate size of its derivative financial position, ADM manipulated prices to fall so that its financial derivatives would earn a profit. Instead, ADM sacrificed its profits on physical sales in order to leverage even larger profits on its derivatives contracts.

4. To succeed, ADM needed to execute a three-step strategy. First, ADM needed to ensure that physical prices at the Argo Terminal would decline (*i.e.*, to depress prices), which ADM did by: (i) flooding the Argo Terminal with ethanol, and (ii) hurriedly lowering offers or accepting low priced bids as the dominant seller in the MOC pricing window (the window that controls much of the pricing for the physical ethanol market, to be described in greater detail below), rather than asking or waiting for a higher price. Secondly, by selling on average one

million gallons of ethanol daily in the MOC window, ADM was able to adversely impact the pricing of over 32 million gallons of physical ethanol produced industry-wide per day. Finally, ADM needed to gain enough leverage to turn its own physical ethanol losses at the Argo Terminal (and associated losses on its plant production), into financial wins at NYMEX and CBOT, which it did by acquiring short-sided speculative derivative contracts at an unprecedented scale and then targeting the terminal and pricing mechanism used to determine the price of those derivative contracts. ADM's foregoing manipulation of the derivative contracts market is illegal; it is forbidden by the Commodities Exchange Act ("CEA").

5. In executing its strategy beginning in November 2017, ADM was a buyer in the MOC window only once for 210,000 gallons, but was a seller at all other times for a total of approximately 821 million gallons – a sea change from their pre-November 2017 trading behavior in which ADM was consistently a buyer. While selling in the MOC window, ADM was simultaneously purchasing physical gallons with the Argo terminal at prices above which it was selling in the window, which is completely uneconomic behavior for an ethanol producer that would be seeking to maximize the sell price of its physical sales.

6. ADM used its size, proximity, and relationships to exploit and overwhelm the Argo terminal and force a desired, self-serving pricing outcome upon other financial and physical market participants. The uneconomic nature of ADM's trading behavior left other participants in the dark about ADM's strategy, and even those participants who understood it could not take on the enormous risk required to defend themselves through their own derivatives positions.

7. ADM put ill-gotten money into its own pockets by its strategy of making uneconomic decisions that were not correlated to the actual price of ethanol in order to support its speculative financial positions. But ADM also knew that it would take hard-earned money out of

the pockets of other ethanol producers by depressing prices at the Argo Terminal, hurting the producers and imposing downstream pain on corn farmers and cooperatives.

8. While the Argo Terminal is a critical point for ethanol price discovery, most physical ethanol sales and deliveries in the United States are made outside of the Argo Terminal, including sales contracts that are priced based on the Argo Terminal MOC window pricing mechanism. However, these physical ethanol sales are overwhelmingly tied to sales contracts that are priced based on the Argo Terminal pricing. Thus, as ADM knew when it developed and executed the illegal and unconscionable strategy (which it continues to do), ADM's downward manipulation of prices at the Argo Terminal inevitably reduced the prices that ethanol producers received for sales under those contracts. ADM's foregoing targeting of producers in the performance of their ethanol sales contracts is unlawful tortious interference with contractual relations.

9. Thus, ADM harmed producers and traders through its manipulation of ethanol prices, depriving them of the benefits of a fair market, and also harmed producers through its tortious interference of lowering the Argo Terminal-based price index which it knew producers use as the pricing mechanism for their sales contracts, depriving producers of the benefits of contracting/pricing free from tortious interference.

PARTIES

10. In this complaint, Plaintiffs are collectively referred to as "Green Plains." Green Plains is one of the largest sellers of ethanol, with annual production and sales of over one billion gallons of ethanol.

11. Green Plains Inc. ("GPRI") is an Iowa corporation with its principal place of business in Omaha, Nebraska that owns fifteen single-member bioprocessing LLCs. GPRI also

owned the single-member bioprocessing LLC Green Plains Holdings II LLC for certain parts of the relevant time period; it has since dissolved and distributed the proceeds to GPRE.

12. Green Plains Trade Group LLC (“Green Plains Trade”) is a Delaware limited liability company and subsidiary of GPRE, with its principal place of business in Omaha, Nebraska. Pursuant to marketing agreements with the Green Plains single-member bioprocessing LLCs, Green Plains Trade markets and sells ethanol to outside third parties on behalf of Green Plains’ single-member bioprocessing LLCs.

13. Green Plains Wood River LLC is a Delaware limited liability company and subsidiary of GPRE, with its principal place of business in Omaha, Nebraska. Green Plains Wood River LLC operates a bioprocessing plant in Wood River, Nebraska that produces ethanol for sale via its marketing agreement with Green Plains Trade.

14. Green Plains Ord LLC is a Delaware limited liability company and subsidiary of GPRE, with its principal place of business in Omaha, Nebraska. Green Plains Ord LLC operates a bioprocessing plant in Ord, Nebraska that produces ethanol for sale via its marketing agreement with Green Plains Trade.

15. Green Plains Atkinson LLC is a Delaware limited liability company and subsidiary of GPRE, with its principal place of business in Omaha, Nebraska. Green Plains Atkinson LLC operates a bioprocessing plant in Atkinson, Nebraska that produces ethanol for sale via its marketing agreement with Green Plains Trade.

16. Green Plains Central City LLC is a Delaware limited liability company and subsidiary of GPRE, with its principal place of business in Omaha, Nebraska. Green Plains Central City LLC operates a bioprocessing plant in Central City, Nebraska that produces ethanol for sale via its marketing agreement with Green Plains Trade.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.