

STATE OF CALIFORNIA

AGRICULTURAL LABOR RELATIONS BOARD

SUN WORLD	)	Case Nos.	01-CE-613-EC(R)
INTERNATIONAL, INC.,	)		01-CE-614-EC(R)
	)		01-CE-615-EC(R)
	)		01-CE-616-EC(R)
Respondent,	)		
	)	ORDER GRANTING MOTION TO	
FRANCISCO HECTOR	)	MAKE CASES ELIGIBLE FOR	
MORENO, JOSE GUADALUPE	)	PAYOUT FROM THE	
MORFIN, FELIX LARA	)	AGRICULTURAL EMPLOYEE	
GOMEZ, AND GAUDENCIO	)	RELIEF FUND; ORDER	
AISPURO,	)	GRANTING MOTION TO CLOSE	
	)	CASES	
Charging Parties.	)		
	)	Admin. Order No. 2011-21	
	)		

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On October 26, 2011, the Visalia Regional Director filed a Motion to Make Cases Eligible for Payout from the Agricultural Employee Relief Fund (AERF) and Motion to Close Cases, pursuant to Board regulation 20299.<sup>1</sup> No response to either of the motions was filed. As required by Labor Code section 1161, subdivision (c) (2), and Regulation 20299, subdivision (b), the Regional Director has set forth the Regional Office's efforts to collect amounts owed from the Respondent, Sun World International, Inc. (Sun World), as well as the basis for the Regional Director's belief that collection of the full amount owing is not possible.

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<sup>1</sup> The Board's regulations are codified at Title 8, California Code of Regulations, Section 20100, et seq. Pursuant to section 20299, subdivision (d), a motion to make a case eligible for pay out from the AERF is deemed to include a simultaneous motion to close the case pursuant to *John V. Borchard, et al.* (2001) 27 ALRB No. 1.

On January 30, 2003, Sun World filed a voluntary petition for bankruptcy under Chapter 11 of the United States Bankruptcy Code. On August 22, 2003, the El Centro Regional Office of the Agricultural Labor Relations Board (ALRB) filed a proof of claim. The claim later was amended to reflect the actual amount owing after ALRB compliance proceedings were concluded. The amended claim, for \$9,286.28, plus interest, was accepted by the bankruptcy court as an unsecured claim. On August 26, 2005, the bankruptcy court entered an order confirming Sun World's plan of reorganization and pro-rata distribution of payments on the creditors' claims began soon thereafter. On February 3, 2006, the bankruptcy court issued a final decree closing the case. Under the reorganization plan, the ALRB received a total of \$5178.56, leaving \$4108.42 in principal unpaid, plus interest on the entire amount. The Regional Director attests that all payments due under the plan have been made.

The confirmation of a reorganization plan under Chapter 11 discharges corporate debts as long as the debtor acts in accordance with the plan.<sup>2</sup> The discharge of the debt owed to the ALRB was made express in the following ruling by the bankruptcy court:

The ALRB shall not take any further action to enforce any monetary claim against Sun World on account of the discharge of the individuals who are the subject of the ALRB proceedings entitled In the Matter of

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<sup>2</sup> See 11 U.S.C. section 1141(d). There are exceptions for certain types of debts, none of which are pertinent here.

Sun World International, Inc. et al. (Case Nos. 01-CE-606-EC through 01-CE-609-EC and 01-CE-613-EC through 01-CE-616-EC).<sup>3</sup>

Therefore, collection of the full amount owing is not possible and, thus, this case meets the standard for eligibility for payout from the AERF. The cumulative claims of the four named Charging Parties shall be the sum of the unpaid principal amount of \$4108.42 and the interest on the entire amount originally owing.<sup>4</sup>

PLEASE TAKE NOTICE that the Motion to Make Cases Eligible for Payout from the Agricultural Employee Relief Fund and the Motion to Close Cases are hereby GRANTED. Interest shall be calculated up to the date of this Order.

By Direction of the Board.

Dated: November 17, 2011

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J. ANTONIO BARBOSA  
Executive Secretary, ALRB

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<sup>3</sup> "Order Disallowing in Part Claim No. 323 (State of California Agricultural Labor Relations Board," Case Nos. RS 03-11370 DN, et al., U.S. Bankruptcy Court, Central Dt. of Ca., Riverside Div., January 30, 2004.

<sup>4</sup> Pursuant to section 1161 of the Agricultural Labor Relations Act, the source of funds for the AERF is limited to monies collected by the ALRB on behalf of employees that cannot be located within two years. Given this limited and unpredictable funding source, there is no guarantee that full, or any, payment of eligible claims will occur within the two years of eligibility provided for under Regulation 20299.