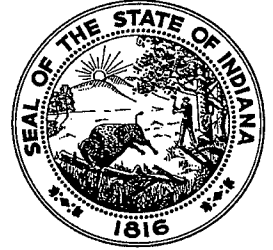


Indiana Department of Labor
Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979 Fax: 317/233-8509



Certified mail # 7003 1010 0003 5730 7876 4-19-10 JLD

Safety Order and Notification of Penalty

To:

Endres Processing,
and its successors
4000 E. 7th Avenue
Gary, IN 46403

Inspection Number: 313831976

Inspection Date(s): 11/05/2009 - 03/30/2010

Issuance Date: 04/19/2010

Inspection Site:

4000 E. 7th Avenue
Gary, IN 46403

The violation(s) described in this Safety Order and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

An inspection of your place of employment has revealed conditions which we believe do not comply with the provisions of the Indiana Occupational Safety and Health Act (Indiana Code Chapter 22-8-1.1) or the standards or rules adopted thereunder. Accordingly, enclosed please find safety order(s) and notification(s) of penalty describing such violation(s) with references to applicable standards, rules, or provisions of the statute and stating the amount of any penalty(ies).

Informal Conference - Please be advised that it may be possible to informally settle any potential dispute without initiating the more elaborate proceedings brought on by a petition for review. Prior to filing a petition for review, you may request an informal conference concerning any of the results of the inspection (safety orders, penalties, abatement dates, etc.) by contacting the Indiana Department of Labor/IOSHA, preferably by telephone, in a prompt manner. Please be advised that a request for an informal conference cannot extend the fifteen working day period for filing a petition for review. Informal conferences frequently resolve any possible disputes, and therefore you are urged to take advantage of this opportunity. Because of the limited time period and in order to facilitate scheduling, any requests for an informal conference should be made promptly upon your receipt of the safety order(s) and notification(s) of penalty.

Right to Contest - You are hereby also notified that you are entitled to seek administrative review of the safety order(s), penalty(ies), or both by filing a written petition for review at the above address postmarked within fifteen working days of your receipt of the safety order(s) and notification(s) of penalty. ("Working days" means Mondays through Fridays, but does not include Saturdays, Sundays, legal holidays under a state statute or days

on which the Indiana Department of Labor's offices are closed during regular business hours). If you do not file such a petition for review (contest), the safety order(s) and penalty(ies) shall be deemed final orders of the Board of Safety Review and not subject to review by any court or agency. The issuance of a safety order does not constitute a finding that a violation has occurred unless no petition for review is filed, or if a petition for review (contest) is filed, it must contain a statement of its basis and should reference the above inspection number. Upon receipt of your petition for review, we will affirm, amend or dismiss the safety order(s) and notification(s) of penalty. If we affirm, your petition for review will be granted (unless it was not timely) and the dispute will be certified by the Board of Safety Review for further proceedings. The Board of Safety Review is an independent agency appointed by the governor with authority to conduct hearings and to issue decisions concerning disputed safety order(s) and notification(s) of penalty. If we amend the safety order(s) or notification(s) of penalty, your petition for review shall be deemed moot. However, you will then be given an opportunity to file a petition for review concerning the amended safety order(s) and notification(s) of penalty.

Please be advised that an employee or representative of employees may file a petition for review to contest the reasonableness of the time stated in the safety order(s) for the abatement of any violation.

Posting - Upon receipt of any safety order(s) you are required to post such safety order(s), or a copy thereof, unedited, at or near each place an alleged violation referred to in the safety order(s) occurred. However, if your operations are such that it is not practicable to post the safety order(s) at or near each place of alleged violation, such safety order(s) shall be posted, unedited, in a prominent place where it will be readily observable by all affected employees. For example, if you are engaged in activities which are physically dispersed, the safety order(s) may be posted at the location from which the employees operate to carry out their activities. You must take steps to ensure that the safety order is not altered, defaced, or covered by other material. Posting shall be until the violation is abated, or for three working days, whichever is longer.

Penalties - Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Abatement does not constitute payment of penalties.

Abatement - The conditions cited in the safety order(s) must be corrected (abated) on or before the date shown for each item on the safety order(s) and notification(s) of penalty unless:

(1) You file a petition for review concerning the violation, in which case the full abatement period shall commence from the issuance of a final decision by the Board of Safety Review or the courts which requires compliance with the safety order; or

(2) The abatement period is extended by the granting of a petition for modification of abatement date.

PMAs - The petition for modification of abatement date is a manner in which you may seek additional time to correct (abate) a violation without having to file a petition for review concerning the safety order, or after the expiration of the time period to file such a petition for review when it becomes apparent that you need extra time to abate the violation. A petition for modification of abatement date shall be in writing and shall include the following information:

(1) All steps you have taken, and the dates of such actions, in an effort to achieve compliance during the prescribed abatement period.

(2) The specific additional abatement time necessary in order to achieve compliance.

(3) The reasons such additional time is necessary, including the unavailability of professional or technical personnel or of materials and equipment, or because necessary construction or alteration of facilities cannot be completed by the original abatement date.

(4) All available interim steps being taken to safeguard employees against the cited hazard during the abatement period.

(5) A certification that a copy of the petition has been posted, and if appropriate, served on the authorized representative of affected employees, and a certification of the date upon which such posting and service was made.

A petition for modification of abatement date shall be filed with the Indiana Department of Labor/IOSHA no later than the close of the next working day following the date on which abatement was originally required. A later-filed petition shall be accompanied by the employer's statement of exceptional circumstances explaining the delay. A copy of such petition shall be posted in a conspicuous place where all affected employees will have notice thereof or near such location where the violation occurred. The petition shall remain posted until the time period for the filing of a petition for review of the Commissioner's granting or denying the petition expires. Where affected employees are represented by an authorized representative, said representative shall be served a copy of such petition.

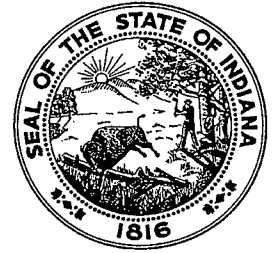
Notification of Corrective Action - Correction of the alleged violations which have an abatement period of thirty (30) days or less should be reported in writing to us promptly upon correction. A "Letter of Abatement" form and an "Abatement Photographs" worksheet are enclosed for your assistance in providing adequate documentation of abatement. Reports of corrections should show specific corrective action on each alleged violation and the date of such action. On alleged violations with abatement periods of more than thirty (30) days, a written progress report should be submitted, detailing what has been done, what remains to be done, and the time needed to fully abate each such violation. When the alleged violation is fully abated, we should be so advised. Timely correction of an alleged violation does not affect the initial proposed penalty.

Followup Inspections - Please be advised that a followup inspection may be made for the purpose of ascertaining that you have posted the safety order(s) and corrected the alleged violations. Failure to correct an alleged violation may result in additional penalties for each day that the violation has not been corrected.

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the Indiana Department of Labor/IOSHA at the address shown above.

Notice to Employees - The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the Indiana Department of Labor/IOSHA at the address shown above within fifteen (15) working days (excluding weekends and State holidays) or receipt by the employer of this safety order and penalty.

If you wish additional information, you may direct such requests to us at the address or telephone number stated above.



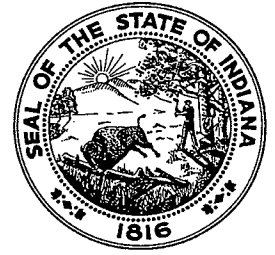
NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with IOSHA to discuss the safety order(s) issued on 04/19/2010. The conference will be held at the IOSHA office located at 402 West Washington Street, Room W195, Indianapolis, IN 46204 on _____ at _____.

Employees and/or representatives of employees have a right to attend an informal conference.

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 313831976
Inspection Dates: 11/05/2009 - 03/30/2010
Issuance Date: 04/19/2010



Safety Order and Notification of Penalty

Company Name: Endres Processing
Inspection Site: 4000 E. 7th Avenue, Gary, IN 46403

Safety Order 1 Item 1 Type of Violation: **Serious**

IC 22-8-1.1 Section 2: The employer did not establish and maintain conditions of work which were reasonably safe and healthful for employees, and free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that employees were exposed to potential fire and/or deflagration (explosion) hazards because methods were not utilized to contain combustible dusts such as, but not limited to from becoming airborne and combining with an ignition source:

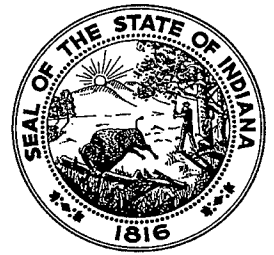
Grinder area - Employees used compressed air rated at approximately 150 psi to 200 psi to clean grain dust, a Class II Group G combustible dust, from the grinding process off machinery and surfaces located throughout the facility. The use of compressed air for cleaning and/or removing the grain dust could cause significant amounts of combustible dust to be suspended in air, which could potentially lead to deflagrations (explosions) and/or fires.

Among other methods, one feasible and acceptable method to correct this hazard is to develop and implement a written procedure for using compressed air to clean grain dust off of machinery and/or surfaces. This procedure should follow Section 10.2.2 of NFPA's *Standard for the Prevention of Fires and Dust Explosions in Agricultural and Food Processing Facilities* (NFPA 61-2008) which states that compressed air or other means that cause dust to be suspended in air during removal from surfaces must only be permitted after all of the machinery in the area has been shut down and all sources of ignition controlled.

Date By Which Violation Must be Abated: 05/13/2010
Proposed Penalty: \$2,000.00

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 313831976
Inspection Dates: 11/05/2009 - 03/30/2010
Issuance Date: 04/19/2010



Safety Order and Notification of Penalty

Company Name: Endres Processing
Inspection Site: 4000 E. 7th Avenue, Gary, IN 46403

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 2 Type of Violation: **Serious**

IC 22-8-1.1 Section 2: The employer did not establish and maintain conditions of work which were reasonably safe and healthful for employees, and free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that employees were exposed to potential fire and/or deflagration (explosion) hazards because methods were not utilized to contain combustible dusts from becoming airborne and combining with an ignition source:

Entire facility - The employer did not have an effective Emergency Action Plan. The plan states that a "key company employee" will call the fire department, but does not specify a person or employment position. There is a designated meeting spot, however one states "across Ohio Street in parking lot" and other lists the meeting place as the Scale House.

Among other methods, one feasible and acceptable method to correct this hazard is to develop and implement a written emergency action plan. This plan should follow Section 12.5.1 of NFPA's *Standard for the Prevention of Fires and Dust Explosions in Agricultural and Food Processing Facilities* (NFPA 61-2008) which states that the emergency action plan include, but not limited to, means of notifying employees, preplanned evacuation assembly area, person designated to notify emergency responders, facility layout drawings showing egress routes, hazardous chemical locations, and fire protection equipment, location of material safety data sheet(s) for hazardous chemicals, emergency telephone number(s), and emergency response duties for occupants.

Date By Which Violation Must be Abated: **05/13/2010**
Proposed Penalty: **\$2,000.00**

OR IN THE ALTERNATIVE

Safety Order 1 Item 2 Type of Violation: **Serious**

29 CFR 1910.272(d): The employer did not develop and implement an emergency action plan meeting the requirements contained in 29 CFR 1910.38:

Entire facility - The employer did not have an effective Emergency Action Plan. The plan states that a "key company employee" will call the fire department, but does not specify a person or employment position. There is a designated meeting spot, however one states "across Ohio Street in parking lot" and other lists the meeting place as the Scale House.

Date By Which Violation Must be Abated: **05/13/2010**

Indiana Department of Labor
Occupational Safety and Health Administration

Inspection Number: 313831976
Inspection Dates: 11/05/2009 - 03/30/2010
Issuance Date: 04/19/2010



Safety Order and Notification of Penalty

Company Name: Endres Processing
Inspection Site: 4000 E. 7th Avenue, Gary, IN 46403

Safety Order 1 Item 3 Type of Violation: **Serious**

29 CFR 1910.132(a): Protective equipment was not used when necessary whenever hazards capable of causing injury and impairment were encountered:

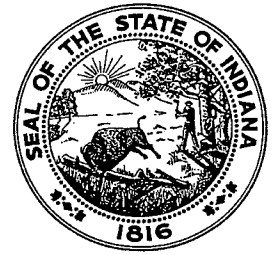
Facility Wide - Employees who entered and/or worked inside of the facility were not required to wear flame-resistant clothing (FRC). A potential flash fire hazard existed inside of the facility due to the significant airborne concentrations of grain dust, Class II Group G combustible dusts, which were suspended or present throughout the atmosphere.

Date By Which Violation Must be Abated: **05/13/2010**
Proposed Penalty: **\$2,000.00**

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 313831976
Inspection Dates: 11/05/2009 - 03/30/2010
Issuance Date: 04/19/2010



Safety Order and Notification of Penalty

Company Name: Endres Processing
Inspection Site: 4000 E. 7th Avenue, Gary, IN 46403

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 4a Type of Violation: **Serious**

29 CFR 1910.272(e)(1): The employer did not provide training to employees at least annually and when changes in job assignments would expose them to new hazards in the grain handling facilities:

Grinding Area - Employees used the W.H.O. Co. grinder Serial # 992, Tub Model #8-43-DH to grind blocks of cereal down for further processing which created grain dust.

Date By Which Violation Must be Abated: 05/13/2010
Proposed Penalty: \$2,000.00

Safety Order 1 Item 4b Type of Violation: **Serious**

29 CFR 1910.1200(h)(3)(ii): The employer did not provide training to employees at least annually and when changes in job assignments would expose them to new hazards in the grain handling facilities:

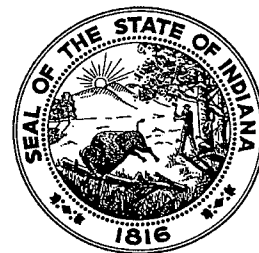
Facility Wide - Employees who cleaned up, used, or worked around grain dust, Class II Group G combustible dusts, were not trained on physical and health hazards such as, but not limited to combustible dust fire hazards and deflagration (explosion) hazards.

Date By Which Violation Must be Abated: 05/13/2010

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 313831976
Inspection Dates: 11/05/2009 - 03/30/2010
Issuance Date: 04/19/2010



Safety Order and Notification of Penalty

Company Name: Endres Processing
Inspection Site: 4000 E. 7th Avenue, Gary, IN 46403

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 5a Type of Violation: **Serious**

29 CFR 1910.272(j)(1): The employer did not develop and implement a written housekeeping program that establishes the frequency and method(s) determined best to reduce accumulations of fugitive grain dust on ledges, floors, equipment, and other exposed surfaces:

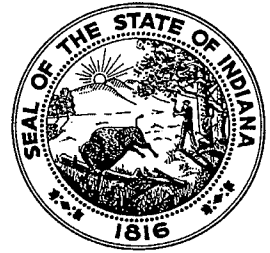
- a) Grinder Area - A 5 inch high dust pile was on the floor under the right side of the screw conveyor, measuring 35 inches long by 17 inches wide. A 20 inch high dust pile was found under the end of the screw conveyor, measuring 13 inches long and 34 inches wide.
- b) Grinder Area - The grinder screw conveyor had several piles of dust on it. One pile was 1 inch high and 28.5 inches wide, which is approximately 75 inches above the ground. A second pile is 1.5 inches high and 27.5 inches wide, which is approximately 75 inches above the ground.
- c) Grinder Area - On the East wall behind the grinder was a 2 inch pile of dust about 9 feet above the ground on the wall ledge. A 1/2 to 2 inch high dust pile was on top of a 480 volt Square D control panel about 6 foot 7 inches off the ground. A 1/8 inch high pile was on the cross members along the wall which were about 18 feet off the ground

Date By Which Violation Must be Abated: 05/13/2010
Proposed Penalty: \$2,000.00

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 313831976
Inspection Dates: 11/05/2009 - 03/30/2010
Issuance Date: 04/19/2010



Safety Order and Notification of Penalty

Company Name: Endres Processing
Inspection Site: 4000 E. 7th Avenue, Gary, IN 46403

Safety Order 1 Item 5b Type of Violation: **Serious**

29 CFR 1910.22(a)(1): Places of employment were not kept clean and orderly, or in a sanitary condition:

- a) Grinder Area - A 5 inch high dust pile was on the floor under the right side of the screw conveyor, measuring 35 inches long by 17 inches wide. A 20 inch high dust pile was found under the end of the screw conveyor, measuring 13 inches long and 34 inches wide.
- b) Grinder Area - The grinder screw conveyor had several piles of dust on it. One pile was 1 inch high and 28.5 inches wide, which is approximately 75 inches above the ground. A second pile is 1.5 inches high and 27.5 inches wide, which is approximately 75 inches above the ground.
- c) Grinder Area - On the East wall behind the grinder was a 2 inch pile of dust about 9 feet above the ground on the wall ledge. A 1/2 to 2 inch high dust pile was on top of a 480 volt Square D control panel about 6 foot 7 inches off the ground. A 1/8 inch high pile was on the cross members along the wall which were about 18 feet off the ground

Date By Which Violation Must be Abated: 05/13/2010

Safety Order 1 Item 6 Type of Violation: **Serious**

29 CFR 1910.307(b): Equipment, wiring methods, and installations of equipment in hazardous (classified) locations were not intrinsically safe, or approved for the hazardous (classified) location, or safe for the hazardous (classified) location:

Facility Wide - Electrical equipment and installations such as, but not limited to fluorescent lighting fixtures, electrical switches, electrical motors and electrical outlets were not approved, rated and/or designed for a Class II, Division 1 location. Electrical equipment and installations were exposed to grain dust, Class II Group G combustible dusts, under normal operating conditions and vast amounts of grain dust had accumulated on the floor and other surfaces (ledges, machinery, equipment, etc.) located around the grinder and throughout the facility.

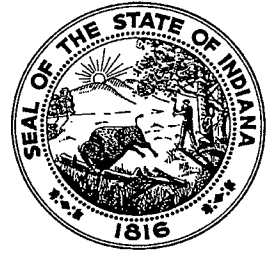
ABATEMENT NOTE: NFPA 499-2008 *Recommended Practice for the Classification of Combustible Dusts and of Hazardous (Classified) Locations for Electrical Installations in Chemical Process Areas* states that where a dust cloud is likely to be present under normal conditions or where a dust layer greater than 1/8-inch (3.0 mm) thick is present under normal conditions the location should be classified as a Class II, Division 1 location.

Date By Which Violation Must be Abated: 05/13/2010
Proposed Penalty: \$2,000.00

Indiana Department of Labor

Occupational Safety and Health Administration

Inspection Number: 313831976
Inspection Dates: 11/05/2009 - 03/30/2010
Issuance Date: 04/19/2010



Safety Order and Notification of Penalty

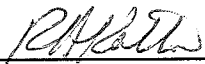
Company Name: Endres Processing
Inspection Site: 4000 E. 7th Avenue, Gary, IN 46403

Safety Order 2 Item 1 Type of Violation: **Nonserious**

29 CFR 1910.145(c)(3): Safety instruction signs were not used where there was a need for general instructions and suggestions relative to safety measures:

Facility Wide - Warning signs that described the hazard(s) associated with grain dust, Class II Group G combustible dusts, were not posted on equipment or at the entrance to places where explosive atmospheres had the potential to occur.

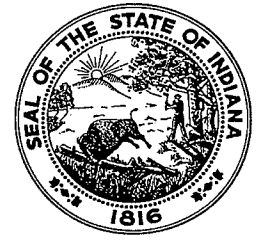
Date By Which Violation Must be Abated: 05/13/2010
Proposed Penalty: \$.00



Robert A. Kattau
Director, Industrial Compliance

Indiana Department of Labor

Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979 Fax: 317/233-8509



INVOICE/DEBT COLLECTION NOTICE

Company Name: Endres Processing
Inspection Site: 4000 E. 7th Avenue, Gary, IN 46403
Issuance Date: 04/19/2010

Summary of Penalties for Inspection Number 313831976

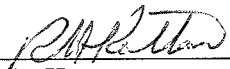
Safety Order 01, Serious	=	\$12,000.00
Safety Order 02, Nonserious	=	\$0.00
Total Proposed Penalties		\$12,000.00

Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Make your check or money order payable to: "Indiana DOL/IOSHA". Please indicate IOSHA's Inspection Number (indicated above) on the remittance.

IOSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Corrective action, taken by you for each alleged violation should be submitted to this office on or about the abatement dates indicated on the Safety Order and Notification of Penalty.

A work sheet has been provided to assist in providing the required abatement information. A completed copy of this work sheet should be posted at the worksite with the safety order(s).



Robert A. Kattau
Director, Industrial Compliance

4-19-10

Date