

Iowa Grain Depositors and Sellers Indemnity Fund
Iowa Grain Indemnity Fund Board
Meeting Minutes for November 19, 2021
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The Grain Depositors and Sellers Indemnity Fund Board (hereafter “board” or “fund”) held a meeting in-person and by video conference call on Friday, November 19, 2021, in the second-floor conference room, Wallace State Office Building, 502 East 9th Street, Des Moines, Iowa, with Maury Noonan, Regulatory Division Director of Consumer Protection and Industry Services president designee, as chairperson.

Attending the meeting in addition to Maury Noonan (hereafter “chairperson”) were the following:

Dale Behrends Board Member – Banking Industry Rep.	Guthrie Center, Iowa
Monica Bieri Board Member – Grain Industry Rep.	Letts, Iowa
Lori Goetzinger Board Member – Grain Industry Rep.	Ralston, Iowa
Debra Keller Board Member – Producer Rep.	Clarion, Iowa
Curtis Sindergard Board Member – Producer Rep.	Rolfe, Iowa
Luke Donahe Board Member – Treasurer Designee	State Capitol Building Des Moines, Iowa
Jacob Larson (Assistant Attorney General for the Fund)	Hoover State Office Building Des Moines, Iowa
Jeff Walker, Accountant Grain Warehouse Bureau	Wallace State Office Building Des Moines, Iowa
Olena Derzhayeva, Accountant Grain Warehouse Bureau	Wallace State Office Building Des Moines, Iowa
Edward Mollohan, Accountant Grain Warehouse Bureau	Wallace State Office Building Des Moines, Iowa
Robert Peton, Supervisor Grain Warehouse Bureau	Wallace State Office Building Des Moines, Iowa
James Kennedy, Bureau Chief Grain Warehouse Bureau	Wallace State Office Building Des Moines, Iowa

Board Member(s) Absent:

This meeting, upon duly prescribed notice, was called to order by the chairperson at 10:02 A.M.

The chairperson called for any additions or corrections to the October 21, 2021, board minutes. The chairperson called for a motion to accept the minutes as presented. Mr. Behrends made a motion to approve the minutes as presented. Ms. Bieri seconded the motion, and the board approved the motion unanimously.

The chairperson called on Luke Donahe to present the treasurer's report. Mr. Donahe reported that the balance of the fund as of November 18, 2021, was \$ 3,930,044.22. 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. Ms. Bieri made a motion to approve the treasurer's report. Mr. Behrends seconded the motion, and the board approved the motion unanimously.

The chairperson called on Jeff Walker to present the October 31, 2021, financial statements. As of October 31, 2021, the balance in the Investment in State of Iowa Pooled Accounts was \$3,930,342.22; the Equity in the Iowa Grain Indemnity Fund was \$3,490,588.51; there was a net decrease in the fund for the month of \$5,619.89; and there was a fiscal year to date decrease in the fund of \$440,847.83. The chairperson asked if there were any additional questions about the financial statements. The chairperson called for a motion to accept the financial statements. Ms. Keller made a motion to approve the financial statements. Mr. Behrends seconded the motion, and the board approved the motion unanimously.

There was no reason to enter closed session.

New Business: Mr. Larson outlined the process for reviewing the claims that had been used in the past and the claimant's rights of appeal if the board denied a claim. Mr. Larson also noted that each claim would be identified and voted on individually so the consideration of each was clear in the records. The Department's Proof of Claim filing deadline for the Pipeline Foods, LLC bankruptcy was October 29, 2021.

The Chairperson called upon Mr. Kennedy to introduce the first claim.

Mr. Kennedy asked the board to pull out claim #1, 2, 5, 7, & 9 as these were similar in nature and did not have any value discrepancies between Pipeline calculations and IDALS calculations. Mr. Kennedy then reviewed the Iowa Code Section 203D that outlines the definitions of "First Point of Sale, Loss, and Seller". Mr. Kennedy also presented a copy Pipeline's house discount schedule that was used in some of the claims if the discount schedule was not imbedded as part of the contract terms.

Claim GD-5274-1.0 was presented and the details of the claim were summarized. There were no value discrepancies between Pipeline's calculations and the bureau's calculations. Mr. Kennedy stated that it was the bureau's recommendation that claim GD-5274-1.0 in the amount of \$40,181.51 should be approved. There was some discussion over the bureau's process of claims review. Mr. Sindergard moved to approve Claim GD-5274-1.0 in the amount of \$40,181.51. Ms. Bieri seconded the motion. This claim was approved by the board unanimously.

Claim GD-5274-2.0 was presented and the details of the claim were summarized by Mr. Kennedy. There were no discrepancies noted between Pipelines calculations and the bureau's calculations. The bureau recommended approval of Claim GD-5274-2.0 in the amount of \$138,416.39. Mr. Behrends moved to approve Claim GD-5274-2.0 in the amount of \$138,416.39. Ms. Bieri seconded the motion. This claim was approved by the board unanimously.

Claim GD-5274-5.0 was presented and the details of the claim was summarized by Mr. Kennedy. There were no discrepancies noted between Pipelines calculations and the bureau's calculations. The bureau recommended approval of Claim GD-5274-5.0 in the amount of \$22,565.22. Ms. Keller moved to approve Claim GD-5274-5.0 in the amount of \$22,565.22. Mr. Behrends seconded the motion. This claim was approved by the board unanimously.

Claim GD-5274-7.0 was presented and the details of the claim was summarized by Mr. Kennedy. There were no discrepancies noted between Pipelines calculations and the bureau's calculations. The bureau recommended approval of Claim GD-5274-7.0 in the amount of \$39,312.73. Ms. Bieri moved to approve Claim GD-5274-7.0 in the amount of \$39,312.73. Ms. Keller seconded the motion. This claim was approved by the board unanimously.

Claim GD-5274-9.0 was presented and the details of the claim was summarized by Mr. Kennedy. There were no discrepancies noted between Pipelines calculations and the bureau's calculations. The bureau recommended approval of Claim GD-5274-9.0 in the amount of \$5,489.70. Ms. Bieri moved to approve Claim GD-5274-9.0 in the amount of \$5,489.70. Mr. Behrends seconded the motion. This claim was approved by the board unanimously.

Claim GD-5274-3.0 was presented and the details of the claim was summarized. There was a small difference between Pipeline's calculations and those calculated by IDALS. Pipeline had switched the Foreign Material and Damage grade factors. Once the grade factors were applied correctly the result was an increase of gross value by \$3.30. The bureau recommended approval of Claim GD-5274-3.0 in the amount of \$140,444.37. Mr. Sindergard moved to approve Claim GD-5274-3.0 in the amount of \$140,444.37. Ms. Bieri seconded the motion. This claim was approved by the board unanimously.

Claim GD-5274-4.0 was presented and the details of the claim was summarized. There was a small difference between Pipeline's calculations and those calculated by IDALS. Pipeline deducted an incorrect bushel amount due to foreign material. Once the correct foreign material was applied and deducted correctly, the result was an increase of 6.396 net bushels. The bureau recommended approval of Claim GD-5274-4.0 in the amount of \$14,534.78. Ms. Bieri moved to approve Claim GD-5274-4.0 in the amount of \$14,534.78. Ms. Keller seconded the motion. This claim was approved by the board unanimously.

Claim GD-5274-6.0 was presented and the details of the claim was summarized. There was a difference between Pipeline's calculations and those calculated by IDALS. Pipeline did not apply the foreign material discount as outlined in the contract. IDALS applied the discount schedule noted in the contract terms and the result was an additional \$0.47 per bushel discount on one load of corn. There was discussion on the appeal process if the claimant did not agree with the board's

decision. The bureau recommended approval of Claim GD-5274-6.0 in the amount of \$25,511.63. Ms. Bieri moved to approve Claim GD-5274-6.0 in the amount of \$25,511.63. Ms. Keller seconded the motion. This claim was approved by the board unanimously.

Claim GD-5274-8.0 was presented and the details of the claim was summarized. The claimant also included additional grain deliveries that had been paid. IDALS calculated all the deliveries noted and then treated the payments as an advance against the total dollar value due. The gross amount due calculated by Pipeline agreed with the IDALS amount. The bureau recommended approval of Claim GD-5274-8.0 in the amount of \$13,324.88. Ms. Keller moved to approve Claim GD-5274-8.0 in the amount of \$13,324.88. Mr. Behrends seconded the motion. This claim was approved by the board unanimously.

Claim GD-5274-11.0 was presented and the details of the claim was summarized. The claim represents one load of corn and an error on a previous grain settlement. Pipeline incorrectly posted a test weight grade value which resulted in a discount/deduction. Once IDALS reviewed and calculated the grade factors and discounts, the \$1,118.61 should not have been deducted from the claimant's previous settlement and check. The bureau recommended approval of Claim GD-5274-11.0 in the amount of \$20,485.43. Mr. Behrends moved to approve Claim GD-5274-11.0 in the amount of \$20,485.43. Ms. Goetzinger seconded the motion. The claim was approved by the board unanimously.

Claim GD-5274-10.0 was presented and the details of the claim was summarized. The claimant has been paid for the grain represented by this claim. The claimant is worried the bankruptcy may try to "claw back" into the bankruptcy the value of this payment. Currently there is no loss to the claimant for this claim. Questions were raised by the board if the claimant may refile the claim if the amount is "clawed back" by the bankruptcy. Mr. Larson informed the board that the filing period has closed and any additional filings would not be considered timely filed and not be considered a valid claim. The claimant may present their case to the bankruptcy as why the value should not be "clawed back" and may also challenge the board's decision in District Court. The bureau recommends a denial of Claim GD-5274-10.0 based on the fact that there is no current loss to the claimant. Ms. Keller moved to approve Claim GD-5274-10.0. Ms. Bieri seconded the motion. The board voted unanimously against (NO) the motion and it failed.

Claim GD-5274-12.0 was presented and the details of the claim was summarized. The claimant filed the claim via email to the bureau on November 4, 2021. Mr. Kennedy informed the claimant that the bureau would need the original signed and notarized claim form and that it should be postmarked on or before November 5, 2021, the filing deadline. The claimant stated that the original claim and supporting documents were mailed from the Clay Center, NE post office on November 5, 2021. This mail packet had not been received by the bureau at the time of this meeting. There was also a difference between Pipeline's discount calculations and those calculated by the bureau. The food grade soybeans had a discount schedule for Clean Outs and Pipeline had not made any deductions for the grade factors noted on the scale tickets. Once the clean-out factors were applied the result was a \$0.20 per bushel discount.

The bureau was also concerned that the original signed and notarized claim had not been received and did not want to set a precedent for future claims to be paid without the original signed and notarized claim form. There was question regarding coverage of this transaction under the fund

since this grain was not grown in Iowa. The Code Section was reviewed that noted grain delivered to a licensed grain dealer at a location in Iowa as the first point of sale is a covered transaction.

The bureau recommended approval of Claim GD-5274-12.0 in the amount of \$33,782.51, subject to specific conditions being met of either receiving the original signed notarized claim form or receiving signed and notarized affidavit from the claimant outlining the actions taken to file a timely claim.

Ms. Keller moved to approve Claim GD-5274-12.0 in the amount of \$33,782.51 subject to the following conditions: pending receipt of the original notarized claim form or signed documentation of certification or affirmation of the received claim copy. Ms. Bieri seconded the motion. The motion passed unanimously.

Mr. Larson will file an amended claim with the bankruptcy on the board's behalf once the fund has made payments to the claimants. The deadline for this filing is January 10, 2022.

There was no other new business to discuss.

The meeting for next month will be held via phone conference at 2:00 P.M., Thursday, December 16, 2021.

There was no further business to come before the board. The chairperson asked for a motion to adjourn. Mr. Behrends made a motion to adjourn. Mr. Sindergard seconded the motion, and the board approved the motion unanimously. The meeting adjourned at 11:25 A.M.

Minutes Submitted by James Kennedy, board administrator, November 19, 2021.