

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

The Grain Indemnity Fund Board (hereafter “Board” or “Fund”) held a meeting by telephone conference call on Thursday, March 19, 2009 at the 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)	Lucas State Office Building 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
Sandy Simpson (Board Member & Industry Rep.)	Onawa, IA 51040
Steve Reno (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

This meeting, upon duly prescribed notice, was called to order by the Chairperson at 2:01 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.

The Chairperson called for any additions or corrections to the minutes for the February 19, 2009 Board meeting. There were no corrections or questions regarding the Board minutes. Sandy Simpson made a motion to approve the minutes, Sharon Smith 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 March 17, 2009 was \$8,103,797.47. 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 February 28, 2009 was \$8,127,797.47. The Equity in the Iowa Grain Indemnity Fund as of February 28, 2009 was \$8,122,359.64. There is a decrease in the Fund for the month of February in the amount of \$6,613.22. There is a fiscal year to date decrease in the Fund for the eight months ending February 28, 2009 of \$62,458.86. 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. Sharon Smith 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 noted that the bureau received two claims since last month's Board meeting. One was for Cedar Hill, Inc. and one for Rockville Farms, Inc. Richard stated that the claim for Cedar Hill, Inc. will not be presented to the Board for approval today as Steve Moline has not yet had a chance to review this complex claim. Claim number GD-5156-3.00 for Rockville Farms, Inc. was presented. This claim was for a loss at VeraSun Energy Corporation (VeraSun) in Dyersville. The claim involves two loads of corn. Two checks were issued for the loads and those checks were not honored by VeraSun's bank. A second check was issued due to an underpayment made on the first issued check. Both loads of corn were spot priced the day of delivery, and were later found to be on a purchase contract with VeraSun. VeraSun issued a check for the balance of the "price per bushel" miscalculation. Upon doing the verification work

on this claim, the second check revealed yet another miscalculation. As a result of this miscalculation, the bureau's valuation of the gross amount is \$200.00 dollars more than that of the original submitted check. Richard asked the Board to review the comments on the bureau's claim recommendation form attached to the claim. Richard announced that it was the Bureau's recommendation that claim GD-5156-3.00 be approved and paid in the amount of \$5,203.37. Richard asked for any questions regarding this claim.

With no questions, the Chairperson asked for a motion to approve the claim. Sandy Simpson made a motion to approve the claim, and Steve Larson seconded the motion. The motion carried unanimously.

Richard said that there were no more claims for discussion at this Board meeting. He reminded the Board members to retain their copies of the Cedar Hill, Inc. claim, as it would be presented for approval at the next Board meeting. Richard shared that since the last Board meeting, the department has had legislation move through the Legislature and is now awaiting the Governor's signature. This particular bill increases the payment limit from \$150,000.00 dollars to \$300,000.00 dollars per claimant. This bill also raised the Fund cap from six million dollars to eight million dollars. There has been an updated correction for the incurrence date which triggers the claim filing period. VeraSun's case makes possible the inclusion of two incurrence dates. One incurrence date would be used for filing the bankruptcy. If the company affected should ultimately fail altogether and be unable to pay for delivered grain, a license revocation would be enacted triggering a second incurrence date. Richard remarked that this change to the statute makes it absolutely clear that there can be more than one incurrence date depending on the circumstances. Richard added that he had forwarded that bill to the Board via email.

Richard declared that the industry part of the proposal to change the warehouse and grain dealer participation fees did not go anywhere this legislative session. This issue will be revisited in meetings this summer with the department, industry groups, and assorted farms groups.

The Chairperson asked for any questions, comments, or other issues.

Sandy Simpson commented that VeraSun was newly purchased. The Chairperson stated that the sale of VeraSun exceeded the grain industries' monetary expectations. Richard said that VeraSun is going to exit the ownership of the plants that they built.

Steve Reno explained how the upcoming April 16th evidentiary hearing would proceed. Steve explained that an administrative law judge will lead the Board through the proceedings. Steve highly recommended that all Board members be in attendance for the evidentiary hearing. The administrative law judge will present his or her findings to the Board, and the findings will then be presented at the next Board meeting.

The Chairperson asked if there was any other business to be brought before the Board. There

was none.

The next regularly scheduled board meeting will be an in person board meeting and a full evidentiary hearing on Thursday, April 16, 2009 at 1:00 P.M. in the second floor conference room at the Henry Wallace State Office Building. The Board meeting will follow the evidentiary hearing.

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 2:19 P.M.