

Iowa Grain Depositors and Sellers Indemnity Fund
Iowa Grain Indemnity Fund Board
Meeting Minutes for January 15, 2026
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The Grain Depositors and Sellers Indemnity Fund Board (hereafter “board” or “fund”) held a meeting by telephone conference call on Thursday, January 15, 2026, in the office of the Grain Warehouse Bureau Chief, Hoover State Office Building, 1305 E Walnut Street, Des Moines, Iowa, with Travis Knight, Division Director of Consumer Protection & Industry Division president designee, as chairperson.

Attending, the meeting in addition to Travis Knight (hereafter “chairperson”) were the following:

Emily Cook Board Member – Producer Rep.	Clarion, Iowa
Ryan Johnson Board Member – Grain Industry Rep.	Remsen, Iowa
Dustin McNulty Board Member – Treasurer Designee	State Capitol Building Des Moines, Iowa
Rhonda Shelman Board Member –Grain Industry Rep.	Wayland, Iowa
Mike Winter Board Member – Producer Rep.	New Hampton, Iowa
Jacob Larson (Assistant Attorney General for the Fund)	Hoover State Office Building Des Moines, Iowa
Robert Litfin Grain Warehouse Bureau, Accountant	Hoover State Office Building Des Moines, Iowa
James Kennedy, Bureau Chief Grain Warehouse Bureau	Hoover State Office Building Des Moines, Iowa

Board Member(s) Absent: Dale Behrends

Guests: None

This meeting, upon duly prescribed notice, was called to order by the chairperson at 2:06 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 December 18, 2025, board minutes. The chairperson called for a motion to accept the minutes as presented. Ms. Shelman made a motion to approve the minutes as presented. Mr. Winter seconded the motion, and the board approved the motion unanimously.

The chairperson called on Dustin McNulty to present the treasurer's report. Mr. McNulty reported that the balance of the fund as of January 14, 2026, was \$12,656,003.63. The chairperson asked if there were any questions about the treasurer's report. Hearing none, the chairperson called for a motion to accept the treasurer's report. Mr. Johnson made a motion to approve the treasurer's report. Ms. Shelman seconded the motion, and the board approved the motion unanimously.

The chairperson called on Robert Litfin to present the December 31, 2025, financial statements. As of December 31, 2025, the balance in the Investment in State of Iowa Pooled Accounts was \$12,663,140.02; the Equity in the Iowa Grain Indemnity Fund was \$12,602,183.01; there was a net decrease in the fund for the month of \$155,403.51; and there was a fiscal year to date increase in the fund of \$1,434,409.58. Mr. Litfin addressed the Claims Expenditures on the Monthly statement of approximately \$186,000 represents all the claims received. This value is further split between the claims paid of \$94,000 and the remaining value of \$92,000. The Balance Sheet shows a liability for approximately \$92,000 of claims left to pay, both approved and pending. The Supplemental information breaks down the \$92,000 by approved and not paid (\$32,000) and the value of the remaining pending claims (\$60,000). The Notes section on page 2, Item #5 also details the values of paid claims and the amount of approved and unpaid claim value. These values will change as claims are approved or denied and payments processed through our accounting department and paid by the Treasurer's office.

Ms. Shelman inquired about the \$32,000 of unpaid claims and if those were waiting on signatures. Mr. Litfin explained that these claims or payments were either waiting on processing by the accounting department or the timing of the reports and monthly accounting. Mr. Kennedy also outlined the process for the bureau to send the check request to the accounting department. Once the board approves the claim, the bureau will send a letter, copy of the signed recommendation form, and a subrogation form for the claimant to sign, notarize, and return. The bureau will not request a check to be issued until the subrogation form is received.

The chairperson asked if there were any additional questions about the financial statements. The chairperson called for a motion to accept the financial statements. Mr. Winter made a motion to approve the financial statements. Mr. McNulty seconded the motion, and the board approved the motion unanimously.

New Business:

Mr. Kennedy informed the board of a meeting with South Dakota, Nebraska, Missouri, and USDA on the concern of requesting and receiving documents and information from Hansen-Mueller or the bankruptcy. There are still many questions on the outstanding obligations, and which governmental agency has jurisdiction over the obligations.

The bureau has received one additional Global claim since the last meeting. The bureau will review and evaluate this claim and present it at a future meeting.

Mr. Larson informed the board that he has received word from the Pipeline bankruptcy that the Trustee is trying to close and finalize the Chapter 11 proceedings. There will be no additional payments. The board approved and the fund paid out \$494,049.15 for Pipeline claims and we did

receive two payments from the bankruptcy. The first was the negotiated administrative priority claim of \$ 5,489.70 and the second for the unsecured claim was in the amount of \$ 23,480.84. The net payback percentage was approximately 5%-6%.

There are no further updates on the Global or Benson Hill bankruptcies.

Mr. Larson also provided additional information on the Hansen Mueller bankruptcy. Texas producers have filed a motion with special provisions specific to grain dealers and warehouses. There is a special claim process in bankruptcy related to grain. The court has issued some rulings with deadlines. It is highly encouraged if anyone may have a claim with Hansen-Mueller to consult with an attorney as there are three different claim processes, all with varying deadlines.

1. Traditional proof of claim process with the bankruptcy.
2. Special claim process related to grain.
3. Grain Indemnity fund claim process.

Mr. Larson will keep the board informed as the bankruptcy moves forward and more information is available for these filing processes.

Claim GD-5236-49 is for Doug Martins and represents grain purchases from three separate transactions with Global Processing, Inc. These checks all cleared Global's bank account within ninety days of the bankruptcy filing date. The first check to Mr. Martins was issued February 2, 2022, the second on April 25, 2022, and the third check was issued on July 25, 2022. The three checks totaled \$71,288.07. This claim has one transaction, (\$12,316.49) that occurred outside of the six month coverage period of the fund. The first check issued on February 2, 2022, is considered a non-covered transaction since title transferred prior to the six month coverage period and would be exempt from indemnity fund protection. The second issue was noted on the transaction that occurred on April 25, 2022. There was a freight premium (\$112.70) added to the proceeds. This freight premium is also considered a non-covered transaction and is exempt from indemnity fund protection. There was also a small \$.12 rounding error between Global's and the Bureau's calculations. The net results of the original three grain settlements less the excluded deductions for non-covered transactions is \$58,858.76. The Bureau determined that the two grain settlements that occurred on April 25, 2022, and July 25, 2022, are eligible for grain indemnity fund coverage. The claimant and bankruptcy negotiated a settlement amount of \$9,688.86 or 13.5911% of the original payment of \$71,288.07 to the seller.

The Bureau implemented a procedure to calculate a fair and equitable amount based on the covered transactions and the bankruptcy settlement rate. The Bureau applied the bankruptcy settlement percentage of 13.5911% to the eligible value of \$58,858.76 that resulted in an adjusted claim repayment value of \$7,999.57. This \$7,999.57 would represent the covered transactions of the bankruptcy settlement at the same percentage rate. The grain indemnity fund would then pay 90% of the \$7,999.57 or value of \$ 7,199.62.

The Bureau recommends approval of claim GD-5236-49 in the amount of \$7,199.62.

Mr. Larson provided some additional legal background information on this procedure. There are two issues in conflict with this clawback statute.

The first is that the clawback claim must derive from a covered transaction and the fund

can't pay for a non-covered transaction.

The second is that the statute states the fund shall pay based on the value of the loss. The question is what does IDALS do when a portion of the clawback is related to a potential claim that is outside of a covered transaction. The statute is silent on these types of mixed claims that involve both covered and non-covered transactions. IDALS attempted to apportion the amount that was repaid to what is considered a covered transaction as best as possible.

There were a couple of other options.

IDALS could recommend complete denial of the claim since a portion was derived from a non-covered transaction.

IDALS could recommend reducing the amount owed by the amount of the non-covered transaction which might result in no payment to the claimant.

This method was the best attempt to achieve what IDALS believes to be the legislative intent for these clawback protections.

Mr. McNulty moved to approve Claim GD-5236-49 in the amount of \$7,199.62. Mr. Winter seconded the motion, and the board approved the motion unanimously.

Mr. Kennedy presented claim GD-5236-64. This claim represents a claim submitted by Gary Zicafoose. This claim also includes a non-covered transaction that is referenced on the grain settlement sheet as "Trucking". This "Trucking" premium of \$2,737.38 was added to the producer's settlement and this premium is not considered a covered transaction by the grain indemnity fund. The original check was issued to the claimant on May 2, 2022, for \$70,631.77. IDALS recalculations deducted the Trucking premium of \$2,737.38 and there was a \$0.25 rounding error in calculations, resulting in a net value of covered transaction of \$67,894.14.

The claimant and bankruptcy negotiated a settlement amount of \$20,000.00 or 28.3159% of the original payment (\$70,631.77) to the seller.

The method of calculation as applied for claim GD-5236-49 was used for claim GD-5236-64. IDALS applied the bankruptcy settlement percentage of 28.3159% to the eligible covered transaction amount of \$67,894.14 that resulted in an adjusted claim re-payment value of \$19,224.82. This \$19,224.82 represents the covered transaction amount of the bankruptcy settlement at the same percentage rate. The grain indemnity fund would then pay 90% of the \$19,224.820 or a value of \$17,302.34.

IDALS recommends to the board to approved claim GD-5236-64 in the amount of \$17,302.34.

Ms. Shelman moved to approve Claim GD-5236-64 in the amount of \$17,302.34. Mr. McNulty seconded the motion, and the board approved the motion unanimously.

Mr. Kennedy presented claim GD-5236-65. This claim represents a portion of a grain settlement to Dominic Schultz. The other portion of the grain settlement was paid to Steve Schultz, who did not file a claim. The original grain settlement and check were paid on July 6, 2022, to both Dominic

and Steve Schultz totaling \$33,048.13. The settlement values were split between Steve Schultz, \$13,329.92 and \$19,718.21 to Dominic Schultz. This settlement had a “Trucking” premium added to the proceeds and this Trucking premium is not considered a covered transaction by the grain indemnity fund. IDALS’s calculation began with the total amount of the two checks issued to Dominic and Steve Schultz, \$33,048.13 and deducted the amount of Steve’s check of \$13,329.92. The Trucking premium was then deducted and there was a misapplication of the soybean check off between the two sellers. This error resulted in an additional reduction of \$166.11 from Dominic’s share. The results of IDALS’s calculations was a net value of \$18,860.78 of covered transactions.

The claimant and bankruptcy negotiated a settlement amount of \$3,500.00 or 17.7500% of the original payment (\$19,718.21) to the seller.

IDALS then applied the same method of calculation as claims, GD-5236-49 and GD-5236-64. The bankruptcy settlement rate of 17.7500% was applied to the covered transaction eligible value of \$18,860.78 and this resulted in an adjusted claim re-payment value of \$3,347.81. This \$3,347.87 represents the covered transactions of the bankruptcy settlement at the same percentage rate. The grain indemnity fund would then pay 90% of the \$3,347.81 or a value of \$3,013.02.

IDALS recommends to the board to approved claim GD-5236-65 in the amount of \$3,013.02.

Mr. Winter moved to approve Claim GD-5236-65 in the amount of \$3,013.02. Ms. Cook seconded the motion, and the board approved the motion unanimously.

IDALS will present two additional claims to the board at a future meeting.

Closed Session: There was no need to enter closed session.

The meeting for next month will be held via telephone conference at 2:00 P.M., Thursday, February 19, 2026.

There was no further business to come before the board. The chairperson asked for a motion to adjourn. Mr. Johnson made a motion to adjourn. Mr. McNulty seconded the motion, and the board approved the motion unanimously. The meeting was adjourned at 2:38 P.M.

Minutes Submitted by James Kennedy, board administrator, January 15, 2026.