

Iowa Grain Depositors and Sellers Indemnity Fund
Iowa Grain Indemnity Fund Board
Meeting Minutes for July 19, 2012
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The Grain Depositors and Sellers Indemnity Fund Board (hereafter “Board” or “Fund”) held an in-person Board meeting on Thursday, July 19, 2012, in the second floor conference room of the Henry Wallace State Office Building, 502 East 9th Street, Des Moines, Iowa, with Margaret Thomson, Executive Assistant to Secretary Northey and president designee, as Chairperson.

Attending the meeting in addition to Margaret Thomson (hereafter “Chairperson”) were the following:

Jake Friedrichsen (Board Treasurer Designee)	State Capitol Building Des Moines, IA 50319
Curtis Sindergard (Board Member & Producer Rep.)	Rolfe, IA 50581
Sharon Smith (Board Member & Producer Rep.)	Knoxville, IA 50138
Lori Goetzinger (Board Member & Industry Rep.)	Ralston, IA 51459
Michael Kettwick (Board Member & Banking Industry Rep.)	Buffalo Center, IA 50424
Jacob Larson (Assistant Attorney General for the Fund)	Lucas State Office Bldg. Des Moines, IA 50319
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

Joseph Sinclair was unavailable for the Board meeting.

This meeting, upon duly prescribed notice, was called to order by the Chairperson at 2:03 P.M.

The Chairperson called for any additions or corrections to the June 21, 2012 Board minutes. There were no corrections or questions regarding the Board minutes. The Chairperson called for a motion to accept the Board minutes. Sharon Smith made a motion to approve the minutes. Jake Friedrichsen seconded the motion, and the Board approved the motion unanimously.

The Chairperson called on Jake Friedrichsen to present the Treasurer's Report. The balance of the Fund as of July 19, 2012 was \$6,635,589.28. The Chairperson asked if there were any questions about the Treasurer's Report. Hearing none, the Chairperson called for a motion to accept the Treasurer's Report. Curtis Sindergard 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 June 30, 2012 financial statement. The balance in the Investment in State of Iowa Pooled Accounts as June 30, 2012 was \$6,671,147.28. The Equity in the Iowa Grain Indemnity Fund as of June 30, 2012 was \$6,652,689.61. There is a net decrease in the Fund for the month of June in the amount of \$34,352.61. There is a fiscal year to date decrease in the Fund as of June 30, 2012 in the amount of \$250,000.65. 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. Jake Friedrichsen made a motion to approve the financial statements. Lori Goetzinger seconded the motion, and the Board approved the motion unanimously.

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

The Chairperson asked for any new business to come before the Board. Richard Wahl stated that the Grain Warehouse Bureau (GWB) has suspended the grain warehouse and grain dealer licenses of Elmer Wood Company of Moulton, IA. Richard said that the company has suffered financial losses the last couple of years and is now insolvent. The company was not meeting the minimum financial requirements and had failed to submit requested financial statements to the bureau. The business manager intends to attempt selling the company. Failing that, there will be a license revocation proceeding. The bureau would move to be appointed as receiver for the grain that is in storage, and would then liquidate the grain and pay claims to the depositors.

Richard Wahl asked Jacob Larson if there had been any updates with Elmer Wood Company's legal counsel. Jacob replied that an attorney, Rick Lynch, has been acting as a facilitator to help the company resolve the matter quickly. If this is unsuccessful, Mr. Lynch will advise the company to retain a different attorney of their choosing to represent the company in a revocation hearing and other litigation proceedings. The attorney inquired of Jacob, the possibility of reinstating the company's grain license and assistance with any hurdles involving the possible sale of the company. The Chairperson asked Jacob Larson if the hearing was still scheduled for August 30, 2012. Jacob answered in the affirmative.

Richard Wahl prepared a packet of Fund information which he provided to each participating Board member at the meeting. Enclosed in the packet was a current copy of the Fund law and rules associated with the Fund. Bureau performance figures for the last fiscal year end were also enclosed in the packet.

Richard gave a power point presentation about the history, duties, and requirements of the GWB and the GIF. He pointed out all the changes throughout the years in the GWB and GIF. The Board members were enlightened by the presentation and appreciated what they had learned in regards to their role as Board members.

Lori Goetzinger inquired about the ratio of federally licensed grain warehouses to state licensed grain warehouses and how they differ with the Fund. Richard Wahl explained that grain sales are covered by the Fund, but grain stored in federally licensed warehouses is not covered by the Fund.

Richard Wahl also explained a spreadsheet he presented to the Board outlining a fee assessment revenue projection. Lori Goetzinger asked Richard when the last fee assessment took place. Richard said the assessment began in 1986 and stopped in 1988.

Curtis Sindergard inquired about the possibility of a large grain company failure and depleting the Fund as a result. Jeff Walker explained that the Fund would pay on a pro-rated basis until all monies were gone in the Fund. Jeff stated that if the Fund balance drops below 3 million dollars, an automatic assessment is triggered. Jeff added that the Fund is not backed by the State of Iowa, but is wholly subsidized by grain licensees and grain producer monies.

Toward the end of the Board meeting, Curtis Sindergard asked Richard Wahl for more details regarding the Elmer Wood Company. They discussed the grain company briefly.

The Chairman asked for any other business to come before the Board. There was none.

The Chairperson announced that the next regularly scheduled Board meeting will be a telephone conference on Thursday, August 16, 2012 at 2:00 P.M. in the office of Richard Wahl at the Henry Wallace State Office Building.

The Chairman asked for a motion to adjourn. Jake Friedrichsen made a motion. Lori Goetzinger seconded the motion, and the Board approved the motion unanimously. The Board meeting adjourned at 3:08 P.M.

Minutes Submitted by Cheryl Petersen, July 20, 2012