

# INDIANA GRAIN INDEMNITY BOARD



## OFFICIAL MEETING MINUTES

Chairman Jerome G. Hawkins called this meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 10:06 a.m.(EST) on April 7, 2011. 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.

**QUORUM:** Chairman Hawkins did a roll call of the Board members, stated that there was a quorum present and asked those present to make sure to sign the attendance form.

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

Robert Bischoff	Ron Reichart	Michael Silver
Joseph F. Kessie	Herman Rettinger	William Tudor
Michael Morehouse	Mike Shuter	Don Villwock

The following nonvoting members or their representatives present were:

Jerome G. Hawkins, Director, Indiana Grain Buyers & Warehouse Licensing Agency  
Rich Bramer, Chief Attorney, representative of the Attorney General  
Vicki Pool, Chief Accountant, representative of the Treasurer of State

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

Robert G. Ax

**RESOURCE** The following resource staff present were:

Bob Goulet, Indiana Grain Buyers & Warehouse Licensing Agency  
Dennis Henry, Indiana Grain Buyers & Warehouse Licensing Agency

The following guests were present:

Heather Crocket, Attorney, Attorney General's Office  
Emily Otto-Tice, Indiana Soybean Alliance/Indiana Corn Marketing Council  
Justin Schneider, Attorney, Indiana Farm Bureau  
Mark Thornburg, Attorney, Indiana Farm Bureau

Chairman Hawkins introduced the two new board members, R. Bischoff and M. Silver, and had them give the board a short personal background pertaining to the grain industry from each.

**MINUTES:** Chairman Hawkins stated that the minutes from the February 17, 2011 meeting had been previously distributed to the board members and asked if there were any changes. D. Villwock moved that the minutes of the February 7, 2011 meeting be approved as written. (Second by M. Morehouse) *Motion was carried to approve the minutes as written from the February 7, 2011 meeting.*

**FINANCIAL:** Financial statements and investment listing had previously been distributed to the board. V. Pool stated that as of February 28, 2011 the fund balance was \$14,363,085.64. There were no questions from the board at this time. Chairman Hawkins stated that no vote is needed to certify the funds at this time, this will be done at the Annual meeting in July.

**OLD BUSINESS:** H. Crockett gave the board detail accounts on the failure at Mentone Agri Center, LLC and had much discussion with the board members.

**NEW BUSINESS:** Chairman Hawkins presented to the board claims from the Mentone Agri Center, LLC failure as adjudicated by the Indiana Grain Buyers and Warehouse Licensing Agency. He wanted to note to the board two items: Claim MEN-111 was partially denied by the agency because the claim was over one year old; and Claim MEN-110 was approved because it was an open account, where grain was continually being delivered and used as grain bank. J. Kessie asked how bond was disturbed by the agency and Chairman Hawkins reviewed the guidelines the agency uses in determining priority of claim. The board had a discussion on how grain bank is accounted for in the general practices of feed mills. Chairman Hawkins assured the board the figures for grain bank claims were the balances remaining on the accounts and not the actual bushels that originally had been delivered.

D. Villwock moved that the claims be voted on as a group and he needs to abstain from Claim MEN-116. (Second by M. Silver) *Motion carried to vote on claims as a group with D. Villwock abstaining from Claim MEN-116.* M. Shuter motioned that the board approve all claims as presented with D. Villwock abstaining for voting on Claim MEN-116. (Second by B. Bischoff) *Motion was carried and the claims presented to the board were approved as written; with D. Villwock abstaining from Claim MEN-116.*

Chairman Hawkins advised the board that he has accepted the resignation of IGBWLA Auditor Cale Nelson and that the agency will be opening his vacated position. Chairman Hawkins also gave the board some details of his visit Serbia by official to help establish a grain insurance fund similar to Indiana's. He also told the board that additional funds have been collected from the Lambricht's, Inc. failure and have been distributed to claims not already made whole, including a payback to the indemnity fund.

A date was set for the Annual Meeting to be held at Farm Bureau on July 28, 2011 starting at 10:00 a.m.

D. Villwock asked Chairman Hawkins if the agency will again do a press release regarding Mentone Agri Center, LLC regarding the non-license status and that any dealing with said company is not covered by the fund.

**ADJOURNMENT:** It was motioned that the meeting adjourn by M. Silver. (Second by M. Morehouse) The meeting adjourned at 11:36 a.m.

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

Robert Bischoff	\$72.40	Herman Rettinger	\$140.40
Joseph F. Kessie	\$103.20	Mike Shuter	\$94.00
Michael Morehouse	\$166.00	Michael J. Silver	\$99.60
Ron Reichart	\$102.00	William Tudor	\$74.00

Joseph F. Kessie declined submitting a claim for per diem.

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

***Respectfully submitted by Dennis Henry on July 07, 2011.***

**INDIANA GRAIN INDEMNITY CORPORATION**  
**BALANCE SHEET**  
**2/28/2011**

**ASSETS**

Cash	\$ 6,173.96
Investments	<u>14,356,911.68</u>
<b>Total Assets</b>	<b><u>\$ 14,363,085.64</u></b>

**LIABILITIES AND FUND BALANCE**

Fund Balance	<u>\$ 14,363,085.64</u>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 14,363,085.64</u></b>

**INDIANA GRAIN INDEMNITY CORPORATION  
STATEMENT OF OPERATIONS  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2011**

**Revenues:**

Investment Interest	\$ 33,072.66
Grain Failure Recoveries	\$ 18,961.73
Producer Premium Revenue	-
<b>Total Revenues</b>	<u>\$ 52,034.39</u>

**Expenses:**

Failure Reimbursement	\$ -
Travel	1,652.40
Supplies	25.80
Bank Fees	273.60
<b>Total Expenses</b>	<u>\$ 1,951.80</u>

**Net Income/(Expense)** \$ 50,082.59

**Fund Balance, 7/01/10** \$ 14,313,003.05

**Current Fund Balance** \$ 14,363,085.64

Fund List: Type = TF  
From 03/01/2011 thru 12/31/2030

Inv No	Investment # / Institution	CQ	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund	IOS #
63014	PRODUCER-PREMIUM FD. FIFTH THIRD BANK, INDIANA 002-0532431303	82	06/03/10	03/03/11	\$1,825,000.00 \$1,825,000.00	0.9200 .9200	\$12,732.42	75111	146
63097	PRODUCER-PREMIUM FD. MERCHANTS BANK OF INDIANA 0000342385	68	11/04/10	05/05/11	\$620,000.00 \$620,000.00	0.4500 .4500	\$1,410.50	75111	146
63114	PRODUCER-PREMIUM FD. PROVIDENCE BANK	99	12/16/10	06/16/11	\$400,000.00 \$400,000.00	0.3900 .3900	\$788.67	75111	146
***** CERTIFICATE OF DEPOSIT TOTAL *****									
41123	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	12/28/10	03/23/11	\$2,845,000.00 \$2,845,000.00	0.7431 0.7431	\$14,931.59	75111	146
41128	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	12/29/10	06/22/11	\$1,000,000.00 \$998,979.17	0.2100 .2130	\$1,020.83	75111	146
***** GOVERNMENT AGY. DISCOUNT NOTES TOTAL *									
40886	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	08/30/10	08/28/13	\$2,010,000.00 \$2,008,597.61	0.1849 0.1874	\$1,402.39	75111	146
40989	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	10/29/10	10/28/13	\$500,000.00 \$500,006.95	0.5000 1.1240	\$7,604.17	75111	146

Fund List: Type = TF  
 From 03/01/2011 thru 12/31/2030

Inv No	Investment # / Institution	CO	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund	TOS #
41045	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	11/22/10	11/22/13	\$1,000,000.00 \$1,000,000.00	0.9500 .9500	\$28,922.22	75111	146
41058	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	11/29/10	05/28/14	\$1,000,000.00 \$1,000,000.00	0.5000 1.1400	\$17,722.22	75111	146
41059	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	11/29/10	12/27/12	\$2,500,000.00 \$2,500,000.00	0.5500 .5500	\$28,989.58	75111	146
41226	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	02/15/11	04/29/14	\$1,500,000.00 \$1,519,690.83	2.7500 2.5850	\$133,947.92	75111	146
41254	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	02/24/11	08/10/12	\$975,000.00 \$983,616.29	2.0500 1.4900	\$29,592.60	75111	146
***** GOVT AGENCY COUPONS TOTAL *****									
								\$277,167.60	
***** TOTAL FOR FUND CODE *****									
								\$293,501.58	