

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re	:	Chapter 11
FLEMING COMPANIES, INC., <i>et al.</i> ,	:	
	:	
Debtors.	:	Case No.: 03-10945 (MFW)
	:	(Jointly Administered)
	:	
	:	

**PICTSWEET GROUP’S SUPPLEMENTAL OBJECTIONS TO DEBTORS’
FIRST SUPPLEMENTAL REPORT OF CLAIMS AND REPORT OF CLAIMS
DETAIL UNDER THE PERISHABLE AGRICULTURAL COMMODITIES ACT**

PICTSWEET FROZEN FOODS; TRINITY FRUIT SALES COMPANY; BAY AREA PRODUCE, INC.; PARAMOUNT EXPORT CO.; D’ARRIGO BROS. OF CALIFORNIA; LAWRENCE DISTRIBUTING CO., INC.; HORIZON MARKETING; GREAT EARTH PRODUCE, INC.; CORONA COLLEGE HEIGHTS ORANGE AND LEMON ASSOCIATION; BORG PRODUCE SALES, INC.; FROZSUN FOODS, INC.; RATTO BROS., INC.; CALFLO PRODUCE, INC.; M & R COMPANY; MARIO MACIAS & CO., INC.; APIO, INC.; THE HMC GROUP MARKETING, INC.; MANN PACKING COMPANY; WEST PAK AVOCADO, INC.; JACOBS MALCOLM & BURTT; SPICE WORLD, INC.; WELL-PICT, INC.; DRISCOLL STRAWBERRY ASSOCIATES, INC.; SCHOENMANN PRODUCE COMPANY; ONEONTA

TRADING CORP.; R-J DISTRIBUTING CO., INC.; STEINBECK COUNTRY PRODUCE, INC.; OCEAN MIST FARMS; NEWSTAR/CERES FRESH FOODS LLC; EVERKRISP VEGETABLES, INC.; THE NUNES COMPANY, INC.; AV THOMAS PRODUCE; WM. G. ROE & SONS, INC.; PERO PACKING AND SALES, INC.; WALDEN-SPARKMAN, INC.; NASHVILLE TOMATO LLC; WISHNATZKI FARMS; SIERRA PRODUCE; CHRISTOPHER RANCH, DIRECT ETHNIC MARKETERS; GROWERS EXPRESS, KEBER DISTRIBUTING, INC.; RIVER RANCH FRESH FOODS, LLC.; CAPURRO MARKETING; DEL REY AVOCADO CO.; ALTAR PRODUCE; PANDOL BROS, INC.; ROCK GARDEN SOUTH; TANIMURA & ANTLE, INC.; DFI GOLDRUSH; DIAZTECA CO.; CUSTOM PRODUCE SALES; and MARTORI FARMS, (collectively, “The Pictsweet Group), hereby respectfully submit the following Supplemental Objection to Debtors’ First Supplemental Report of Claims under the Perishable Agricultural Commodities Act (“PACA”) [7 U.S.C. §499e), served by Debtors on or about July 16, 2003, and the second report of claims detail (“Claims Detail”), served by Debtors on or about July 23, 2003.

I.

PRELIMINARY STATEMENT

Debtors served their First Supplemental Report of Claims (“Report”) on or about July 16, 2003. Pursuant to the terms of the Order Requiring Segregation of Funds to Cover Certain PACA Claims, etc. (“PACA Order”), Debtors’ Report was to have

included a *detailed legal and factual analysis* supporting Debtors' conclusion that any PACA claim, or any portion thereof, is disputed or invalid according to applicable law. *See*, PACA Order, paragraph 10 and subparts. According to the PACA Order, the PACA Trust Creditors had 10 days from receipt of the Report to file Objections to the Report, which was July 28, 2003.

Although the Report challenged the validity of certain PACA claims, the Report did not contain any analysis whatsoever of the legal or factual basis for those challenges. To the contrary, the Report simply referenced an attached spreadsheet identifying PACA claimants and several columns of amounts under the headings, "PACA Eligible," "PACA Ineligible," and, "Unreconciled," among other headings. With respect to the amounts included under each heading, Debtors provided no explanation of how Debtors arrived at those amounts or what those amounts represent.

In order to meet the July 28, 2003 deadline, The Pictsweet Group filed an Objection to the First Supplemental Report, notwithstanding the Report's obvious inadequacies. However, after serving the First Supplemental Report, Debtors then served a *second* report, (the Claims Detail) ostensibly detailing the line items that Debtors determined to be PACA ineligible. When Debtors served the Claims Detail, Debtors advised all PACA claimants that the deadline to object to the claims detail is August 5, 2003. Thus, this Supplemental Objection is submitted in conjunction with the Objection filed by The Pictsweet Group on or about July 28, 2003.

To aid in the analysis of the numerous claims asserted by Debtors to be PACA ineligible or unreconciled, The Pictsweet Group will utilize a numerical key to objections (“Objection Key”) by which the PACA claimant will adopt the relevant objection(s). Rather than reiterating the text of objections applicable to more than one claimant, reference will instead be made to the relevant objection number set forth in the Objection Key.

II.

OBJECTION KEY

Objection no. 1: Debtors’ First Supplemental Report *and* Debtors’ Claims Detail report lack any explanation of the nature of Debtors’ objections to PACA trust claims and fail to provide an analysis of the legal and factual basis for those objections.

Objection no. 2: Debtors’ failure to provide legal and factual grounds for ineligible determination precludes a substantive response by the PACA Claimant, and should operate as waiver precluding Debtors from continuing to assert that any portion of the challenged PACA claim is ineligible.

Objection no. 3: To the extent any amounts included within Debtors’ PACA ineligible amounts consist of attorney’s fees, interest and/or finance charges, those amounts are properly included within the PACA trust claim.

Objection no. 4: Debtors have failed to produce any documents or other evidence to support their claim that the amounts due as submitted by the Pictsweet Group

are unreconciled.

The legal basis for each objection follows immediately below.

III.

DEBTORS' FIRST SUPPLEMENTAL REPORT AND DEBTORS' SECOND CLAIMS DETAIL REPORT LACK ANY EXPLANATION OF THE NATURE OF DEBTORS' OBJECTIONS TO PACA TRUST CLAIMS AND FAIL TO PROVIDE AN ANALYSIS OF THE LEGAL AND FACTUAL BASIS FOR THOSE OBJECTIONS.

The PACA Order requires that Debtors' Report include a detailed legal and factual analysis supporting Debtors' contention that any PACA claim, or any portion thereof, is disputed or invalid according to applicable law. *See*, PACA Order, paragraph 10 and subparts, which state in relevant part:

“[D]ebtors *shall* file and serve...a report (the “PACA Report”) listing...

* * *

“(ii) PACA Claims, or any portion thereof, deemed disputed or invalid according to applicable law and *stating in detail the legal or factual basis for such listing* (a “Debtor Objection”);”

Moreover, this detailed analysis requirement is mandatory. *See*, PACA Order, paragraph 10, which clearly states:

“The Debtors *shall* employ the following procedures to determine

the validity of PACA Claims and the Claimants' right to payment of Valid PACA Claims." (Emphasis added.)

Contrary to the requirements set forth in the PACA Order, neither the First Supplemental Report nor the second claims detail report served by Debtors contain any legal or factual analysis whatsoever to support Debtors' contentions that certain claims are ineligible for PACA trust protection. Instead, both reports simply reference attached spreadsheets; however, neither spreadsheet provides any analysis supporting Debtors' alleged disputes, nor do they contain any explanatory comments. For example, although the spreadsheets list Claimants' amounts under a column titled, "PACA Ineligible," nowhere is there any explanation of what those amounts consist of or how Debtors arrived at those amounts.

Without an explanation of the amounts in dispute, and without a detailed legal and factual analysis supporting Debtors' disputes, it is virtually impossible for the PACA Trust Creditors to prepare any sort of meaningful objection to the Report.

Because Debtors have entirely failed to comply with the literal and unambiguous requirements of the PACA Order by failing to provide a detailed factual and legal analysis supporting its challenges to Intervening Plaintiffs' PACA trust claims, Debtors have unquestionably failed to meet their burden of proof to support those challenges. Accordingly, Debtors' challenges to PACA Trust Claimants' trust claims should be summarily denied and the Claims allowed in full.

IV.

DEBTOR'S FAILURE TO PROVIDE LEGAL AND FACTUAL GROUNDS FOR INELIGIBLE DETERMINATION PRECLUDES A SUBSTANTIVE RESPONSE BY THE PACA CLAIMANT, AND SHOULD OPERATE AS WAIVER PRECLUDING DEBTORS FROM CONTINUING TO ASSERT THAT ANY PORTION OF THE CHALLENGED PACA CLAIM IS INELIGIBLE.

As stated above, the requirement that Debtors provide an analysis supporting Debtors' challenges to PACA claims is mandatory. There is no question that Debtors filed their Report without any such analysis and, therefore, in violation of the PACA Order.

Curiously, Debtors appear to acknowledge that the Report is inadequate by stating at footnote 3, page 2, of the Report, that a second report "detailing the line items that the Debtors have determined to be PACA ineligible," would be provided at a later (but undisclosed) date. However, even the second Claims Detail report, received on July 24, 2003, is nothing more than another series of spreadsheets, which provide no analysis whatsoever. The Claims Detail report contains no explanation of amounts alleged to be PACA ineligible, what those amounts consist of, how Debtors arrived at those amounts, or why the challenged amounts are allegedly PACA ineligible. Simply stated, the second report is as uninformative and useless as the initial Report.

Debtors' failure to provide any sort of a factual or legal analysis supporting their challenges to the validity of certain PACA claims after two opportunities to do so, should operate as waiver precluding Debtors from continuing to assert that any portion of the

challenged PACA claim is ineligible. For these reasons, Debtors' challenges to the PACA claims should be denied and the claims allowed in full.

V.

TO THE EXTENT ANY AMOUNTS INCLUDED WITHIN DEBTORS' PACA INELIBIGLE AMOUNTS CONSIST OF ATTORNEY'S FEES AND/OR INTEREST OR FINANCE CHARGES, THOSE AMOUNTS ARE PROPERLY INCLUDED WITHIN THE PACA TRUST CLAIM.

As stated above, because Debtors have not provided the necessary analysis of those amounts deemed by Debtors to be PACA ineligible, the Pictsweet Group has no way to determine the basis for those challenges. Having said this, to the extent any portion of challenged PACA claims consist of recoverable attorney's fees and/or interest as set forth on invoices, those amounts are properly included within the PACA trust claim.

Specifically, PACA provides at 7 U.S.C. sec. 499e(c)(2):

"Perishable agricultural commodities received by a commission merchant, dealer, or broker in all transactions ... and any receivables or proceeds from the sale of such commodities or products, shall be held by such commission merchant, dealer, or broker in trust for the benefit of all unpaid suppliers or sellers of such commodities or agents involved in the transaction, until *full payment of the sums owing in connection with such transactions* has been received by such unpaid suppliers, sellers or agents" (emphasis added).

Courts routinely hold that the plain meaning of the PACA statute's words "*in connection with*" encompasses not only the price of the perishable agricultural commodities but also additional related expenses. *See, for example, Middle Mountain*

Land and Produce, Inc. v. Sound Commodities, Inc., 307 F.3d 1220 (9th Cir. 2002). As stated by the *Middle Mountain* court: “We must give the statutory language its ordinary meaning, and “[w]here Congress has, as here, intentionally and unambiguously drafted a particularly broad definition, it is not our function to undermine that effort.” *Id.*, at 1222. Thus, the Court in *Middle Mountain* held that when invoices provide for recovery of attorney’s fees and finance charges, those fees and charges are to be considered sums ‘in connection with’ the produce transactions.

In accord, *see, E. Armata Inc. v. Platinum Funding Corp.* 887 F.Supp. 590, 595 (S.D.N.Y.1995); *Morris Okun, Inc. v. Zimmerman, Inc.* 814 F.Supp. 346, 351 (S.D.N.Y.1993), both of which based decisions on plain language of “sums owing in connection with,” produce transactions. *See also, Fishgold v. Onbank & Trust Co.*, 43 F.Supp.2d 346, 350 (W.D.N.Y.1999) [PACA creditor entitled to recover check handling fee included on invoice as sum “owing in connection with” a produce sale transaction].

VI.

DEBTORS HAVE FAILED TO PRODUCE ANY DOCUMENTS OR OTHER EVIDENCE TO SUPPORT THEIR CLAIM THAT THE AMOUNTS DUE AS SUBMITTED BY THE PICTSWEET GROUP ARE UNRECONCILED.

Each claimant in the Pictsweet Group has provided Debtors with complete and accurate copies of all documents necessary to support the full amount of each claim. Accordingly, each claimant in the Pictsweet Group has met its burden of proof to establish the accurate amount of that claimant’s PACA trust claim.

To the contrary, Debtors have failed to provide any explanation or evidence to support their contention that certain amounts of the claims are “unreconciled,” and therefore incorrect. As such, Debtors have failed to carry their burden to disprove the amounts due as established by the Pictsweet Group. For this reason, Debtors’ claim that certain trust claim amounts are incorrect because they are “unreconciled” should be denied and the claim allowed in the amount originally asserted.

VII.

SPECIFIC OBJECTIONS ASSERTED BY THE PICTSWEET GROUP.

1. PICTSWEET FROZEN FOODS: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Pictsweet Frozen Foods objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
2. TRINITY FRUIT SALES COMPANY: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Trinity Fruit Sales Company objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
3. BAY AREA PRODUCE, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Bay Area Produce, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and

valid under PACA.

4. PARAMOUNT EXPORT CO.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Paramount Export Company objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
5. D'ARRIGO BROS. OF CALIFORNIA: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, D'Arrigo Bros. of California objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
6. LAWRENCE DISTRIBUTING CO. INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Lawrence Distributing Co., Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
7. HORIZON MARKETING: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Horizon Marketing objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
8. GREAT EARTH PRODUCE, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Great Earth Produce, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is

- eligible and valid under PACA.
9. CORONA COLLEGE HEIGHTS ORANGE AND LEMON ASSOCIATION:
Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Corona College Heights Orange and Lemon Association objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
 10. BORG PRODUCE SALES, INC.: Incorporates Objection nos. 1, 2, 3 and 4.
Based on said Objections, Borg Produce Sales, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
 11. FROZSUN FOODS, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Frozsun Foods, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
 12. RATTO BROS., INC.: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, Ratto Bros., Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
 13. CALFLO PRODUCE, INC.: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, Calflo Produce, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid

under PACA.

14. M & R COMPANY: Incorporates Objection nos. 1, 2 and 4. Based on said Objections, M & R Company objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
15. MARIO MACIAS & CO., INC.: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, Mario Macias & Co., Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
16. APIO, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Apio, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
17. THE HMC GROUP MARKETING, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, The HMC Group Marketing, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
18. MANN PACKING COMPANY: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Mann Packing Company objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
19. WEST PAK AVOCADO, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based

on said Objections, West Pak Avocado, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.

20. JACOBS MALCOLM & BURTT: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Jacobs Malcolm & Burtt objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
21. SPICE WORLD, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Spice World, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
22. WELL-PICT, INC.: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, Well-Pict, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
23. DRISCOLL STRAWBERRY ASSOCIATES, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Driscoll Strawberry Associates, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
24. SCHOENMANN PRODUCE COMPANY: Incorporates Objection nos1, 2, 3 and 4. Based on said Objections, Schoenmann Produce Company objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire

- claim is eligible and valid under PACA.
25. ONEONTA TRADING CORP.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Oneonta Trading Corp. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
 26. R-J DISTRIBUTING CO. INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, R-J Distributing Co., Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
 27. STEINBECK COUNTRY PRODUCE, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Steinbeck Country Produce, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
 28. OCEAN MIST FARMS: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, Ocean Mist Farms objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
 29. NEWSTAR/CERES FRESH FOODS LLC: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Newstar/Ceres Fresh Foods LLC objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire

claim is eligible and valid under PACA.

30. EVERKRISP VEGETABLES, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Everkrisp Vegetables, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
31. THE NUNES COMPANY, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, The Nunes Company, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
32. AV THOMAS PRODUCE: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, AV Thomas Produce objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
33. WM. G. ROE & SONS, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Wm. G. Roe & Sons, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claims eligible and valid under PACA.
34. PERO PACKING AND SALES, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Pero Packing and Sales, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is

eligible and valid under PACA.

35. WALDEN-SPARKMAN, INC.: Incorporates Objection nos. 1, 2, and 3. Based on said Objections, Walden-Sparkman, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
36. NASHVILLE TOMATO LLC: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Nashville Tomato LLC objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
37. WISHNATZKI FARMS: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Wishnatzki Farms objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
38. SIERRA PRODUCE: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Sierra Produce objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
39. CHRISTOPHER RANCH: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Christopher Ranch objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.

40. DIRECT ETHNIC MARKETERS: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Direct Ethnic Marketers objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
41. GROWERS EXPRESS: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Growers Express objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
42. KEBER DISTRIBUTING, INC.: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, Keber Distributing, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
43. RIVER RANCH FRESH FOODS, LLC.: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, River Ranch Fresh Foods, LLC objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
44. CAPURRO MARKETING: Incorporates Objections nos. 1, 2, 3 and 4. Based on said Objection, Capurro Marketing objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
45. DEL REY AVOCADO CO.: Incorporates Objection nos. 1, 2, and 3. Based on

said Objections, Del Rey Avocado Co. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.

46. ALTAR PRODUCE: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Altar Produce objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
47. PANDOL BROS, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Pandol Bros, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
48. ROCK GARDEN SOUTH: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, Rock Garden South objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
49. TANIMURA & ANTLE, INC.: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Tanimura & Antle, Inc. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
50. DFI GOLDRUSH: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, DFI Goldrush objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.

51. DIAZTECA CO.: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, Diazteca Co. objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
52. CUSTOM PRODUCE SALES: Incorporates Objection nos. 1, 2 and 3. Based on said Objections, Custom Produce Sales objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.
53. MARTORI FARMS: Incorporates Objection nos. 1, 2, 3 and 4. Based on said Objections, Martori Farms objects to any portion of its claim being classified as PACA-ineligible and asserts that its entire claim is eligible and valid under PACA.

CONCLUSION

For each of the above reasons, the Pictsweet Group respectfully submits that Debtors have entirely failed to comply with the literal and unambiguous requirements of the PACA Order by serving a Report without a detailed factual and legal analysis supporting its challenges to the PACA trust claims. For these reasons, Debtors have failed to meet their burden of proof with respect to those challenges, and therefore, Debtors' challenges to the Pictsweet Group's PACA claims should be denied and the Claims allowed in full.

DATED: August 4, 2003

Respectfully submitted,

OF COUNSEL:
RYNN & JANOWSKY
Patricia J. Rynn, Esq.
Ca. Bar No. 092048
4100 Newport Place Drive, Suite 700
Newport Beach, California 92660
Telephone: (949) 752-2911
Facsimile: (949) 752-0953

WERB & SULLIVAN

By: 

Duane D. Werb (I.D. No. 1042)
300 Delaware Avenue, 10th Floor
P.O. Box 25046
Wilmington, DE 19801
Telephone: (302) 652-1100
Facsimile: (302) 652-1111

Attorneys for PACA Trust Claimants
Pictsweet Frozen Foods, *et al.*

CERTIFICATE OF SERVICE

I, Duane D. Werb, hereby certify that on this 5th day of August, 2003, a copy of the foregoing *Pictsweet Group's Supplemental Objections to Debtors' First Supplemental Report of Claims and Report of Claims Detail Under the Perishable Agricultural Commodities Act* was sent to the following individuals via facsimile at the numbers listed below:

Laura Davis Jones, Esq.
Christopher J. Lhulier, Esq.
Pachulski, Stang, Ziehl, Young,
Jones & Weintraub P.C.
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, DE 19899
Facsimile: (302)652-4400

James H. M. Sprayregen, P.C.
Richard L. Wynne, Esq.
Shirley Cho, Esq.
Kirkland & Ellis
777 South Figueroa Street
Los Angeles, CA
Facsimile: (213)680-8500

Charles A. Cipione
Alix Partners, LLC
2100 McKinney Ave., Suite 800
Dallas, TX 75201
Facsimile: (214)647-7501

Paul S. Aronzon, Esq.
Milbank, Tweed, Hadley & McCloy LLP
601 South Figueroa Street
Los Angeles, CA 90017
Facsimile: (213)629-5063

I. William Cohen, Esq.
Pepper Hamilton LLP
100 Renaissance Center, Suite 3600
Detroit, MI 48243
Facsimile: (313)259-7926

Andrew P. DeNatale, Esq.
Daniel Ginsberg, Esq.
White & Case
1155 Avenue of the Americas
New York, NY 10036
Facsimile: (212)354-8113

Scott D. Cousins, Esq.
William E. Chipman, Jr., Esq.
Greenburg Traurig L.P.
The Brandywine Building
1000 West Street, Suite 1540
Wilmington, DE 19801
Facsimile: (302)661-7360

William W. Erhart, Esq.
William W. Erhart, P.A.
800 King Street, Suite 302
Wilmington, DE 19899
Facsimile: (302)651-0331

Richard H. Cross, Jr., Esq.
Amy Evans, Esq.
Law Office of Richard H. Cross, Jr., LLC
913 North Market Street
Wilmington, DE 19899
Facsimile: (302)777-4224

Lawrence H. Meuers, Esq.
Meuers Law Firm, P.L.
5395 Park Central Court
Naples, FL 34109
Facsimile: (914)513-9677

Hartley B. Martyn, Esq.
Mark A. Amendola, Esq.
Martyn and Associates
820 Superior Avenue NW, 10th Floor
Cleveland, OH 44113
Facsimile: (216)861-4703

Jeffrey M. Chebot, Esq.
Whiteman, Bankes & Chebot, LLC
Suite 1300, Constitution Place
325 Chestnut Street
Philadelphia, PA 19106
Facsimile: (215)829-0059

Daniel A. McDaniel, Esq.
Nomellini, Grili & McDaniel
Professional Law Corporations
235 East Weber Avenue
Stockton, CA 95201
Facsimile: (209)465-3956

John C. Phillips, Jr., Esq.
Phillips, Goldman & Spence, P.A.
1200 North Broom Street
Wilmington, DE 19806
Facsimile: (302)655-4210

Patricia J. Rynn, Esq.
Rynn & Janowsky, LLP
4100 Newport Place Drive, Suite 700
Newport Beach, CA 92600
Facsimile: (949)752-0953

Craig A. Stokes, Esq.
Concepcion, Rojas & Santos, LLP
3 Bowood Ct.
San Antonio, TX 78218
Facsimile: (210)822-2595

Gretchen McCord, Esq.
Nathan Sommers Jacobs and Gorman, PC
2800 Post Oak Boulevard, 61st
Houston, TX 70056
Facsimile: (713)892-4800

Bruce W. Akerly, Esq.
Bell Nunnally & Martin, LLP
1400 One McKinney Plaza
3232 McKinney Avenue
Dallas, TX 75204-2429
Facsimile: (214)740-1499

Grant E. Courtney, Esq.
Lane Powell Spears Lubersky, LLP
1420 Fifth Avenue, Suite 4100
Seattle, WA 98101-2338
Facsimile: (206)223-7107

Terry Hall, Esq.
Baker & Daniels
300 North Meridian St., Suite 2700
Indianapolis, IN 46204
Facsimile: (317)237-1000

Stephen P. McCarron, Esq.
McCarron & Diess
4910 Massachusetts Avenue NW, Suite 18
Washington, DC 20016
Facsimile: (202)364-2731

Michael J. Keaton
Keaton & Associates
1278 West Northwest Highway
Suite 903
Palatine, Illinois 60067
Facsimile: (202)364-2731

VIA HAND DELIVERY

Joseph McMahan, Jr., Esq.
J. Caleb Boggs Federal Building
844 N. King Street, Suite 2313
Lockbox 35
Wilmington, DE 19801

Dated: August 5, 2003
Wilmington, Delaware

WERB & SULLIVAN

/s/ Duane D. Werb

Duane D. Werb (No. 1042)
300 Delaware Avenue, 10th Floor
P.O. Box 25046
Wilmington, Delaware 19899
Telephone: (302) 652-1100
Facsimile: (302) 652-1111
Email: ddwlaw@dca.net