

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI**

In re:)	In Proceedings Under Chapter 11
)	
FARMLAND INDUSTRIES, INC., ET AL.,)	Case No. 02-50557-JWV
)	Joint Administration
Debtors.)	

AFFIDAVIT OF VICTORIA PAVLICK
IN SUPPORT OF RETENTION OF LIQUIDATING TRUSTEE

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

Victoria Pavlick, being duly sworn, states as follows:

1. I am currently a Vice President of J.P. Morgan Trust Company, N.A. (“JPMTC”), with particular responsibility since its acquisition of the corporate trust portfolio of Bank One Corporation in 2003, for J.P. Morgan Institutional Trust Services related to bankruptcy plan administration and claims processing services.

2. Together with my colleagues Terri Steinbrenner, and consultant Jeffrey Ayres, I will be a key part of the team providing services as the Liquidating Trustee designated by the Debtor under the Second Amended Joint Plan of Reorganization (“Plan”) of Farmland Industries, Inc. et al (“Farmland”).

3. Each of the key members of the Liquidating Trustee team is submitting an affidavit in support of confirmation of the plan with JPMTC acting as its liquidating trustee. My affidavit will provide an overview of the tasks to be undertaken by the Liquidating Trustee, the general qualifications of JPMTC to fulfill such role, as well as a somewhat detailed description of my personal background and capabilities to direct the claims processing and documentation aspects of the Liquidating Trustee’s role, and the “back office” support aspects of the Liquidating Trustee’s services. Jeffrey Ayres and Terri Steinbrenner will submit separate

affidavits describing their roles, respectively, in the proposed engagement, in the case of Mr. Ayres, focusing upon Liquidating Trustee services and, in the case of Ms. Steinbrenner, focusing upon investment and depository services. Except as otherwise indicated, all facts set forth in the Affidavit are based upon my personal knowledge, my review of relevant documents, or my opinion, based upon my experience and knowledge of JPMTC's operations and financial condition or experience or information reported to me in the course of my duties by JPMTC's officers, agents or employees. If I were called upon to testify, I could and would testify competently to the facts set forth herein. I am authorized to submit this Affidavit.

OVERVIEW OF THE LIQUIDATING TRUSTEE'S SCOPE OF SERVICES

4. On behalf of JPMTC, I personally participated in an extensive process leading up to JPMTC's selection by Farmland to act as Liquidating Trustee. It is my understanding that the process was set up by Farmland and the two Official Committees. The process involved submission of initial written materials, an interview in San Diego, California with representatives from Farmland and both Official Committees, extended follow up meetings in Kansas City with counsel for Farmland and employees of Farmland who will be involved with the wind down process contemplated by the Plan, including Steven Rhodes, as well as meetings with my colleagues and representatives of Farmland and the Bondholders Committee in New York to further refine JPMTC's understanding of the scope of its role as Liquidating Trustee.

5. Based upon my personal involvement in all of these activities, I understand the duties of the Liquidating Trustee under the Farmland Plan to involve the following categories of tasks:

- Receive for deposit and invest estate funds;

- Prepare for and implement a significant distribution to creditors as soon as practicable on or after the Plan Effective Date;
- Work with Farmland, counsel and other constituents to set initial reserves to permit interim distributions to creditors before full resolution of all disputed claims or final receipt of all expected liquidation proceeds;
- Implement all subsequent disbursements;
- Refine and adjust reserves throughout the period JPMTC acts as Liquidating Trustee to permit subsequent distributions;
- Assist in the management of claims resolution, preferences and asset liquidation, including:
 - taking over claims data base on JPMTC's proprietary computer system establishing comprehensive preference data base on JPMTC's system;
 - providing reporting function relating to claims and preference status;and
 - working closely with the Farmland wind down team, counsel and the Post Confirmation Committee on resolution of claims and preferences.
- Provide significant "back office" support for the Liquidating Trust, including, disbursements, tax reporting, physical retirement of bonds, and communication to creditors.

GENERAL QUALIFICATIONS OF JPMTC TO PERFORM THE LIQUIDATING TRUSTEE SERVICES

6. JPMTC is a member of the J.P. Morgan group, one of the largest financial institutions in the country with assets of \$750 billion and investment grade debt ratings.
7. JPMTC maintains insurance for all of its fiduciary undertakings.
8. JPMTC's affiliate, J.P. Morgan Chase Bank (the "Bank") has been in business for over 100 years as a full service provider of corporate trust and related services and was named the number one Trustee for U.S. Debt by Thomson Financial in 2002. The Bank is the lead bank of the J.P. Morgan group.

9. For over 15 years the Bank has been involved in the management, disbursement and investment of bankruptcy fiduciary funds. As will be discussed in more detail by my colleague Terri Steinbrenner, the Bank is the national leader in holding and investing bankruptcy funds for Chapter 7 and 13 Trustees, and also has a major role in handling funds related to large Chapter 11 cases.

10. The Bank's Trust Services team is among the largest paying agents of debt in the country and, with the acquisition of Bank One's Global Trust business, which just recently closed, has brought the experience of managing a \$6 billion portfolio of defaulted or restructured debt to the Bank. As my colleague Jeffrey Ayres will discuss in his affidavit, the combined enterprise of Bank One and JPMTC brings to this Liquidating Trustee engagement significant expertise in calculating reserves and making disbursements to large groups of bondholders or other claimants.

11. Particularly since acquiring Bank One's Trust business JPMTC has also acquired significant experience and state of the art systems devoted to large scale claims processing.

**PERSONAL, BACKGROUND AND EXPERIENCE RELEVANT
TO THE LIQUIDATING TRUSTEE'S SCOPE OF SERVICES**

12. I hold B.A. and J.D. degrees, from Boston College and Capital University, respectively.

13. I have spent the last eighteen years in the banking business, specifically in corporate trust services of all types.

14. I started my banking career with Bank of Boston from 1985 to 1987 as a Special Projects Coordinator and, later, Quality Assurance Officer in Corporate Trust operations.

15. In 1987 I joined Bank One Corporation in the trust operations area as a Manager of Corporate Trust Operations. Over the next fifteen years I worked in the following areas:

- Bond Debt Administration
- Bond Debt and Fiduciary Work Out, including working on troubled bond issuances nationwide
- Fiduciary Debt Work Out and Restructuring, which department I headed after several mergers and acquisitions of banks nationwide until 1998
- Product Manager for Global Trust Services, in which position I was responsible for developing, marketing and overseeing Bank One's Bankruptcy and Class Action Claims Processing Business

16. With the acquisition of Bank One's Global Trust portfolio by JPMTC, I am continuing my work in the claims processing field with additional responsibility for coordinating all of JPMTC's bankruptcy related services, including claims processing, disbursement, back office record keeping and investment of fiduciary funds.

17. I believe JPMTC is extremely well qualified to perform all the tasks required by its role as the Debtors appointed Liquidating Trustee for the following reasons:

- The JPMTC Trustee management team's deep experience with large scale workouts and defaults, including my 16 years of experience in that field;
- My nine years of experience with claims processing and disbursements in connection with which Bank One, now JPMTC, has developed a large scale claims processing capability working as claims and disbursement agent for major class actions, including cases involving more than 6,000 claimants, as well as bankruptcy claims engagements;
- The ability of JPMTC to deploy its state of the industry software systems for tracking claims and preferences which have proven their capabilities in numerous cases and are fully internet based with online reporting capability.

- JPMTC's extensive asset sale experience;
- Extensive experience with trust tax reporting;
- The understanding of the JPMTC team about what it takes to process and track claims while simultaneously managing a large scale disbursement process; and
- JPMTC's expertise with the back office operation necessary to support a wind down as set forth in the Plan, including JPMTC's experience with retaining the employees necessary for the process

18. It is also JPMTC's stated goal and purpose, if it is approved as Liquidating Trustee, to work closely with all constituents in this case and the court to maximize value and minimize expense for creditors. Indeed although I understand that the Official Committee of Unsecured Creditors (the "Trade Committee") has objected to JPMTC serving as Liquidating Trustee I have actively sought a dialogue with the Trade Committee's representatives to discuss JPMTC's unique qualifications for this engagement. Attached as Exhibit A is an e-mail I sent to counsel for the Trade Committee on this subject and the initial response I received. Subsequent to that exchange of e-mails a conference call was arranged on December 8, 2003 among representatives of the Debtors, counsel to both the Trade and Bondholder Committees and all three key members of the JPMTC Liquidating Trustee team. Over a 1 ½ hour time period Trade Committee counsel asked a series of extremely detailed questions about JPMTC's qualifications to act as Liquidating Trustee and its experience in all the types of services which JPMTC expects to provide as Liquidating Trustee. JPMTC's representatives made every effort to answer all the Trade Committee's questions fully and have also provided certain follow up information requested by the Trade Committee.

s/ Victoria Pavlick _____
Victoria Pavlick

SUBSCRIBED TO AND SWORN

Before me this 16th day of December, 2003.

Marzale A. Fosdick
Notary Public

My commission expires: May 31, 2005