MICHAEL WILLINGHAM

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

IN RE:

PILGRIM'S PRIDE CORPORATION, et al,

Debtors.

Chapter 11

Case No. 08-45664-11

Jointly Administered

****

ORAL DEPOSITION OF

MICHAEL WILLINGHAM

APRIL 23, 2009

****

ORAL DEPOSITION OF MICHAEL WILLINGHAM, produced as a witness at the instance of the OFFICIAL COMMITTEE OF UNSECURED CREDITORS, and duly sworn, was taken in the above-styled and numbered cause on APRIL 23, 2009, from 10:29 a.m. to 2:09 p.m., before Aubrea Hendricks, CSR, RPR, CLR, in and for the State of Texas, reported by machine shorthand, at the Comfort Suites Longview, 711 N. Access Road, Longview, Texas, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

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MICHAEL WILLINGHAM

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MICHAEL WILLINGHAM

P R O C E E D I N G S

MICHAEL WILLINGHAM,

Having been first duly sworn, testifies as follows:

DIRECT EXAMINATION

BY MS. RUSSELL:

Q. Good morning, Mr. Willingham.

A. Good morning.

Q. My name is Robin Russell. I'm with the law firm of Andrews Kurth. I think you know that. And I'm here today representing the Unsecured Creditors' Committee for Pilgrim's Pride Corporation.

Could you please state your full name for the record?

A. Michael Lance Willingham.

Q. And what is your date of birth?

A. January 19th, 1971.

Q. And are you appearing here today pursuant to a subpoena?

A. I am.

Q. I'm going to hand you what I have marked as Willingham Exhibit No. 1.

(Exhibit No. 1 marked.)

Q. (BY MS. RUSSELL) Does that appear to be the subpoena that was served upon you in this case?

Q. What is your current occupation?

A. Other than working on my farm, I do litigation work, consulting and litigation in various places across the country.

Q. How long have you been a farmer?

A. About six months.

Q. Okay. I am going to hand you what I have marked as Willingham Exhibit No. 2.

(Exhibit No. 2 marked.)

Q. (BY MS. RUSSELL) Have you seen that document before?

A. I have.

Q. And is that a current copy of your résumé?

A. It is. It is.

Q. Is there anything you feel you need to add to this résumé as you sit here today?

A. There are a couple of cases that I'm working on that I don't think I'm able to disclose the information on that yet because I work in kind of a consulting capacity, so I have -- I think this is about as current as it gets, except some of the -- some of the things might drop off because working for Mirant Corporation Asset Recovery, the amount of claims that we are working on now have diminished substantially because

of the -- because of circumstances in the case.

Q. All right. Are you still a member of the Calpine Corporation Official Committee of Equity Security Holders?

A. No.

Q. No. What were the circumstances leading to the conclusion of your representation on that committee?

MR. BEAGLES: Robin, can you speak up, please.

MS. RUSSELL: Yes.

Q. (BY MS. RUSSELL) Can you describe --

MS. RUSSELL: Why don't you read back the question.

(Requested material read.)

A. The -- a plan of reorganization was approved and confirmed, and that ended my representation on the committee.

Q. (BY MS. RUSSELL) And was there a recovery for shareholders in that case?

A. There was.

Q. Who represented the committee as legal counsel?

A. Brad Scheller. The name of the law firm escapes me right at the moment.

MR. SGRO: I think it's vague and it's speculative and it may get into attorney/client privilege.

Q. (BY MS. RUSSELL) Do you know if Brown Rudnick had any role in your being selected to serve on the MCAR board?

A. I don't know if they had a role. I know they recommended a couple of people to work as a board member that they brought to me to -- to interview and to talk to about it. So I don't know if they had a role in me being selected, but they had a role in bringing people to be selected.

Q. And what was your role in the Mirant bankruptcy as a member of the committee?

A. My role as a committee member in the bankruptcy, is that what you're asking me?

Q. Yes.

A. Well, to represent Equity on the committee and to do the best I can to maximize value for the equity holders.

Q. And did you own stock in Mirant Corporation prior to the time it filed bankruptcy?

A. I did.

Q. In the Mirant case, were the creditors of

Mirant paid in full in cash?

A. Were the creditors paid in full in cash? I'm sorry, is that your question?

Q. Yes.

A. No.

Q. Okay. Did Equity still receive a recovery in that case even though the creditors were not paid in full in cash?

A. Yes.

Q. Are you compensated for serving as a member of the MCAR board?

A. Yes, I am.

Q. Okay. Could you explain that compensation arrangement to me?

A. We are -- as members of the board of MCAR, we are compensated annually with $25,000, and then each board meeting that we have, we are compensated for that as well, 1,500 a board meeting. And then we are compensated by order of the judge 20,000 a month, and then up to 1 percent of the proceeds from litigation.

Q. In 2008, what percentage of your income came from MCAR?

A. In 2008?

MR. SGRO: I'll object.

MICHAEL WILLINGHAM

Q. You're a CPA, aren't you, Mr. Willingham?

A. I am.

Q. Okay. Can you estimate for me what your total income was in 2008?

MR. SGRO: Same objection.

Go ahead.

A. It was -- it was close to 300,000.

Q. (BY MS. RUSSELL) Okay. Do you have any estimate as you sit here today of what percentage of that $300,000 came from MCAR board service?

MR. SGRO: Objection.

Go ahead.

A. Probably given what I think I collected, maybe 25 percent, 30 percent, something like that.

Q. (BY MS. RUSSELL) And in 2007, can you estimate what portion of your income came from service on the MCAR board?

MR. SGRO: Objection.

A. It was probably less than that, substantially less.

Q. (BY MS. RUSSELL) Would "substantially less" be 20 percent?

A. Yeah, something like that, maybe -- maybe less than that. I worked a lot in 2007.

Q. Does your wife work outside the home?

A. She does not.

Q. Okay. You mentioned that the amount under your supervision in the MCAR litigation had decreased, correct?

A. Could you repeat the question? I'm sorry.

Q. I think you previously testified that -- in connection with reviewing your résumé, that the claims in MCAR were no longer at the $4 billion level; is that correct?

A. That's correct.

Q. Okay. And is that because some of those claims have been settled?

A. Yes, I believe that's correct --

Q. All right. And --

A. -- although I'm still waiting on final documentation.

Q. Okay. And do you have any expectations of income in 2009 from your service on the MCAR board?

MR. SGRO: Objection.

Go ahead.

A. I do have expectations.

Q. (BY MS. RUSSELL) Okay. And is there potentially a large amount that you would recover?

Pilgrim's Pride?

A. I believe so.

Q. Do you know if the Mitchums own stock in Pilgrim's Pride?

A. I believe so.

Q. Okay. Did there come a point when you concluded there might be a role for you in the Pilgrim's Pride financial situation?

A. There was a point in time where I thought that might be the case.

Q. And do you recall when that was?

A. Not specifically, no.

Q. Okay. I'm going to hand you what I have marked as Willingham Exhibit No. 3, which is PPC Equity 00513 and 514.

(Exhibit No. 3 marked.)

Q. (BY MS. RUSSELL) If I could draw your attention to the bottom of the page, does that appear to be an e-mail that you sent to a Mr. Snyder on November 11th, 2008?

A. Yes.

Q. Okay. And who is Mr. Snyder?

A. Mr. Snyder is currently the chief restructuring officer of Pilgrim's Pride.

Q. Okay. And in this e-mail, are you congratulating him and telling him that you have a forensic investigations practice surrounding bankruptcy and he should let you know if there's anything you could do to help?

A. That's right.

Q. Okay. And did he respond to this e-mail?

A. I'm not sure if he did or not.

Q. Okay. Did --

A. I think -- I think he may have.

Q. Did you subsequently have conversations with Mr. Snyder about a role for you in this bankruptcy?

A. I don't know if I'd use the term "role," but yes, I did speak with him.

Q. Okay. Could you summarize for me the discussions that you had with William Snyder about Pilgrim's Pride Corporation?

MR. BEAGLES: Could you repeat the question, please?

THE REPORTER: Who was that that spoke?

MR. BEAGLES: Vance.

THE WITNESS: We can switch microphones. This one seems to be working better.

MS. RUSSELL: All right. Can you read

back the question, ma'am.

THE REPORTER: Yes.

MR. BROOKNER: Vance, can you hear Robin now?

MS. RUSSELL: Can you hear me?

MR. BEAGLES: I can hear you.

MS. RUSSELL: Okay.

MR. BEAGLES: I've been able to hear the witness and I've been able to hear Robin since I last spoke pretty well until -- but that last question, she faded out.

MS. RUSSELL: All right. We'll work on it. Okay.

Can you read the witness the question?

(Requested material read.)

A. We had conversations about, in general, forming an equity committee.

Q. (BY MS. RUSSELL) All right. How many discussions have you had with Mr. Snyder do you think by telephone?

A. Maybe two.

Q. How many conversations have you had with Mr. Snyder in person?

A. Including at the courthouse?

Q. Any conversation that you have had with him regarding the formation of an equity committee?

A. I had -- I believe I had maybe two discussions.

Q. And have you ever -- in addition to e-mail, have you ever had e-mail correspondence with Mr. Snyder?

A. Yes.

Q. Have you ever text messaged with Mr. Snyder?

A. I'm not -- I'm not sure. I don't think so.

Q. Okay. Do you use text messaging?

A. Very rarely and only because somebody sends me something. I don't think I really know how to work it very well.

Q. Do you have a BlackBerry?

A. I do.

Q. And do you consider the messages that you send back and forth on your BlackBerry to be e-mail?

A. Yes.

Q. Okay. Did you ever contact anyone else affiliated with the debtor, Pilgrim's Pride Corporation, about work in connection with this case?

A. No. They contacted me.

Q. Right. And who contacted you?

A. Mr. Pilgrim.

Q. Is that Bo Pilgrim?

A. That's correct.

Q. And did he explain to you how he got your name?

A. Yes, I think he did.

Q. Okay. Could you please tell me your understanding of how -- of what led to Mr. Pilgrim contacting you?

A. My understanding is that Mr. Pilgrim received my name from someone else in the company and they had in turn received it from someone in Pittsburg who I had spoken with at some point.

Q. Okay. Do you have any information as to who Mr. Pilgrim received your name from?

A. I'm not sure who he received my name from.

Q. Did you ever contact anyone --

A. I'm sorry, let -- can I clarify that?

Q. Yes.

A. One of the conversations I had with William Snyder was he told me that -- I believe it was William Snyder that told me this -- that someone in the company had received my name from someone in the community at Pittsburg and they had asked Snyder if this guy's for real or not and that Snyder had confirmed that he knew

me and that it might be someone -- he might be someone that you'd want to talk to. So then Mr. Pilgrim called me.

Q. Okay. And what did -- what do you recall Mr. Pilgrim saying to you during that first conversation?

A. He said that he had received my name and that he was interested in talking to me about a committee.

Q. Can you give me a time frame for when this call took place?

A. Seems like it was sometime in December, but I'm not sure. It was after the company had already filed for bankruptcy.

Q. Did you ever contact anyone sitting on the Creditors' Committee about providing services to them in connection with your forensic investigations business?

A. No.

Q. Did you ever contact any professional working for the Creditors' Committee about your forensic investigations process?

A. Yes.

Q. Okay. Can you tell me what that was?

A. I'm not sure if I spoke to -- I think I spoke to Paul Silverstein at Andrews Kurth and possibly Robin

contact Brown Rudnick because I didn't know anything -- I didn't know they were on the case or involved in it.

But at the same time, I was talking to the shareholders and they were asking me what to do and I told them they needed to find an attorney. And so I -- the first thought in my mind was Andrews Kurth, but they were already working for the creditors, so I don't know. Then I went to -- then I told them you're going to have to find an attorney.

Q. To date, have you been retained by anyone in connection with this case?

A. Yes.

Q. And who is that?

A. That would be the pension plan for Pilgrim's Pride.

Q. And could you describe for me how you came to be retained by the pension plan of Pilgrim's Pride?

A. After Mr. Pilgrim called me, then he invited me up to the offices of Pilgrim's Pride to discuss what -- what I talked about with the shareholders in the community about an entity committee. And so I went up there and spoke to him and spoke to people in the office and I told them, you know, this is really how I think an entity committee gets formed. You hire an attorney, get

Q. And have you been compensated in any way to date by the pension plan?

A. No.

Q. How will you be compensated?

MR. SGRO: Objection.

Go ahead.

A. By the pension plan?

Q. (BY MS. RUSSELL) Yes.

A. Well, assuming there is a committee that's -- that gets approved by the court, then I will be paid basically my hourly rate that I charge for litigation.

Q. Other than compensation that you may receive from the pension plan, have you received any other compensation to date from Pilgrim's Pride Corporation?

A. No.

Q. I'm going to hand you what I have marked as Willingham Exhibit No. 4.

(Exhibit No. 4 marked.)

MS. RUSSELL: This is what you gave to us.

MR. SGRO: Uh-huh (Affirmative.)

MS. RUSSELL: Do you have your own copy?

MR. SGRO: I do.

Q. (BY MS. RUSSELL) Okay. Is this your --

A. Yes, I will.

Q. Okay. And that you will then be the designee of the committees that sits on the Equity Committee, correct?

A. That's correct.

Q. Okay. And that you will use your best efforts to serve as the chairperson of the Equity Committee; is that correct?

A. That's what the contract says, yes.

Q. Okay. Why did they want you to use your best efforts to serve as chairperson of the Equity Committee?

MR. SGRO: Objection.

You can answer if you know.

Q. (BY MS. RUSSELL) Let me start over. Do you have an understanding of why they included a contractual provision that requires you to use your best efforts to serve as the chairperson of the Equity Committee?

A. I'm not sure why they wanted me to do that. I'd like to believe that they have confidence in me as a leader to be able to lead it, but I'm not particularly -- it doesn't really matter to me either way if I'm the chair or not. I will endeavor to be the chair, but I'll do whatever is necessary.

Q. Who drafted this contract?

A. It was drafted between myself and Rick Cogdill with input from a lady by the name of Renee Debar who is -- who works for the pension plan.

Q. Is Mr. Cogdill a lawyer?

A. I'm not sure.

Q. Is Ms. Debar a lawyer?

A. I'm not sure.

Q. Was this agreement negotiated in any way?

A. Yes.

Q. Were there drafts that went back and forth?

A. I'm not sure. I think so. Possibly.

Q. Okay. Who did the first draft of this document?

A. I believe it was the pension plan.

Q. Okay. Who put in the provision about serving as chairperson of the committee?

A. I believe it was the pension plan.

Q. Okay. Did any lawyers review this agreement on your behalf?

A. On my behalf, no.

Q. Do you -- did you negotiate with any lawyers representing the pension plan?

MR. SGRO: Objection.

Go ahead.

A. I don't know what they believe or don't believe.

Q. Do you have an understanding as to why they were instructing their lawyer, Buzz Rochelle, to assist you in forming an equity committee in this case?

A. I'm not sure. I don't know why. I mean, I like Buzz and he seems to like me. He was willing to help me.

Q. Okay.

A. And I didn't have a lawyer at that point.

Q. Do you have any understanding -- you didn't have a lawyer -- when did you first have a lawyer in this case?

A. It was sometime late January probably, early February.

Q. And who -- who is the lawyer that you have now?

A. Brown Rudnick.

Q. And what were the circumstances that -- that caused them to now be your lawyer as of late January or early February?

A. Well --

MR. SGRO: I'll just -- you know, just be careful not to divulge anything privileged. I know you

weren't asking for privileged information, but just as a reminder.

A. I wanted -- I knew if you were going to have a committee, ad hoc or otherwise, if you're going to get involved in a case, you're going to need some attorneys to represent you somehow some way. If you wind up getting a committee or not, you're going to have to have some representation in court so who is that going to be?

Well, Brown Rudnick -- I'm familiar with their firm. I'm familiar with their capabilities, so they've always been on the list of potential attorneys, but I hadn't gotten that far yet. I had only been involved a very short time and Buzz was willing to help me.

Q. (BY MS. RUSSELL) So did Brown Rudnick become your attorney after you entered into the January 23rd, 2009 engagement letter with the Pension Committee?

A. Somewhere around that time.

Q. Can you pinpoint it for me any more specifically?

A. I'm not sure. Probably before, slightly before.

Q. "Slightly" meaning a couple of days?

A. Week maybe, couple of days.

Q. Was there a particular conversation or

communication with them that creates that point in your mind when you decided now they're representing me since you don't have any type of formal letter with them?

MR. SGRO: I'll just -- that's a "yes" or "no" question so we don't get into any other territory.

A. I don't -- it doesn't ring a bell, a specific date, a specific conversation. I'm sure I had one, I just don't remember when it was.

Q. (BY MS. RUSSELL) And up until that time, you considered Buzz Rochelle to be your attorney?

A. No.

Q. No?

A. He was just helping me.

Q. Okay. So up until the point in time when Brown Rudnick became your attorney, you had no attorney representing you in connection with the Pilgrim's Pride Corporation case; is that correct?

A. That's correct.

Q. Okay.

A. No agreement with Pilgrim's, no attorneys, just kind of doing my thing.

Q. Okay. Do you have an understanding of why Bo Pilgrim would like an equity committee in this case?

A. I can't speak for Bo. I don't know what

A. In terms of speaking with them directly, I spoke with -- I did not speak with any attorneys directly.

Q. (BY MS. RUSSELL) Okay. Do you have any information as to what lawyer or law firm may have drafted this agreement?

A. I do not.

Q. To your knowledge, does Pilgrim's Pride Corporation have in-house counsel?

A. I don't know.

Q. Does the -- to your knowledge, does the Pilgrim's Pride Pension Committee have counsel?

A. I know that this was reviewed by attorneys. I don't know what counsel it was or who did it.

Q. Do you know if the Pension Committee of Pilgrim's Pride Corporation has a law firm that they regularly employ to advise them on matters?

A. I don't know.

Q. Now, is it correct that you will only be compensated if a committee is appointed?

A. That's correct.

Q. And if a committee is appointed, you will be paid $250 an hour to serve on that committee; is that correct?

A. To represent the pension plan, that's correct.

Q. Other than your efforts in connection with the appointment of an equity committee, is there anything else that you do for the Pension Committee of Pilgrim's Pride Corporation?

A. No.

Q. Do you have an understanding as to who will pay your fee if a committee is appointed?

A. It's my understanding that the pension plan will pay my fees.

Q. Do you --

A. My understanding that that is not a guarantee as well.

Q. Could you please explain that?

A. It has something to do with the way the pension plan receives funds to be able to pay expenses, that it is a variable and that it's not firm that they will receive any funds to pay expenses, and therefore my expenses may not be paid -- or my fee may not be paid if they don't receive the necessary funds to pay it.

Q. And would the funds that they would receive come from Pilgrim's Pride Corporation?

A. No.

MR. SGRO: Objection.

Go ahead.

THE WITNESS: I'm sorry.

A. No.

Q. (BY MS. RUSSELL) Do you know who they would come from?

A. No, I don't. It was explained to me, but I'm not -- I really don't understand it very clearly. Something called forfeitures.

Q. Okay. Do you know if the two -- excuse me.

Do you know if the Pilgrim's Pride Corporation retirement savings plan is a defined contribution plan or a defined benefit plan?

A. I have no understanding either way.

Q. Do you know with respect to the To-Ricos employee retirement and savings plan, whether it is a defined benefit plan or a defined contribution plan?

A. I do not know.

Q. Do you know if either of these plans are underfunded?

A. Don't know.

Q. Do you own stock in Pilgrim's Pride Corporation?

A. I do.

Q. How much?

A. 2,500 shares.

Q. And when did you purchase it?

A. Sometime in January.

Q. In January?

A. Yes.

Q. Was it before or after you entered into this consulting agreement with the pension plan?

A. I'm not sure. I think it was before.

Q. So this is January 2009 you're referring to?

A. That's correct.

Q. Okay. What was the price per share when you purchased it?

A. Probably around 60 cents.

Q. Do you know how much -- strike that.

Do you know if any members of the Pilgrim family participate in the Pilgrim's Pride Corporation retirement and savings plan?

A. I don't think they do, but I'm not certain.

Q. Okay. Have you ever seen a list of the individuals who participate in the plan?

A. I think I have seen a list.

Q. And you don't recall seeing any members of the Pilgrim family on that list?

A. I do not. There are 14,000 employees on the

the bankruptcy? Is Don Jackson going to do that? I don't think so.

MR. BEAGLES: I'm sorry, can you speak up, please?

THE REPORTER: Who was that speaking?

MR. BEAGLES: Vance.

Q. (BY MS. RUSSELL) Do you believe that Bo Pilgrim has breached any duties that he owes to the Pilgrim's Pride Corporation shareholders?

MR. SGRO: Objection.

MR. BEAGLES: Objection, calls for a legal conclusion. This is Vance.

MR. SGRO: Same basis for my objection.

Vance, I don't know if you can hear me when I'm objecting. Can you? This is Matt.

MR. BEAGLES: No, I can't. And I'm having -- everybody's kind of fading out again.

MR. SGRO: Okay.

MS. RUSSELL: Okay.

Q. (BY MS. RUSSELL) The -- you can answer the question.

A. I have no reason to believe Mr. Pilgrim has breached any duty he has.

Q. Okay. Do you have a layman's understanding of

what duties are owed by a board of directors to their shareholders?

A. I have a layman's view, I guess.

Q. In fact, you sit on a board, don't you?

A. I do.

Q. All right. Based upon your layman's understanding of the duties that are owed to shareholders, do you have any basis for believing that any member of the Pilgrim's Pride Corporation board of directors have breached any duties that they owe to their shareholders?

MR. SGRO: Objection.

You can answer.

MR. BEAGLES: I object also.

A. I have no reason to believe that any board member has breached any duty to the shareholders.

Q. (BY MS. RUSSELL) Do you have any reason to believe that they will, in the future, fail to carry out their duties to the Pilgrim's Pride Corporation shareholders?

MR. SGRO: Objection.

A. As we sit here today, I have no reason to believe they would not do what they're supposed to do.

MS. RUSSELL: All right. It is a few

A. No.

Q. Okay. You think that they will not seek to preserve the value of that equity in Pilgrim's Pride Corporation?

A. Yes, I think they will seek to preserve the value.

Q. And why do people who have that kind of personal wealth at stake not have the motivation to adequately represent equity, but these people that you know who own much smaller stakes do?

MR. SGRO: Objection.

A. It's -- I don't think it's -- I don't believe that Bo Pilgrim or Don Jackson wouldn't want anything other than to retain as much value as they can. I don't think the board of directors on these other companies who own less shares would not want to retain as much value as they could.

But I don't think in the bankruptcy context that these people are the ones to adequately represent equity in a -- in a courtroom setting.

Q. (BY MS. RUSSELL) What kind of lawyer do you think Buzz Rochelle is?

MR. SGRO: Objection.

Q. (BY MS. RUSSELL) Strike that.

Q. (BY MS. RUSSELL) P.m.

A. Okay.

Q. It says 12:01 p.m. That's right after lunch, right?

A. Yes.

Q. Okay. It reads: What would help is shareholders like you and others to show your support by writing a letter to the U.S. trustee and asking him to appoint a committee. Hell, my lawyer would even write the letter for you for free.

Do you see that?

A. Yes.

Q. Okay. Now, I think you've testified earlier that you didn't have an attorney yet, but who were you referring to in this letter?

A. I assumed that if someone did contact me, that I would put them in contact with a lawyer to write the letter.

Q. Okay. So when you referred to "my lawyer" in this e-mail, who were you referring to?

A. Nobody in particular.

Q. Okay. So how did you know that your lawyer would write it for them for free?

A. Because they've done it before. David

Chaumette wrote these letters for these people for free.

Q. Okay. So let's go to the next page, the posting on 12:39 p.m. on December 21st.

A. Okay.

Q. I'm going to read an excerpt from this.

The best way to get as many shareholders on the same page as possible is to have one focal point. That focal point should be Brown, Rudnick, Berlack, Israel (BRBI) and the person to contact is Howard Siegel. His link is below.

Do you see that?

A. Yes.

Q. Okay. Now, this is a couple of days later, so has something happened in the interim that has caused you to now be posting Mr. Siegel's information on the board?

A. No.

Q. No?

This was a pretty good advertisement for Howard, wasn't it?

A. You bet.

MR. SGRO: Objection.

Q. (BY MS. RUSSELL) Now, why -- what caused you to put it on there?

MICHAEL WILLINGHAM

Q. (BY MS. RUSSELL) Okay. You think it's a fair statement that you didn't do enough due diligence before you wrote this?

MR. SGRO: Objection.

A. I'm not sure that the full details of what you're describing in his pay package were public at that point.

Q. (BY MS. RUSSELL) All right. If they had been and you had understood it correctly, would you perhaps not have written this?

MR. SGRO: Objection.

A. I don't know what I would have done. Would I have changed something? I'm not sure.

Q. (BY MS. RUSSELL) Okay. Now, let's look at the blog on January 5th of '09.

MR. SGRO: What time are you looking at?

MS. RUSSELL: 9:51 a.m.

A. Yes, okay.

Q. (BY MS. RUSSELL) Did you write the following: I have not seen a Chapter 11 yet where the company didn't report more assets than liabilities?

A. Yes.

Q. Okay. Did you say -- in this e-mail, did you write: The value of the company at this point is zero

to negative?

A. I think I was responding to another e-mail here, but yes, I did say that.

MR. SGRO: Have we admitted the full documents yet?

MS. RUSSELL: Yes. This one, yes.

Q. (BY MS. RUSSELL) On January 5th at 10:58 p.m., did you write: I figured up here in the piney woods, I would get some reprieve from the bankruptcy business. Apparently not so.

A. Yes. I wrote that.

Q. Okay. And in fact, you had been actively trying to get a piece of this bankruptcy business for about six weeks at this point, hadn't you?

A. Yes.

Q. Now, did you also write an editorial for the Pittsburg paper at one point about this situation?

A. I did.

Q. And did you do that in an effort to interest people in creating an equity committee?

A. I did.

Q. Okay. Did Mr. Siegel review the article prior to it being published?

A. No.

lose their stock because the company filed for bankruptcy. Pilgrim's Pride shareholders will lose their stock if they do nothing. Pilgrim's shareholders large and small, every one of them, should write or call the U.S. trustee in charge of the case and request that he appoint an equity committee for Pilgrim's Pride shareholders.

Do you see that?

A. Yes.

Q. Okay. If shareholders do not have a committee, there will be no one to fight for them in court. Make no mistake. Vulture hedge funds and New York lawyers want to make sure Pilgrim's Pride shareholders receive nothing for their shares. I say this because I know these people.

Do you see that?

A. Yes.

Q. Okay. Would you list for me the vulture hedge funds that want to make sure Pilgrim's Pride shareholders receive nothing for their shares?

A. I don't know any off the top of my head.

Q. Okay. Did you do any due diligence to find out who they were before you wrote this?

A. No.

Q. No? Okay.

But you say: I say this because I know these people.

A. Yes.

Q. Okay. Who were the New York lawyers who want to make sure Pilgrim's Pride shareholders receive nothing for their shares?

A. That would be -- well, I don't -- I don't know if I had anybody in particular in mind, but people from New York.

Q. Okay. You end this by saying: Shareholders of Pilgrim's must stand up and be counted before in front of U.S. trustee, otherwise it's all but guaranteed New York will own their piece of East Texas. Time is short. The vultures have already made their intentions known in court.

Did you write that?

A. Yes.

Q. Okay. Would you explain to me the basis for your statement that the vultures who you can't identify have already made their intentions known in court?

A. I had actually already been to court a couple of times and had heard things in court that led me to believe that it was going to be a battle.

Q. Okay. Would you tell me specifically what you had heard?

A. I don't recall the specific statements.

Q. Okay. Do you think you were being truthful to the people in Pittsburg, Texas, who you hoped would read this article?

MR. SGRO: Objection.

A. I think -- I think what I said is -- is probably accurate in the -- in the general sense, just from my experience in bankruptcy.

Q. (BY MS. RUSSELL) But wouldn't you agree that Judge Lynn needs to look at the facts and circumstances in each case?

A. Absolutely.

Q. Okay. So you were writing this in the hopes of provoking shareholders in Pittsburg, Texas, to write to the U.S. trustee, weren't you?

MR. SGRO: Objection.

A. I was explaining to people in Pittsburg a course of action to take if they wanted to act.

Q. (BY MS. RUSSELL) But you were leading them to believe that they should do this because vulture hedge funds and New York lawyers want to make sure that they receive nothing, and you had no basis for that?

MICHAEL WILLINGHAM

MR. SGRO: Objection.

A. Well, as I explained before, my experience in bankruptcies, and specifically with -- with these types of -- these particular lawyers and these types of investors, was exactly that.

Q. (BY MS. RUSSELL) You said: Vulture hedge funds and New York lawyers want to make sure Pilgrim's Pride shareholders receive nothing for their shares.

Don't you think a reader of this article would assume that you were talking about vulture hedge funds and New York lawyers who were involved in Pilgrim's Pride case?

MR. SGRO: Objection.

A. People could read it however they want to read it.

Q. (BY MS. RUSSELL) How did you intend for them to read it?

MR. SGRO: Objection.

A. I intended to explain to people what I thought would happen in the process. This -- well, go ahead.

Q. (BY MS. RUSSELL) Do you know who sits on the Pilgrim's Pride Creditors' Committee?

A. I'm not sure of who they are. I know there's one I think called Oak Tree is the major -- the major

creditor, but I'm not sure who the others are.

(Exhibit No. 11 marked.)

Q. (BY MS. RUSSELL) I'm going to hand you what I've marked as Willingham Exhibit No. 11. It's the appointment of the Creditors' Committee. Is there anyone on this list who you think qualifies as a vulture hedge fund?

MR. SGRO: Objection.

A. I'm not sure.

Q. (BY MS. RUSSELL) Are you aware of the fact that Oak Tree purchased their Pilgrim's Pride bonds at par?

MR. SGRO: Objection.

A. No.

Q. (BY MS. RUSSELL) Do you think the PBGC qualifies as a vulture hedge fund?

MR. SGRO: Objection.

A. I'm not sure. I don't know what their invest -- investing strategy is.

Q. (BY MS. RUSSELL) The United Food and Commercial Workers International Union, does that sound like a venture -- vulture hedge fund to you?

MR. SGRO: Objection.

A. I don't know what their strategy is.

Q. (BY MS. RUSSELL) You're aware of the fact, aren't you, that the United Food and Commercial Workers International Union is a union, it's not a fund?

A. Yes. At least that's what it sounds like.

Q. And the Pension Benefit Guaranty Corporation is a governmental entity and watchdog over pension funds. It's not a hedge fund, is it?

MR. SGRO: Objection.

A. I'll take your word for it.

MS. RUSSELL: Do you want to mark all of those? I think those are --

THE REPORTER: Do you want this on the record?

MS. RUSSELL: No.

(Off-the-record discussion.)

MS. RUSSELL: Do you-all care whether we just take -- these are the complete correspondence surrounding each one. We'll just make it one exhibit. Is that okay with you?

MR. SGRO: Is it for each one in the pile or each one you talked about?

MS. RUSSELL: Each one in the pile. Each one in the pile, I have everything surrounding it.

MR. SGRO: Then we can do it all at once.

Q. (BY MS. RUSSELL) Just for the record, Mr. Willingham, does Exhibit No. 14 appear to be the postings that you made as hammr6 on the Pilgrim's Pride Yahoo finance web board with the surrounding postings to which you were responding?

MR. SGRO: If you can tell.

Q. (BY MS. RUSSELL) If you can tell. I'll represent to you that that is what we intended for it to be when we printed them out.

A. (Witness examines document.) I think that -- I'll take your representation.

Q. (BY MS. RUSSELL) Okay. I think I have one more question. If you would look on exhibit -- the short blog, Exhibit No. -- what is that?

MR. SGRO: 9.

Q. (BY MS. RUSSELL) 9, Exhibit No. 9. On December 17th -- no -- yeah, December 17th at 7:18 p.m.

A. Okay.

Q. Okay. Do you see in the second-to-the-last sentence, did you write: Until the company is prepared to pay creditors in full in cash, the shareholders will receive nothing.

Do you see that?

A. Yes.

Q. But that's not true, is it? I think we established from the Mirant case?

MR. SGRO: Objection.

Q. (BY MS. RUSSELL) Did you write that?

A. Yes, I did write that.

Q. Okay. Is that you true?

A. It is, unless a deal is reached in the bankruptcy. At least that's my understanding.

MS. RUSSELL: All right. I have no further questions.

MR. SGRO: Do we need to put something on the record about -- I haven't been stating the basis for my objection because I presumed that we were reserved --

MR. BROOKNER: I assumed they were all reserved to trial and also as to form.

MR. SGRO: Okay. Fine. We just didn't put anything on the record. I just wanted to make sure that's what we were all operating under the same rules. Did we put something on the record and I missed it?

MS. RUSSELL: No, that's not our deal that I know of. What -- what objections are we --

MR. BROOKNER: Robin's been taking all the depos so I'll refer to her.

MS. RUSSELL: Yeah, and there was nothing

put on the record the first day so I want to understand what --

MR. BROOKNER: So I misspoke.

MR. SGRO: I thought we were -- I thought that objections were reserved until the time of trial.

MS. RUSSELL: I mean, unless there's some deal that was reached in this case that I'm not aware of which it's possible, I just -- I'm saying --

MR. SGRO: Was there nothing put on the record at any point?

MS. RUSSELL: The only thing that I know of about what we had on the record dealt with certain confidential documents and signing of the depositions and that type of thing. So you know, I -- I'm not saying for sure because there are times when the mind wanders in a deposition. I just don't recall hearing that.

MR. SGRO: I don't see anything that in the -- I was under that impression, but now I can't find why I was under impression.

MS. RUSSELL: Okay. Are we still on the record?

MR. SGRO: I don't need to be.

MS. RUSSELL: Okay. You can go off.

MICHAEL WILLINGHAM

This concludes the deposition unless there's anyone on the phone who has questions. Okay.

(Proceedings concluded at 2:09 p.m.)

MICHAEL WILLINGHAM

CHANGES AND SIGNATURE

WITNESS: MICHAEL WILLINGHAM DATE: APRIL 23, 2009

PAGE	LINE	CHANGE	REASON

MICHAEL WILLINGHAM

I, MICHAEL WILLINGHAM, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

_____

MICHAEL WILLINGHAM

THE STATE OF _____)

COUNTY OF _____)

Before me, _____, on this day personally appeared MICHAEL WILLINGHAM, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2009.

_____

NOTARY PUBLIC IN AND FOR

THE STATE OF _____

COMMISSION EXPIRES:_____

MICHAEL WILLINGHAM

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

IN RE:

PILGRIM'S PRIDE CORPORATION, et al,

Debtors.

Chapter 11

Case No. 08-45664-11

Jointly Administered

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REPORTER'S CERTIFICATION
DEPOSITION OF MICHAEL WILLINGHAM
APRIL 23, 2009

****

I, Aubrea Hendricks, Certified Shorthand Reporter, Registered Professional Reporter and Certified Livenote Reporter, in and for the State of Texas, hereby certify to the following:

That the witness, MICHAEL WILLINGHAM, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on _____ to the witness or to the attorney for the witness for examination, signature and return to me by _____;

That the amount of time used by each party at the deposition is as follows:

MICHAEL WILLINGHAM

MS. ROBIN RUSSELL: 03:11

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

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-and-
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I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me this 24th day of April, 2009.

Aubrea Hendricks, TX CSR # 7143
Expiration Date: 12/31/10

MICHAEL WILLINGHAM

FURTHER CERTIFICATION UNDER RULE 203 TRCP

The original deposition was/was not returned to the deposition officer on _____;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to MS. ROBIN RUSSELL, Custodial Attorney;

That $_____ is the deposition officer's charges to THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein on and filed with the Clerk.

Certified to by me this 24th day of April, 2009.

_____
Aubrea Hendricks, TX CSR # 7143
Expiration Date: 12/31/10