

PROPOSED ORDER

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

In re:

Pilgrim's Pride Corporation, *et al.*

Debtors.

§
§
§
§
§
§
§
§
§

Case No. 08-45664 (DML)

Chapter 11

Jointly Administered

ORDER GRANTING DEBTORS' THIRTY-FIFTH OMNIBUS OBJECTION TO CLAIMS (NO LIABILITY, BOOKS AND RECORDS, AND UNSUPPORTED CLAIMS) AND MOTION REQUESTING DETERMINATION OF TAX LIABILITY PURSUANT TO SECTIONS 105 AND 505 OF THE BANKRUPTCY CODE

(Relates to Docket No. __)

Pursuant to the Order Approving Procedures for Objecting to Proofs of Claim and for Notifying Claimants of Such Objections [Docket No. 2723] (the "Claims Objections Procedures Order"), and upon the Thirty-Fifth Omnibus Objection to Claims (No Liability, Books and Records, and Unsupported Claims) and Motion Requesting Determination of Tax Liability Pursuant to Sections 105 and 505 of the Bankruptcy Code (the "Thirty-Fifth Omnibus

Objection") of Pilgrim's Pride Corporation and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "Debtors"),¹ objecting to the Taxing Authorities Claims² as more fully set forth in the Thirty-Fifth Omnibus Objection; and the Court having jurisdiction to consider the Taxing Authorities Claims and grant the requested relief in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Taxing Authorities Claims being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Debtors having provided notice of the Thirty-Fifth Omnibus Objection to the Notice Parties; and the Court having held a hearing to consider the requested relief (the "Hearing") with the appearances of all interested parties noted in the record of the Hearing; and the Court having found sufficient legal and factual grounds for disallowing the Taxing Authorities Claims listed on Exhibit A, B, and C; and the Court having determined that the legal and factual bases set forth in the Thirty-Fifth Omnibus Objection establish just and sufficient cause to grant the requested relief herein; and therefore, it is:

ORDERED that the Objection is granted; and it is further

ORDERED that pursuant to section 502(b) of the Bankruptcy Code, each Taxing Authorities Claim listed on Exhibits A, B, and C hereto is hereby disallowed and expunged in its entirety; and it is further

ORDERED that, notwithstanding the foregoing, nothing herein shall be deemed an Order invalidating any payment made pursuant to the Taxing Authorities Orders; and it is further

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 herein and not otherwise defined shall have the meanings ascribed to them in the Thirty-Fifth Omnibus Objection.

ORDERED that the Debtors shall serve a copy of this Order on each Notice Party; and it
is further

ORDERED that this Court hereby retains jurisdiction to hear and determine all matters
arising from or related to the implementation, interpretation and/or enforcement of this Order.

END OF ORDER

EXHIBIT A¹

Satisfied Claims, to Be Disallowed in Their Entirety

Count	Date Filed	Claim No./Schedule ²	Name of Claimant	Claim/Schedule Amount (\$)	Remaining Claim Amount	Reason for Disallowance
1.		E	ADAMS COUNTY COLLECTOR	\$74,926.70	\$0.00	PPC previously sold the property the basis of which this tax has been assessed. Thus, according to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
2.		E	ADAMS COUNTY PA	\$1,180.29	\$0.00	PPC previously sold the property the basis of which this tax has been assessed. Thus, according to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
3.	6/1/09	4565	CITY OF BIRMINGHAM REVENUE DIVISION	\$986.80	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
4.	12/17/08	907	CITY OF EL PASO	\$47,672.67	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
5.	5/22/09	3308	COMMONWEALTH OF VIRGINIA DEPARTMENT OF TAXATION	\$565,767.67	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
6.	5/22/09	3308	COMMONWEALTH OF VIRGINIA DEPARTMENT OF TAXATION	\$118,027.17	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.

¹ See Exhibits B and C for additional grounds to objecting to the claims set forth in this Exhibit A.

² All references to Schedule E refer to Pilgrim's Pride Corporation's Schedule E.

Count	Date Filed	Claim No./Schedule ²	Name of Claimant	Claim/Schedule Amount (\$)	Remaining Claim Amount	Reason for Disallowance
7.	5/26/09	3818	DEPARTMENT OF REVENUE STATE OF MISSOURI	\$4,775.08	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
8.	1/27/09	553	DEPARTMENT OF TREASURY INTERNAL REVENUE	\$700.00	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
9.	4/13/09	1674	DEPARTMENT OF TREASURY INTERNAL REVENUE	\$23,005.47	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
10.	2/17/09	1169	GEORGIA DEPARTMENT OF REVENUE	\$21,756.00	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
11.	5/4/09	2621	GORDON COUNTY TAX COMMISSIONERS	\$7,499.09	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$3,817.00, which is the extent of its liability.
12.	1/16/09	210	HAMILTON COUNTY TRUSTEE	\$61,432.00	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
13.	5/11/09	2693	KENTUCKY STATE TREASURER KENTUCKY	\$17,987.59	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$72,451.00, which is the extent of its liability.
14.	5/26/09	3965	LIMESTONE COUNTY ALABAMA REVENUE COMMISSIONER	\$73,180.71	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$5,342.00, which is the extent of its liability.
15.	3/3/09	1629	LINCOLN PARISH TAX COLLECTOR	\$5,346.81	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$5,342.00, which is the extent of its liability.

¹ See Exhibits B and C for additional grounds to objecting to the claims set forth in this Exhibit A.

² All references to Schedule E refer to Pilgrim's Pride Corporation's Schedule E.

Count	Date Filed	Claim No./Schedule ³	Name of Claimant	Claim/Schedule Amount (\$)	Remaining Claim Amount	Reason for Disallowance
16.	4/27/09	3009	MCCURTAIN COUNTY TREASURER	\$6,222.04	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$6,030.00, which is the extent of its liability.
17.	5/26/09	3772	RAMDOLPH COUNTY TAX DEPARTMENT	\$14,899.35	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$13,653.00, which is the extent of its liability.
18.	6/18/09	5936	STATE OF ARKANSAS	unknown	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
19.	6/18/09	5892	STATE OF ARKANSAS	unknown	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
20.	9/28/09	6282	STATE OF NEW JERSEY	\$4,500.00	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
21.	E		STATE OF SOUTH CAROLINA	\$44,046.88	\$0.00	This scheduled amount is incorrect. Upon further review, according to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
22.	3/30/09	1687	TEXAS COMPTROLLER OF PUBLIC ACCOUNTS	\$1,261,557.90	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.

¹ See Exhibits B and C for additional grounds to objecting to the claims set forth in this Exhibit A.

² All references to Schedule E refer to Pilgrim's Pride Corporation's Schedule E.

Count	Date Filed	Claim No./Schedule ²	Name of Claimant	Claim/Schedule Amount (\$)	Remaining Claim Amount	Reason for Disallowance
23.	12/15/08	877	TITUS COUNTY APPRAISAL DISTR	\$1,592,590.75	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$1,362,622.00, which is the extent of its liability.
24.	12/23/08	764	TOMMY PRAYTOR REVENUE COMMISSIONER	\$9,562.86	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$8,055.00, which is the extent of its liability.
25.	5/1/09	2583	TOWN OF MARSHVILLE	\$33,811.84	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$32,431.00, which is the extent of its liability.
26.	4/27/09	2947	UNION PARISH SHERIFF & TAX COLLECTOR	\$346,502.61	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$336,361.00, which is the extent of its liability.

¹ See Exhibits B and C for additional grounds to objecting to the claims set forth in this Exhibit A.

² All references to Schedule E refer to Pilgrim's Pride Corporation's Schedule E.

EXHIBIT B¹
Books and Records

Count	Date Filed	Claim No./Schedule ²	Name of Claimant	Claim/Schedule Amount (\$)	Remaining Claim Amount	Reason for Disallowance
1.		E	ADAMS COUNTY COLLECTOR	\$74,926.70	\$0.00	PPC previously sold the property the basis of which this tax has been assessed. Thus, according to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
2.		E	ADAMS COUNTY PA	\$1,180.29	\$0.00	PPC previously sold the property the basis of which this tax has been assessed. Thus, according to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
3.	6/1/09	4565	CITY OF BIRMINGHAM REVENUE DIVISION	\$986.80	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
4.	12/17/08	907	CITY OF EL PASO	\$47,672.67	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
5.	5/22/09	3308	COMMONWEALTH OF VIRGINIA DEPARTMENT OF TAXATION	\$565,767.67	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
6.	5/22/09	3308	COMMONWEALTH OF VIRGINIA DEPARTMENT OF TAXATION	\$118,027.17	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.

¹ See Exhibits A and C for additional grounds to objecting to the claims set forth in this Exhibit B.

² All references to Schedule E refer to Pilgrim's Pride Corporation's Schedule E.

Count	Date Filed	Claim No./Schedule ²	Name of Claimant	Claim/Schedule Amount (\$)	Remaining Claim Amount	Reason for Disallowance
7.	5/26/09	3818	DEPARTMENT OF REVENUE STATE OF MISSOURI	\$4,775.08	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
8.	1/27/09	553	DEPARTMENT OF TREASURY INTERNAL REVENUE	\$700.00	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
9.	4/13/09	1674	DEPARTMENT OF TREASURY INTERNAL REVENUE	\$23,005.47	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
10.	2/17/09	1169	GEORGIA DEPARTMENT OF REVENUE	\$21,756.00	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
11.	5/4/09	2621	GORDON COUNTY TAX COMMISSIONERS	\$7,499.09	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$3,817.00, which is the extent of its liability.
12.	1/16/09	210	HAMILTON COUNTY TRUSTEE	\$61,432.00	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
13.	5/11/09	2693	KENTUCKY STATE TREASURER KENTUCKY	\$17,987.59	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
14.	5/26/09	3965	LIMESTONE COUNTY ALABAMA REVENUE COMMISSIONER	\$73,180.71	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$72,451.00, which is the extent of its liability.
15.	3/3/09	1629	LINCOLN PARISH TAX COLLECTOR	\$5,346.81	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$5,346.81, which is the extent of its liability.

¹ See Exhibits A and C for additional grounds to objecting to the claims set forth in this Exhibit B.

² All references to Schedule E refer to Pilgrim's Pride Corporation's Schedule E.

Count	Date Filed	Claim No./Schedule ²	Name of Claimant	Claim/Schedule Amount (\$)	Remaining Claim Amount	Reason for Disallowance
16.	4/27/09	3009	MCCURTAIN COUNTY TREASURER	\$6,222.04	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$6,030.00, which is the extent of its liability.
17.	5/26/09	3772	RANDOLPH COUNTY TAX DEPARTMENT	\$14,899.35	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$13,653.00, which is the extent of its liability.
18.	6/18/09	5936	STATE OF ARKANSAS	unknown	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
19.	6/18/09	5892	STATE OF ARKANSAS	unknown	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
20.	9/28/09	6282	STATE OF NEW JERSEY	\$4,500.00	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
21.	E		STATE OF SOUTH CAROLINA	\$44,046.88	\$0.00	This scheduled amount is incorrect. Upon further review, according to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
22.	3/30/09	1687	TEXAS COMPTROLLER OF PUBLIC ACCOUNTS	\$1,261,557.90	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
23.	12/15/08	877	TITUS COUNTY APPRAISAL DISTR	\$1,592,590.75	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$1,362,622.00, which is the extent of its liability.
24.	12/23/08	764	TOMMY PRAYTOR REVENUE COMMISSIONER	\$9,562.86	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$8,055.00, which is the extent of its liability.

¹ See Exhibits A and C for additional grounds to objecting to the claims set forth in this Exhibit B.

² All references to Schedule E refer to Pilgrim's Pride Corporation's Schedule E.

Count	Date Filed	Claim No./Schedule ²	Name of Claimant	Claim/Schedule Amount (\$)	Remaining Claim Amount	Reason for Disallowance
25.	5/1/09	2583	TOWN OF MARSHVILLE	\$33,811.84	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$32,431.00, which is the extent of its liability.
26.	4/27/09	2947	UNION PARISH SHERIFF & TAX COLLECTOR	\$346,502.81	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$336,361.00, which is the extent of its liability.

¹ See Exhibits A and C for additional grounds to objecting to the claims set forth in this Exhibit B.

² All references to Schedule E refer to Pilgrim's Pride Corporation's Schedule E.

EXHIBIT C¹

No Liability, Books and Records, and Unsupported Claims, to Be Disallowed in Their Entirety

Count	Date Filed	Claim No.	Name of Claimant	Claim Amount (\$)	Remaining Claim Amount	Reason for Disallowance
1.	6/1/09	4565	CITY OF BIRMINGHAM REVENUE DIVISION	\$986.80	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
2.	12/17/08	907	CITY OF EL PASO	\$47,672.67	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
3.	5/22/09	3308	COMMONWEALTH OF VIRGINIA DEPARTMENT OF TAXATION	\$565,767.67	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
4.	5/22/09	3308	COMMONWEALTH OF VIRGINIA DEPARTMENT OF TAXATION	\$118,027.17	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
5.	5/26/09	3818	DEPARTMENT OF REVENUE STATE OF MISSOURI	\$4,775.08	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
6.	1/27/09	553	DEPARTMENT OF TREASURY INTERNAL REVENUE	\$700.00	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
7.	4/13/09	1674	DEPARTMENT OF TREASURY INTERNAL REVENUE	\$23,005.47	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
8.	2/17/09	1169	GEORGIA DEPARTMENT OF REVENUE	\$21,756.00	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.

¹ See Exhibits A and B for additional grounds to objecting to the claims set forth in this Exhibit C.

Count	Date Filed	Claim No.	Name of Claimant	Claim Amount (\$)	Remaining Claim Amount	Reason for Disallowance
9.	5/26/09	3772	RAMDOLPH COUNTY TAX DEPARTMENT	\$14,899.35	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors have paid \$13,653.00, which is the extent of its liability.
10.	6/18/09	5936	STATE OF ARKANSAS	unknown	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
11.	6/18/09	5892	STATE OF ARKANSAS	unknown	\$0.00	The Taxing Authority's claim amount is incorrect. According to the Debtors' books and records, the Debtors are not liable for this Taxing Authority Claim.
12.	9/28/09	6282	STATE OF NEW JERSEY	\$4,500.00	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.
13.	3/30/09	1687	TEXAS COMPTROLLER OF PUBLIC ACCOUNTS	\$1,261,557.90	\$0.00	The Taxing Authorities' estimations are incorrect. According to the Debtors' books and records, the Debtors have paid the Taxing Authorities in full for the applicable periods.

¹ See Exhibits A and B for additional grounds to objecting to the claims set forth in this Exhibit C.