

**AgStockTrade.com
Alternative Trading System**

Dakota Growers Pasta Company, Inc.

**Written Supervisory Procedures
Manual**

AgStockTrade.com an Alternative Trading System

Written Supervisory Procedures Manual
For
Dakota Growers Pasta Company, Inc.
Qualified Matching Service

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This written procedures manual is intended for use
By AgStockTrade registered Subscribers only.

Introduction

Who is AgStockTrade and what do we do?

AgStockTrade is a matching service that is owned by Variable Investment Advisors, Inc. (VIA) a broker dealer that has been in business since 1998. AggStockTrade.com is managed and supervised by “Variable Investment Advisors Inc.” a registered NASD Securities broker dealer. Recognizing the need for a venue for value added agricultural product companies to legally offer existing share trading, VIA has developed an “Alternative Trading System”, thus the name AgStockTrade. An alternative trading system is defined by the Securities and Exchange System (SEC) as any system that: constitutes, maintains, or provides a market place or facilitates for bringing together purchasers and sellers of securities for otherwise performing with respect to securities the functions commonly performed by a stock exchange under Exchange Act Rule 3b-16; and does not set rules governing the conduct or subscribers or discipline subscribers other than by exclusion from trading. Such a system would consequently be required to register as an exchange or be operated by a national securities association and refrain from using the word “exchange”, stock market, or similar term in its’ name.

AgStockTrade facilitates Buyers and Sellers of companies with an internet matching system and offers complete compliance with all state and federal regulations and IRS rules. The system allows members access to a website for buying and selling of existing shareholders capital units. Clerical services, for those not computer literate, may also be done by telephone, but this is for registration only and no investment advice will ever be given. All matched funds are held secure through a designated escrow agent.

Who is Who and What is What

(A quick reference guide)

AgStockTrade:	Alternative Trading System Internet that is a matching service owned by Variable Investment Advisors, Inc. and managed and supervised by the Variable Investment Advisors, Inc.
Subscriber:	A corporation, limited liability company, cooperative organization, or non-profit company that is under contract with AgStockTrade to provide its members a system to trade shares to the general public via a designated website
Subscriber Member:	A registered shareholder of a corporation, limited liability company, cooperative organization, or non-profit company
Stock:	Reference word to include stocks, shares, or capital units of limited liability companies, cooperative organizations, or non-profit companies
Seller:	A subscriber member who has stocks, shares, or capital units for sale and wishes to list them on the AgStockTrade trading system
Buyer:	Any person who wishes to purchase stocks, shares, or capital units using the AgStockTrade trading system
Escrow Agent:	A designated bank that receives and distributes funds. AgStockTrade will never handle any funds and will never serve as the Escrow Agent.
Posting:	Shares, stocks, or capital units which are entered on the website for purposes of matching
Asked Price:	Minimum price that a Seller wishes to receive for posted shares
Bid:	Price that Buyer wishes to pay for posted shares
Transfer Agent:	A designated entity that holds stock certificates or the book registration of companies stock and has authorization to transfer stock. AgStockTrade will never handle the stock certificate and will never serve as the Transfer Agent.

Procedure in a Nutshell

- *Register with AgStockTrade as a Seller*
- *Obtain personalized user name and password for the website*
- *To sell, list shares and Asked Price on the website*
- *Seller signs “Binding Contract for Sale” form when a match is made*
- *Seller number of shares and prices per share are posted on website*
- *Potential Buyer reviews website*
- *Register with AgStockTrade as a Buyer*
- *Obtain personalized user name and password for the website*
- *Potential Buyer submits Bid to purchase shares at set price*
- *Potential Buyer signs “Binding Contract for Sale” form when a match is made*
- *If match is made, Buyer & Seller complete “Contract for Sale of Shares of Stock” and returns it to the Subscriber Transfer Agent*
- *All matches are firm and binding at the time of match*
- *Matches do not need to be approved by the DGP Board of Directors*
- *Buyer sends monies to Escrow Agent*
- *Transfer Agent approves paperwork, authorizes transfer of funds to Seller, and completes transfer of shares to new owner (Buyer)*

Registration as a Buyer or Seller

Each Buyer and Seller will be required to complete the AgStockTrade online Registration Form before a personalized code and access to the website is released to him. Registration may be completed by e-mail, fax, US mail, or in person at the AgStockTrade office. All information obtained from the Registration Form will be for the purpose of website listings and transaction completions. AgStockTrade will not release any of this information for any other purpose other than to facilitate the intended transactions. Registrants will have access to the website which lists stocks for sale, selling price, and previous transactions.

Information that will be required on the registration form includes name, address, telephone number, e-mail address, user name, password, and bank information.

VIA owns the website www.AgStockTrade.com which allows its subscriber members access to a wealth of financial information about their company as well as the forms to sell their shares. Member shares are listed by corporate name and price. Potential Buyers have the easy accessed opportunity to go online to view available shares and prices. AgStockTrade will match Buyer to Seller and notify the participating parties. AgStockTrade at no time will handle the funds or the stock certificate required for the transfers.

The Seller

A Seller must be registered as a shareholder of a Subscriber. Upon registration, Seller will establish a personal user name and password for access to the website on which he can list the number of shares he wishes to sell with the price he Asks per share.

When registering shares for sale, Seller must complete "Offer to Sell/Purchase" form. This form will indicate the number of shares and price per share.

Seller may withdraw a listing from the alternative trading system at any time prior to an acceptance of a Buyers bid. The Seller will be eligible to re-list his shares at any time.

Seller will receive notification from the Subscriber Transfer Agent at the time of share transfer.

After each trading period of listing on the matching system, the Seller shares shall be removed from the posting site. Seller may re-list shares every trimester.

Upon completion of a transaction by the Board of Directors of a Subscriber notice is sent to the Transfer Agent who will notify the Escrow Agent and proceeds will be distributed to Seller by the Escrow Agent.

A fee required by the Escrow Agent shall be the sole responsibility of the Seller. This fee shall be withheld from the amount due the Seller prior to proceeds distribution.

WHEN MATCHED WITH A BUYER OR SELLER THE MATCH IS A BINDING CONTRACT AT THE TIME OF THE MATCH.

The Buyer

A Buyer must be registered with AgStockTrade. Upon registration, Buyer will establish a personal user name and password for access to the website on which he may review companies, shares available, prices asked, corporate financial information, and he may make an offer to purchase.

Buyer may submit a Bid offer via the website. At time of posting a Buyer must complete an "Offer to Sell/Purchase" form.

Upon a Buyer and Seller being matched by the system, Buyer will receive a "Contract for Sale of Shares of Stock" form that must be signed and returned to the company Transfer Agent. The Buyer will be notified of the time line and required funds to be deposited with the designated Escrow Agent. Payment must be made payable to the Escrow Agent. The check will be cashed and the proceeds will be held in escrow until the Transfer Agent has approved all paperwork and authorized the transfer.

WHEN MATCHED WITH A BUYER OR SELLER THE MATCH IS A BINDING CONTRACT AT THE TIME OF THE MATCH.

The Buyer will be notified when the transfer of shares is complete.

The Escrow Agent

Each Subscriber will have approval of an Escrow Agent, which will hold funds until a Bid offer has been approved and Escrow Agent has been advised to release proceeds to the Seller.

The Transfer Agent will notify the Escrow Agent of a matched Buyer and Seller immediately after the website has made a match.

The Subscriber Transfer Agent will notify the Escrow Agent of the date, name, and address to whom the proceeds for the completed transaction should be sent. The Seller may negotiate with the Escrow agent as to the manner in which transfer of funds will be transferred to the Seller.

Upon completion of the proceeds transfer, Escrow Agent shall notify the Subscriber Transfer Agent that the payment has been released.

Not Computer Literate?

If a person does not have access to a website but is interested in buying or selling shares, he may do so by contacting the office by telephone or in person. AgStockTrade provides clerical assistance in the registration process only. AgStockTrade will provide no additional information other than what is listed by the Subscriber companies such as the most recent listings for review on the website. The required registration paperwork can be completed in the office or mailed.

SUPERVISORY AND RECORD KEEPING

The home office of AgStockTrade has a primary responsibility for reviewing all transactions processed through its website. All new registrations submitted via the website will be reviewed for accuracy and completeness. (For example, no post office boxes should be listed for client address). All AgStockTrade customer files are kept separate from non-security files. Client records are maintained for a minimum amount of time as indicated below:

Correspondence	6 years
New Registrations	6 years
Quarterly ATS/SEC filings	6 years
Compliance Notices	3 years
VIA/AgStockTrade Directives	3 years
Bank Statements	6 years
Written Agreements (Contracts)	3 years

Compliance Director: Gregory S Wilson

Series licenses 6, 7, 63, 24

Compliance Principal: R. W. Stout

Series licenses 4, 5, 6, 7, 15, 22, 24, 26, 27, 39, 53, 55, 63, 65

Office Locations, Numbers, and Contact

Variable Investment Advisors, Inc. &
AgStockTrade Alternative Trading System
4305 South Louise Avenue, Suite 101A
Sioux Falls, South Dakota 57106

Telephone: (605) 361-8230
1- 800-859-3018
Fax: (605) 362-5819
E-mail: admin@AgStockTrade.com
Website: www.AgStockTrade.com

The AgStockTrade office is located in Sioux Falls South Dakota on the corner of 49th Street and Louise Avenue, the second building on the west side of Louise Avenue and south of the corner of 49th and Louise. The building has blue trim and the sign "Empire Office Plaza" displayed near the road. This location is just south of the Empire Mall and the Hy-Vee Grocery Store.

Variable Investment Advisors, Inc.
AgStockTrade.com
 4305 South Louise Avenue, Suite 101A
 Sioux Falls, SD 57106-3115

Contract for Sale of Shares of Dakota Growers Pasta (Common Stock) (Company)

Date of Agreement	SAMPLE	Transaction ID	WEB000X000X000
Seller or Buyer	SAMPLE	Seller or Buyer	<i>Undisclosed</i>
Seller's or Buyer's Address	SAMPLE		
Seller's or Buyer's Phone Number	SAMPLE	Seller's or Buyer's Social Security Number	<i>Undisclosed</i>
Number of Shares Sold	SAMPLE	Purchase Price Per Share	SAMPLE
Class of Shares Sold	SAMPLE	Total Purchase Price	SAMPLE
Provide lien holder name and address if shares are subject to lien:			

SELLER AND BUYER AGREE AS FOLLOWS:

1. **Sale.** Seller hereby sells to Buyer and Buyer hereby purchases from Seller, the shares, subject to the terms and conditions set forth below. Seller certifies that Seller is the sole owner of and has the right to sell the shares, subject to the provisions of the *Company's* Articles of Organization, Operating Agreement and Transfer System.

2. **Purchase Price.** Upon the execution of this Agreement by Buyer, Buyer shall pay the purchase price to **First State Bank** (the "Escrow Agent"), having its principal office located at PO Box 129, Wilmot, South Dakota 57279-0129, by check, bank money order or wire transfer of funds. The Escrow Agent shall deposit the funds in a non-interest bearing account until the sale transaction is finalized. If the sale transaction is not finalized, the Escrow Agent shall return to the Buyer the funds. If the sale transaction is finalized, the Escrow Agent shall release to the Seller the funds less any fees and expenses.

3. **Payment and Other Obligations.** Upon the execution of this Agreement by Buyer, Buyer shall deliver to **First State Bank** within seven days from the date of this Agreement i) the Buyer's check, bank money order, or complete the wire transfer, Buyer shall execute and return to **Variable Investment Advisors, Inc. ("VIA")** this Agreement within seven days from the date of this Agreement. Buyer and Seller agree that if either party fails to abide by the terms of this Agreement either party shall have any and all available remedies provided under law.

4. **Closing Date.** Upon finalization and the release of the funds by the Escrow Agent, all right, title, and interest of the Seller in the shares and all incidents of ownership thereof, shall be transferred to the Buyer and transferred on the books of said Company, effective upon the date of transfer. This transaction shall be subject to *Company's* Distributions and Allocations Policy in effect upon the date of this Agreement.

5. **Binding Agreement.** The Agreement shall be binding upon the parties, their heirs, successors, and assigns, and is governed by the laws of the State of South Dakota.

6. **Unsolicited Order.** Both Seller and Buyer acknowledge that they entered into this Agreement voluntarily and that **VIA** (AgStockTrade.com) has not solicited nor recommended the suitability of this transaction to either party.

7. **Attorney's Fees.** In the event that any action is filed in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all sums that either party may be called upon to pay, a reasonable sum for the successful party's attorney's fees..

8. **Escrow Agent Fees.** The Seller agrees to pay the Escrow Agent a fee of two and one half percent (2.5%) of the gross sales price for each sale of capital units. A minimum fee of \$175.00 per transaction is required to be withheld from the Seller's proceeds.

9. **Authorization.** Seller and Buyer hereby authorize *Company* to furnish to **VIA** information as is necessary to facilitate the transfer of the capital units.

10. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, but all such counterparts shall constitute one and the same instrument. As used herein, the term "counterparts" shall include full copies of this Agreement signed and delivered by facsimile transmission, as well as photocopies of such facsimile transmissions.

BUYER(S) for TRANSACTION ID: WEB000X000X000		
FOR INDIVIDUALS AND JOINT TENANTS		FOR BUSINESS ENTITIES
Signature	Date	Name of Business Entity
Signature (if necessary)	Date	Signature and Title of Authorized Representative

DOCUMENTATION REQUIREMENTS OF BUYER
1. Please indicate your method of payment: <input type="checkbox"/> Check <input type="checkbox"/> Money Order <input type="checkbox"/> Wire Transfer (ABA # 091407667)
2. Within seven (7) days from Date of Agreement, send a check, a bank money order or complete a wire transfer for the full purchase price to First State Bank , PO Box 129, Wilmot, SD 57279-0129. If sending a check or bank money order, please detach and enclose the Transmittal document.
3. Within seven (7) days from Date of Agreement, sign and return this Contract for Sale (including page 1 through signature page) to VIA at 4305 S Louise Ave, Ste 101A, Sioux Falls, SD 57106-3115

OR

SELLER(S) for TRANSACTION ID: WEB000X000X000		
FOR INDIVIDUALS AND JOINT TENANTS		FOR BUSINESS ENTITIES
Signature	Date	Name of Business Entity
Signature (if necessary)	Date	Signature and Title of Authorized

		Representative
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DOCUMENTATION REQUIREMENTS OF SELLER

Send to **VIA** at 4305 S Louise Ave, Ste 101A, Sioux Falls, SD 57106-3115:

- (1) This signed Contract for Sale (including page 1 through signature page).
- (2) A signed Medallion Guarantee **TRANSFER REQUEST FORM (STOCK POWER)**.

Contract Version Date: 03/29/2006

THE TRANSMITTAL PAGE PROVIDED TO BUYER ONLY

Within 7 days from Date of Agreement, detach here and send this Transmittal with your check or bank money order.

Check or Bank Money Order Transmittal

Date: _____

To: Escrow Agent
First State Bank
PO Box 129
Wilmot, SD 57279-0129

Subject: Purchase of Shares of Dakota Growers Pasta (Common Stock)

Date of Agreement	SAMPLE	Transaction ID	WEB000X000X000
Seller or Buyer	SAMPLE	Seller or Buyer	<i>Undisclosed</i>
Seller's or Buyer's Address	SAMPLE		
Seller's or Buyer's Phone Number	SAMPLE	Seller's or Buyer's Social Security Number	<i>Undisclosed</i>
Number of Shares Sold	SAMPLE	Purchase Price Per Share	SAMPLE
Class of Shares Sold	SAMPLE	Total Purchase Price	SAMPLE

Your Business Receipt

Variable Investment Advisors, Inc.
AgStockTrade.com
4305 South Louise Avenue, Suite 101A
Sioux Falls, SD 57106-3115

Contract for Sale of Shares of Dakota Growers Pasta (Common Stock) *(Company)*

Date of Agreement	SAMPLE	Transaction ID	WEB000X000X000
Seller or Buyer	SAMPLE	Seller or Buyer	<i>Undisclosed</i>
Seller's or Buyer's Address	SAMPLE		
Seller's or Buyer's Phone Number	SAMPLE	Seller's or Buyer's Social Security Number	<i>Undisclosed</i>
Number of Shares Sold	SAMPLE	Purchase Price Per Share	SAMPLE
Class of Shares Sold	SAMPLE	Total Purchase Price	SAMPLE