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December 17, 2021

John Coleman

Jennefer Coleman

Michael Coleman

Virginia Coleman

**VIA FED EX**

Re: Travelers Casualty and Surety Company of America  
Our File No.: 088-SC-T2117827-NR/088-SC-T2117828-NR  
Bond No.: 031-S-107114715/031-S-107114491  
Principal: Express Grain Terminals, LLC  
Obligee: Mississippi Department of Agriculture & Commerce  
Claimant: Mississippi Department of Agriculture & Commerce

Dear Sirs and Madams:

By letter dated December 8, 2021, the Assistant Attorney General representing the Mississippi Department of Agriculture presented a claim against Express Grain Terminals, LLC and Travelers Casualty and Surety Company of America under bonds 031-S-107114715 and 031-S-10711491 (the "Bonds"). We have enclosed a copy of the initial claim letter for your reference.

We understand that Express Grain Terminals, LLC, and its affiliated entities, Express Biodiesel, LLC and Express Processing, LLC are currently involved in bankruptcy proceedings in the U.S Bankruptcy Court for the Northern District of Mississippi, Case No. 21-11832-SDM. The Mississippi Department of Agriculture has indicated that it intends to make demand for the full penal sum of the Bonds issued to Express Grain Terminals, LLC.

John Coleman, Jennefer Coleman, Michael Coleman and Virginia Coleman (individually and/or collectively the "Indemnitor") executed a General Contract of Indemnity, dated on or about June 26, 2019 (the "GCI") for the benefit of Travelers Casualty and Surety Company of America for itself, affiliates, parents and subsidiaries (the "Company"), an executed copy of which is enclosed.<sup>1</sup>

<sup>1</sup> Additionally, Express Grain Terminals, LLC and Michael Coleman executed a General Contract of Indemnity ("GCI") dated June 12, 2008. A copy of that June 8, 2008 GCI is also enclosed.

\*\*\*\*\* Our toll-free number is 800-842-8496 \*\*\*\*\*

If possible, please send future communications and documents concerning this claim via email to SRWALLS@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

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As set forth in the Promises and Agreements section of the GCI, paragraph number 5.(a), each Indemnitor agreed to “procure the full and complete discharge of the Company from any and all Bond(s) by providing competent written evidence of discharge satisfactory to the Company in its sole discretion” within thirty (30) days of receipt of the Company’s written demand or, if such discharge is not obtained, provide the Company with an irrevocable letter of credit in form, content and issued by a bank acceptable to the Company within an additional seven (7) days.

In addition, Section 2.(b) of this GCI provides that the Indemnitors promise and agree as follows:

2. To indemnify and exonerate Company from and against any and all loss, cost and expense of whatever kind which it may incur or sustain as a result of or in connection with the furnishing of Bond(s), the assumption of obligations by Company of Bond(s), and/or the enforcement of this Agreement, including unpaid premiums, interest, court costs and counsel fees, and any expense incurred or sustained by reason of making any investigation, hereinafter referred to as “Loss.” To this end Indemnitors promise:

(b) To deposit with Company, on demand, the amount of any reserve against such Loss which Company is required, or deems it prudent to establish whether on account of an actual liability or one which is, or may be, asserted against it and whether or not any payment for such Loss has been made.

In accordance with the provisions of the GCI, demand is hereby made upon the Indemnitors to provide the Company with either: (i) the full and complete discharge of the Company from each of the enclosed list of Bonds issued by the Company on behalf of Indemnitors no later than January 24, 2022, or (ii) with an irrevocable letter of credit in the amount of One Million, One Hundred Thousand Dollars (\$1,100,000) no later than January 31, 2022. If a letter of credit is to be provided, it shall be provided in form (see copy enclosed), content and by a bank acceptable to the Company. As of the date of this Discharge Demand, the undischarged liability under the Bonds is One Million, One Hundred Thousand Dollars (\$1,100,000).

Sample language to release the Company from issued Bonds is enclosed. If the Company is to be discharged from liability by a release from a Bond, then the enclosed language should be completed for the Bond to be released, printed on letterhead of the Bond Oblige and signed by an authorized representative of the Bond Oblige.

If an irrevocable letter of credit will be provided, please have the issuing bank send it to the following address:

Travelers Bond Attn: Anna Nowik  
National Resources, Collateral Processing One Tower Square – 2S07B  
Hartford, CT 06183

Please note, should the undischarged liability subsequently increase, the Indemnitors are required to provide an irrevocable letter of credit to cover 100% of the increased liability. Nothing herein shall be construed as a waiver of any rights and/or remedies of the Company, including without limitation those contained in the GCI, and any and all rights, including the right to increase the amount of collateral demanded are specifically reserved herein.

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We would appreciate the opportunity to discuss this matter in greater detail via phone. Please let us know if you are agreeable to a discussion and, if so, please provide your availability. Please contact Bob Scanlon at [rscanlon@travelers.com](mailto:rscanlon@travelers.com) or (860) 277-4275.

Sincerely,

*Shannon Walls*

cc: Jeff Price

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**Bond List**

<b>Principal</b>	<b>Bond No.</b>	<b>Limit</b>	<b>Obligee</b>
Express Grain Terminals, LLC	107114715	\$1,100,000	Mississippi Dept of Ag and Commerce
Express Grain Terminals, LLC	107114491	\$100,000	Mississippi Dept of Ag and Commerce

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