

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

In Re:)	In Proceedings Under Chapter 11
)	
FARMLAND INDUSTRIES, INC., et al.,)	Case No. 02-50557
)	Joint Administration
Debtors.)	

**MOTION FOR ORDER APPROVING REJECTION OF THAT CERTAIN
EXECUTORY CONTRACT WITH SOUND PRODUCTS, INC.,
PURSUANT TO 11 U.S.C. § 365(a)**

COME NOW Farmland Industries, Inc. et al., Debtors and Debtors in Possession (“Debtors”), and submit their Motion For Order Approving Rejection of That Certain Executory Contract With Sound Products, Inc., Pursuant to 11 U.S.C. § 365(a) (the “Motion”). In support of this Motion, the Debtors respectfully represent as follows:

A. Background Facts

1. On May 31, 2002, the Debtors filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code. The Debtors continue in possession of their properties and are operating and managing their business as debtors in possession pursuant to 11 U.S.C. §§ 1107 and 1108.
2. No trustee or examiner has been appointed. Two committees have been appointed in these proceedings.
3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
4. Debtors have taken numerous steps to cut overhead and unnecessary expenses and streamline their business operations.

B. Relief Requested

5. Pursuant to 11 U.S.C. § 365(a), and subject to this Court's approval, the Debtors hereby reject that certain executory contract (the "Contract") identified as follows:

- (1) Service Agreement, between Farmland Industries, Inc. ("Farmland") and Sound Products, Inc., dated November 30, 2000.

6. A copy of the Contract is available upon request. The Contract provides for the use of one satellite and one satellite receiver in order to receive on hold music services that are no longer necessary to Debtors' operations. Accordingly, the Debtors no longer need, have any use for, or derive any benefit from the Contract. Consequently, rejection of the Contract is in the best interest of the estates.

7. The Contract represents absolutely no value to the estates. Nevertheless, pursuant to 11 U.S.C. §§ 365(d)(3) and 503(a) and numerous interpretive decisions, Debtors might incur administrative expense liability until this Court's Order approving the rejection of the Contract is entered. e.g., In Re Worths Stores Corp., 130 B.R. 531 (Bankr. E.D. Mo. 1991); In Re Bon Ton Restaurant and Pastry Shop, Inc., 52 B.R. 850 (Bankr. N.D. Ill. 1985).

8. The Debtors believe that the better-reasoned opinions interpreting 11 U.S.C. §§ 365 and 503 find that rejection is effective on the date the Debtors file their Motion to reject the Contract. e.g., In Re 1 Potato 2, Inc., 58 B.R. 752 (Bankr. D. Minn. 1986).

9. The Debtors believe it to be imperative and in the best interest of the estates for the order approving rejection of the Contract to be entered at this Court's earliest convenience so as to avoid unnecessary and burdensome administrative claims by the other party to the Contract being rejected.

WHEREFORE, the Debtors respectfully request that this Court enter its order approving the Debtors' rejection of the Contract, and such other and further relief as may be just and proper.

Respectfully submitted,

FARMLAND INDUSTRIES, INC. et al.

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Attorneys for Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the above-referenced Motion For Order Approving Rejection of That Certain Executory Contract with Sound Products, Inc., Pursuant to 11 U.S.C. §365(a) 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 30 2002.

Sound Products, Inc.
P.O. Box 15717
14849 W. 95th Street
Lenexa, Kansas 66215

/s/ Cynthia Dillard Parres

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SUMMARY OF EXHIBIT

The following exhibits in reference to the Motion For Order Approving Rejection of That Certain Executory Contract with Sound Products, Inc., Pursuant to 11 U.S.C. § 365(a) are available upon request:

Exhibit A: Service Agreement

Respectfully submitted,

FARMLAND INDUSTRIES, INC., ET AL.

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