

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MINNESOTA**

In re:

Pure Prairie Poultry, Inc.

Case No. 24-32426 KAC

Debtor.

Chapter 11 Case

**NOTICE OF HEARING AND MOTION FOR AN EXPEDITED HEARING AND FOR
AN ORDER EXTENDING TO AUTOMATIC STAY TO CORPORATE OFFICERS
GEORGE PEICHEL AND MIKE HELGESON**

TO: THE OFFICE OF THE UNITED STATES TRUSTEE AND OTHER PARTIES-IN-INTEREST AS SPECIFIED IN LOCAL RULE 9013-3.

1. The above-named Debtor (“Debtor”), through its undersigned attorneys, moves the court for the relief requested below and gives notice of hearing.

2. The Court will hold a hearing on this motion at 3:00 p.m. on Wednesday, September 25, 2024 before the Honorable Katherine A. Constantine, Courtroom 8, U.S. Courthouse, 300 South Fourth Street, Minneapolis, Minnesota 55415.

3. Due to the request for expedited hearing, the Debtor will not object to the timeliness of any response that is filed and delivered to Debtor’s counsel at least two (2) hours prior to the hearing. **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

4. This court has jurisdiction over this motion under 28 U.S.C. §§ 157 and 1334, Bankruptcy Rule 5005 and Local Rule 1070-1. The petition commencing this case was filed on September 20, 2024 (the “Petition Date”). The case is now pending before this court.

5. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this court pursuant to 28 U.S.C. §§ 1408 and 1409.

6. This motion requests relief under 11 U.S.C. §§ 105(a) and 362(a) and is filed pursuant to Local Rules 9013-1 through 9013-3. The Debtor seeks an order extending the automatic stay afforded to the Debtor by nature of its bankruptcy by 11 U.S.C. § 362(a) to George Peichel (“Peichel”) and Mike Helgeson (“Helgeson” and, together with Peichel, the “Corporate Officers”), two corporate officers of the Debtor. The requested relief is necessary to permit the Corporate Officers to direct all time and energy to the successful reorganization of the Debtor.

7. The Debtor operates a poultry production plant in Charles City, Iowa (the “Plant”). As of the Petition Date, its poultry products are sold in regional grocery stores and food markets in Minnesota, Iowa, North Dakota, South Dakota, Missouri, and Nebraska.

8. Peichel as the Chief Financial Officer, and Helgeson as Board Chairman, are corporate officers instrumental to Debtor’s day-to-day operations both past and present.

9. The events precipitating the Debtor’s chapter 11 filing are described in the Declaration of George Peichel, Chief Financial Officer of the Debtor, filed on September 20, 2024.

10. On the Petition Date, the Debtor filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtor continues to operate its business as a debtor in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtor’s Chapter 11 case. No creditors or other official committee has been appointed pursuant to Section 1102 of the Bankruptcy Code.

11. Not only are the Corporate Officers essential to the Debtor and its ongoing reorganization efforts, but they are also personal guarantors of certain debts of the Debtor which are at issue in this bankruptcy and subject to Debtor’s automatic stay protections. Debtor seeks

relief herein relating to those guarantees.

12. Forcing the Corporate Officers to defend lawsuits and collection efforts while their efforts should be focused exclusively on reorganization of the Debtor would be inequitable and operate contrary to principles of the Code.

13. Rather, the Corporate Officers' full time, energy, attention, and commitment is needed to ensure that this Chapter 11 case operates as intended and that the Debtor is able to successfully reorganize. The nature of the Debtor's business means that the Corporate Officers' knowledge and skill are critical and irreplaceable to the Debtor's ability to operate. Time spent defending collection or enforcement actions of debts inextricably intertwined with this bankruptcy will take the Corporate Officers' focus away from Debtor's operation and reorganization and will irreparably harm the Debtor and creditors as a result.

14. It is within the Court's discretion to extend the automatic stay to Debtor's corporate officers where there is such identity between the debtor and the non-debtor party that a judgment against the non-debtor would in effect be a judgment against the Debtor. *See Ritchie Cap. Management, LLC v. Jeffries*, 653 F.3d 755, 762-63 (8th Cir. 2011). Any judgment against the Corporate Officers would, in effect, be a judgment against the Debtor.

15. Cause supports hearing this matter on an expedited basis to avoid a delay in the extension of the automatic stay to the Corporate Officers and to avoid disruption in the Debtor's ongoing reorganization efforts.

16. Pursuant to Local Rule 9013-2(a), this Motion is verified and accompanied by a memorandum of law, proposed order, and proof of service.

17. Pursuant to Local Rule 9013-2(c), the Debtor gives notice that it may, if necessary, call George Peichel, Chief Financial Officer of Debtor, to testify on behalf of the Debtor about the

factual matters raised in this Motion.

WHEREFORE, the Debtor respectfully requests that the Court grant the Motion and extend the automatic stay to corporate officers George Peichel and Mike Helgeson, and for such other and further relief as the court may deem just and equitable.

Dated: September 20, 2024

TAFT STETTINIUS & HOLLISTER LLP

By: /s/ James M. Jorissen

James M. Jorissen, #262833
Adam G. Chandler, #397408
Schaan P. Barth, #397898
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Telephone: 612-977-8400
Facsimile: 612-977-8650
jorissen@taftlaw.com
achandler@taftlaw.com
sbarth@taftlaw.com

**PROPOSED COUNSEL FOR THE
DEBTOR**

VERIFICATION

I, George Peichel, Chief Financial Officer of the Debtor named in the foregoing motion, declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information and belief.

Dated this 20th day of September, 2024.


George Peichel

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MINNESOTA**

In re:

Pure Prairie Poultry, Inc.

Case No. 24-32426 KAC

Debtor.

Chapter 11 Case

**DEBTOR'S MEMORANDUM OF LAW IN SUPPORT OF ITS MOTION FOR AN
ORDER EXTENDING TO AUTOMATIC STAY TO CORPORATE OFFICERS
GEORGE PEICHEL AND MIKE HELGESON**

The above-named Debtor (the "Debtor"), by and through its undersigned counsel, submits this memorandum of law in support of the accompanying motion in the above-entitled matter and in accordance with Local Rule 9013-2(a).

FACTUAL BACKGROUND

The Debtor relies on the statement of facts set forth in the verified motion, the Petition, and the Declaration of George Peichel in Support of First Day Motions. The defined terms used in this Memorandum have the same meaning as in the accompanying motion.

ARGUMENT

I. THE DEBTOR'S REQUEST FOR EXPEDITED RELIEF SHOULD BE GRANTED.

The Debtor requests expedited relief. Bankruptcy Rule 9006(c) provides that the Court may reduce the notice period for a Motion "for cause shown." Cause exists here to grant the Motion on an expedited basis. As described in the motion, the Debtor's day-to-day operations rely extensively on the knowledge and expertise of the Corporate Officers. The Corporate Officers seek relief as to the debts of the Debtor on which they are guarantors. These debts are already intertwined with the bankruptcy and there is no good reason to remove the Corporate Officers' focus from this Chapter

11 case by being forced to defend extraneous litigation and collection attempts which are, in effect, litigation and collection attempts against the Debtor itself.

This relief is necessary and cause exists for expedited relief, as the Corporate Officers have been and will continue to be consumed by best efforts to reorganize the Debtor and maintain business operations and creditor relationship on an ongoing basis. Any delay in this relief will expose the Corporate Officers to the risk of liability for debts already encompassed within this bankruptcy.

II. THE AUTOMATIC STAY SHOULD BE EXTENDED TO THE CORPORATE OFFICERS

At the time a bankruptcy is filed, the automatic stay arises under Section 362(a) of the Code. *See Small Bus. Admin v. Rinehart*, 887 F.2d 165, 168 (8th Cir. 1989). “The automatic stay is specifically designed to afford debtor a ‘breathing spell’ free from actions by creditors against the debtor’s estate.” *In re Nat’l Cattle Congress*, 179 B.R. 588, 592 (Bankr. N.D. Iowa 1995) (citing *In re Briggs Transp. Co.*, 780 F.2d 1339, 1343 (8th Cir. 1985)). The stay is “broad in scope and applies to almost every formal and informal action against the debtor or property of the debtor,” with limited exceptions. *Matter of Eugene L. Pieper, P.C.*, 202 B.R. 294, 297 (Bankr. D. Neb. 1996).

While the automatic stay *typically* does not extend beyond the bankruptcy debtor, it can—and should—in certain circumstances. *Stephen Inv. Secs., Inc. v. S.E.C.*, 27 F.3d 339, 342 n.5 (8th Cir. 1994) (acknowledging that courts extend the automatic stay to a “third party non-debtor” under “limited circumstances”). The facts at hand are one such limited circumstance and relief should issue as a result.

A. The Non-Debtor Corporate Officers have such an identity with the Debtor that any judgment against the Non-Debtor Corporate Officers would effectively be a judgment against the Debtor.

In the Eighth Circuit, “the automatic stay can be extended to non-debtors when ‘there is such identity between the debtor and the third-party defendant that the debtor may be said to be the real party defendant and that a judgment against the third party defendant will in effect be a judgment or finding against the debtor.’” *Security Nat’l Bank of Sioux City v. Vera T. Welte Testamentary Tr.*, 646 B.R. 822, 832 (N.D. Iowa 2022) (quoting *Ritchie Capital Management, LLC*, 653 F.3d at 762-63); *C.H. Robinson Co. v. Paris & Sons, Inc.*, 180 F. Supp.2d 1002, 1011 (N.D. Iowa 2001) (“the identity of interests was clear: a suit against a corporate officer is effectively one against the corporation itself.”) (citing *A.H. Robins Co., Inc. v. Piccinin*, 788 F.2d 994, 999 (4th Cir. 1986); see also *In re Triad Constr. Co., Inc.*, 545 B.R. 597, 604 (Bankr. W.D. Mo. 2016). The Corporate Officers are inextricably intertwined with the Debtor, both by their professional status and by the nature and identity of the debts guaranteed. These debts were guaranteed by the Corporate Officers to secure Debtor’s liquidity and further Debtor’s business purpose. The Corporate Officers share such an identity with the Debtor in this regard that refusing to extend the automatic stay would not only render them open to judgment which would effectively be a judgment against the Debtor, but would also punish them for their continued efforts on the Debtor’s behalf.

Similarly, the automatic stay can be extended where creditors’ prospective litigation against the non-debtors “will have an adverse impact on the debtor’s ability to accomplish reorganization.” *In re Slabicki*, 466 B.R. 572, 580 (B.A.P. 1st Cir. 2012) (quoting *In re R & G Fin. Corp.*, 441 B.R. 401, 409 (Bankr. D.P.R. 2010)); see also *In re LTL Management, LLC*, 638 B.R. 291, 306 (Bankr. D.N.J. 2022) (“a critical factor in deciding whether to extend the stay is the potential adverse impact on a debtor’s estate and prospect of reorganization.”). This factual

circumstance is best demonstrated by *In re Bailey Ridge Partners, LLC*, where the Court noted the Debtor’s “clear path to reorganization,” the non-debtor member-guarantors’ willingness to “contribute time, money, and expertise to Debtor’s reorganization effort,” and the liquidation which would likely result absent those efforts. 571 B.R. 430, 439 (Bankr. N.D. Iowa 2017). All the same circumstances exist here, where the Corporate Officers are guarantors to certain debts of the Debtor and, beyond guaranteeing the debtors’ cashflow, have contributed—and continue to contribute—substantial time, money, and expertise for furtherance of the Debtor’s business operations. Failure to extend the automatic stay to the Corporate Debtors would put them personally at risk, but would also run the risk of substantial impairment to the Debtor’s reorganization efforts.

For these reasons, the Corporate Officers are entitled to the relief requested so that they can enjoy the protection of the automatic stay in relation to debts which they have guaranteed on behalf of the Debtor and so that they can exclusively focus their time and efforts on reorganization of the Debtor.

B. Even if the Court found that the Corporate Officers lack sufficient identity with the Debtor, the Court can order extension of the automatic stay through Section 105.

Under Section 105(a) of the Bankruptcy Code, bankruptcy courts are granted broad discretion and authority to carry out the provisions of the Bankruptcy Code, under both specific statutory provisions and under equitable common law principles. See *In re Archdiocese of St. Paul and Minneapolis*, 578 B.R. 823, 827 (Bankr. D. Minn. 2017). Under that section, the bankruptcy court enjoys the “power to issue any order, process or judgment that is necessary or appropriate to carry out the provision of this title and confers equitable powers upon the courts.” *Id.* The Court should choose to exercise such authority for the benefit of the Debtor’s reorganization efforts.

Courts within the Eighth Circuit have expressly held that this authority permits relief where a suit may be “brought against a third party rather than against the debtor or the debtor’s property.” *See Security Nat’l Bank of Sioux City*, 646 B.R. at 832 (N.D. Iowa 2022) (quoting *In re Panther Mountain Land Development, LLC*, 686 F.3d 916, 926-27 (8th Cir. 2012)). Such relief “is consistent with the legislative history and purpose of the automatic stay: to prevent a race by creditors, provide an orderly liquidation involving equal treatment of creditors, and provide breathing room for the debtor free from actions against the debtor and its assets.” *In re Panther Mountain Land Development, LLC*, 686 F.3d at 927 (citing H.R. Rep. No. 95-595, 95th Cong., 2d Sess. 340 (1978)). When a suit may be brought against a third party, “§ 105 and the usual standards, procedures, and burdens of proof for injunctive relief remain available.” *Id.*

As stated above, the Corporate Officers need to dedicate their whole time, effort, and resources to the Debtor’s reorganization. Any suit against them resulting from their status as guarantors of certain debts of the Debtor will distract them from these reorganization efforts and operate contrary to the Code and the best interests of the Debtor and its creditors. As a result, this Court should exercise its express authority to extend the automatic stay to the Corporate Debtors.

CONCLUSION

There are compelling and legitimate justifications for extending the automatic stay to George Peichel and Mike Helgeson. Further, granting the relief requested will not prejudice any creditor or other party in interest. Rather, the relief requested will inure to the benefit of all parties in interest by ensuring that Debtor has at its disposal the skill and expertise of its corporate officers unimpeded by the distraction of extraneous litigation. For these reasons, and others set forth above, the Debtor respectfully asks the Court to grant the relief requested in the Motion and extend the automatic stay to George Peichel and Mike Helgeson on an expedited basis.

Dated: September 20, 2024

TAFT STETTINIUS & HOLLISTER LLP

By: /s/ James M. Jorissen

James M. Jorissen, #262833
Adam G. Chandler, #397408
Schaan P. Barth, #397898
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Telephone: 612-977-8400
Facsimile: 612-977-8650
jorissen@taftlaw.com
achandler@taftlaw.com
sbarth@taftlaw.com

**PROPOSED COUNSEL FOR THE
DEBTOR**

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MINNESOTA**

In re:

Pure Prairie Poultry, Inc.

Debtor.

Case No. 24-32426 KAC

Chapter 11 Case

ORDER

This case is before the court on Debtor's Motion for Expedited Relief and an Order Extending the Automatic Stay to George Peichel and Mike Helgeson (the "Motion"). Based on the Motion and this court having determined that it is in the best interests of Debtor's estate and reorganization to grant the Motion, and it appearing that due and proper notice of this action was given,

IT IS HEREBY ORDERED:

1. The Debtor's Motion is granted.
2. The Debtor's request for expedited relief is granted.
3. The automatic stay is extended to George Peichel and Mike Helgeson to prevent the commencement or continuation of any action to collect a debt of the Debtor on which either individual is a guarantor, or any other debt of the individuals which was incurred in furtherance of the Debtor's business purpose. This extension shall continue until (a) a plan of reorganization is confirmed or (b) the Court otherwise determines.
4. Notwithstanding Bankruptcy Rule 6003 and the possible applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
5. This Court shall retain jurisdiction over any and all matters arising from or related to the implementation or interpretation of this Order.

Dated:

United States Bankruptcy Judge