

DIRK KEMPTHORNE
GOVERNOR



GAVIN M. GEE
DIRECTOR

STATE OF IDAHO
DEPARTMENT OF FINANCE
700 W. STATE STREET, 2ND FLOOR
P. O. BOX 83720
BOISE ID 83720-0031
<http://www2.state.id.us/finance/dof.htm>

August 16, 2001

Re:

Dear M

This is in response to your request that the Department confirm the availability of the exemption from registration provided by Section 30-1435(1)(i) of the Idaho Securities Act (the Act).

Your letter states that (the Company) wishes to offer memberships in its cooperative to 1 or 2 farmers in Idaho. The memberships in the cooperative consist of one share of common stock with a value of \$500, and also equity stock based on their annual production. In addition, the Company reasonably believes that all the buyers are purchasing stock from the Company for investment purposes only. Finally, no commission or other remuneration will be paid directly or indirectly for soliciting any prospective buyer.

Based on your representations, as summarized above, you have asked that the Department concur with your opinion that the Company may issue its memberships in reliance upon the exemptive provisions of Section 30-1435(1)(i) of the Act. Section 30-1435(1)(i) exempts:

“any transaction pursuant to an offer directed by the offerer to not more than ten (10) persons in this state other than those designated in paragraph(h) of subsection (1) of this section during any period of twelve (12) consecutive months, whether or not the offerer or offerees in then present in this state, if

- (i) the seller reasonably believes that all the buyers are purchasing for investment and,
- (ii) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber.”

Your representations indicate that the proposed transactions satisfy the limitation of the number of offers during any 12-month period, and complies with the prohibition against the payment of commissions or similar remuneration. In addition, you have stated your belief that that all buyers are purchasing for investment.

Banks and S&L's (208) 332-8005
Credit Unions (208) 332-8003
Money Transmitters (208) 332-8003
Supporting Services (208) 332-8001

PHONE: (208) 332-8000
FAX: (208) 332-8098
Director's Fax: (208) 332-8097
Securities Fax: (208) 332-8099

Securities (208) 332-8004
Mortgage Companies (208) 332-8004
Finance Companies (208) 332-8002
Collection Agencies (208) 332-8002

EQUAL OPPORTUNITY EMPLOYER

In light of the above, we are persuaded that the proposed offering meets the conditions of the exemption. Therefore, we concur with your opinion that the Company may rely on Section 30-1435(1)(i) of the Act to make offers and sales in this state. Please be advised, however, that this opinion is based solely on your representation of the facts, and different facts may require a different conclusion. Also, Section 30-1435(1)(i) only provides an exemption from the registration requirements of the Act, but does not exempt the issuer from the anti-fraud provisions of Section 30-1403 of the Act.

If you have questions or comments regarding any of the matters discussed above, please contact the undersigned.

Sincerely,

Ax (file copy)

Nancy C. Ax
Securities Analyst

August 2, 2001

Department of Finance
C/O Nancy Ax
700 West State Street
2nd Floor – State Capitol
Boise, Idaho 83702

RECEIVED
AUG 06 2001
DEPARTMENT OF FINANCE

Dear Nancy,

Enclosed please find a check from _____ for
\$50.00.

We are a farmer owned cooperative in the business of marketing our member's products.

One to two farmers in Idaho that would like to join our cooperative have approached us.

In order for a farmer to become a member of our cooperative they need to purchase one share of common stock with a value of \$500.00, and also equity stock based on their annual production.

Our cooperative is a closed cooperative; no public offerings will be available.

This letter is our request for a "no action opinion".

If you have any questions, please give me a call at

Thank you for your time.

Sincerely,

To: Department of Finance/Nancy Ax
From:
Date: 08-16-01
Pages: 1

Dear Nancy,

This fax is in response to your questions regarding our interest for a "no action opinion".

() reasonably
believes that all the buyers are purchasing stock from for
investment purposes only.

No commission or other remuneration will be paid to or given directly or indirectly for soliciting any prospective buyer.

If you have any further questions please give me a call at

Thank you,