

Minutes

LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY

Louisiana Agricultural Commodities Commission
Veterans' Memorial Auditorium
5825 Florida Blvd.
Baton Rouge, LA 70806
October 3, 2013
9:30 a.m.

I. Call to Order

Mr. Robert Hanks called the meeting to order at 9:40 a.m.

II. Roll Call and Declaration of Quorum

<u>Commission Members Present</u>	<u>Absent Members</u>
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Mr. Robert Hanks	Commissioner Strain
Mr. Donald Zaunbrecher	Mr. Stephen Logan
Mr. Donald Berken	Mr. Lee Carter
Mr. Ryan Ellington	Mr. Keith Hensgens
Mr. Filmore Bordelon	
Mr. David Bollich	

There was a quorum of six (6) members present.

Staff Members Present

Assistant Commissioner, Office of the Agro Consumer Services, Benjy Rayburn
Director of the Louisiana Agricultural Commodities Commission, Kyra Holden
Louisiana Department of Agriculture & Forestry Auditor, John Smith
Louisiana Department of Agriculture & Forestry Auditor, Royshard Rushing
Louisiana Department of Agriculture & Forestry Auditor, Billy Benton
Louisiana Department of Agriculture & Forestry Auditor, Jeff Fabre
Administrative Assistant IV, Bridgette Ott
Louisiana Department of Agriculture & Forestry Legal Counsel, Marvin Montgomery

III. Public Comment:

There was no public comment.

IV. Adoption of Minutes – June 24, 2013

A motion was made by Mr. Bordelon and seconded by Mr. Berken to approve the minutes. The motion carried unanimously.

**V. Consideration of License Application for Approval:
Grain Dealer and Warehouse (Initial Application)**

A motion was made by Mr. Ellington and seconded by Mr. Bordelon to go into Executive Session. The motion carried unanimously.

A motion was made by Mr. Berken and seconded by Mr. Zaunbrecher to come out of Executive Session. The motion carried unanimously.

**A. Pinnacle Operating Co., Inc
D/B/A Jimmy Sanders, Inc.**

A motion was made by Mr. Zaunbrecher and seconded by Mr. Bordelon to approve the license application. The motion carried unanimously.

VI. Old Business

A. Grain and Cotton Indemnity Fund Balance

Ms. Holden stated the balance of the Grain and Cotton Indemnity Fund is \$2,099,593.47.

B. Update on Central Louisiana Grain Bankruptcy

Ms. Holden stated that the Louisiana Central Louisiana Grain Bankruptcy matter is now closed and that all the claims have been paid.

C. Banker's Association Discussion

Mr. Rayburn's discussion pertained to the Commission's request that the staff contact the Louisiana Banker's Association to discuss the possibility that a licensee's lending agency have the ability to contact the Louisiana Agricultural Commodities Commission's (LACC) staff in the event of a potential financial crisis that may lead to an insolvency or bankruptcy. Mr. Rayburn stated that he and Ms. Holden contacted the Louisiana Banker's Association via conference call. During the course of the conference call it was determined that there are privacy concerns and unless there is an agreement between the lending agency and its clients then the lending agencies are unable to provide any financial information due to those privacy laws. Mr. Bordelon stated that he will discuss the Commission's concerns with the Louisiana Bankers Association at their next meeting to be held on December 3, 2013 and that he will inform the Commission as to the Louisiana Bankers Association's answer at the next meeting of the LACC.

D. Bankruptcy Legislation Discussion

Ms. Holden stated that the LACC staff had asked Mr. Montgomery, Legal Counsel, to research any recourse the LACC and the Department may have in order to prevent a

bankruptcy court or other federal court from confiscating funds from the Self-Insurance Fund that were intended to be used as compensation to producers in the event of an insolvency or bankruptcy by the state. Mr. Montgomery stated that according to his findings, so far, there is a good possibility that legislation may be written that would create a security interest on behalf of the state and the producer. However, Mr. Montgomery informed the commission that he is not a bankruptcy attorney and that further and much more extensive research and analysis needed to be performed. He suggested that the commission hire an outside bankruptcy attorney specializing in bankruptcy law.

A motion was made by Mr. Bordelon and second by Mr. Berken approving the hiring of a bankruptcy attorney to analyze, research and possibly write legislation in order to secure interest in any assets of the Self-Insurance Fund as well as placing an expenditure cap of \$20,000. Also, if the expenses of the bankruptcy attorney were to exceed \$20,000 then the matter was to come before the commission before any more money was expended. The motion passed unanimously.

E. LACC Brochure

Ms. Holden stated that during a previous meeting Mr. Logan requested that the staff design a brochure informing the public and the grain industry of the aspects of the Louisiana Commodities Commission. Ms. Holden presented a draft copy of the brochure for their review and asked to commission to review it and inform her of any revisions.

VII. New Business

There was no new business.

VIII. Public Comment

There was no public comment.

IX. Date for the Next Meeting

To be determined.

X. Adjournment

A motion was made by Mr. Ryan Ellington and seconded by Mr. David Bollich to adjourn the meeting. The motion carried unanimously.



Mr. Robert Hanks, Chairman