

Martin A. Sosland (18855645)
Stephen A. Youngman (22226600)
WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

-and-

Gary T. Holtzer (*pro hac vice* pending)
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors and
Debtors in Possession

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

In re:	§	Case No. 08-45664 (DML)
	§	
Pilgrim's Pride Corporation, et. al,¹	§	
	§	Chapter 11
Debtors	§	
	§	
	§	
	§	(Jointly Administered)
	§	
	§	

**DEBTORS' APPLICATION TO EMPLOY GUANTAO LAW FIRM AS SPECIAL
COUNSEL PURSUANT TO 11 U.S.C. § 327(e)
NUNC PRO TUNC TO SEPTEMBER 29, 2009**

**A HEARING WILL BE CONDUCTED IN THIS MATTER ON NOVEMBER 17,
2009 AT 10:30 A.M. (CST) AT THE ELDON B. MAHON U.S. COURTHOUSE,
501 W. TENTH STREET, FORT WORTH, TEXAS.**

¹ The Debtors include PPC, PFS Distribution Company, PPC Transportation Company, To-Ricos, Ltd., To-Ricos Distribution, Ltd., Pilgrim's Pride Corporation of West Virginia, Inc and PPC Marketing, Ltd.

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT BY NOVEMBER 10, 2009 AT 4:00 P.M. (CST). YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

TO THE HONORABLE D. MICHAEL LYNN,
UNITED STATES BANKRUPTCY JUDGE:

Pilgrim's Pride Corporation ("PPC") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "Debtors"), respectfully represent:

BACKGROUND

1. On December 1, 2008 (the "Commencement Date"), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors are authorized to 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. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

PILGRIM'S PRIDE BUSINESS

3. PPC, together with its debtor and non-debtor subsidiaries (collectively, "Pilgrim's Pride"), has one of the best brand names in the chicken industry. It is one of the largest producers of chicken in the United States and the second-largest producer in Mexico. Pilgrim's Pride has operations throughout the continental United States, Puerto

Rico, and Mexico. Formed in 1946 as a retail feed store partnership between Lonnie A. “Bo” Pilgrim and his brother, Aubrey E. Pilgrim, PPC has been a publicly traded company since 1986.

4. Through vertical integration, Pilgrim’s Pride manages the breeding, hatching and growing of chickens. Pilgrim’s Pride also manages the processing, preparation, packaging, sale and distribution of its product lines, which Pilgrim’s Pride believes has made it one of the highest quality, lowest-cost producers of chicken in North America. In the continental United States, Pilgrim’s Pride produces both prepared chicken products and fresh chicken products. In Mexico and Puerto Rico, it produces exclusively fresh chicken products. Pilgrim’s Pride’s products are sold to foodservice, retail and frozen entrée customers, distributed primarily through retailers, foodservice distributors and restaurants within the U.S. and internationally.

ANTI-DUMPING AND COUNTERVAILING DUTY INVESTIGATIONS

5. On August 14, 2009, the China Poultry Association submitted a petition to the Ministry of Commerce of the People’s Republic of China (“MOFCOM”) complaining of dumping² and subsidy³ violations by U.S. chicken manufacturers. MOFCOM officially initiated an investigation into chicken products imported from the United States (the “Anti-Dumping and Countervailing Duty Investigations”). All U.S. manufacturers of chicken products who export to China must respond to the Anti-Dumping and Countervailing Duty Investigations by filing a written response to the Bureau of Fair

² “Dumping” occurs when manufacturers sell goods in an export market at prices lower than the prices for comparable goods in the domestic market, and, by doing so, injure the market for such goods within the export market.

³ “Subsidies” are direct or indirect financial benefits offered by a government for the production and export of goods.

Trade for Imports and Exports of MOFCOM on or before October 16, 2009. Such parties must also respond regarding injury to the Chinese chicken industry by filing a written response to the Bureau of Industry Injury Investigation of MOFCOM on or before October 16, 2009.

6. PPC exports chicken products to China and must file the required responses with MOFCOM on or before October 16, 2009. Thereafter, PPC must also respond to detailed questionnaires that will be issued by MOFCOM and otherwise defend their actions vis-à-vis the Anti-Dumping and Countervailing Duty Investigations.

7. PPC requires special counsel in China to assist it with the Anti-Dumping and Countervailing Duty Investigations and the companion countervailing duties action.

JURISDICTION AND VENUE

8. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding and this Application in this District is proper under 28 U.S.C. §§ 1408 and 1409. The statutory basis for the relief sought herein is 11 U.S.C. § 327(e).

RELIEF REQUESTED

9. Pursuant to Section 327(e) of the Bankruptcy Code, the Debtors seek entry of an order authorizing them to employ and retain the Guantao Law Firm (“Guantao”) nunc pro tunc to September 29, 2009. The Debtors believe that Guantao is well-qualified in this area of law and that they need Guantao’s assistance and representation in the Anti-Dumping and Countervailing Duty Investigations.

A. Section 327(e)

10. Section 327(e) of the Bankruptcy Code authorizes the Debtors to:

employ, for a specified special purpose, other than to represent the [debtor] in conducting the case, an attorney that has represented the debtor, if in the best interest of the estate, and if such attorney does not represent or hold any interest adverse to the debtor or to the estate with respect to the matter on which such attorney is to be employed.

11. The Debtors seek to employ Guantao for a specific purpose – to assist in the Anti-Dumping and Counterveilling Duty Investigation, and not to conduct the chapter 11 cases. The Debtors believe, based on the Declaration of Mr. Shaosong Sun Support of this Application (the “Sun Declaration”), which is attached hereto as Exhibit A, that Guantao does not hold any adverse interest to these Debtors or to their estates with respect to the matters on which Guantao is to be employed.

12. Moreover, although disinterestedness is not required of professionals employed under Section 327(e), the Debtors believe, based on the Sun Declaration, that Guantao does not hold any adverse interest to these Debtors or to their estates and that it is a “disinterested person” within the meaning of the Bankruptcy Code.

B. Guantao’s Qualifications

13. Guantao was founded in 1994. It is headquartered in Beijing, and has branch offices in Shanghai, Shenzhen, Xi’an, Dalian, Chengdu, Jinan, Xiamen, Tianjin and Hong Kong. In addition to its many other practice areas, Guantao is one of the very few Chinese law firms with substantial experience in representing both domestic and foreign clients in anti-dumping, countervailing, antitrust and government investigations, compliance program and counseling projects. Guantao's lawyers have worked extensively with Chinese anti-dumping authorities, including MOFCOM, the National Development

and Reform Commission (“NDRC”) and the State Administration for Industry and Commerce (“SAIC”). This experience enables Guantao lawyers to serve the clients with the most updated advice on the prevailing policies and to develop solutions for matters like the Anti-Dumping and Countervailing Duty Investigations.

C. Services to be Provided

14. The Debtors seek to employ Guantao pursuant to the engagement letter (the “Engagement Letter”) described and attached as an exhibit to the Sun Declaration.

15. The professional legal services that Guantao will render to the Debtors with respect to the Anti-Dumping and Countervailing Duty Investigations will include the following:

- (a) Submitting registration documents to MOFCOM on behalf of the Debtors;
- (b) Assisting the Debtors to fill in the MOFCOM questionnaires and submit the responses to MOFCOM;
- (c) Assisting the Debtors to provide responses to MOFCOM supplementary questions;
- (d) Participating in the hearings, if any, held by MOFCOM on behalf of the Debtors;
- (e) Assisting the Debtors in the on-site verifications held by MOFCOM to the Debtors;
- (f) Communicating with MOFCOM on behalf of the Debtors during the investigation process as requested by the Debtors; and
- (g) Performing other work as requested by the Debtors in connection with the Anti-Dumping and Counterveilling Duty Investigations.

D. Guantao's Disinterestedness

16. The Debtors believe that Guantao is a "disinterested person" and does not hold an interest adverse to the Debtors' estates pursuant to 11 U.S.C. §§ 327 and 101(14). The basis of Debtors' determination is their own knowledge and the Sun Declaration. The Sun Declaration, incorporated herein by reference, includes Guantao's Disclosure of Compensation under 11 U.S.C. § 329 and FED. R. BANKR. P. 2016(b) in Debtors' Chapter 11 cases.

17. Guantao's connections with the parties in interest in this case are detailed in the Sun Declaration as required by FED. R. BANKR. P. 2014(a).

E. Guantao's Compensation

18. In accordance with section 330(a) of the Bankruptcy Code, compensation will be payable to Guantao on an hourly basis, plus reimbursement of actual, necessary expenses incurred by Guantao. Guantao's current hourly rates are set forth as follows:

<u>Billing Categories</u>	<u>Amount</u>
Partners	RBM 2500 ⁴
Associates	RBM 1800 per hour
Translation Services	RBM 500 per page

19. These hourly rates are subject to periodic adjustments to reflect economic and other conditions. The rates are designed to fairly compensate Guantao for the work of its attorneys and legal assistants and to cover fixed and routine overhead expenses. It is Guantao's policy to charge its clients for all other expenses incurred in connection with the client's account. Guantao will charge the Debtors for these expenses in a manner and at rates consistent with charges made generally to Guantao's other clients. Guantao

⁴ RMB or Renminbi is Chinese currency and the current exchange rate vis-à-vis the U.S. dollar is 1 RMB to \$.1464 as of 10/7/09. Thus, the hourly rate for Guantao Partners in U.S. dollars as of October 7, 2009 is \$365.98.

believes that it is more equitable to charge these expenses to the clients incurring such expenses, as opposed to spreading the expenses among all clients by increasing hourly rates.

20. Guantao will submit interim and final applications for compensation in accordance with the Federal Rules of Bankruptcy Procedure, the local rules of this Court, and such other orders as the Court may direct, including any interim compensation order entered by this Court.

21. The Debtors request that Guantao's retention be approved nunc pro tunc to September 29, 2009, because Guantao assisted PPC as soon as the Anti-Dumping and Countervailing Duty Investigations were initiated. Preparation of this Application has been slightly delayed by a mandatory Chinese Holiday that commenced on October 1, 2009 and ended on October 8, 2009.

No Previous Request

22. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: October 20, 2009

Respectfully submitted,

/s/ Stephen A. Youngman
Martin A. Sosland (18855645)
Stephen A. Youngman (22226600)
WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

-and-

Gary T. Holtzer (*pro hac vice* pending)
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

ATTORNEYS AND DEBTORS IN
POSSESSION FOR THE DEBTORS