

# INDIANA GRAIN INDEMNITY BOARD



## OFFICIAL MEETING MINUTES

Chairman Jerome G. Hawkins called this meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 10:02 a.m.(EST) on December 01, 2011. The meeting was held in Assembly Hall C 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 and confirmed that there was a quorum present.

**PRESENT:** The following voting members were present:

Bob Bischoff	Michael Silver
Joseph Kessie	Don Villwock
Ron Reichart	D. Grant Whaley

The following nonvoting members or their representatives present were:

Jerome G. Hawkins, Director, Indiana Grain Buyers & Warehouse Licensing Agency  
Matt Light, 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:

Jim Cherry	Mike Shuter
Herman Rettinger	William Tudor

**RESOURCE** The following resource staff present were:

Dennis Henry, Indiana Grain Buyers & Warehouse Licensing Agency

The following guests were present:

Heather Crockett, Deputy Attorney General, Attorney General's Office  
Robert Goulet, Field Auditor, Indiana Grain Buyers & Warehouse Licensing Agency  
Mark Thornburg, Attorney, Indiana Farm Bureau  
Cress Hizer

**MINUTES:** Copies of the minutes of the previous meeting (July 28, 2011) were forwarded to board members to review. D. Villwock moved to approve the minutes as written. (Second from M. Silver) *The motion was carried and the minutes of the July 28, 2011 meeting were approved as written.*

**FINANCIAL:** Financial statements and investment listings had previously been distributed to the board. V. Pool state that as of October 31, 2011 the fund balance was \$13,942,424.26. Chairman Hawkins reminded the board that they approved payment for legal counsel and those funds had been paid by the Agency, but have not yet been journal transferred to the Corporation's books. V. Pool and Mitzi Moss (Controller for the Agency) are working on the transfer.

**OLD BUSINESS:** H. Crockett reviewed two pending issues with the Board. First was the Promissory Note signed over to the Corporation concerning the Lambright's, Inc. failure. There was discussion regarding the value of the note. M. Silver motioned that the Board approve a floor amount of \$900,000.00 that will allow H. Crockett to proceed in action to collect on this note. (Second by B. Bischoff) *The motion was carried to set a floor limit of \$900,000.00 regarding collections against the Promissory Note.*

Secondly, H. Crockett updated the Board on the legal matter concerning Mentone Agri Center, LLC. H. Crockett told the Board that the Judge was going to reassign this case to a Senior Judge after the first of the year.

On other Old Business, Chairman Hawkins passed out a power point presentation that the Board asked he share with them from the Summer AGRO (Association of Grain Regulatory Officials) meeting regarding grain fraud that was prepared by Steve Miller of S. J. Miller Associates, LLC. During discussion, H. Crockett stated to the Board that criminal aspects are low compared to other states. This may be an area to be reviewed in the Statute. The Board also discussed the recent failure of M. F. Global and it's impact on Indiana.

M. Silver asked Chairman Hawkins if the Agency was dealing with any issues or had any since the annual meeting. Chairman Hawkins shared with the board that the Agency has had several close calls and discussed these with the Board. These close calls could have impacted the fund, but with the hard work of the Agency, these issues were turned around and producers were paid. It was discussed if there were specific causes, if maybe licensing requirements need to be increased. Chairman Hawkins told the Board that any licensing requirement changes would have to be done by legislation. M. Silver asked to have an update on Agency staffing. Chairman Hawkins stated that the Agency still has one open position and has been aggressively seeking candidates since April. He also stated that the Agency is working the State Personnel Department and recently visited Kokomo Grain, Inc. with one of their compensation analyst to review the Grain Buyer Field Auditor position.

**NEW BUSINESS:** Chairman Hawkins reported to the board that he has been contacted by the Serbian Delegation that visited the Agency last spring. They want to plan a return visit to Indiana, not only to continue their education of Indiana's grain industry, but are also looking at other Agriculture areas they regulate in Serbia.

A date for the Annual Meeting was discussed and set for July 19, 2012. It was suggested that maybe the Board meet at a grain elevator and show board members areas that they may not deal with in their positions. It was agreed that the Board meet at Kokomo Grain, Inc.

**ADJOURNMENT:** It was motioned that the meeting adjourn by B. Bischoff. (Second by D.G. Whaley) The meeting adjourned at 10:59 a.m.

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

Bob Bischoff	\$74.64	Michael Silver	\$104.56
Joseph Kessie	\$113.52	D. Grant Whaley	\$133.60
Ron Reichart	\$107.20		

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

***Respectfully submitted by Dennis Henry on December 21, 2011.***

**INDIANA GRAIN INDEMNITY CORPORATION  
BALANCE SHEET  
10/31/2011**

**ASSETS**

Cash	\$ 71,535.12
Investments	<u>13,870,889.14</u>
<b>Total Assets</b>	<b><u>\$ 13,942,424.26</u></b>

**LIABILITIES AND FUND BALANCE**

Fund Balance	<u>\$ 13,942,424.26</u>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 13,942,424.26</u></b>

**INDIANA GRAIN INDEMNITY CORPORATION  
STATEMENT OF OPERATIONS  
FOR THE FOUR MONTHS ENDING OCTOBER 31, 2011**

**Revenues:**

Investment Interest	\$ 8,117.72
Grain Failure Recoveries	\$ -
Producer Premium Revenue	-
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<b>Total Revenues</b>	<b>\$ 8,117.72</b>

**Expenses:**

Failure Reimbursement	\$ -
Travel	678.40
Supplies	25.80
Bank Fees	109.39
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<b>Total Expenses</b>	<b>\$ 813.59</b>

**Net Income/(Expense)** \$ 7,304.13

**Fund Balance, 7/01/11** \$ 13,935,120.13

**Current Fund Balance** \$ 13,942,424.26

Fund List: Type = TF  
From 11/01/2011 thru 12/31/2030

Inv No	Investment # / Institution	CO	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund	TOS #
63172	PRODUCER-PREMIUM FD. MERCHANTS BANK OF INDIANA 470449	68	05/05/11	11/03/11	\$620,000.00 \$620,000.00	0.4000 .4000	\$1,253.78	75111	146
63192	PRODUCER-PREMIUM FD. FIFTH THIRD BANK, INDIANA	82	06/02/11	05/24/12	\$845,000.00 \$845,000.00	0.3800 .3800	\$3,184.24	75111	146
***** CERTIFICATE OF DEPOSIT TOTAL *****									
					\$1,465,000.00 \$1,465,000.00	0.3885 0.3885	\$4,438.02		
41565	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	06/17/11	03/19/12	\$1,000,000.00 \$998,696.67	0.1700 .1730	\$1,303.33	75111	146
41613	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	06/23/11	12/21/11	\$1,200,000.00 \$1,199,215.67	0.1300 .1320	\$784.33	75111	146
41744	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	08/23/11	11/28/11	\$1,000,000.00 \$999,865.28	0.0500 .0510	\$134.72	75111	146
***** GOVERNMENT AGY. DISCOUNT NOTES TOTAL *									
					\$3,200,000.00 \$3,197,777.62	0.1175 0.1195	\$2,222.38		
41426	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	04/28/11	06/29/15	\$675,000.00 \$679,855.31	1.4500 2.6550	\$41,406.56	75111	146
41624	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	06/27/11	09/23/14	\$2,500,000.00 \$2,511,814.24	1.7500 1.4670	\$143,888.89	75111	146

Fund List: Type = TF  
From 11/01/2011 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>
41677	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	07/21/11	02/02/12	\$500,000.00 \$499,990.17	0.1200 .1300	\$326.67	75111	146
41688	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	07/26/11	07/25/14	\$1,000,000.00 \$1,005,000.00	1.3500 1.1800	\$41,062.50	75111	146
41720	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	08/11/11	04/21/14	\$1,000,000.00 \$1,000,000.00	0.2160 .2500	\$5,904.00	75111	146
41729	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	08/18/11	02/09/15	\$500,000.00 \$502,418.75	1.3500 1.2100	\$23,831.25	75111	146
41755	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	08/29/11	08/28/14	\$1,000,000.00 \$999,750.00	0.6500 .6584	\$19,770.83	75111	146
41785	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	09/20/11	07/17/12	\$1,000,000.00 \$1,001,379.83	0.3300 .2550	\$2,759.17	75111	146
41848	PRODUCER-PREMIUM FD. BANK OF NEW YORK	00	10/31/11	11/23/15	\$1,000,000.00 \$1,007,903.22	1.6000 1.5770	\$65,955.56	75111	146
***** GOVT AGENCY COUPONS TOTAL *****									
							1.1155	\$344,905.43	
							1.0954		

Fund List: Type = TF  
 From 11/01/2011 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>
					\$13,840,000.00	0.8078			
					\$13,870,889.14	0.7949			
							<u>\$351,565.83</u>		

\*\*\*\*\* TOTAL FOR FUND CODE \*\*\*\*\*