

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

<b>In re:</b>	)	<b>In Proceedings Under Chapter 11</b>
	)	
<b>FARMLAND INDUSTRIES, INC., et al.,</b>	)	<b>Case No. 02-50557-jvw</b>
	)	<b>Joint Administration</b>
<b>Debtors.</b>	)	

**DEBTORS' OBJECTION TO MOTION TO LIFT STAY  
FILED BY STACY ANDERSON**

Farmland Foods, Inc. ("Foods"), et. al. (collectively, the "Debtors"), object to the Motion to Lift Stay (the "Motion") filed by Movant Stacy Anderson ("Anderson"), as follows:

**I. PROCEDURAL BACKGROUND**

1. On May 31, 2002 (the "Petition Date"), the Debtors filed voluntary petitions in this Court for reorganization relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their properties as Debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

2. Anderson filed suit against Foods in the Circuit Court of the Ninth Judicial Circuit, Warren County, Illinois, Case No. 02-L-11, captioned Anderson v. Farmland Foods, Inc. just prior to the Petition Date for injuries Anderson and her unborn child sustained while employed with Foods on May 23, 2000.

3. Anderson filed her Motion on September 30, 2002, seeking relief from the stay in order to proceed against the Debtors' insurance carrier.

**II. ARGUMENT**

4. Anderson's Motion should be denied for several reasons. First, Anderson is seeking damages in excess of \$50,000. The Debtors' commercial general liability policy has a

self-insured retention limit of \$500,000.00 per occurrence. As it appears unlikely this claim will surpass the self-insured retention limit, stay relief would not be limited to a insurance carrier, but rather, would be a direct claim against Foods' assets.

5. Anderson's claim is for employment-related injuries. Anderson has already collected \$46,360.00 from workers' compensation benefits. Accordingly, Anderson's lawsuit is barred by the exclusivity provisions of the Workers' Compensation Act. James v. Caterpillar Inc., 611 N.E.2d 95 (Ill. Ct. App. 1993); Christensen v. Northern Illinois Gas Co., 657 N.E.2d 725 (Ill. Ct. App. 1995)(allowing third party to seek contribution from employer for spouse's claim in excess of employer's workers' compensation liability would undermine rule prohibiting double recovery).

6. Because Foods is self-insured up to \$500,000.00, stay relief would result in a direct claim upon Foods' assets requiring the retention and expense of counsel to defend this meritless state court action. Anderson's claim, if any, is already protected by the claim process of the bankruptcy proceeding; accordingly, stay relief should be denied.

WHEREFORE, for the reasons stated herein, Debtors Farmland Foods, Inc., et al. respectfully request that the Court deny the Motion to Lift Stay.

DATED: October 17, 2002

Respectfully submitted,

FARMLAND INDUSTRIES, INC., ET AL.

By: /s/ Laurence M. Frazen

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Possession

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the above referenced Debtors' Objection to Motion to Lift Stay filed by Stacy Anderson was served on those parties listed below and those parties which do not receive electronic notice in these proceedings, via U.S. Mail, postage prepaid, on October 17, 2002.

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/s/ Michelle M. Masoner