**IN THE UNITED STATES BANKRUPTCY COURT**
**FOR THE WESTERN DISTRICT OF MISSOURI**

| | | |
|---|---|---|
| **In re:** | **)** | **In Proceedings Under Chapter 11** |
| | **)** | |
| **FARMLAND INDUSTRIES, INC. , ET AL.,** | **)** | **Case No. 02-50557-JWV** |
| | **)** | |
| | **)** | **(Jointly Administered)** |
| **Debtors.** | **)** | |

**SECOND AMENDED DECLARATION OF JAMES E. BIRD**
**IN SUPPORT OF APPLICATION OF THE OFFICIAL COMMITTEE OF BONDHOLDERS FOR AUTHORITY TO EMPLOY**
**POLSINELLI SHALTON & WELTE, P.C. AS CO-COUNSEL**

Polsinelli Shalton & Welte, P.C. ("PS&W"), co-counsel to the Official Committee of Bondholders (the "Bondholders Committee"), respectfully submits, pursuant to 11 U.S.C. §§ 327 and 329 and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), this Second Amended Declaration disclosing connections with creditors and parties in interest and disclosing compensation paid or agreed to be paid to PS&W and respectfully represents as follows:

I, James E. Bird, hereby state the following:

1. I am an adult person, over the age of 21 and reside in Kansas City, Jackson County, Missouri.

2. I am a shareholder in the Debtor/Creditor Rights and Bankruptcy Group in the Kansas City, Missouri office of PS&W. I am duly authorized to make the statements contained herein on PS&W's behalf.

3. Since 1980, I have been licensed to practice law before the Missouri Supreme Court, all Missouri state courts, and the United States District Court (and Bankruptcy Court) for the Western District of Missouri. I am also admitted to appear before the United States District Court (and Bankruptcy Court) for the District of Kansas. I am a member in good standing of the

State Bar of Missouri, and I have never been subject to any disciplinary proceedings or other sanctions of any kind before the State Bar of Missouri, or any court anywhere in which I have practiced.

4. Each of the attorneys of PS&W who shall perform work in this case is duly admitted to practice before this Court or will be admitted pro hac vice.

5. The PS&W law firm is based in Kansas City, Missouri, Overland Park, Kansas, St. Louis, Missouri and Topeka, Kansas.

6. PS&W has been asked to represent the Bondholders' Committee in the above-captioned chapter 11 cases and PS&W has agreed according to the terms and conditions contained herein.

7. PS&W has extensive experience in Chapter 11 proceedings, and in corporate, litigation, securities, tax, real estate, and solvency matters, is familiar with the business and financial affairs of cases of the complexity of Farmland Industries, Inc., et al, and is qualified to represent the interests of the Bondholders' Committee in this matter.

8. PS&W is a "disinterested person" as that term is defined in 11 U.S.C. § 101(14).

9. Neither I, PS&W, nor any member or associate thereof, as far as I have currently been able to ascertain, has any connection with the Debtors, the creditors, the office of the United States Trustee, or any other party with an actual or potential interest in these Chapter 11 cases, except as set forth below in the subsections to this paragraph, and in paragraph 10.

a. PS&W has referred legal matters from time to time and accepted referrals from the attorneys and accountants and/or members of their respective firms who may represent parties in interest in this case.

b. PS&W does not currently represent the Debtors. However, attorneys for PS&W have in the past represented the Debtor on selected issues. These engagements

are not current or ongoing. The last services performed for the Debtors were approximately late 1995.

c. PS&W has a large and diversified legal practice which encompasses the representation of many financial institutions, commercial corporations and creditors. Some of these entities (or affiliates of these entities) are or may be holders of claims against, and/or interests in the Debtors, or are parties-in-interest in these cases. PS&W has in the past represented, currently represents, and from time to time in the future will represent such entities (or affiliates of such entities) in matters unrelated to the Debtors' cases.

d. Certain entities that are clients or former clients within the past three years of PS&W in matters wholly unrelated to the Debtors or to these cases (or subsidiaries or affiliates of such entities) appear to be creditors (secured and unsecured) or other parties in interest with regard to certain of the Debtors. These entities are listed in Schedule 2 attached hereto.

e. PS&W has given limited legal advice to an existing client regarding the procedure for filing of a mechanics' lien notice on real property involving one of the Debtors. However, PS&W is no longer representing the client in these proceedings.

f. PS&W has in the past also represented certain parties in matters in which such clients were adverse to the Debtors and/or their affiliates.

In connection with the proposed retention by the Bondholders' Committee in this case, PS&W's client database records were searched for more than the past three years to determine whether it has any relationship with the entities listed on Schedule 1 attached hereto. Schedule 1 has been supplemented by PW&S based on information recently supplied by the Debtors, or information that has been recently filed with the Bankruptcy Court.

10. Neither I, PS&W, nor any shareholder or associate thereof, as far as I have been able to currently ascertain, holds or represents any interest adverse to the Bondholders' Committee in the matters for which PS&W is proposed to be retained. As noted, however, Debtors have numerous relationships and thousands of creditors. Further, Debtors have not yet filed their Schedules and Statements of Affairs. Consequently, although initial efforts have been made to discover and eliminate the possibility of any conflicts, including the efforts outlined above, PS&W is unable to state with certainty whether certain of its clients or affiliated entities in addition to those listed in Schedule 2 attached hereto, may hold a claim or otherwise be a party in interest in these Chapter 11 cases. If PS&W discovers any information that is contrary to or in addition to the statements made herein, PS&W will disclose such information to the Court promptly. In the event that PS&W determines that any representation of the Bondholders' Committee in these proceedings against those persons or entities listed on Schedule 2 conflicts with the firm's current or past representation of said persons or entities, PS&W will recuse itself from such specific representation, or perform such other acts as may be necessary, including recommending that the Bondholders' Committee engage co-counsel Foley and Lardner or special counsel to address any appropriate situations. U.S. Bank has agreed to waive any potential conflicts of interest arising from PS&W's representation of the Bondholders' Committee in these Chapter 11 cases, provided that PS&W may not represent the Bondholders' Committee in any direct litigation against U.S. Bank. In the event such direct litigation should arise, special counsel would need to be engaged to handle that particular matter.

11. Subject to the Court's approval, PS&W will charge for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates in effect on the date services are rendered. These rates may change from time to time in accordance with PS&W's established billing practices and procedures. PS&W will maintain detailed, contemporaneous

records of time and any actual and necessary expenses incurred in connection with the rendering of the legal services described above and in the Application.[1]

12. The proposed employment of PS&W is not prohibited by or improper under Rule 5002 of the Bankruptcy Rules. PS&W and the professionals it employs are qualified to represent the Bondholders' Committee in the matters for which PS&W is proposed to be employed.

13. PS&W intends to apply to the Court for payment of compensation and reimbursement of expenses pursuant to the terms described in its Application and in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and Local Rules of this Court, and pursuant to any additional procedures that may be established by the Court in this case.

14. PS&W has not shared or agreed to share any of its compensation from this representation with any other person, other than a member of the firm.

15. I have participated in preparing the Bondholders' Committee Application which is supported by this Declaration, and I hereby confirm and verify the statements made in that Application to the best of my knowledge, information and belief. Furthermore, I have prepared this Declaration personally and on behalf of PS&W in order to satisfy and comply with the requirements of 11 U.S.C. Sections 327 and 329, and Bankruptcy Rules 2014 and 2016.

I declare under penalty of perjury that the foregoing is true and correct.

DATED this 5th day of August, 2002.

/s/ James E. Bird
James E. Bird

[1] The names, position, and current hourly rates of the PS&W lawyers and paraprofessionals expected to have primary responsibility for providing services to Debtor are listed on Schedule 3 attached hereto and incorporated herein by reference.

## SCHEDULE 1 TO AMENDED DECLARATION

Abernathy Farms Coop
Acosta Trucking
AG Processing, Inc.
AG2AG, LLC
AGCO, Inc.
Agri Beef Co.
Agrifarm Industries, LLC
Agriliance LLC
Agronomy Service Bureau
ALF Ventures, LLC
Aliance Farms Cooperative Association
Alimentos Kofar, S.A.
Alton Grain Terminal
Americold Logistics Inc.
Anadarko Energy Services Co.
Anadarko Petroleum Corporate
Anadarko Trading Co.
Arab Banking Corporation (B.S.L.)
Argonaut Computer
Armland International Business, Ltd.
Armour Swift Eckrich
Associates Commercial
AT&T Systems Leasing
Aurora (NE) Coop
Aurora Cooperative
BAE Systems
Bank of America, N.A.
Bankers Trust Company, as agent
Bay State Mining
Beheermastshappil International
Bell Atlantic Tricon Leasing
Bernstein Rein Advertising Inc.
Bill Power
Bloom Oil Co., Inc.
Boatmen's 1st National Bank
Bob Terry
Bodmin International, Inc.
Boeing Commercial Information Communications Company
Borenleenbank B.A. Nederland
BP Canada Energy Marketing Corp.
BP Oil Supply
Brownfield Farmers Cooperative
Callaway Carriers Inc.
Cap Gemini Ernst & Young U.S. LLC
Cargill Inc.
Carlson Systems Corp.
Cen Kan
Cenex Energy
Cenex Harvest States Cooperatives
Centralia, Mo.
Ceres Realty
Chase Manhattan Bank
Chevron Texaco
Ciba-Geigy Corporation
Circle 6 Ventures, LLC
CIT Communications Finance
CIT Group/Business Credit
CitiCorp Dealer Finance
Clark Rental System, Inc.
Clune Equipment Leasing Corp.
CoBank, ASB
Colorado Boar Stud Real Estate
Colorado National Leasing Corp.
Colorado Retail Ventures Services LLC
Commerce Bank, N.A.
Commerce Ventures, LLC
Computer Sales International
Construction and Turnaround Services
Cooperative Centrale Faiffeisen-Boerenleenbank, B.A., "Rabobank International"
Cooperative Finance Assn., Inc.
Cooperative Gas Oil Company
Co-Pride, LLC
Corporate Credit
Coulter Leasing
Country Home Milling
Country Pride Cooperative, Inc.
Credit Agricole Indosuez
Crosby County Fuel Assoc.
Cryovac
CSAM Funding I
Curwood Inc.

D&G Express
D&R Trucking
Dakota Energy Retail Ventures
Dakota Fuels
Dalhart Consumer Fuels
Darr Equip. Co. – Oklahoma
Datacorp, Inc.
Dean Machinery Company
DeKalb Swine Breeders, Inc.
Den Danske Bank Aktiese LSKAB
Deutsche Bank Trust Company America
DG Bank Deutsche Genoss Enochaftsbank, AG
Dirnimitt Agri Industries, Inc.
Distributodora de Granos, S.A.
DLD Grain & Feed, Inc.
DMV U.S.A. LLC
Donron, Inc. Leasing
Double Circle (Barbados) SRL
Double Circle Family Supply
Doyle Brant, Inc.
Dr. Charles Martin
Dr. Kline
Dresser Rand Compression SVCS
Dunlap & Kyle Co., Inc.
Dynegy Marketing and Trade
El Camino Resources, Ltd.
El Paso Merchant Energy
Ellsworth Co.
Enogex Services Corp.
Enron North America
Equity Country, Inc.
Equity Exchange United Coop
Ernst & Young
Exxon Mobil
Facility Construction
Falconwood Financial Corp.
Farm Credit Bank of Wichita
Farm Credit Leasing Services
Farm Kan LLC
Farmer's Coop Union
Farmer's Grain Terminal
Farmers Cooperative Assn. Of Keota, Iowa
Farmers Cooperative Assoc. (Toakaway)
Farmers Cooperative Elevator Assoc.
Farmers Elevator Company
Farmers Grain Company
Farmers Petroleum Inc.
Farmers Union Oil
Farmland (BVI) Ltd.
Farmland Food de Mexico
Farmland Foods, Inc.
Farmland Harvest States, LLC
Farmland Hydro LP
Farmland Hydro Sales, Ltd.
Farmland Hydro, Inc.
Farmland Insurance Agency, Inc.
Farmland International Business
Farmland MissChem Ltd.
Farmland National Beef
Farmland National Beef Alf. LLC
Farmland National Beef Foreign Sales Corp.
Farmland National Beef Packing Co., LP
Farmland Pipeline Company
Farmland Securities Company
Farmland Service Coop
Farmland Tinidad Ltd.
Farmland Transportation, Inc.
FBS Business Finance Corp.
FDL Foods, Inc.
Feeder Pig Producers
First Dominion Funding I
First Fleet Corporation
First National Bank of Kansas
First Union Commercial Corp.
Firstar Bank, N.A.
Five County Farmers Assoc.
Flag, Inc.
Flag, L.P.
FMC Limited Liability Co.
Foley & Lardner
Foothill Capital Corporation
Foothill Income Trust, LP
Foothill Income Trust II, LP
Forsythe McArthur Associates
Fortis Bank
Fortis Project Finance Ltd.
Fried Frank Harris Shriver & Jacobson
Frontier Fertilizer & Chemical Co., LLC
Galesburg Cooperative
GD Winter Trucking
General Electric Capital Corp.

George Grazier
Georgetown Farmers Elevator
Gerard's Bakery
Golden Plains Leasing, Inc.
Goldkist
Grain Marketing Grain, LLC
Graphic Packaging Corp.
Great Dane Financial, LLC
Grupo Confi, S.A.
Halstad Elevator Company, Inc.
Hamlin County Coop Oil Company
Harris Trust & Savings Bank
Harry Cleberg
Harvest Sales Cooperatives
HDW, Inc.
Heartland Grain Fuels, L.P.
Heartland Wheat Growers, Inc.
Helena Chemical Co.
Hereford Grain Corp.
Home State Bank & Trust Co.
Horizon Cooperatives
Hunter Grain Company
Husky Hogs, LLC
Hydro Agri Phosphates, Inc.
IBM Corporation
IBP, Inc.
Industrial Trucks, Inc.
Inox Meccanica SRL
International Alliance Group
Internet Commodity Exchange
Invest Grain, Ltd.
Invopack Vector Inc.
Iowa Double Circle, LC
J.R. Simplot Co.
James Willis
Jarecki Family Sprinkling Trust
Jerome Behrens
Jimmy Sanders Inc.
John Bernardl
John Miller
Kansas City Steak Co., LLC
Keith Morgan Trucking Inc.
KOCH
Kofar Secicios Del Mayo, S.A.
Konica Business Machines
Kroger Co.
Land O'Lakes
Land O'Lakes Farmland Fee LLC
Land O'Lakes/Farmland
LaSalle Bank National Association
LaSalle National Leasing Corp.
Lexington Cooperative Oil
Liquid Carbonic Industries
Livema Farms Cooperative
Lockney Cooperative Gin
LOL Holdings
Lynch Enterprises
Maplewood (Cayman) Ltd.
Massachusetts Mutual Life Insurance Company
McPherson Business Mach.
Merial Limited
Meridian Leasing Corporation
Metro Xpress
Meyer Trucking LLC
Mid-Continent Trucking Co.
Midland Marketing
Midwest Cooperative
Mike's Electrical Service
Minneola Coop, Inc.
Minnwest Bank
Mississippi Chemical Corp.
Missouri League Corporate
Monsanto
Montgomery County, Kansas
Morgan Stanley Capital Group
Mountain Harvest Corp.
Murray Grain
N.E. Arkansas Oil Co. Inc.
Natexis Bangues Populaires
National Carriers Inc.
NBP Co., LLC
NCI Leasing
NE Energy Coop, Inc.
Nebraska Energy LLC
Nebraska Truck Center, Inc.
Newcourt Technologies, Corp.
Nitta Casings, Inc.
NMHG Financial Services, Inc.
Noble Americas Corp.
Northeast Arkansas Oil Company, LLC
Northland National Bank

Olliver Paclard
Olton Grain Coop.
Oneok Gas Marketing Co.
Packaging Corporation of America
Peetz Farmers Coop
Pennington Seed
Perryton Equity Exchange
Petersburg Coop Grain
Pig Producers 1, LP
Pinco, Inc.
Pinnacle Barge Company LLC
Pinneo Feedlot Ltd.
Pitman Moore LLC
Pitney Bowes Credit Corporation
Pork Technologies, LLC
Port Aggregates Inc.
Praxair, Inc.
Producers Cooperative Elevator
Prometheus Investment Funding No. 1, Ltd.
PSC Industrial Outsourcing
Purac America Inc.
Rabo Bank
Rainen Rents
Ray-Carroll County Grain Growers, Inc.
Reliant Energy Services
Reliant Transportation Inc.
Resource 21 Corporation
Resource 21 LLC
Riekes Equipment Company
Risco USA Corporation
Roadway Express, Inc.
Rollin H. Kuhl Inc.
Sandy Warren
Sanva Leasing Corp.
Schanno Transportation, Inc.
Sempra Energy
SF Phosphates Limited Company
SF Pipeline Limited Co.
SFA, Inc.
Simply Color
Societe General, NY Branch
South Dakota Wheat Growers
Southern Farm Fish Processors, Inc.
Southern Marketing Affiliates
Southwest Bay Farms
Southwest Grain Marketers LLC
Spade Coop, Inc.
State Trust Bank & Trust Co.
Storaqetek Distributed Systems
Stratton Seed Co.
Strick Lease, Inc.
Suffield CLO, Ltd.
Summit Bank
Sunray Co-Overland Park
Suntrust Bank
Supreme Cattle Feeders, LLC
Teepak LLC
Terry Campbell
Terry Nelson Family Farms LLC
Texaco
Texhoma Wheat Growers, Inc.
Textron Financial Corporation
Tex-Will LLC
TGI Partners
The Connecticut Bank & Trust
The Haror Company, Inc.
The Lewis Cooperative Company
The Wax Company
Tradigrain Del Peru
Tradigrain Do Brazil
Tradigrain GmBH Germany
Tradigrain Inc.
Tradigrain KFT Budapest
Tradigrain Limited United Kingdom
Tradigrain Ltd. Moscow
Tradigrain S.A. Agricultural Products Trading LLC
Tradigrain S.A. France
Tradigrain S.A. Geneva
Tradigrain Shipping S.A.
Tradigrain Singapore PTE Ltd. Singapore
Tradigrain Ukraine, Ltd.
Tradigrain Uruguay, S.A.
Transamerica Equipment F.S.C.
Trism, Inc.
Triton Tire & Battery
Triumph Pork Group, LLC
Tru Al, Inc.
Truman Farmers Elevator Co.
Tyson Foods
U.S. Bank National Association
U.S. West Financial Services, Inc.

UBS Warburg LLC
UMB Bank, N.A.
Union Bank of Switzerland (NY)
Union Pacific Railroad Company
Unisource Inc.
Unisys Corporation
United Bakers International
United Country Brands, LLC
United Farm Industries, Inc.
United Processors LLC
Universal Co-Op
Universal Cooperatives, Inc.
US Premium Beef, Ltd.
USPB Co., LLC
Van Waters & Rogers, Inc.
Van Wyk Inc.
Vanguard Financial Service Corp.
Viking Land Transportation
W.W. Granger
Wallace Co. Coop
Wal-Mart Stores, Inc.
Wayne Busch
Westland Terminal LLC
Wilbur-Ellis
Williams Energy Venture, Inc.
Wilmington Trust Company
Wilson Supply
Wilson G. Persinger Trust
Wiltann
Yale Financial Services, Inc.

## SCHEDULE 2 TO AMENDED DECLARATION

List of Past Three Years and Current Representation of Creditors
or Other Parties in Interest in Unrelated Matters

Chase Manhattan Bank, N.A. (past)[2]
CIT Group
Commerce Bank (past)
Dean Machinery Company (current)
Deutsche Bank (past)
Dynegy NGL, Inc. (current)[3]
Ernst & Young, LLC
First National Bank of Kansas (current)
General Electric (current)
General Electric Capital Assurance Company (past)
General Electric Capital Mortgage Insurance Company (past)
Koch Supplies, Inc. (current)
LaSalle Bank, N.A. (current)
Monsanto Company (past)
Suntrust Bank (past)
Texaco Star Fuel Centers, Inc. (current)
Tyco Capital f/k/a CIT Group (current)
U.S. Bank, N.A. (formerly a/k/a Firstar Bank, N.A.) (current)
Unisource Document Products (current)
Van Waters & Rogers (past)
Wal-Mart Stores, Inc. (current)
Wells Fargo Bank, as Trustee (current)

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[2] However, PS&W currently represents an affiliate, Chase Manhattan Mortgage.
[3] Appears to be an affiliate of Dynegy Marketing and Trade.

## SCHEDULE 3 TO AMENDED DECLARATION

### PS&W PROFESSIONALS EXPECTED TO HAVE PRIMARY RESPONSIBILITY FOR REPRESENTING THE BONDHOLDERS' COMMITTEE

| | | |
|---|---|---|
| James A. Polsinelli | Shareholder | $325.00* |
| Daniel J. Flanigan | Shareholder | $290.00 |
| James E. Bird | Shareholder | $260.00 |
| Brett D. Anders | Shareholder | $210.00 |
| David D. Ferguson | Of Counsel | $180.00 |
| Diane Browning | Associate | $180.00 |
| Christopher J. Kelly | Associate | $120.00 |
| Teri Protzmann | Paralegal | $ 75.00 |

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* All hourly rates are those rates in effect as of June 2002. PS&W reviews and adjusts the hourly rates of its professionals and paraprofessionals from time to time and on an annual basis (generally effective November of each year).

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