

Minutes

LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY
Louisiana Agricultural Commodities Commission
Veterans' Memorial Auditorium
5825 Florida Blvd.
Baton Rouge, LA 70806
November 9, 2011
9:30 a.m.

I. Call to Order

Mr. Robert Hanks called the meeting to order at 9:30 a.m.

II. Roll Call and Declaration of Quorum

Commission Members Present

Mr. Robert Hanks
Mr. Donald Berken
Mr. Keith Hensgens
Mr. Donald Zaunbrecher
Mr. Kevin Adams

Absent Members

Mr. Kenny Self
Mr. Filmore Bordelon
Mr. Ryan Ellington
Mr. Lee Carter

There was a quorum of five (5) members present.

Staff Members Present

Assistant Commissioner of the Agro Consumer Services Division, Benjy Rayburn
Assistant Director of the Louisiana Agricultural Commodities Commission,
Kyra Holden
Louisiana Department of Agriculture & Forestry Auditor, John Smith
Louisiana Department of Agriculture & Forestry Auditor, Jeff Fabre
Administrative Assistant IV, Gail Moutz

III. Public Comments: Mr. Robert Hanks, Chairman of the Louisiana Agricultural Commodities Commission (Commission), stated that comments from the public regarding any agenda items listed below will be accepted at this point in the meeting. The chairman may also allow further comments from the public as and when each agenda item is considered during the meeting process.

Mr. Robert Hanks, Commission Chairman, asked if there were any public comments.

There were none.

IV. Adoption of Minutes – August 30, 2011

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

**V. Consideration of License Application for Approval:
(Initial Application)**

A motion was made by Mr. Kevin Adams and seconded by Mr. Keith Hensgens to go into Executive Session. The motion carried unanimously.

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

A. Cotton Merchant

1. Carolinas Cotton Growers Coop., Inc. d/b/a Cotton Growers Coop.

A motion was made by Mr. Keith Hensgens and seconded by Mr. Donald Zaunbrecher to approve the cotton merchant license application, Carolinas Cotton Growers Coop., Inc. d/b/a/ Cotton Growers Coop. The motion carried unanimously.

VI. Old Business

1. Follow up on Noble Americas Corp.

Mr. Smith stated that previously Noble Americas Corp. was summoned to an adjudicatory hearing and was fined for operating without a license. He stated since that time Noble Americas Corp. is now a licensed cotton buyer. Mr. Smith stated that the corporation has changed the contracts that were previously made by Noble Americas Corp. to Noble Americas Resources Corporation. He stated that the transition went smoothly and the corporation is conducting business as Noble Americas Resources Corp. in the state of Louisiana.

2. Follow up on Noble Americas Resources Corp.

Mr. Smith stated that as a licensed cotton merchant, Noble Americas Resources Corp., previously Noble Americas Corp., is now conducting business in the state of Louisiana.

3. Update on Douglas Appeal

Ms. Holden stated that on October 3, 2011, the bankruptcy judge ruled in the Louisiana Agricultural Commodities Commission's (LACC) favor, sustaining the decision of the Commission. She stated that the ultimate issue for the judge was

that the decision by Central Louisiana Grain to withhold funds from Mr. Douglas was not based on the insolvency of Central Louisiana Grain but due to Central Louisiana Grain's position that they had the right to the setoff. Ms. Holden stated that the judge said the issue of whether Central Louisiana Grain had the right to the setoff was not his decision. She stated that the deadline for Mr. Douglas to appeal is December 23, 2011. Ms. Holden stated that Mr. Steve Willis, the bankruptcy attorney, would consider Mr. Douglas' claim a late filing by the bankruptcy court and he would object.

4. Update on Central Louisiana Grain Bankruptcy

Ms. Holden stated that there are several issues with the Central Louisiana Grain Bankruptcy. She stated that there are several status and pre-trial conferences scheduled. Ms. Holden stated that these issues include the Self-Insurance Fund "Bond" issue as well as an issue regarding the collection of assessments. Ms. Holden stated that these have not been resolved as of this date.

Ms. Holden stated that a status conference was on held November 8, 2011, pertaining to the Self-Insurance Fund. She stated that the question is whether any additional funds would be paid out of the Grain and Cotton Indemnity Fund (GCIF) to pay the remainder of the claims. Ms. Holden stated that the Department is waiting on a ruling by the bankruptcy court as to whom the \$50,000 is the property of, the estate or the Department. She stated that another status conference has been set for January 17, 2012.

Ms. Holden stated that a status conference was held on October 28, 2011 and requests for discovery, interrogatories and production of documents were made and responses are due November 28, 2011. She stated that Mrs. Carey Daste, Mrs. Ashley Dupree, Mr. Benjy Rayburn and she would meet that afternoon to discuss the situation.

Ms. Holden reported that the balance of the GCIF is \$635,951.00 which includes legal fees. She stated that there are no claims at this time.

5. Update on Electronic Warehouse Receipts

Ms. Holden stated that only one licensee, Raley Brothers, has become a member of the egrain electronic warehouse receipt program. She stated they have submitted three electronic warehouse receipts at this time. Ms. Holden stated that there was one inquiry from another licensee but that they haven't gone any further. She stated that there was one inquiry from an entity that didn't follow up.

Mr. Smith stated that when he audits the Raley Brothers' facilities, he will inquire as to the costs and how the system works and report his findings to the Commission at the next meeting.

6. Update on American Rice, Inc./Riviana Ownership Status

Mr. Smith stated that the sale has gone through and the corporation is still operating under American Rice, Inc. He stated that American Rice, Inc. (ARI) will continue operating as American Rice, Inc., until when or if they renew their license.

VII. New Business

None

VIII. Public Comment

There was no public comment.

IX. Date for the Next Meeting

The next LACC meeting is to be determined at a later date.

X. Adjournment

A motion was made by Mr. Keith Hensgens and seconded by Mr. Kevin Adams to adjourn the meeting. The motion carried unanimously.



Mr. Robert Hanks, Chairman