

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"),¹ 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 the cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

3. On April 14, 2009, the Court entered the Order Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019(b) Approving Procedures for Settling Certain Claims Against the Debtors' Estates [Docket No. 1464] (the "Order"). The Order sets forth procedures for settling Claims, as set forth below.²

The Claims Settlement Procedures

4. The Order provides that the Debtors are authorized, in certain circumstances, to compromise and settle Claims. The Order provides that the Debtors are authorized to settle any and all Claims asserted against the Debtors without prior approval of the

¹ The Debtors in these cases are 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.

² Capitalized terms used but not defined herein shall be given the meanings ascribed to them in the Order.

Court or any other party in interest whenever the amount of the claim sought to be allowed is equal to or less than \$150,000. The Order further provides that Claims in excess of \$150,000 but less than \$2,500,000 may also be settled without prior Court approval, but only after the statutory committee of unsecured creditors (the “Creditors’ Committee”) has received notice and an opportunity to object as set forth in the Order. The Order requires the Debtors to seek Court approval to settle any Claim for which the amount sought to be allowed is equal to or greater than \$2,500,000.

5. In addition, the Order requires the Debtors to file and serve on the parties to the master service list on file with the Court, on a quarterly basis, reports of all settlements of Claims into which the Debtors have entered during the previous quarter (each, a “Report of Settled Claims”). The Order provides that each Report of Settled Claims shall set forth the name of the party with whom the Debtors have settled, the types of claims asserted by such party, and the amounts for which such claims have been settled.

6. In accordance with the Order, on July 13, 2009, the Debtors filed their initial quarterly report of settled claims [Docket No. 2634] (the “First Quarterly Report of Settled Claims”), setting forth therein the party name, claim category and settlement amount for each of the Claims settled during the first quarterly period.

7. Subsequent to filing the First Quarterly Report of Settled Claims, the Debtors settled certain additional Claims (collectively, the “Second Quarter Settled Claims”). Accordingly, the Debtors now file the second quarterly Report of Settled Claims, annexed hereto as Exhibit A, setting forth therein the party name, claim number, claim category, and settlement amount for each of the Second Quarter Settled Claims.

The Settled Claims

8. The Debtors submit that the amount sought to be allowed for each Second Quarter Settled Claim is less than \$150,000. Accordingly, pursuant to the Order, the Debtors were authorized to settle each of the Second Quarter Settled Claims without seeking prior Court approval or the Creditors' Committee's consent.

Dated: November 3, 2009
Fort Worth, Texas

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EXHIBIT A

SECOND QUARTERLY REPORT OF SETTLED CLAIMS

Claim #	Party	Amount of Settlement	Priority
3600	Adock, Dearl	\$1,750.00	Unsecured
5802	Alabama Self-Insured Workers' Compensation Fund	\$10,000.00	Unsecured
Unknown	Alarcon, Carlos & Adila Alarcon	\$400.00	Unsecured
Unknown	Ali, Shakil A.	\$1,000.00	Unsecured
5346	Astacio, Jose Antonio and Valdez, Fernando Antonio Alvarado	\$4,000.00	Unsecured
4650	Baggett, Robin	\$500.00	Unsecured
409	Battle, Barbara (as personal representative of the Estate of Jeremy C Norton)	\$57,500.00	Unsecured
3332	Beechem-Evans, Angela M.	\$200.00	Unsecured
2895	Blackwood, Evan	\$32,000.00	Unsecured
3374	Burch Food Systems	\$4,200.00	Unsecured
2646	Chiquette, Tabitha	\$500.00	Unsecured
Unknown	Clemente, Emiliano	\$3,000.00	Unsecured
4423	Cobb, Donald & Shannon Cobb	\$1,100.00	Unsecured
3535	Covisa, Carlos	\$1,160.00	Unsecured
6	Davis, Roscoe & Jannell	\$90,000.00	Unsecured
3857	Erie Insurance as Subrogee for Raymond & Doreen Legg	\$10,000.00	Unsecured
Unknown	Espey, Melanie	\$1,538.60	Unsecured

Claim #	Party	Amount of Settlement	Priority
Unknown	Esurance as Subrogee of Dustin E. Janssen	\$700.00	Unsecured
4507	Fenner, Danica	\$2,527.00	Priority (507(a)(4))
515	Franklin, Clydene	\$7,000.00	Unsecured
4742	Frundt, Edith	\$1,500.00	Unsecured
3301	Gaddis, Laney	\$17,000.00	Unsecured
Unknown	Georgia Department of Transportation	\$500.00	Unsecured
6052	Gill, Janice	\$250.00	Unsecured
2845	Gooden, Anthony	\$250.00	Unsecured
3770	Goldman, Tracy	\$1,357.33	Unsecured
3902	Greggs, Rochelle S.	\$10,000.00	Unsecured
1812	Handy, Chrissie	\$200.00	Unsecured
Unknown	Harris, Anthony	\$4,000.00	Unsecured
2313	Hayes, Darryl L.	\$2,000.00	Unsecured
Unknown	Higginbotham, Michael	\$700.00	Unsecured
1220	Hill, Zachariah D.	\$45,000.00	Unsecured
3758	Holeman, Steve	\$2,000.00	Unsecured
3493	Hurtado, Jose	\$3,000.00	Unsecured
4188	Johnson, Donald	\$800.00	Unsecured
3932	Johnston, Brent	\$15,000.00	Unsecured
3256	Jones, Madeline	\$500.00	Unsecured

Claim #	Party	Amount of Settlement	Priority
3588	Jones, Michael Kevin	\$6,500.00	Unsecured
5609	Kafader, Lucille	\$100.00	Unsecured
4197	Kelly, Michael	\$150.00	Unsecured
2601, 2536	Ketchum, Corey and Laura	\$15,000.00	Unsecured
3719	Kronenberg, Jandir R.	\$3,500.00	Unsecured
1939	Lakeland Regional Medical Center	\$2,516.84	Unsecured
Unknown	Laurel, Curtis	\$1,000.00	Unsecured
3686	Legg, Raymond Jr. and Doreen Legg	\$4,000.00	Unsecured
5811	Lugo, Jonathan R.	\$2,731.00	Priority (507(a)(4))
3366	Marshall, Beth	\$18,000.00	Unsecured
4334	Mendota Insurance	\$8,000.00	Unsecured
1863	McDuffie, Christopher & Rhonda	\$75,000.00	Unsecured
Unknown	Mercado, Richard	\$1,000.00	Unsecured
1651	Metelsky, John	\$1,000.00	Unsecured
1278	Miles, Autumn	\$10,000.00	Unsecured
1278	Miles, Dawn	\$15,000.00	Unsecured
1278	Miles, Gregory	\$13,250.00	Unsecured
5751	Narsa, Shana	\$1,800.00	Unsecured
Unknown	National Carriers	\$3,400.00	Unsecured
458	Ng, John	\$2,500.00	Unsecured

Claim #	Party	Amount of Settlement	Priority
4987	Olvera, Inary	\$16,500.00	Unsecured
3513	Palomino, Maria	\$15,000.00	Unsecured
3984	Patterson, Gregory	\$25,000.00	Unsecured
Unknown	Pearson, Colton	\$2,500.00	Unsecured
5736	Perez, Esperanza	\$225.00	Unsecured
860	Ransom, Kevin & Jean	\$12,500	Unsecured
659	Renovato, Sebastian	\$25,000.00	Unsecured
3253	Ringwald, Tommie	\$500.00	Unsecured
1714	Rivera, Magdiel	\$20,000.00	Unsecured
3718	Roseberry, Roy	\$10,000.00	Unsecured
2139	Roth, Thomas	\$100.00	Unsecured
6033	S. Jones 300, L.P. (Bugsy's Bar & Grill)	\$1,200.00	Unsecured
4203	Segura, Juan	\$10,000.00	Unsecured
4033	Smith, Merle	\$12,217.55	Unsecured
4040	State Farm Mutual Auto (Adrienne Hughes)	\$6,400.00	Unsecured
Unknown	Strawn Cable Company	\$2,000.00	Unsecured
4375	Sullivan, Michael	\$7,500.00	Unsecured
2940	Sutton, Calvin	\$8,000.00	Unsecured
3127	Thomas, Anna	\$445.60	Unsecured
5793	Thomas Medical Group	\$5,206.94	Unsecured

Claim #	Party	Amount of Settlement	Priority
5153	Tucker, Carolyn	\$500.00	Unsecured
3339	Underwood, Gregory & Paige	\$12,000.00	Unsecured
2835	Volume Transportation, Inc.	\$10,525.00	Unsecured
1278	Williams, Anthony	\$5,000.00	Unsecured
4110	Wilson, Freddie and Dorothy Wilson	\$16,000.00	Unsecured
4983	Wise, Crystal	\$29,950.00	Unsecured
5028	Wolfe, Tamara D.	\$750.00	Unsecured
1892	Young, Jerrod	\$21,500.00	Unsecured
Unknown	Zamora, Jorge	\$1,800.00	Unsecured