

Iowa Grain Depositors and Sellers Indemnity Fund  
Iowa Grain Indemnity Fund Board  
Meeting Minutes for June 17, 2010  
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DATE: June 17, 2010  
TO: Members of the Grain Indemnity Fund Board  
FROM: Angela Burke Boston, Secretary Designee  
RE: Summary of the Minutes June 17, 2010

The Grain Indemnity Fund Board (hereafter “Board” or “Fund”) held an in-person meeting on Thursday, June 17, 2010, at the Wallace State Office Building, 502 East 9<sup>th</sup> Street, Des Moines, Iowa, with John Whipple, Consumer Protection & Industry Services Division Director and president designee, as Chairperson.

Attending the meeting in addition to John Whipple (hereafter “Chairperson”) were the following:

Angela Burke Boston (Board Secretary Designee)	330 Maple St. Des Moines, IA 50319
Kyle Rice (Board Treasurer Designee)	State Capitol Building Des Moines, IA 50319
Joseph Sinclair (Board Member & Industry Rep.)	Albia, IA 52531
Curtis Sindergard (Board Member & Producer Rep.)	Rolfe, IA 50581
Sharon Smith (Board Member & Producer Rep.)	Knoxville, IA 50138
Sandy Simpson (Board Member & Industry Rep.)	Onawa, IA 51040
Richard Wahl, Bureau Chief Grain Warehouse Bureau	Wallace State Office Bldg. Des Moines, IA 50319
Jeff Walker, Accountant Grain Warehouse Bureau	Wallace State Office Bldg. Des Moines, IA 50319
Cheryl Petersen, Secretary Grain Warehouse Bureau	Wallace State Office Bldg. Des Moines, IA 50319

This meeting, upon duly prescribed notice, was called to order by the Chairperson at 2:05 P.M.

Angela Burke Boston participated in the meeting by telephone conference call. Former Board member Tom Kaldenberg and his wife were also in attendance.

The Chairperson called for any additions or corrections to the May 20, 2010 Board minutes. There were no corrections or questions regarding the Board minutes. Curtis Sindergard made a motion to approve the minutes. Joe Sinclair seconded the motion, and the Board approved the motion unanimously.

The Chairperson called on Kyle Rice to present the Treasurer's Report. The balance of the Fund as of June 16, 2010 was \$7,278,734.69. Angela Burke Boston made a motion to approve the Treasurer's Report. Sharon Smith seconded the motion, and the Board approved the motion unanimously.

The Chairperson called on Jeff Walker to present the financial statement. The balance in the Investment in State of Iowa Pooled Accounts as of May 31, 2010 was \$7,313,693.52. The Equity in the Iowa Grain Indemnity Fund as of May 31, 2010 was \$7,301,764.16. There is an increase in the Fund for the month of May in the amount of \$717.95. There is a fiscal year to date decrease in the Fund as of May 31, 2010 in the amount of \$173,495.92. The Chairperson asked if there were any questions about the financial statements. Hearing none, the Chairperson called for a motion to accept the financial statements. Kyle Rice made a motion to approve the financial statements. Sandy Simpson seconded the motion, and the Board approved the motion unanimously.

There was no reason for the Board to go into closed session.

Richard Wahl gave a brief overview of the Board as an orientation to the two new Board members. Richard briefly explained that he, along with the Grain Warehouse Bureau, deals with the daily administrative duties of the Board. As Secretary of Agriculture, Bill Northey is the president of the Board. The statute allows him to designate another person to serve as Chairperson for the Board in his place. Secretary Northey named John Whipple as Chairperson Designee to the Board. Richard explained that the Department of Commerce's Insurance Division designee has been the Board secretary, and that Angela Burke Boston has been the recent secretary designee. However, effective July 1, 2010, the Insurance Division will no longer have a position on the Board due to a statutory change. This change eliminates the Insurance Division's position on the Board and replaces it with a representative from the banking industry. Because of a change in the law, there will not be a formal secretary on the Board anymore. Richard explained to the new Board members that Kyle Rice is presently the Board Treasurer Designee from the State Treasurer's office. Richard stated that after the Board meeting, bureau personnel would explain the state travel payment forms that Board members use to receive reimbursement of expenses and there would be an opportunity for other questions to be answered.

Richard Wahl continued the meeting by discussing a money concern. During the failure of the VeraSun ethanol companies, that held several grain dealer licenses, there was an appeal from the Fort Dodge license that required the services of an administrative law judge to hear the case. The law judge comes from the state entity called Inspections and Appeals. The bureau recently learned that the bulk of the billing for the law judge's services was incorrectly billed to the department's Dairy Bureau several months back. The Dairy Bureau has more administrative hearings than the Grain Warehouse Bureau, which resulted in the Dairy Bureau erroneously receiving our bill from Inspections and Appeals. The error was recently uncovered, and now needs to be corrected. The balance due is \$720.00 for the Board services from Inspections and Appeals. This bill represents the balance due for hearing officer charges for two board meetings and a written decision proposal. Richard noted that two prior billings for initial hearing officer charges and a court reporter were previously approved for payment by the board. This billing represents the unpaid balance due. Richard Wahl asked the Board's permission to pay this bill out of the GIF.

The Chairperson called for a motion to approve the \$720.00 payment. Joseph Sinclair made a motion to approve the payment. Curtis Sindergard seconded the motion, and the Board approved the motion unanimously.

Former Board member Tom Kaldenberg suggested that Richard Wahl give the new Board members some information about the VeraSun case. Richard then briefly explained the Goodell claim and appeal. Richard asked for any questions regarding the VeraSun case.

Richard Wahl explained that the indemnity statute dictates that our bureau should publish notice in newspapers whenever there is a trigger date for filing claims on the Fund. This applies not only when a company's license is revoked, but also if the license expires or when the license is voluntarily cancelled or when the licensee files a bankruptcy petition. The Grain Warehouse Bureau needs to publish any such incurrence date in the newspapers. Richard said the bureau has always published a warehouse or grain dealer revocation in the newspapers, but the bureau has failed to publish voluntary cancellations and expirations. The omission was discovered when VeraSun filed a bankruptcy petition. Steve Moline has advised the bureau that failure to do it in the past does not relieve the bureau and the board from doing it according to law in the future. Richard added that the published notices must appear in the newspapers once a week for a period of two weeks. The newspapers chosen must reflect the county in which the licensee is located and a newspaper with a statewide circulation, such as the Des Moines Register. Richard asked the Board for permission to pay these publication fees directly out of the indemnity fund since it is only the indemnity fund statute that requires publication in the absence of a license revocation. It would amount to around \$2,700 per year.

The Chairperson called for a motion to come before the Board to seek permission to pay these publishing fees from the Fund. Sandy Simpson made a motion to approve these payments. Curtis Sindergard seconded the motion, and the Board approved the motion unanimously.

The Chairperson asked for any other business. There was none.

Richard Wahl took a moment to express the department's appreciation to former Board members, Tom Kaldenberg and Ed Hershberger, for their time on the Board. Ed Hershberger was unable to attend the Board meeting, having a prior commitment. Richard presented a framed certificate to Tom Kaldenberg honoring his valued service to the Board during his term.

The next regularly scheduled Board meeting will be a telephone conference meeting on Thursday, July 15, 2010 at 2:00 P.M. in Richard Wahl's office at the Henry Wallace State Office Building.

With no further business, the Chairperson asked for a motion to adjourn. Angela Burke Boston made a motion to adjourn. Sharon Smith seconded the motion, and the Board approved the motion unanimously.

The meeting adjourned at 2:45.P.M.