

INDIANA GRAIN INDEMNITY BOARD

OFFICIAL MEETING MINUTES

Chairman William Johnson called the meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 10:04 a.m. on December 14, 2007. The meeting was held in Assembly Hall C 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	Lynn Lykins	William Tudor
John Colvin	Herman Rettinger	Don Villwock
Roger Hadley	Lee Rulon	

The nonvoting members or their representatives present were:

William K. Johnson, Director of Indiana Grain Buyers & Warehouse Licensing Agency
Mike Frick, representative of the Treasurer of State

ABSENT: The voting members absent for the meeting were:

Fred Reichart Mike Shuter

The non-voting member or their representative absent for the meeting was:

Greg Zoeller, representative of the Attorney General

RESOURCE STAFF: The following resource people were present:

Dennis Henry, Indiana Grain Buyers & Warehouse Licensing Agency
Mark Thornburg, Legal Counsel, Indiana Farm Bureau

The following guests were present:

Deb Abbott, Indiana State Department of Agriculture
Sarah Ash Simpson, Indiana State Department of Agriculture
Robert Benson, former Chairman - IGIC

WELCOME: Chairman Johnson welcomed the board members, resource staff and guests.

QUORUM: Chairman Johnson asked for a Roll Call of board members.

Robert Ax – Present
John Colvin – Present
Roger Hadley – Present
Lynn Lykins – Present
Mike Shuter – No Answer (absent)
Fred Reichart – No Answer (absent)
Herman Rettinger – Present
Lee Rulon – Present
William Tudor – Present
Don Villwock – Present

Chairman Johnson stated that there was a quorum present with eight members.

MINUTES: Copies of the minutes of the previous meeting (July 24, 2007) were mailed to board members to review. D. Villwock moved to approve the minutes as written. (Seconded from L. Rulon) *The minutes of the July 24, 2007, meeting were approved as written.*

FINANCIAL: The next order of business was the financial report prepared by Duane Jasheway on October 31, 2007, disclosing a fund balance of \$14,711,848.49. These were presented to the board by Mike Frick, Office of the Treasurer of State. Included with the balance sheet was a statement of operation and a listing of fund investment information. M. Frick reported that the average rate of return on investments is up to 5.78%. Copies of the reports were distributed (Exhibit A). A motion by R. Ax was made to accept the financials as they were presented. (Seconded by H. Rettinger) *The motion was carried and the financials were approved as presented as of October 31, 2007 was certified to be \$14,711,848.49.*

OLD BUSINESS: Chairman Johnson reported to the board on the status of a claimant in the Osborn Feed & Grain, Inc. failure that was appealing the Fact & Final order. Chairman Johnson told the board that Indiana Grain Buyers & Warehouse Licensing Agency (IGBWL) conducted an Administrative Hearing and has not yet received the judgment from the Administrative Law Judge. He concluded that this decision may be appealed and he would notify the board as soon as the Administrative Law Judge handed down her decision. Discussion on possible legal actions the board could take against Osborn Feed & Grain, Inc. to reclaim funds. It was also discussed with the board future items IGBWL will consider for the next failure.

Chairman Johnson then brought before the board a statement of Agency costs incurred for the Osborn Feed & Grain, Inc. failure for reimbursement. After much discussion, D. Villwock moved that IGBWL review these costs and bring back to the board at their annual meeting a revised billing showing cost specific to the board and the fund. (Seconded by L. Rulon) *The motion was carried and IGBWL will prepare a revised billing showing costs above and beyond those incurred by IGBWL at the next annual meeting.*

NEW BUSINESS: Chairman Johnson stated that per statute, the board has to establish a code of ethics. He suggested that the board adopt State ethics or establish their own policy. Chairman Johnson stated that he would like to appoint a committee for establishment of a code of ethics. It was discussed and agreed that this be revisited at the next annual meeting. D. Villwock suggested that he and M. Thornburg review Indiana Farm Bureau code of ethics and start preparing an IGIC code of ethics. The motion was made by W. Tudor to have D. Villwock and M. Thornburg start preparing the code of ethics. (Seconded by R. Hadley) *The motion passed to have D. Villwock and M. Thornburg start preparation of a code of ethics for Indiana Grain Indemnity Corporation to present to the board at the annual meeting for review.*

Chairman Johnson announced to the board that as of the end of the month he will be retiring from his position with the State as Director of Indiana Grain Buyers and Warehouse Licensing Agency. He introduced S. Simpson, Assistant Director of Regulatory Affairs, Indiana State Department of Agriculture to the board. S. Simpson gave the board an update on the restructuring of the Indiana State Department of Agriculture (ISDA), moving IGBWL under ISDA Regulatory Affairs. She stated that the IGBWL staff presented to Andy Miller, Director, ISDA, an interim detailed plan to cover all the duties IGBWL is responsible for. She also asked the board to forward and potential prospects to A. Miller for consideration in the role of Director of Indiana Grain Buyers and Warehouse Licensing Agency.

D. Villwock presented Chairman Johnson with a Certificate of Appreciation for his work with IGIC.

ADJOURNMENT: It was motioned that the meeting adjourn by D. Villwock. (Seconded by L. Rulon) The meeting adjourned at 11:26 a.m.

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

Robert Ax	\$200.40		Herman Rettinger	\$140.40
Roger Hadley	\$166.00		Lee Rulon	\$80.40
Lynn Lykins	\$98.00		William Tudor	\$74.00

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

Respectfully submitted by Dennis Henry on December 28, 2007.

Exhibit A

INDIANA GRAIN INDEMNITY CORPORATION BALANCE SHEET 10/31/2007

ASSETS

Cash	\$174,975.29
Investments	<u>14,536,873.20</u>
Total Assets	<u>\$14,711,848.49</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$14,711,848.49</u>
Total Liabilities and Fund Balance	<u>\$14,711,848.49</u>

STATEMENT OF OPERATIONS FOR THE FOUR MONTHS ENDING OCTOBER 31, 2007

Revenues:

Investment Interest	\$302,420.16
Total Revenues	<u>302,420.16</u>

Expenses:

Failure Reimbursement	402,179.29
Bank Charges	0.00
Advertising	0.00
Supplies	0.00
Travel	586.80
ID Billing	0.00
Salary Reimbursement	0.00

Total Expenses 402,766.09

Net Income (100,345.93)

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 **\$14,711,848.49**