

INDIANA GRAIN INDEMNITY BOARD



OFFICIAL MEETING MINUTES

Chairman Jerome G. Hawkins called this annual meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 9:04 a.m.(EDT) on July 9, 2010. The meeting was held in Assembly Hall D on the first floor of the Indiana Farm Bureau Corporate Headquarters located at 225 South East Street, Indianapolis, Indiana.

QUORUM: Chairman Hawkins did a roll call of the Board members, stated that there was a quorum present and asked those present to make sure to sign the attendance form.

PRESENT: The following voting members were present:

Robert G. Ax	Ron Reichart	Mike Shuter
Don Lowe	Herman Rettinger	Don Villwock
Michael Morehouse	Lee Rulon	

The following nonvoting members or their representatives present were:

Jerome G. Hawkins, Director, Indiana Grain Buyers & Warehouse Licensing Agency
Rich Bramer, Chief Attorney, representative of the Attorney General
Vicki Pool, Chief Accountant, representative of the Treasurer of State

ABSENT: The voting members absent for the meeting were:

Joseph F. Kessie William Tudor

RESOURCE The following resource staff present were:

Dennis Henry, Indiana Grain Buyers & Warehouse Licensing Agency

The following guests were present:

Aimee Fiesbeck, Field Auditor, Indiana Grain Buyers & Warehouse Licensing Agency
Bob Goulet, Field Auditor, Indiana Grain Buyers & Warehouse Licensing Agency
Justin Schneider, Attorney, Indiana Farm Bureau
Mark Thornburg, Attorney, Indiana Farm Bureau
Cress Hizer, IN Ag, LLC
Emily Otto-Tice, Indiana Soybean Alliance/Indiana Corn Marketing Council
Beth Bechdol, Ice Miller, LLP

BOARD

APPOINTMENTS: With the schedule of staggered terms of office, two (2) board members' terms had expired. Letters were mailed to the appointing organizations. The Indiana Corn Growers Association

reappointed Mike Shuter to represent them on the board for an additional four (4) year term. The Indiana Grain & Feed Association reappointed Ron Reichart to represent them on the board for an additional four (4) year term. These four (4) year terms will expire in the year 2014.

MINUTES: Copies of the minutes of the previous meeting (December 29, 2009) were forwarded to board members to review. H. Rettinger moved to approve the minutes as written. (Second from D. Villwock) *The motion was carried and the minutes of the December 29, 2009 meeting were approved as written.*

FINANCIAL: The next order of business was financial report prepared by Vicki Pool on June 30, 2010, disclosing a fund balance of \$14,313,003.05. Included with the balance sheet was a statement of operations and a listing of fund investment information. Copies of the report were distributed (Exhibit A). A motion by R. Reichart was made to accept the financials as they were presented. (Second by M. Shuter) *Motion carried and the financial reports were accepted as written.* Chairman Hawkins then asked for a motion to certify the balance of the fund. D. Villwock motioned to certify the fund balance as of July 1, 2010 to be \$14,313,003.05. (Second by L. Rulon) *The motion was carried and the board certified the fund balance as of July 1, 2010 to be \$14,313,003.05.*

Chairman Hawkins introduced Mike Morehouse to the board stating that he is filling the board position vacated by Roger Hadley. M. Morehouse then gave a brief bio to the board.

NEW BUSINESS: Chairman Hawkins reminded the board that the offices of Vice Chairman, Secretary and Treasurer are to be voted on at this annual meeting. He also stated that per statute the office of Secretary and Treasurer may be combined and have one person serve both offices. Chairman Hawkins then asked for nominations from the floor. L. Rulon motioned that D. Villwock remain as Vice Chairman and H. Rettinger serve as Secretary/Treasurer. (Second by M. Shuter) Chairman Hawkins then asked if there were any additional nominations and there were none. *The motion to elect D. Villwock as Vice Chairman and H. Rettinger as Secretary/Treasurer was carried by a unanimous vote.*

Chairman Hawkins reviewed with the board statute changes that reflected both the board and the agency (IGBWLA) and gave some brief highlights of the changes. Board discussion focused on getting this information out to buyers and producers. Several suggestions were mentioned and Chairman Hawkins was charged with contacting media to set up interviews. He also informed the board that IGBWLA staff would be available as the Indiana State Fair on Farmer's Day (8/18/2010) to answer any questions regarding these statute changes.

OLD BUSINESS: Chairman Hawkins gave the board a brief update on the Lambright's, Inc. claims that they approved from the last meeting. He stated that the mill still is up for sale, so there may be future funds to distribute at that time.

At the last meeting V. Pool presented a listing of outstanding checks to the board. There were still those that had not responded and Chairman Hawkins asked the board for suggestions on how to handle them. There was discussion on moving them to the Indiana Unclaimed fund. A motion by M. Shuter to add to checks issued from to on, "This check will become void if not cashed in 120 days". (Second by D. Lowe) *The motion was carried and the IGIF checks issued from today on will have the phrase "This check will become void if not cashed in 120 days" written on the checks.*

It was asked by the board to have the agency (IGBWLA) send out a third mailing, this time certified stating that if there is no response, the funds will be turned over to the Indiana Unclaimed fund.

D. Villwock asked if the agency (IGBWLA) could give the board an update of the industry. Chairman Hawkins told the board that he does not anticipate any failures from what the agency has seen. The agency is working with a few licensees could become potential problems, but the agency has them on a short audit cycle to keep them in compliance

Chairman Hawkins then addressed the board to update them on W. Tudor's surgery.

ADJOURNMENT: It was motioned that the meeting adjourn by D. Lowe. (Second by L. Rulon) The meeting adjourned at 9:40 a.m.

Claim forms and travel vouchers for mileage and per diem submitted by:

Robert G. Ax	\$175.60	Herman Rettinger	\$140.40
Don Lowe	\$91.60	Lee Rulon	\$80.40
Mike Morehouse	\$166.00	Mike Shuter	\$94.00
Ron Reichart	\$102.00		

Don Villwock declined submitting a claim for mileage and per diem.

Respectfully submitted by Dennis Henry on July 12, 2010.

Exhibit A:

**INDIANA GRAIN INDEMNITY CORPORATION
BALANCE SHEET
6/30/2010**

ASSETS

Cash	\$ 13,486.57
Investments	<u>14,299,516.48</u>
Total Assets	<u>\$ 14,313,003.05</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$ 14,313,003.05</u>
Total Liabilities and Fund Balance	<u>\$ 14,313,003.05</u>

INDIANA GRAIN INDEMNITY CORPORATION
STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDING JUNE 30, 2010

Revenues:

Investment Interest	\$ 64,899.17
Producer Premium Revenue	<u>\$ -</u>
Total Revenues	\$ 64,899.17

Expenses:

Failure Reimbursement	\$ 1,232,990.53
Travel	1,673.60
Supplies	35.15
Bank Fees	<u>931.65</u>
Total Expenses	<u>\$ 1,235,630.93</u>

Net Income/(Expense) \$ (1,170,731.76)

Fund Balance, 7/01/09 \$ 15,483,734.81

Current Fund Balance \$ 14,313,003.05

Fund List: Type = TF
From 07/01/2010 thru 12/31/2030

<u>Inv No</u>	<u>Investment # / Institution</u>	<u>CO</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Par Original Cost</u>	<u>Coupon Yield</u>	<u>Interest Amount</u>	<u>Fund</u>	<u>TOS #</u>
62961	PRODUCER-PREMIUM FD. FIFTH THIRD BANK, INDIANA	82	03/17/10	09/16/10	\$1,870,000.00 \$1,870,000.00	0.5000 .5000	\$4,752.92		146
63000	PRODUCER-PREMIUM FD. MERCHANTS BANK OF INDIANA	68	05/06/10	11/04/10	\$620,000.00 \$620,000.00	0.6500 .6500	\$2,037.39		146
63014	PRODUCER-PREMIUM FD. FIFTH THIRD BANK	99	06/03/10	03/03/11	\$1,825,000.00 \$1,825,000.00	0.9200 .9200	\$12,732.42		146
*****	CERTIFICATE OF DEPOSIT TOTAL *****				\$4,315,000.00 \$4,315,000.00	0.6992 0.6992	\$19,522.73		
40658	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	05/27/10	08/30/10	\$2,000,000.00 \$1,999,050.00	0.1800 .1830	\$950.00		146
40665	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	06/03/10	02/24/11	\$1,000,000.00 \$997,118.33	0.3900 .3970	\$2,881.67		146
40747	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	06/29/10	12/27/10	\$1,005,000.00 \$1,003,762.04	0.2450 .2490	\$1,237.96		146
*****	GOVERNMENT AGY. DISCOUNT NOTES TOTAL *				\$4,005,000.00 \$3,999,930.37	0.2487 0.2530	\$5,069.63		
40410	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	10/05/09	10/05/11	\$1,000,000.00 \$1,000,000.00	1.0000 1.0000	\$20,277.78		146

Date: 7/6/2010

Page 61

Fund List: Type = TF
 From 07/01/2010 thru 12/31/2030

<u>Inv No</u>	<u>Investment # / Institution</u>	<u>CO</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Par Original Cost</u>	<u>Coupon Yield</u>	<u>Interest Amount</u>	<u>Fund</u>	<u>TOS #</u>
40430	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	11/19/09	11/12/10	\$5,000,000.00 \$4,984,586.11	0.3100 .3100	\$15,413.89		146
***** GOVT AGENCY COUPONS TOTAL *****					\$6,000,000.00 \$5,984,586.11	0.4250 0.4250	<u>\$35,691.67</u>		
***** TOTAL FOR FUND CODE *****					\$14,320,000.00 \$14,299,516.48	0.4583 0.4595	<u>\$60,284.03</u>		