

MOSAIC CO
Form 11-K
June 30, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

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

For the fiscal year ended December 31, 2005

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

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Plymouth, MN 5441

763-577-2700

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MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.

PROFIT SHARING AND SAVINGS PLAN)

EIN No. 20-0891589

Plan No. 004

Financial Statements and Supplemental Schedule

December 31, 2005 and 2004

(With Report of Independent Registered Public Accounting Firm Thereon)

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MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.

PROFIT SHARING AND SAVINGS 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 (FKA IMC Global Inc. Profit Sharing and Savings Plan) (the Plan) as of December 31, 2005 and 2004 and the related statements of changes in 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 Plan as of December 31, 2005 and 2004 and the changes in its 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 accompanying supplemental schedules of delinquent participant contributions and assets (held at end of year) as of December 31, 2005 are presented for purposes of additional analysis and are not a required part of the financial statements, but are 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. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Minneapolis, Minnesota

June 29, 2006

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MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.

PROFIT SHARING AND SAVINGS PLAN)

EIN No. 20-0891589

Plan No. 004

Statements of Net Assets Available for Benefits

December 31, 2005 and 2004

| | <u>2005</u> | <u>2004</u> |
|-----------------------------------|-----------------------|-----------------------|
| Assets: | | |
| Interest in Master Trust Fund | \$ | \$ 62,767,285 |
| Investments, at fair value | 293,731,554 | 150,624,062 |
| Receivables: | | |
| Participant contributions | 56,763 | |
| Employer contributions | 11,150,064 | 6,901,983 |
| Total receivables | <u>11,206,827</u> | <u>6,901,983</u> |
| Net assets available for benefits | <u>\$ 304,938,381</u> | <u>\$ 220,293,330</u> |

See accompanying notes to financial statements.

Table of Contents**MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.****PROFIT SHARING AND SAVINGS PLAN)**

EIN No. 20-0891589

Plan No. 004

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2005 and 2004

| | <u>2005</u> | <u>2004</u> |
|---|-----------------------|-----------------------|
| Additions: | | |
| Investment income: | | |
| Interest and dividends | \$ 8,099,550 | \$ 2,461,740 |
| Net realized and unrealized appreciation (depreciation) in fair value of investments: | | |
| Mutual funds | 8,233,144 | 8,250,253 |
| Common collective trust funds | 1,473,819 | 2,091,685 |
| IMC Global Inc. common stock | | 7,855,861 |
| The Mosaic Company common stock | (2,537,213) | 2,136,430 |
| Income from Master Trust Fund | | 2,813,678 |
| | <u>15,269,300</u> | <u>25,609,647</u> |
| Contributions: | | |
| Participants | 15,887,828 | 7,855,447 |
| Employer | 16,514,930 | 10,614,259 |
| | <u>32,402,758</u> | <u>18,469,706</u> |
| Total contributions | 32,402,758 | 18,469,706 |
| Fidelity plan expense rebate | | 56,623 |
| Net transfers from other plans | 61,693,878 | 36,433 |
| Other | 17,033 | |
| | <u>109,382,969</u> | <u>44,172,409</u> |
| Deductions: | | |
| Benefits paid | 24,495,629 | 18,639,409 |
| Asset transfers out | 188,225 | |
| Administrative fees | 54,064 | 10,527 |
| | <u>24,737,918</u> | <u>18,649,936</u> |
| Total deductions | 24,737,918 | 18,649,936 |
| Net increase | 84,645,051 | 25,522,473 |
| Net assets available for benefits: | | |
| Beginning of year | 220,293,330 | 194,770,857 |
| | <u>\$ 304,938,381</u> | <u>\$ 220,293,330</u> |
| End of year | \$ 304,938,381 | \$ 220,293,330 |

See accompanying notes to financial statements.

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MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.

PROFIT SHARING AND SAVINGS PLAN)

EIN No. 20-0891589

Plan No. 004

Notes to Financial Statements

December 31, 2005 and 2004

(1) Description of the Plan

The following description of the Mosaic Investment Plan (FKA IMC Global Inc. Profit Sharing and Savings 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 (ERISA), as amended.

Effective January 1, 2005, the Plan was renamed the Mosaic Investment Plan and participants' Plan assets were transferred from Putnam Fiduciary Trust Company to Vanguard Fiduciary Trust Company, whereupon some investment options changed. Vanguard Fiduciary Trust Company became the new service provider and trustee for the Mosaic Investment Plan.

(b) Background

Effective January 1, 1998, the Company added a profit-sharing provision to the Plan. The Plan became the primary retirement vehicle for all employees not covered by a collective bargaining agreement who were either: (1) not participants in a Company-sponsored qualified defined benefit pension plan or (2) hired on or after January 1, 1998. Employees who were participants in the qualified defined-benefit pension plan as of December 31, 1997 were given the option of remaining in such plan or becoming a participant in the profit-sharing feature of this Plan effective January 1, 1998.

Effective January 1, 2003, certain participants in the qualified defined-benefit pension plan who elected, or were deemed to have elected prior to January 1, 1998, to remain in the qualified defined-benefit pension plan or become a participant in this Plan commenced participation in the profit-sharing feature of this Plan.

Effective January 1, 2005, a portion of the Cargill Partnership Plan assets which covered certain employees of Cargill, Incorporated and its affiliates who were employed with The Mosaic Company were spun off into this Plan. The net assets transferred into the plan during 2005 were \$61,693,878.

(c) Contributions

The Plan is funded by contributions from participants in the form of payroll deductions/salary reductions from 1% to 80% of participants' eligible pay [subject to Internal Revenue Service (IRS) limits] 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

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MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.

PROFIT SHARING AND SAVINGS PLAN)

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Notes to Financial Statements

December 31, 2005 and 2004

Revenue Code (IRC). For the years ended December 31, 2005 and 2004, the Company matched up to 6% of a participant's eligible pay as follows: \$1 for every \$1 a participant contributes to the Plan, up to the first 3% of a participant's eligible pay and \$0.50 for every \$1 that a participant contributes to the Plan on the next 3% of a participant's eligible pay. The Company also makes a profit-sharing contribution, subject to certain limitations and requirements. 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 The Mosaic Company common stock. Generally, a participant must be employed on the last day of the Plan year to be eligible for profit-sharing contributions.

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

(d) 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.

(e) Administrative Expenses

Certain administrative expenses of the Plan are borne by the Company.

(f) Investment Programs

In 2004, the Plan's investments were administered by Putnam Fiduciary Trust Company. Effective January 1, 2005, the Plan's investments are administered by Vanguard Fiduciary Trust Company. Participants can choose from among eleven investment funds.

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

(g) 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 Company profit-sharing portion of their account after either five years of service, attaining age 65, or death while an employee. Forfeitures of nonvested participant accounts are used first to restore profit-sharing accounts for re-employed employees who are entitled to have forfeitures restored and are then used to offset Company profit-sharing contributions. In 2005, employer contributions were reduced by \$141,066 from forfeited nonvested accounts. In 2004, employer contributions were reduced by \$396,390 from forfeited nonvested accounts.

In the event a former IMC employee who directly transferred to The Mosaic Company is 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 shall become 100% vested in his/her profit sharing account. In the event an employee voluntarily terminates employment or is

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terminated for cause and he/she has not met the Plan's vesting requirement, the employee's profit sharing account will be forfeited.

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MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.

PROFIT SHARING AND SAVINGS PLAN)

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Plan No. 004

Notes to Financial Statements

December 31, 2005 and 2004

(h) 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: (1) receive their distribution in a lump sum, (2) defer their lump sum payment to a later date but no later than age 70 1/2, or (3) receive annual installment payments for up to 10 years beginning immediately or at a later date. 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.

(i) Loans to Participants

Participants in the Plan may be granted loans subject to certain terms and maximum dollar or Plan account balance limits, as defined by the Plan. Principal repayments, which are over one to five years for general purpose loans and over one to ten years for residential loans, and related interest income are credited to the borrowing participant's account. Generally, loan payments are made by payroll deductions. The loan interest that will be charged for both general purpose and residential loans is calculated on a monthly basis using the prime rate, as quoted in *The Wall Street Journal*, plus 1%.

(j) 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

Except for guaranteed investment contracts, 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 master trust, mutual, and common collective trust funds is the net asset value of those shares or units, as determined by the respective funds. Loans to participants are valued at cost, which approximates fair value. Guaranteed investment contracts are carried at contract value.

Net income or loss from the Master Trust Fund is allocated monthly to each participating plan based on the ratio of each plan's equity to the total equity of all participating plans prior to the allocations.

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MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.

PROFIT SHARING AND SAVINGS PLAN)

EIN No. 20-0891589

Plan No. 004

Notes to Financial Statements

December 31, 2005 and 2004

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) Use of Estimates

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

(c) Reclassifications

Certain amounts in the 2004 financial statements have been reclassified to conform to the 2005 presentation.

(3) Investment in Master Trust Fund

As of December 31, 2004 and prior, assets of the Stable Value Fund (Master Trust Fund) were shared by one other Mosaic 401(k) plan. The Plan held approximately an 87% interest in the Stable Value Fund at December 31, 2004.

The equitable shares in the Stable Value Fund of a participating plan are proportionate to the fair market value of the assets allocable to such participating plan.

The net assets of the Stable Value Fund as of December 31, 2004 were as follows:

| | 2004 |
|----------------------------------|----------------------|
| Putnam Stable Value Fund | \$ 71,578,525 |
| Guaranteed Investment Contracts: | |
| Rabobank Nederland | 274,487 |
| Net assets | <u>\$ 71,853,012</u> |

Net earnings in the Stable Value Fund for the year ended December 31, 2004 were \$3,218,394.

With the January 1, 2005 transition of plan assets from Putnam Fiduciary Trust Company to Vanguard Fiduciary Trust Company, the Stable Value Fund was transferred into a common collective trust, the Vanguard Retirement Savings Trust.

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Notes to Financial Statements

December 31, 2005 and 2004

(4) Significant Investments

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

| | December 31 | |
|--|--------------------|-------------|
| | 2005 | 2004 |
| Mutual funds: | | |
| Vanguard 500 Index Inv | \$ 35,603,212 | \$ |
| Vanguard PRIMECAP Fund | 41,413,494 | |
| Vanguard Total Int 1 Stock Inx | 17,782,598 | |
| Vanguard Windsor II Fund | 42,582,433 | |
| T. Rowe Price Small Cap Stock | 21,267,383 | 15,283,667 |
| Fidelity Magellan Fund | | 19,253,697 |
| Putnam Equity Income Fund | | 26,383,696 |
| Putnam Asset Allocation Balanced Portfolio | | 10,709,185 |
| Common collective trust funds: | | |
| Vanguard Retirement Savings Trust | 68,231,875 | |
| Putnam S&P 500 Index Fund | | 18,038,688 |
| The Mosaic Company common stock | 25,174,679 | 25,928,929 |

(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, believes that the Plan, as amended, is qualified and is tax-exempt.

(6) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits and benefits paid to participants per the financial statements to the Form 5500:

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| | December 31 | |
|--|--------------------|----------------|
| | 2005 | 2004 |
| Net assets available for benefits per the financial statements | \$ 304,938,381 | \$ 220,293,330 |
| Deemed distributions of participant loans | | (167,729) |
| Net assets available for benefits per the Form 5500 | \$ 304,938,381 | \$ 220,125,601 |

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MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.)

PROFIT SHARING AND SAVINGS PLAN)

EIN No. 20-0891589

Plan No. 004

Notes to Financial Statements

December 31, 2005 and 2004

| | Year ended December 31, | |
|---|--------------------------------|---------------|
| | 2005 | 2004 |
| Benefits paid to participants per the financial statements | \$ 24,495,629 | \$ 18,639,409 |
| Deemed distribution of participant loans at December 31, 2004 | (167,729) | 167,729 |
| Deemed distribution of participant loans at December 31, 2003 | | (162,541) |
| Benefits paid to participants per the Form 5500 | \$ 24,327,900 | \$ 18,644,597 |

Deemed distributions are recorded on the Form 5500 but are not reflected on the financial statements.

(7) 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 are invested in the common stock of The Mosaic Company. The underlying value of The Mosaic Company common stock is entirely dependent upon the performance of The Mosaic Company and the market's evaluation of such performance.

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SUPPLEMENTAL SCHEDULE

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MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.

PROFIT SHARING AND SAVINGS PLAN)

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Plan No. 004

Schedule H, Line 4a Schedule of Delinquent Participant Contributions

December 31, 2005

| Identity of party involved | Relationship to plan | Description of transaction, including rate of interest | Amount on line 4(a) | Lost interest |
|-----------------------------------|-----------------------------|---|------------------------------------|--------------------------|
| Hersey, Michigan employees | Participants | 401k deduction on a bonus payment to 32 Hersey employees was not sent to Vanguard. Interest rate of 6.9%. | \$ 9,921.06 | \$ 783.45 |

It was noted that there were unintentional delays by the Company in submitting 2005 employee deferrals in the amount of \$9,137.61 to the trustee. In June 2006, the participants were restored to the position they would have been in if the delay had not occurred (including lost earnings and interest in the amount of \$783.45). The Mosaic Company is in the process of submitting Form 5330 to pay the excise taxes on the delayed contributions.

See accompanying report of independent registered public accounting firm.

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MOSAIC INVESTMENT PLAN (FKA IMC GLOBAL INC.

PROFIT SHARING AND SAVINGS PLAN)

EIN No. 20-0891589

Plan No. 004

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

December 31, 2005

| <u>Identity of issuer</u> | <u>Description</u> | <u>Number of shares</u> | <u>Current value</u> |
|-----------------------------------|---|-------------------------|-----------------------|
| PIMCO | PIMCO Total Return Bond | 1,442,441 | \$ 15,145,628 |
| T. Rowe Price Trust Company | T. Rowe Price Small Cap Stock | 648,198 | 21,267,383 |
| Vanguard Fiduciary Trust Company* | Vanguard 500 Index Inv | 309,809 | 35,603,212 |
| | Vanguard LifeSt Conserv Growth | 175,076 | 2,711,927 |
| | Vanguard LifeSt Growth Fund | 273,548 | 5,744,501 |
| | Vanguard LifeSt Mod Growth | 733,595 | 13,549,508 |
| | Vanguard PRIMECAP Fund | 634,106 | 41,413,494 |
| | Vanguard Total Int l Stock Inx | 1,246,153 | 17,782,598 |
| | Vanguard Windsor II Fund | 1,359,158 | 42,582,433 |
| | Vanguard Retirement Savings Trust | 68,231,875 | 68,231,875 |
| The Mosaic Company* | Mosaic Stock Fund | 1,720,757 | 25,174,679 |
| Loans to participants* | Varying maturities with interest rates ranging from 5% to 10.5% | | 4,524,316 |
| | | | <u>\$ 293,731,554</u> |

* 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 Employee Benefits Committee of The Mosaic Company and on the dates indicated.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|-------------------------------------|---------------------------|---------------|
| <u>/s/ Norman B. Beug</u> | Member, Employee Benefits | June 29, 2006 |
| Norman B. Beug | Committee | |
| <u>/s/ Kevin F. Brindley</u> | Member, Employee Benefits | June 29, 2006 |
| Kevin F. Brindley | Committee | |
| <u>/s/ Richard L. Mack</u> | Member, Employee Benefits | June 29, 2006 |
| Richard L. Mack | Committee | |
| <u>/s/ Steven L. Pinney</u> | Member, Employee Benefits | June 29, 2006 |
| Steven L. Pinney | Committee | |
| <u>/s/ Lawrence W. Stranghoener</u> | Member, Employee Benefits | June 29, 2006 |
| Lawrence W. Stranghoener | Committee | |
| <u>/s/ David W. Wessling</u> | Member, Employee Benefits | June 29, 2006 |
| David W. Wessling | Committee | |

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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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