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ATTORNEY FOR TLISA R. CHAMPION, Individually
And as Administrator of the ESTATE OF DIANNE MARTIN
AND RECCUS BRANCH, and TERRI SHIRLEY, as legal guardian of
PAMELA FEREBEE, an incapacitated person

**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)
) **Chapter 11**
Debtor.)

**LIMITED OBJECTION TO THE DEBTORS' AMENDED JOINT
PLAN OF REORGANIZATION UNDER CHAPTER 11
OF THE BANKRUPTCY CODE (AS MODIFIED)**

Terri Shirley, as Legal Guardian of Pamela Ferebee, an Incapacitated Person ("Shirley"), and Tlisa R. Champion, Individually and as Administrator of the Estate of Dianne Martin and Reccus Branch ("Champion" and together with Shirley, the "Creditors") hereby file their objection to the Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (As Modified) dated October 21, 2009 (the "Plan"), and state:

1. The Creditors are the holders of personal injury or wrongful death claims against the Debtors. The Court has already granted the Creditors relief from the automatic stay and from the alternative dispute resolution procedures relating to the resolution of personal injury claims.
2. The Plan classifies the Creditors' monetary claims in Class 7(a) – (g). According to the Plan, Class 7 is Unimpaired.¹ Under 11 U.S.C. § 1122(a), treatment of unimpaired claims must

¹ Unless defined herein, capitalized terms have the definition ascribed to such terms in the Plan.

comply with of the following standards: (1) the Plan must not alter the legal, equitable, and contractual rights of claims holders in the class; or (2) the Plan must cure all pre-bankruptcy arrearages, reinstate the maturity of the claims, and compensate the claim holders for damages incurred as a result of reasonable reliance on their contractual provisions.

3. Despite the Plan's statements to the contrary, the Creditors are clearly impaired under the Plan, and are thus entitled to receive a disclosure statement and to participate in voting on the Plan. By way of illustration, the Creditors' monetary claims are impaired by no fewer than five (5) different provisions of the Plan:

(i) As the holder of personal injury or wrongful death Claims in active litigation, the Creditors would normally be entitled to commence enforcement proceedings once a judgment is obtained. However, Section 10.4 of the Plan enjoins such efforts. Similarly, the Plan prohibits distributions pending allowance of a Claim (See Plan, Section 7.2) in derogation of the Creditors' state law rights;

(ii) The Plan proposes to limit recoveries of creditors who hold disputed, contingent or unliquidated claims to the amounts estimated by the Bankruptcy Court. *See* Plan, Section 7.5 Any such limitation on the Creditors' rights are inconsistent with the Creditors' state law rights and thus constitute an impairment;

(iii) The Plan proposes a mechanism for estimating any "Contingent Claim, Unliquidated Claim, or Disputed Claim." *See* Plan at 7.5. Notably, this provision includes not only contingent and unliquidated claims (which are within the purview of 11 U.S.C. § 502(c)) but also "Disputed Claims". The Creditors object to any provision of the Plan which purports to expand the Court's statutory estimation authority to reach the Creditors' Claims, or which overlays on the Creditors' Claims an estimation process which would not be available under applicable non-bankruptcy law;

(iv) The discharge provision (Plan, Section 10.2 and 10.3) is also inconsistent with the Creditors' allegedly unimpaired treatment. If the Creditors are truly unimpaired, the Creditors' Claims must be afforded their full panoply of rights under applicable non-bankruptcy law. Instead, the Plan proposes to "trade" the pre-petition claims of the Creditors for the rights of Class 7 holders under the Plan and to make such rights subject to the discharge and injunction provided under the Plan. The Reorganized Debtors are not entitled to a discharge of claims which remain unpaid as of the Effective Date and which are, by the Plan's own terms, unimpaired. Instead, the Reorganized Debtors must be subject to the various pre-judgment and post-judgment enforcement remedies available under applicable non-bankruptcy law; and

(v) The Creditors' rights as Class 7 claim holders are further impaired by the Plan's vesting provisions, specifically, Section 10.1 of the Plan. By way of example, the Creditors, have certain rights under applicable non-bankruptcy law to pursue avoidance claims against third parties, including insiders. The Plan, however, proposes to cut off such rights through the vesting of all property and assets of the Debtors "free and clear of all Claims, Liens, encumbrances, charges and

other interests.” Furthermore, Section 10.10 and 10.11 of the Plan provide that causes of action, which specifically include Avoidance Actions (as defined in the Plan), may only be prosecuted after the Effective Date by the Reorganized Debtors. The transfer of substantive state law rights from creditors to the Reorganized Debtors constitutes an obvious impairment.

4. **Confirmation of the Plan Would Violate 11 U.S.C. § 1129(a)(10).** Because the Plan actually impairs multiple classes of claims, and has not been submitted to a vote of the creditors, no class of claims which is impaired under the Plan has accepted the Plan.

5. **The Injunctive and Release Language Provided in the Plan is Improper.** The Creditors object to the injunction against pursuit of actions against “any debtor who is indemnifiable by the Debtors.” Upon information and belief, the Debtors take the position that certain insurance policies covering the Creditors’ Claims provide a 100% right of indemnity in favor of the insurer. Section 10.4 of the Plan appears to impair the Creditors by enjoining actions taken against the insurance carriers. Similarly, Section 10.8 of the Plan provides for the Creditors to release the Debtors and their employees from a broad range of conduct, including their “operation of the business of the Debtors” and the “subject matter of or transaction or event giving rise to” the Creditors’ Claims. This language, which would undermine the pursuit of the Creditors’ Claims in the non-bankruptcy forum, is impermissible and constitutes impairment.

6. The Creditors join in Section C of the argument portion of the Amended Objection of Black Horse Capital Management, LLC to the Debtors’ Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code and incorporate same by reference as if fully set forth herein.

7. **The Plan Has Not Been Properly Solicited.** 11 U.S.C. § 1125 requires that a plan be approved only after the dissemination of a disclosure statement which contains “adequate information.” The Creditors do not consent to the Debtor proceeding to Plan confirmation absent adherence to the solicitation requirements contained in 11 U.S.C. § 1125.

WHEREFORE PREMISES CONSIDERED, the Creditors respectfully request that this Court deny confirmation of the Plan or approve it conditioned on modifications which resolve the objections lodged herein, and grant the Creditors all other relief as is just.

Respectfully submitted on December 1, 2009.

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CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and correct copy of the foregoing document has been served (i) electronically on all parties receiving ECF notifications in this proceeding, and (ii) in compliance with the Order Pursuant to Sections 105, 502, 1125, 1126 and 1128 of the Bankruptcy Code and the Bankruptcy Rules 2002, 3003, 3017, 3018, and 3020(I) Approving the Proposed Disclosure Statement, (II) Approving the Procedures to Solicit Acceptances of Debtors' Proposed Plan, and (III) Scheduling a Hearing and Establishing Notice and Objection Procedures for confirmation of the Debtors' Proposed Plan upon the parties listed below via facsimile transmission on this 1st day of December, 2009.

/s/ Howard Marc Spector
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