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FILE NO: 27120.002012

June 12, 2003

Via E-Mail

Nina B. Hale, Esq.
United States Department of Justice
325 Seventh Street, N.W.
Antitrust Division, Suite 500
Washington, DC 20530

Re: U.S. v. Smithfield Foods, Inc. (Case No. 1:03CV00434)

Dear Ms. Hale:

This is in response to your letter of June 6, 2003. We cannot agree to your proposal to depose six current and/or former employees of Smithfield. You have indicated that you would like to depose Messrs. Seely and Trub. As we have previously indicated, however, we cannot agree to more than four depositions. Accordingly, please let me know which of these two gentlemen you would like to depose so we can determine their availability during the period allowed for discovery. Since we are fast approaching the discovery cutoff of July 11, please get back to my at your earliest convenience regarding the fourth deposition so that we can make the necessary arrangements.

With respect to the appropriate date for determining whether Smithfield “transacts business” in the District of Columbia, we cannot agree that the date is February 28, 2003 (date the complaint was filed). We believe the recent decision by Judge Colleen Kollar-Kotelly of the District Court of the District of Columbia is dispositive on this issue in this forum. *Diamond Chemical Co., Inc. v. Autofina Chemicals, Inc.*, Civ. No. 02-1010 (June 5, 2003) clearly stands for the proposition that actions occurring after the period of alleged wrongdoing can not possibly constitute evidence of control of a subsidiary for jurisdictional purposes. *Id.* at 16.

With respect to your request that we produce documents and answer interrogatories for “SF Investments and the Smithfield Companies”, we will produce documents and respond to interrogatories on behalf of SF Investments. We will not do so for Smithfield Companies, which was acquired after the cause of action accrued. Furthermore, we are not willing to provide discovery for any other Smithfield entities since there is no indication on the record of this matter that any other Smithfield-related entity “transacts business” in the District of

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Columbia. If you have any information suggesting otherwise, please provide it and we will make a further inquiry.

In light of the foregoing concessions on our part, it is our hope that we can avoid burdening the Court with a dispute over discovery in this matter. We look forward to hearing from you in this regard.

Sincerely,

"/s/”

Thomas G. Slater, Jr.

tgs/cls