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**ATTORNEYS FOR UNITED FOOD AND  
COMMERCIAL WORKERS UNION  
INTERNATIONAL UNION**

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

In re:	)	
	)	
PILGRIM'S PRIDE CORPORATION, et al.)	)	Case 08-45664 (DML)
	)	Chapter 11
Debtor-in-Possession.	)	Jointly Administered

**RESPONSE AND LIMITED OBJECTION OF UNITED FOOD &  
COMMERCIAL WORKERS INTERNATIONAL UNION TO DEBTORS'  
PROPOSED CURE AMOUNTS**

The United Food & Commercial Workers International Union ("UFCW")  
files this response and limited objection to the cure amounts listed in Schedule 8.1

(Executory Contracts and Unexpired Leases to be Assumed) filed on November 20, 2009 (Docket No. 4085) (“Cure Notice”):

1. The UFCW and various affiliates of the UFCW, including the RWDSU, RWDSU Alabama Mid-South Council, UFCW Local 540, UFCW Local 1996, UFCW Local 227, UFCW Local 2008, UFCW Local 455, and UFCW Local 683T, are parties to collective bargaining agreements with the Debtors. Those agreements were modified and extended during the course of this bankruptcy (the “Modified Agreements”). Those Modified Agreements require that the Debtors provide for the assumption of the Modified Agreements in any plan of reorganization. The Modified Agreements were approved by this Court in an Order dated October 12, 2009 (Docket No. 3689), and that Order authorized the Debtors to provide for the assumption of the Modified Agreement in any plan of reorganization.

2. The Debtors’ Amended Joint Plan, consistent with these provisions, provides for the assumption of the Modified Agreements. *See* Amended Joint Plan, Section 8.9 (j), p. 28; *see also* Disclosure Statement, pp. 27-28, 65-66.

3. Consistent with these provisions, the Plan Supplement filed on November 20, 2009, provides in Schedule 8.1 for the assumption of the Modified Agreements (Docket No. 4085). However, the cure amount for each Modified Agreement is listed as zero - “\$ 0.” While there generally may not be precise liquidated amounts that are due and owing under the Modified Agreements,<sup>1</sup> there are unliquidated amounts that are owing for grievances that will be determined in the future under the grievance and arbitration provisions of the Modified Agreements, and there also may be

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<sup>1</sup> There may be liquidated amounts due to various benefit funds, and those funds can best delineate those amounts. *See, e.g.*, Limited Objection of UFCW-Industry Pension Fund (Docket No. 4197).

some vacation and other amounts that are still being paid out under the First Day Wage Order.

4. It is black-letter law that “[s]hould the debtor-in-possession elect to assume the executory contract, . . ., it assumes the contract cum onere, . . ., and the expenses and liabilities incurred may be treated as administrative expenses, which are afforded the highest priority on the debtor’s estate, 11 U.S.C. § 503(b)(1)(A) . . . .” *N.L.R.B. v. Bildisco & Bildisco*, 465 U.S. 513, 531-32 (1984) (citing *In re Italian Cook Oil Corp.*, 190 F.2d 994, 996 (3d Cir. 1951)).

5. Thus, in order to effectuate an assumption of the Modified Agreements, Schedule 8.1 and/or any Confirmation Order should provide that the cure amount for each Modified Agreement is unliquidated, rather than zero, and the cure obligation is to “pay in the ordinary course all obligations arising under the collective bargaining agreements, including grievance settlements and arbitration awards.”

## CONCLUSION

The Cure Amounts for the Modified Agreements Should be Modified Consistent with this Response and Limited Objection.

Dated: November 30, 2009

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CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of November, 2009, a true and correct copy of the foregoing Notice of Appearance and Request for Notice was served via the Court's ECF system on those parties requesting electronic service.

*s/Sanford R. Denison*  
SANFORD R. DENISON