FILED
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PAT BRUNE, CLK
U.S. DISTRICT COURT
WEST DISTRICT
OF MISSOURI

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI

In Re:	)	In Proceedings Under Chapter 11
	)	
FARMLAND INDUSTRIES, INC., et al.,	)	Case No. O2-50557-JWV
	)	Joint Administration
Debtors.	)	

RESPONSE TO OMNIBUS RESPONSE TO OBJECTIONS TO MOTION FOR ORDER AUTHORIZING (I) THE TERMINATION OF CERTAIN EXECUTIVE AND DIRECTOR BENEFITS
and
AFFIDAVIT OF HOLLY D. MCCOY IN SUPPORT OF DEBTORS' MOTIONS TO TERMINATE RETIREE AND EXECUTIVE BENEFITS AND TO REJECT CERTAIN EMPLOYMENT CONTRACTS

COMES NOW Donald L Heuermann, who after due consideration of Deferred Compensation Retirement Adjustment and Split-Dollar Life Insurance provided by Farmland Industries, Inc. choose an early retirement after 35 years of service and is now subject to the proposed termination of the Split-Dollar Life Insurance and the proposed termination of the Deferred Compensation Plan including the corresponding Retirement Adjustment Payment, with the following statements:

1. Re: Parres response, footnote 1, para 4, pg 2 would indicate that Debtor intends to address the issues raised only by named clients of Alvin Shapiro at the February 11 hearing. There are some 60 or more retired executives impacted by the proposed motion. As pointed out in testimony by Cal Elliott at the late December hearing, there are a number of valid reasons why other retirees have not come forward. I would suggest to the court that this group of retirees represents a 'class' of impacted people, that any discussion of issues raised by clients of Alvin Shapiro apply to this 'class' of retirees and any decisions on the issues raised by the clients of Alvin Shapiro be

applied to this 'class' of retirees as a whole.

2. Re: Parras response, para 8, Debtor acknowledges that claims will exist against Debtors' estates whether or not various programs are terminated. A review of Exhibit A provided by Holly McCoy substantiates that termination of the Executive Deferred Compensation plan and the Retirement Adjustment Payments will have no financial benefit to Debtor as to Cash Received or Expense Reduction. In fact, all participants in the EDCP were provided proof of claim forms for submission by the bar date. Confusion abounds as to the reason for terminating this program.

I would beg the court to protect this group of retirees, several of whom, like me, have realized a sizable reduction in their planned retirement benefits.

3. I would refer the court to Section 11. Amendments, of the Executive Deferred Compensation Plan. This section specifies that no termination of the plan may, "...without the consent of a Participant (or his Beneficiary in the case of death)..." reduce the right of a participant to the amount owed him. This participant has not provided such consent and expects due consideration for the amounts owed him.

4. Re: Parres response, para 13, it is indicated that participants "...have not contributed to relevant insurance policies or their cash surrender values." In fact, Article II, Premium Payments, of the Split Dollar Agreement dated May 1, 1993, indicates the Corporation may collect a portion of the premiums from the participants which they did. My personal premium payments have been documented by payroll stubs and conversation with a Health and Benefit Systems representative.

5. Re: McCoy response, para 27, indicating her sacrifice of Program Benefits "..in the interests of the Debtors' estates and creditors....." rings quite hollow knowing

she is a participant in an Executive Bonus plan for a select group of current executives and highly compensated employees involved the reorganization efforts, particulars of which have been shielded from the public.

6. Re: McCoy response, para. 36, the Deferred Comp plan was a win-win for Debtor and participant. There were certain tax benefits for the participant, there was the contractual agreement by the Debtor to provide a Retirement Adjustment, the Debtor enjoyed reduced cash flow needs and as there were no specific assets, there were no specific liabilities resulting in an improved balance sheet. There would have been no participants in this plan had bankruptcy ever been contemplated.

7. Re: McCoy response, para 38, it is indicated that Debtor surrender of policies for their cash values will provide a "...significant cash benefit to their estates." I will be more comfortable knowing that "their estates" refers to the Debtor and not SERP participants estates. I recognize this is semantics but feel clarification is important.

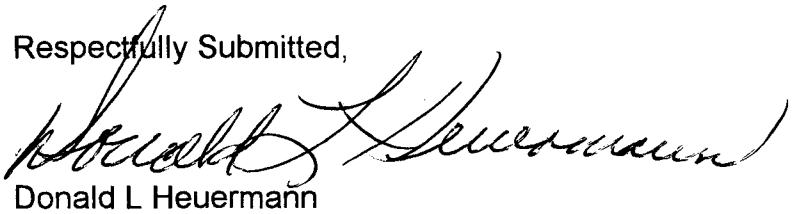
8. Re: McCoy response, para 41, it is indicated Debtor <u>believes</u> that requirements of ERISA do not prevent the termination of the Benefits. One must conclude that an official opinion by ERISA has not been obtained. A decision to terminate should logically be based on such an opinion.

9. Optional methods of settlement are available to Debtor in respect to the Split Dollar policies. As specified in the policy, options include an annuity certain and a life annuity with certain period. Working through a Retired Employees Committee as proposed by Cal Elliott and Mr. Shapiro, some compromise could be reached that

would result in a win-win solution for all parties involved. There is a need for a committee to represent and protect the interests of the retiree group. To date, concerns and interests of this group have not been met by the Unsecured Creditor Committee.

10. Based on the information provided, I continue to oppose the termination of the Employee Deferred Compensation Program and the Split-Dollar Life Insurance Plan. And I strongly support the recommendation and motions for establishing a Retired Employee Committee.

Respectfully Submitted,



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Mail Certificate

I certify that a copy of the foregoing RESPONSE TO OMNIBUS RESPONSE TO OBJECTIONS TO MOTION FOR ORDER AUTHORIZING (I) THE TERMINATION OF CERTAIN EXECUTIVE AND DIRECTOR BENEFITS and AFFIDAVIT OF HOLLY D. MCCOY IN SUPPORT OF DEBTORS' MOTIONS TO TERMINATE RETIREE AND EXECUTIVE BENEFITS AND TO REJECT CERTAIN EMPLOYMENT CONTRACTS was electronically mailed to the following addresses at approximately 9:16 PM, CST, February 9, 2003.

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