

INDIANA GRAIN INDEMNITY BOARD

OFFICIAL MEETING MINUTES

Chairman Sarah Ash Simpson called the meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 10:04 a.m. EDT on Thursday, October 2, 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:

Robert Ax
John Colvin
Roger Hadley

Don Lowe
Herman Rettinger

Mike Shuter
William Tudor

The nonvoting members or their representatives present were:

Sarah Ash Simpson, Interim Director of the Indiana Grain Buyers and Warehouse Licensing Agency
Richard Mourdock, Treasurer of the State
Vicki Pool, representative of the Treasurer of State

ABSENT: The voting members absent for the meeting were:

Ron Reichart

Lee Rulon

Don Villwock

The nonvoting members or their representatives absent were:

Larry Hopkins, representative of the Attorney General

RESOURCE The following resource people present were:

STAFF:

Deb Abbott, Communications, Indiana State Department of Agriculture
DeAnna Brunner, Chief Counsel, Indiana State Department of Agriculture
Dennis Henry, Indiana Grain Buyers and Warehouse Licensing Agency
Cress Hizer, Indiana Grain and Feed Association
Mark Thornburg, Attorney, Indiana Farm Bureau

The following guests were present:

Mike Baise, Indiana Farm Bureau
Katie Nickas, Agri-News

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 (May 29, 2008) were mailed to board members to review. M. Shuter moved to approve the minutes as written. (Second from H. Rettinger) *The minutes of the May 29, 2008 meeting were approved as written.*

FINANCIAL: R. Mourdock announced that Duane Jasheway, who represented the Treasurer's Office on the board, had been promoted in the department and Vicki Pool would be taking on his responsibilities on the board. V. Pool disclosed a fund balance of \$15,208,661.15. Included with the balance sheet presented to the board was a statement of operation and listing of fund investments. (Exhibit A) V. Pool stated that the average investment interest was at about 2 ½ %.

CLAIM

PRESENTATION: Chairman Simpson presented claims to the board from the failure of Nutritional Research Assn, Inc. dba Whitley Feeds Div. The claims hearing was held on June 12, 2008 and the Finding of Fact and Final Order was written on September 10, 2008. The Indiana Grain Buyers and Warehouse Licensing Agency then dispersed \$26,875.95 from bond proceeds, the balance of claims were then presented as per the Finding of Fact and Final Order. (Exhibit B) The board then had a brief discussion regarding the order. J. Colvin moved to approve the claims as presented. (Second from R. Hadley) *The motion was carried and the board approved all claims presented and authorized the payment from the fund in the amount of \$42,925.95.*

NEW BUSINESS: D. Henry stated to the board that the Indiana Department of Revenue requested the board update records with the department regarding responsible officer information. The board was notified that the Department of Revenue current records showed Ron Culler, Counsel for the Office of the Commission of Agriculture as the Responsible Officer for the board. W. Tudor moved that R. Culler be removed as responsible officer. (Second from M. Shuter) *The motion was carried and the board asked that Ron Culler be removed as Responsible Officer.* The board then discussed who should be placed as responsible officer(s). It was then moved by R. Hadley to have Chairman Sarah Ash Simpson and Vice Chairman Don Villwock be placed as Responsible Officers for the Indiana Department of Revenue's records. (Second from M. Shuter) *The motion was carried to list S. Simpson and D. Villwock as responsible officers for the Indiana Department of Revenue's records.*

OLD BUSINESS: D. Brunner updated the board on the issues and pending litigation with the Osborn Feed & Grain, Inc. failure that was paid out from the fund in 2007.

Chairman Simpson updated the board on a surrender of a license and the current liquidation of grain and unencumbered assets of the now former licensee. She told the board a claim hearing was held on August 28, 2008 and the agency is now reviewing claims for the Finding of Fact and Final Order, which will

be issued at least 90 days after the hearing. Pending the fifteen (15) day appeal after the order is issued, the Agency will then call back the board to meet to review claims to the fund.

It was brought to the attention of the Chairman that the current fund balance and final statements presented by the Treasurer's Office were not voted on by the board. W. Tudor moved that the financial statements be accepted as presented. (Second from J. Colvin) *The motion was carried and the financial statements were approved as presented as of August 31, 2008.*

After some discussion of the current market prices, the state of Ethanol and consideration of review of the fund statute, Chairman Simpson asked for a motion to adjourn. Said motion to adjourn came from H. Rettinger. (Second from D. Lowe) *The motion was carried and the October 2, 2008 meeting of the Indiana Grain Indemnity Corporation was adjourned at 11:42 a.m. EDT.*

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

Robert Ax
Roger Hadley
Don Lowe

Herman Rettinger
Mike Shuter
William Tudor

John Colvin declined submitting a claim for mileage and per diem.

Respectfully submitted by Dennis Henry on October 10, 2008

Exhibit A

INDIANA GRAIN INDEMNITY CORPORATION
BALANCE SHEET
8/31/2008

ASSETS

Cash	\$25,654.53
Investments	15,183,006.62
Total Assets	\$15,208,661.15

LIABILITES AND FUND BALANCE

Fund Balance	<u>\$15,208,661.15</u>
Total Liabilities and Fund Balance	<u><u>\$15,208,661.62</u></u>

INDIANA GRAIN INDEMNITY CORPORATION
STATEMENT OF OPERATIONS
FOR THE TWO MONTHS ENDING AUGUST 31, 2008

Revenues:	
Investment Interest	<u>\$ 24,877.73</u>
Total Revenues	<u>\$24,877.73</u>
Expenses:	
	<u>0.00</u>
Total Expenses	<u>0.00</u>
Net Income	<u>\$ 24,877.73</u>
Fund Balance, 7/01/08	<u>\$ 15,183,783.42</u>
Current Fund Balance	<u><u>\$15,208,661.15</u></u>

Fund List: Type = TF
From 09/01/2008 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>
62548	PRODUCER - PERMIUM FD. STOCK YARDS BANK & TRUST CO	99	5/22/08	11/20/08	1,000,000.00	3.1000	15,672.22	100400	146
					1,000,000.00	3.1000			

62567	PRODUCER - PERMIUM FD. STOCK YARDS BANK & TRUST CO	99	7/3/08	10/2/08	1,000,000.00	3.2500	8,215.28	6990- 100400	146
					1,000,000.00	3.2500			
62584	PRODUCER - PERMIUM FD. STOCK YARDS BANK & TRUST CO	99	6/5/08	12/4/08	1,000,000.00	3.1100	15,722.78	6990- 100400	146
					1,000,000.00	3.1100			
62590	PRODUCER - PERMIUM FD. THE HUNTINGTON NATL BANK	99	7/31/2008	1/29/09	800,000.00	3.3900	13710.67	6990- 100400	146
					800,000.00	3.3900			
62607	PRODUCER - PERMIUM FD. STOCK YARDS BANK & TRUST CO	99	8/28/2008	2/26/09	1,000,000.00	3.0500	15419.44	6990- 100400	146
					1,000,000.00	3.0500			
62610	PRODUCER - PERMIUM FD. MARKLE BANK	35	8/28/2008	10/26/08	300,000.00	2.9500	1450.42	6990- 100400	146
					300,000.00	2.9500			
*****	CERTIFICATE OF DEPOSIT TOTAL	*****			5,100,000.00	3.1582	70,190.81		
					5,100,000.00	3.1582			
38871	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	4/8/08	9/19/08	1,500,000.00	2.0900	14,281.67	6990- 100400	146
					1,485,718.33	2.1390			
38872	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	4/8/08	11/7/08	1,500,000.00	2.1000	18,637.50	6990- 100400	146
					1,481,362.50	2.1560			

38953	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	5/5/08	10/29/08	2,000,000.00 1,979,413.33	2.0600 2.1100	20,256.67	6990- 100400	146
38962	PRODUCER - PERMIUM FD. BANK OF NEW YORK	00	5/8/08	12/5/08	1,150,000.00 1,136,182.43	2.0500 2.1040	13,817.57	6990- 100400	146
*****	GOVT AGENCY DISCOUNT NOTES TOTAL		*****		6,150,000.00 6,083,006.59	2.0752 2.1272	66,993.41		
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		*****		4,000,000.00 4,000,000.00	2.3250 2.325	72,047.23		
*****	TOTAL FOR FUND CODE *****				15,250,000.00 15,183,006.59	2.5029 2.5239	209,231.45		

Date: 9/3/2008