

MOSAIC CO
Form 11-K
June 28, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

.. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-32327

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

MOSAIC INVESTMENT PLAN

**B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
The Mosaic Company**

Atria Corporate Center - Suite E490

3033 Campus Drive

Plymouth, MN 55441

763-577-2700

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MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

Financial Statements and Supplemental Schedule

December 31, 2009 and 2008

(With Report of Independent Registered Public Accounting Firm Thereon)

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MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

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Report of Independent Registered Public Accounting Firm

The Plan Administrator

Mosaic Investment Plan:

We have audited the accompanying statements of net assets available for benefits of the Mosaic Investment Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Mosaic Investment Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Minneapolis, Minnesota

June 28, 2010

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MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

Statements of Net Assets Available for Benefits

December 31, 2009 and 2008

| | 2009 | 2008 |
|--|------------------|-------------------|
| Assets: | | |
| Investments, at fair value | \$ 377,629,306 | \$ 279,458,366 |
| Loans to participants | 5,144,723 | 4,481,005 |
| Receivables: | | |
| Participant contributions | | 10,908 |
| Employer contributions | 9,337,438 | 10,140,677 |
| Total receivables | 9,337,438 | 10,151,585 |
| Net assets available for benefits before adjustment | 392,111,467 | 294,090,956 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (1,109,229) | 1,059,873 |
| Net assets available for benefits | \$ 391,002,238 | \$ 295,150,829 |

See accompanying notes to financial statements.

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EIN No. 20-0891589

Plan No. 004

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2009 and 2008

| | 2009 | 2008 |
|---|----------------|----------------|
| Additions (deductions) to net assets attributed to: | | |
| Investment income (loss): | | |
| Interest and dividends | \$ 10,865,503 | \$ 11,305,267 |
| Net realized and unrealized appreciation (depreciation) in fair value of investments: | | |
| Mutual funds | 37,635,009 | (75,401,009) |
| Mosaic Stock Fund | 37,619,168 | (76,698,422) |
| Net investment income (loss) | 86,119,680 | (140,794,164) |
| Contributions: | | |
| Participants | 13,607,637 | 14,892,290 |
| Employer | 14,563,757 | 18,712,846 |
| Total contributions | 28,171,394 | 33,605,136 |
| Asset transfers from qualified plans | 4,642 | 47,158 |
| Other | 64,868 | 73,937 |
| Total additions (deductions) | 114,360,584 | (107,067,933) |
| Deductions from net assets attributed to: | | |
| Benefits paid | 18,329,019 | 30,008,171 |
| Asset transfers to Mosaic Union Savings Plan | 9,129 | 28,791 |
| Administrative fees | 171,027 | 219,718 |
| Total deductions | 18,509,175 | 30,256,680 |
| Net increase (decrease) | 95,851,409 | (137,324,613) |
| Net assets available for benefits: | | |
| Beginning of year | 295,150,829 | 432,475,442 |
| End of year | \$ 391,002,238 | \$ 295,150,829 |

See accompanying notes to financial statements.

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MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

Notes to Financial Statements

December 31, 2009 and 2008

(1) Description of the Plan

The following description of the Mosaic Investment Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

The Plan was established on March 1, 1988. The Plan is a defined contribution plan maintained by The Mosaic Company (the Company) for eligible U.S. salaried and nonunion hourly employees. Employees are eligible to participate in the Plan immediately upon their date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

(b) Contributions

The Plan is funded by contributions from participants in the form of payroll deductions/salary reductions from 1% to 75% of participants' eligible pay (subject to Internal Revenue Service (IRS) statutory limits of \$16,500 and \$15,500 for 2009 and 2008, respectively) in before-tax dollars, after-tax dollars, or a combination of both. Additional before-tax catch-up contributions are allowed above the IRS annual dollar limit for employees at least age 50 or who will reach age 50 during a given calendar year. The Plan is also funded by Company matching contributions, which are subject to certain limitations imposed by Section 415 of the Internal Revenue Code (IRC). For the years ended December 31, 2009 and 2008, the Company made matching contributions equal to 100% of the first 3% of the participants' compensation contributed and 50% of the next 3% of compensation contributed. The Company also makes an annual non-elective employer contribution that is based on a percentage of the employee's eligible pay, subject to certain limitations and requirements. The Company made non-elective employer contributions of \$9,823,630 and \$8,881,252 in 2009 and 2008, respectively. At the sole discretion of Mosaic's Board of Directors or its designee, the Company may make an annual discretionary employer contribution. The Company made discretionary employer contributions of \$0 and \$2,716,948 in 2009 and 2008, respectively. All or any portion of the profit sharing or Company matching contributions initially deposited to the Mosaic Stock Fund may be in the form of cash or shares of Company common stock. Generally, a participant must be employed on the last day of the Plan year to be eligible for the non-elective employer contribution or the discretionary employer contribution.

Participants may roll over their vested benefits from other qualified benefit plans to the Plan.

(c) Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company contributions and (b) Plan earnings and is charged with an allocation of certain administrative expenses. Allocations are based on earnings or account balances as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

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Notes to Financial Statements

December 31, 2009 and 2008

(d) Administrative Expenses

Administrative expenses are to be paid by the Plan but may be paid by the Company.

(e) Investment Programs

The Plan's investments are administered by Vanguard Fiduciary Trust Company. Participants can choose from among twenty-three investment funds.

Participants may elect to change the investment direction of their existing account balances and their future contributions daily.

(f) Vesting

Participants are immediately vested in the portion of their Plan account related to participant contributions, Company matching contributions, and earnings thereon. Participants are vested in the nonelective employer contribution portion of their account after either three years of service, attaining age 65, or death while an employee. Forfeitures of nonvested participant accounts are used first to restore nonelective employer contributions for reemployed employees who are entitled to have forfeitures restored and are then used to offset nonelective employer contributions. In 2009 and 2008, employer contributions were reduced by \$230,304 and \$178,405, respectively, from forfeited nonvested accounts.

In the event a former IMC Global Inc. employee who directly transferred to the Company was involuntarily terminated from employment other than for cause within 24 months of the October 22, 2004 business combination between IMC Global Inc. and Cargill's Crop Nutrition Business unit, the employee became 100% vested in his/her profit sharing account. In the event an employee voluntarily terminates employment or is terminated for cause and he/she has not met the Plan's vesting requirement, the employee's nonelective employer contributions will be forfeited.

(g) Withdrawals

Participants may withdraw their vested account balance upon termination of employment. Under certain conditions of financial hardship, participants working for the Company may withdraw certain funds, but their participation in the Plan will be suspended for six months. Certain withdrawals are available after age 59 1/2 or in the event of disability. Additionally, while still employed, in-service withdrawals are available subject to certain requirements and limitations.

Subject to potential IRS penalties, participants who terminate their employment and have a vested account balance in excess of \$5,000 may receive their distribution in a lump sum or installments that commence immediately after termination or a later date, but no later than age 70 1/2. Participants may be entitled to additional forms of payment or may need to obtain spousal consent to a distribution or withdrawal if the participant had an account balance from another qualified plan, that plan was maintained by a company that was acquired by the Company, and the participant's account balance was transferred to this Plan.

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MOSAIC INVESTMENT PLAN

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Notes to Financial Statements

December 31, 2009 and 2008

(h) Loans to Participants

Eligible participants may borrow from their fund accounts a minimum loan amount of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance, whichever is less. Eligible participants may have one loan outstanding at any given time. Account balances attributable to the Company matching contributions are not available for loans, but are included in computing the maximum loan amount. Loan terms range from 1 year to 5 years or up to 10 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a fixed rate of 1% above the prevailing prime rate, as quoted in *The Wall Street Journal* at time of issuance. Principal and interest are paid through payroll deductions.

Loans to participants are valued at their outstanding balances.

(i) Plan Termination

Although it has not expressed any interest to do so, the Company reserves the right under the Plan to make changes at any time or even suspend or terminate the Plan subject to the provisions of ERISA.

(2) Summary of Significant Accounting Policies

(a) Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the last reported sales price on the last business day of the month for securities traded on a national securities exchange and in the over-the-counter market. Fair value for shares of mutual and common collective trust funds is the net asset value of those shares or units, as determined by the respective funds.

Purchases and sales of securities are accounted for on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest from investments is recorded on the accrual basis.

(b) Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

(c) Fully Benefit-Responsive Investment Contracts

As described in the Financial Accounting Standards Board (FASB) issued Staff Position, FASB Accounting Standard Codification (ASC) 946-210-45, *Financial Services Investment Companies, Balance Sheet Other Presentation Matters* (the FSP), investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by

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the FSP, the statements of net assets available for plan benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statements of changes in net assets available for benefits is prepared on a contract value basis.

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MOSAIC INVESTMENT PLAN

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Notes to Financial Statements

December 31, 2009 and 2008

The Plan invests in a common collective trust fund, Vanguard Retirement Savings Trust, which owns fully benefit-responsive investment contracts. The Plan reports the Vanguard Retirement Savings Trust fund at fair value and recognized an adjustment from fair value to contract value for the fully benefit-responsive investment contracts of \$(1,109,229) and \$1,059,873 as of December 31, 2009 and 2008, respectively, in the accompanying statements of net assets available for benefits.

(d) Payment of Benefits

Benefit payments are recorded when paid.

(e) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(3) Fair Value Measurements

On January 1, 2008, the Plan adopted ASC 820. ASC 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Plan considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

ASC 820 also establishes a fair value hierarchy that requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 established three levels of inputs that may be used to measure fair value:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

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Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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Notes to Financial Statements

December 31, 2009 and 2008

Investments Measured at Fair Value on a Recurring Basis

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2009 and 2008 (Level 1, 2, and 3 inputs are defined above):

| | Assets at Fair Value as of December 31, 2009 | | | Total |
|--|--|---------------|---------|----------------|
| | Level 1 | Level 2 | Level 3 | |
| Common stock | \$ 83,609,241 | \$ | \$ | \$ 83,609,241 |
| Mutual funds | 242,710,026 | | | 242,710,026 |
| Common/collective trust fund | | 51,310,039 | | 51,310,039 |
| Total investments measured at fair value | \$ 326,319,267 | \$ 51,310,039 | \$ | \$ 377,629,306 |

| | Assets at Fair Value as of December 31, 2008 | | | Total |
|--|--|---------------|---------|----------------|
| | Level 1 | Level 2 | Level 3 | |
| Common stock | \$ 51,364,457 | \$ | \$ | \$ 51,364,457 |
| Mutual funds | 147,022,074 | | | 147,022,074 |
| Common/collective trust fund | | 81,071,835 | | 81,071,835 |
| Total investments measured at fair value | \$ 198,386,531 | \$ 81,071,835 | \$ | \$ 279,458,366 |

Common stock traded on national exchanges are valued at their closing market prices. Mutual funds are valued at their quoted net asset value.

The common/collective trust fund is made up of investments in traditional contracts issued by insurance companies and banks, alternative investment contracts, and short-term investments. For traditional investment contracts, fair value is determined by calculating the present value of expected future cash flows for each contract. A contract represents contributions made plus interest accrued at the contract rate, less withdrawals. The fair value for alternative investment contracts is determined by aggregating the market value of the underlying investment in Vanguard mutual funds and bond trusts plus the value of the wrap contract, if any. The investments in mutual funds are valued at the net asset value of each fund or trust determined as of the close of the NYSE on the valuation date. Short-term investments are made up of investments in Vanguard's Prime Money Market fund, which is valued from quoted net asset values.

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Plan No. 004

Notes to Financial Statements

December 31, 2009 and 2008

(4) Significant Investments

Individual investments that represent 5% or more of net assets available for benefits were as follows:

| | December 31 | |
|---|--------------------|---------------|
| | 2009 | 2008 |
| Mutual funds: | | |
| Vanguard Total Int 1 Stock Index Fund | \$ 23,151,840 | \$ 16,182,548 |
| Vanguard 500 Index Fund | 24,653,493 | 21,118,456 |
| Vanguard PRIMECAP Fund | 26,505,080 | 25,754,590 |
| Vanguard Target Retirement 2015 Fund | 22,688,009 | |
| Vanguard Target Retirement 2020 Fund | 27,855,520 | |
| Vanguard Windsor II Fund | 18,908,544* | 19,440,475 |
| PIMCO Total Return Fund Institutional Class | 31,498,494 | 28,790,904 |
| Common collective trust fund: | | |
| Vanguard Retirement Savings Master Trust | 51,310,039 | 81,071,835 |
| Mosaic Stock Fund | 83,609,241 | 51,364,457 |

* Less than 5% of net assets available for benefits.

(5) Federal Income Tax Status

The Plan has received a determination letter from the IRS dated September 18, 2002 stating that the Plan is qualified under Section 401(a) of the IRC and, therefore, is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC, and therefore, the Plan, as amended, is qualified and is tax-exempt.

(6) Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

A portion of the Plan's net assets is invested in the common stock of the Company. At December 31, 2009 and 2008, approximately 21% and 17% of the Plan's total assets were invested in the Company's common stock. The underlying value of the Company common stock is entirely dependent upon the performance of the Company and the market's evaluation of such performance.

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MOSAIC INVESTMENT PLAN

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Notes to Financial Statements

December 31, 2009 and 2008

(7) Party-in-Interest Transactions

Transactions resulting in Plan assets being transferred to or used by a related party are prohibited under ERISA unless a specific exemption applied. Vanguard Fiduciary Trust Company is a party-in-interest as defined by ERISA as a result of being trustee of the Plan. The Plan invests in funds managed by Vanguard Fiduciary Trust Company. The Plan also engages in transactions involving the acquisition or disposition of common stock of the Company, a party-in-interest with respect to the Plan. The Plan also engages in loans to participants. These transactions are covered by an exemption from the prohibited transactions provisions of ERISA and the Internal Revenue Code.

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SUPPLEMENTAL SCHEDULE

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Schedule

MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2009

| Identity of issuer | Description | Number of shares | Current value |
|-----------------------------------|---|------------------|----------------|
| PIMCO | PIMCO Total Return Fund Institutional Class | 2,916,527 | \$ 31,498,494 |
| T. Rowe Price Trust Co | T. Rowe Price Small-Cap Stock Fund | 400,715 | 10,795,263 |
| MFS | MFS Institutional International Equity Fund | 45,261 | 741,825 |
| Vanguard Fiduciary Trust Company* | Vanguard Inflation-Protected Sec Fund | 164,057 | 2,058,914 |
| | Vanguard Total Int 1 Stock Index Fund | 1,606,651 | 23,151,840 |
| | Vanguard Prime Money Market Fund | 331,149 | 331,149 |
| | Vanguard 500 Index Fund | 240,124 | 24,653,493 |
| | Vanguard Small-Cap Index Fund | 64,749 | 1,779,963 |
| | Vanguard PRIMECAP Fund | 445,988 | 26,505,080 |
| | Vanguard Windsor II Fund | 798,503 | 18,908,544 |
| | Vanguard Retirement Savings Master Trust | 50,200,810 | 51,310,039 |
| | Vanguard Total Bond Market Index Fund | 191,530 | 1,982,337 |
| | Vanguard Target Retirement 2005 Fund | 451,952 | 4,962,434 |
| | Vanguard Target Retirement 2015 Fund | 2,006,013 | 22,688,009 |
| | Vanguard Target Retirement 2025 Fund | 1,408,072 | 15,939,374 |
| | Vanguard Target Retirement 2035 Fund | 424,305 | 4,930,422 |
| | Vanguard Target Retirement 2045 Fund | 147,158 | 1,768,841 |
| | Vanguard Target Retirement Income Fund | 111,490 | 1,180,682 |
| | Vanguard Target Retirement 2010 Fund | 347,558 | 7,131,881 |
| | Vanguard Target Retirement 2020 Fund | 1,395,567 | 27,855,520 |
| | Vanguard Target Retirement 2030 Fund | 463,920 | 8,958,301 |
| | Vanguard Target Retirement 2040 Fund | 211,820 | 4,035,170 |
| | Vanguard Target Retirement 2050 Fund | 44,610 | 852,490 |
| The Mosaic Company* | Mosaic Stock Fund | 1,399,786 | 83,609,241 |
| Loans to 431 participants* | Loans outstanding with varying maturities with interest rates ranging from 4.25% to 9.25% | | 5,144,723 |
| | | | \$ 382,774,029 |

* Indicates party in interest to the Plan.
See accompanying report of independent registered public accounting firm.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons in their capacities as members of the People Working Group of The Mosaic Company and on the dates indicated.

| <i>Signature</i> | <i>Title</i> | <i>Date</i> |
|--|----------------------|---------------|
| /s/ Norman B. Beug Norman B. Beug | People Working Group | June 28, 2010 |
| /s/ Anthony T. Brausen Anthony T. Brausen | People Working Group | June 28, 2010 |
| /s/ Sean Butler Sean Butler | People Working Group | June 28, 2010 |
| /s/ Gary N. Davis Gary N. Davis | People Working Group | June 28, 2010 |
| /s/ Paula Holden Paula Holden | People Working Group | June 28, 2010 |
| /s/ Richard N. McLellan Richard N. McLellan | People Working Group | June 28, 2010 |
| /s/ Dennis Orke Dennis Orke | People Working Group | June 28, 2010 |
| /s/ Cindy C. Redding Cindy C. Redding | People Working Group | June 28, 2010 |
| /s/ Brian Warren Brian Warren | People Working Group | June 28, 2010 |

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Exhibit Index

| <i>Exhibit No.</i> | <i>Description</i> | <i>Incorporated Herein by Reference to</i> | <i>Filed with Electronic Submission</i> |
|--------------------|--|--|---|
| 23 | Consent of KPMG LLP, independent registered public accounting firm | | X |

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