

Rural Telephone Bank
Minutes of the 156th Board Meeting
February 23, 2006

Time and Place of Meeting

The 156th meeting of the Board of Directors (Board) of the Rural Telephone Bank (Bank) was held February 23, 2006, in Conference Room 104-A, U.S. Department of Agriculture, Washington, D.C., pursuant to a notice published in the Federal Register on February 10, 2006. Chairman Thomas Dorr called the meeting to order at approximately 9:03 a.m.

Attendants

Directors present were: Thomas Dorr, Gilbert Gonzalez, James House, Tim Ryan, Curtis Sampson, Michael Jensen, David Crothers, Larry Sevier, Kent Rodgers, and John McAllister (via phone).

Directors absent were: Christine Olsen, Clay Davis, and Roberto Salazar.

Among others present were Governor James Andrew and Deputy Governor Curtis Anderson, Acting Assistant Governor and Assistant Secretary Jonathan Claffey and Assistant Treasurer Kenneth Ackerman as well as Terence Brady, Georgann Gutteridge, and David Grahn from the Office of the General Counsel.

Action on the Minutes

On motion duly made and seconded, the minutes of the November 3, 2005, board meeting were adopted.

Treasurer's Report

Assistant Treasurer Ken Ackerman reported on the finances of the Bank for the first quarter of fiscal year 2006. Mr. Ackerman reported, among other things, that net revenue for the quarter totaled \$20 million, compared to \$24 million one year ago; total class B stock, net of conversions to C stock, amounted to \$526 million, and class C stock totaled \$909 million.

Status Report on liquidation of the Bank

Chairman Dorr called on Mr. Claffey and Ms. Gutteridge for a report on the dissolution and liquidation progress. Ms. Gutteridge noted key dates regarding the process by which dissolution has occurred, noting that the goal for sending out redemption agreements by January 10, 2006 had been met. It was also noted that, given the progress to date, the first set of stock redemption payments should occur no later than May 2006. Mr. Claffey presented the board with statistics regarding the progress with the redemption payout to date, noting that agreements totaling over \$1.3 billion had been sent to 707 borrowers out of 737 borrowers. The board and the Chairman commended the staff for all of their work and dedication to this process.

The Chairman also asked the Office of General Counsel to begin work researching the requirements to establish an advisory board to assist in policy on rural telecommunications issues.

Further, it was noted that, given the progress to date on liquidation, the board would reassess at the next meeting the schedule and need for future meeting through the remainder of the year: **August 9-10; and November 8-9.**

Adjournment

Whereupon motion to adjourn was made, and the meeting was adjourned at 9:23 a.m.

Secretary