

Iowa Grain Depositors and Sellers Indemnity Fund
Iowa Grain Indemnity Fund Board
Meeting Minutes for November 19, 2009
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DATE: November 19, 2009
TO: Members of the Grain Indemnity Fund Board
FROM: Angela Burke Boston, Secretary Designee
RE: Summary of the Minutes November 19, 2009

The Grain Indemnity Fund Board (hereafter “Board” or “Fund”) held a meeting by telephone conference call on Thursday, November 19, 2009, in the office of Richard Wahl, Wallace State Office Building, 502 East 9th 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
Steve Larson (Board Treasurer Designee)	State Capitol Bldg. Des Moines, IA 50319
Ed Hershberger (Board Member & Industry Rep.)	Kalona, IA 52247
Tom Kaldenberg (Board Member & Producer Rep.)	Albia, IA 52531
Sharon Smith (Board Member & Producer Rep.)	Knoxville, IA 50138
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 2:02 P.M. The Chairperson noted that this meeting of the Grain Depositors and Sellers Indemnity Fund was being held by telephone conference call since it was impractical for members to travel to a common location for a meeting projected to last only a few minutes.

Steve Moline and Sandy Simpson did not participate in the Board meeting.

The Chairperson called for any additions or corrections to the minutes for the October 15, 2009 Board meeting. There were no corrections or questions regarding the Board minutes. Sharon Smith made a motion to approve the minutes. Steve Larson seconded the motion, and the Board approved the motion unanimously.

The Chairperson called on Steve Larson to present the Treasurer's Report. The balance of the Fund as of November 16, 2009 was \$6,680,607.89. Tom Kaldenberg made a motion to approve the Treasurer's Report. Ed Hershberger 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 October 31, 2009 was \$6,714,895.46. The Equity in the Iowa Grain Indemnity Fund as of October 31, 2009 was \$7,363,312.02. There is a decrease in the Fund for the month of October in the amount of \$27,646.74. There is a fiscal year to date decrease in the Fund as of October 31, 2009 in the amount of \$111,948.06. 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. Angela Burke Boston made a motion to approve the financial statements. Steve Larson 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 other business.

Richard Wahl gave an update on Troy Elevator, Inc. (Troy.) Richard explained the Grain Warehouse Bureau (Bureau) has been monitoring Troy on a daily basis in regards to unpaid grain and grain purchases and making comparisons of them to Troy's historical performance. Richard said Steve Moline and he had met with Troy's management and attorney in an effort to protect the fund's interests. Richard stated that Troy informed the Bureau that they are nearing completion of a "debtor in possession" financing agreement. This financing would be secured with collateral warehouse receipts. This financial agreement will potentially expose the Fund to double the amount of risk on the first collateral warehouse receipts written, as Troy will be writing those receipts on unpaid company owned grain. This will, however, help them to pay the farmers more quickly. Richard asked for any questions.

Tom Kaldenberg asked how the Bureau keeps track of Troy on a daily basis. Richard Wahl explained his processes for the board's benefit. Richard finished his discussion about Troy by stating that Troy's warehouse insurance is being canceled soon. Troy will need to obtain replacement insurance that is forwarded to the Bureau fifteen days prior to their current expiration date. Failure to adhere to this statute will result in a license suspension and revocation ten days beyond the suspension date.

The Chairman asked for any questions on Troy. There were none.

Richard Wahl shared that the Bureau has had a rash of bad examinations lately. He said several companies are not keeping accurate grain records and that there are credit-sale contract issues. Richard hoped that after the first of the year, these examination issues will improve somewhat.

Richard concluded the Board meeting by giving a brief update on the receivership of Watkins Elevator, Inc. There will be a receivership interim report hearing in court on November 23, 2009. Richard thought that hearing would go smoothly. The Bureau would then be paying out Watkins receivership money shortly thereafter. This money will include \$600,000.00 to \$700,000.00 dollars going back into the Fund as well as for paying the farmers.

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

The next regularly scheduled Board meeting will be a telephone conference meeting on Thursday, December 17, 2009 at 2:00 P.M. in the office of Richard Wahl 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. Steve Larson seconded the motion, and the Board approved the motion unanimously.

The meeting adjourned at 2:20 P.M.