

# INDIANA GRAIN INDEMNITY BOARD

## OFFICIAL MEETING MINUTES

Chairman Sarah Ash Simpson called the annual meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 10:05 a.m. on May 29, 2008. The meeting was held in Assembly Hall D on the first floor of the Indiana Farm Bureau Corporate Headquarters located at 225 South East Street, Indianapolis, Indiana.

**PRESENT:** The following voting members were present:

Don Lowe	Lee Rulon	Don Villwock
Fred Reichart	Mike Shuter	
Herman Rettinger	William Tudor	

The nonvoting members or their representatives present were:

Sarah Ash Simpson, Interim Director of Indiana Grain Buyers & Warehouse Licensing Agency  
Larry Hopkins, representative of the Attorney General

**ABSENT:** The voting members absent for the meeting were:

Robert Ax  
John Colvin  
Roger Hadley

The nonvoting member or their representative absent was:

Duane Jasheway, representative of the Treasurer of State

**RESOURCE STAFF:** The following resource people were present:

DeAnna Brunner, Chief Counsel, Indiana State Department of Agriculture  
Dennis Henry, Indiana Grain Buyers & Warehouse Licensing Agency

The following guests were present:

Joe Miller, Attorney

**QUORUM:** Chairman Simpson did a roll call of the Board members and stated that there was a quorum present.

**MINUTES:** Copies of the minutes of the previous meeting (December 14, 2007) were mailed to board members to review. W. Tudor moved to approve the minutes as

written. (Second from D. Willwock) *The minutes of the December 14, 2007, meeting were approved as written.*

**BOARD APPOINTMENTS:** With the schedule of staggered terms of office, two (2) board member's terms had expired. Letters were mailed to the appointing organizations. The Indiana Grain and Feed Association has appointed Don Lowe to represent them on the board for a four (4) year term. Indiana Farmers Union has reappointed William Tudor to represent them on the board for an additional four (4) year term. These four (4) terms will expire in the year 2012.

With the appointment of D. Lowe, Chairman Simpson asked him to give the board a short bio on himself.

## **NOMINATIONS**

**COMMITTEE:** Chairman Simpson asked for the report from the Nomination Committee. H. Rettinger reported on behalf of the committee and stated the committee nominates D. Villwock to continue as Vice President and R. Hadley to continue as Secretary/Treasurer. With no other nominations L. Rulon motioned that nominations be closed and that the officers be elected by acclamation. (Second by H. Rettinger) *Motion carried and the nominees were elected to their respective offices unanimously.*

**FINANCIAL:** The next order of business was the financial report prepared by Duane Jasheway on April 30, 2008, disclosing a fund balance of \$15,086,142.72. Included with the balance sheet was a statement of operation and a listing of fund investment information. Chairman Simpson reported on behalf of D. Jasheway, that the average rate of return on investments is about 2.96% for this year. Copies of the reports were distributed (Exhibit A). A motion by D. Villwock was made to accept the financials as they were presented and certify the fund balance at \$15,086,142.72 as of May 1, 2008. (Second by F. Reichart) *The motion was carried and the financials were approved as presented as of April 30, 2008 and the amount of the fund on May 1, 2008 was certified to be \$15,086,142.72.*

D. Villwock suggested that a news release regarding the significant achievement of the fund hitting over \$15 million. W. Tudor moved that Indiana State Department of Agriculture (ISDA) prepare a news release and submit to the Board for approval. (Second by D. Villwock) *Motion was carried to have ISDA submit a news release to the Board for approval regarding the \$15 million fund balance and success.*

**OLD BUSINESS:** Chairman Simpson introduced DeAnna Brunner, Chief Counsel for the ISDA. D. Brunner gave the board an update on the claimant appeal to the Osborn Feed & Grain, Inc. Fact and Final Order.

D. Brunner discussed with the Board adoption of a code of ethics. After much discussion, W. Tudor moved that the Board adopt the State of Indiana's regulations regard Code of Ethics. (Second by F. Reichart) *Motion was carried to have the IGIC Board adopt the Code of Ethics as prepared by the State of Indiana.*

Chairman Simpson presented to the Board a Proposal for Reimbursement of expenses incurred by Indiana Grain Buyers & Warehouse Licensing Agency (IGBWLA) regarding the Osborn Feed & Grain, Inc. failure. The Board then discussed the proposal, IGIC & IGBWLA duties and responsibilities and other functions regarding a failure. After much discussion D. Villwock moved that the Board accepts the Proposal of Reimbursement and pay IGBWLA the amount of \$4,446.79 for reimbursement of expenses incurred during the Osborn Feed & Grain, Inc. failure. (Second by F. Reichart) *Motion was carried unanimously to reimburse IGBWLA for expenses incurred regarding Osborn Feed & Grain, Inc. in the amount of \$4,446.79.*

**NEW BUSINESS:** Chairman Simpson announced to the board that the agency was currently working on a licensee failure. She stated that the agency will have a Claims Hearing next month. F. Reichart asked the Chairman to forward the Public Notice when it gets published.

Chairman Simpson advised the Board on Delegation of Authority. She asked the Board to formally delegate authority to the Chairman to act on behalf of the Board. D. Villwock asked that this delegation of authority be approved as the Chairman would only be acting on business approved by the Board. With a prior decision regarding the

Fact and Final Order issued for Osborn Feed and Grain, Inc., D. Villwock asked the Board to move that Chairman Simpson be given ultimate authority for her post decision. (Second by M. Shuter) ***Motion was carried and the Board gave post ultimate authority to Chairman Simpson regarding decision for Osborn Feed & Grain, Inc. Fact and Final Order appeal.*** D. Villwock then moved that the Board give the Standing Chairman of the Board ultimate authority regarding claims as approved by the Board. (Second by F. Reichart) ***Motion was carried to give the Standing Chairman ultimate authority regarding claims already approved by the Board.***

F. Reichart announced to the Board that as of May 1, 2008 he retired and will be stepping down from his seat on the Board as soon as his replacement is named. D. Villwock thanked Fred on behalf of the Board for his outstanding work as a member of this Board. He also commended Fred on his commitment to the Indiana Grain and Feed Association and his continued commitment to Indiana producers.

**ADJOURMENT:** It was motioned that the meeting adjourn by F. Reichart. (Seconded by H. Rettinger) The meeting adjourned at 11:44 a.m.

Claim forms and travel vouchers for mileage and per diem submitted by:

Don Lowe	\$91.60	Lee Rulon	\$80.40
Fred Reichart	\$102.00	Mike Shuter	\$94.00
Herman Rettinger	\$140.40	William Tudor	\$74.00

Don Villwock declined submitting a claim for mileage and per diem.

Respectfully submitted by Dennis Henry on June 05, 2007.

*Exhibit A*

## INDIANA GRAIN INDEMNITY CORPORATION BALANCE SHEET 4/30/2008

### ASSETS

Cash	\$67,781.68
Investments	<u>15,018,361.04</u>
<b>Total Assets</b>	<b><u>\$15,086,142.72</u></b>

### LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$15,086,142.72</u>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$15,086,142.72</u></b>

**STATEMENT OF OPERATIONS  
FOR THE TEN MONTHS ENDING APRIL 30, 2008**

**Revenues:**

Investment Interest \$677,473.59

**Total Revenues** 677,473.59

**Expenses:**

Failure Reimbursement 402,179.29

Travel 1,346.00

**Total Expenses** 403,525.29

**Net Income** 273,948.30

**Fund Balance, 07/01/07** 14,872,194.42

**Prior period adjustment** (60,000.00)

**Adjusted beginning balance, 7/01/07** 14,812,194.42

**Current Fund Balance** \$15,086,142.72

Fund List: Type = TF  
 From 05/01/2008 thru 12/31/2020

<u>Inv No</u>	<u>Investment # / Institution</u>	<u>CO</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Par Original Cost</u>	<u>Coupon Yield</u>	<u>Interest Amount</u>	<u>Fund / Center</u>	<u>TOS #</u>
62436	PRODUCER - PERMIUM FD. OSSIAN STATE BANK 61556	90	11/1/07	5/1/08	800,000.00 800,000.00	4.7200 4.7200	19,089.78	6990- 100400	146
62451	PRODUCER - PERMIUM FD. FIRST MERCHANTS BANK OF C. IN. 60381518	48	11/21/07	5/22/08	1,000,000.00 1,000,000.00	4.4000 4.4000	22,366.67	6990- 100400	146
62508	PRODUCER - PERMIUM FD. FLAGSTAR BANK 424539227	99	3/27/08	6/26/08	1,000,000.00 1,000,000.00	2.9100 2.9100	7,355.83	6990- 100400	146
*****	CERTIFICATE OF DEPOSIT TOTAL	*****			2,800,000.00 2,800,000.00	3.9593 3.9593	48,812.28		
38871	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	4/8/08	9/19/08	1,500,000.00 1,485,718.33	2.0900 2.1390	14,281.67	6990- 100400	146
38872	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	4/8/08	11/7/08	1,500,000.00 1,481,362.50	2.1000 2.1560	18,637.50	6990- 100400	146
38909	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	4/21/08	8/22/08	1,250,000.00 1,241,330.21	2.0300 2.0730	8,669.79	6990- 100400	146

GOVT AGENCY DISCOUNT NOTES									
*****	TOTAL		*****		4,250,000.00	2.0759	41,588.96		
					4,208,411.04	2.1256			
38638	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	12/14/07	11/5/08	2,000,000.00 2,009,950.00	4.5000 4.4500	81,750.00	6990- 100400	146
38776	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	2/8/08	2/8/10	1,000,000.00 1,000,000.00	3.2500 3.2500	65,993.06	6990- 100400	146
33813	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	3/4/08	3/4/09	1,000,000.00 1,000,000.00	2.9300 2.9300	29,706.94	6990- 100400	146
38876	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	4/9/08	10/9/08	2,000,000.00 2,000,000.00	2.2000 2.2000	22,366.67	6990- 100400	146
38907	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	4/21/08	4/21/09	2,000,000.00 2,000,000.00	2.4500 2.4500	49,680.56	6990- 100400	146
GOVT AGENCY COUPONS									
*****	TOTAL		*****		8,000,000.00	3.0600	249,497.23		
					8,009,950.00	3.0475			

TOTAL FOR FUND CODE

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15,050,000.00	2.9494	339,898.47
15,018,361.04	2.9568	

Date: 5/1/2008