

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re:)	Chapter 11
)	
CAGLE’S, INC.,)	Case No. 11-80202
CAGLE’S FARMS, INC.,)	Case No. 11-80203
)	
Debtors.)	Jointly Administered
)	

**NOTICE OF FILING OF GLOBAL NOTES TO DEBTORS’ SCHEDULES OF ASSETS
AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

Cagles’s, Inc. and Cagle’s Farms, Inc. (collectively, the “Debtors”) hereby file their
Global Notes to Debtors’ Schedules of Assets and Liabilities and Statements of Financial Affairs
attached hereto as Exhibit A.

Dated: December 5, 2011
Atlanta, Georgia

Respectfully submitted,

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DEBTORS-IN-POSSESSION



EXHIBIT A

GLOBAL NOTES TO DEBTORS' SCHEDULES OF ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS

Cagle's, Inc. ("Cagle's"), and Cagle's Farms, Inc. ("Farms") (each a "Debtor" and collectively, the "Debtors") submit their Schedules of Assets and Liabilities (the "Schedules") and Statements of Financial Affairs (the "Statements") pursuant to section 521 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") and Rule 1007 of the Federal Rules of Bankruptcy Procedure. The Schedules and Statements prepared by the Debtors as of October 19, 2011 are unaudited, from a variety of different sources available to the Debtors and were prepared with such data to provide a cut-off as near as possible October 19, 2011 (the "Petition Date"). While the Debtors' management and advisors have exercised reasonable best efforts to ensure that the Schedules and Statements are accurate and complete based on information that was available at the time of preparation, inadvertent errors or omissions may exist. Accordingly, the Debtors reserve the right to amend the Schedules and Statements from time to time as may be necessary or appropriate and expect they will do so as information becomes available. These global notes (the "Global Notes") are incorporated by reference in, and comprise an integral part of, the Schedules and Statements, and should be referred to and reviewed in connection with any review of the Schedules and Statements.

The Debtors reserve the right to dispute, or to assert offset or defenses to, any claim reflected on the Schedules or Statements as to amount, liability or classification. The Debtors also reserve all rights with respect to the values, amounts and characterizations of the assets and liabilities listed in their Schedules and Statements.

Any failure to designate a claim listed on the Schedules as "disputed," "contingent" or "unliquidated" does not constitute an admission by the Debtors that such amount is not "disputed," "contingent" or "unliquidated". The Debtors reserve the right to dispute, or to assert setoff rights, counterclaims or defenses to, any claim reflected on their Schedules as to amount, liability or classification, or to otherwise subsequently designate any claim as "disputed," "contingent" or "unliquidated". Additionally, the dollar amounts of claims listed may be exclusive of contingent and additional unliquidated amounts. Further, the claims of individual creditors for, among other things, goods, services, or taxes are listed as the amounts entered on the Debtors' books and records and may not reflect credits or allowances due from such creditors to the Debtors. The Debtors reserve all of their rights with respect to any such credits and allowances.

As it would be expensive and unduly burdensome to obtain current market valuations of the Debtors' property interests, unless otherwise noted, the carrying value on the Debtors' books (net book value)—rather than the current market values—of the Debtors' interests in property and of the Debtors' liabilities is reflected on the Schedules and Statements. The Debtors reserve all of their rights with respect to any causes of action they may have against third parties, whether such causes of action are or are not listed as assets in their Schedules and Statements, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such causes of action.

The Schedules and Statements have been signed by Keith F. Cooper who serves as the Chief Restructuring Officer of each of the Debtors. In reviewing and signing the Schedules and Statements, Mr. Cooper has necessarily relied upon the efforts, statements and representations of the Debtors' personnel and professionals. Mr. Cooper has not (and could not have) personally verified the accuracy of each such statement and representation, including statements and representations concerning amounts owed to creditors and their addresses. In addition to the foregoing, the following conventions were adopted by the Debtors in the preparation of the Schedules and Statements:

Notes to Schedules of Assets and Liabilities

Schedule A Notes

- The values of the assets listed on Schedule A are based on appraisals. Appraised values are based on the date of the appraisal. Accordingly, the Debtors are unable to verify the market value for such properties as of October 19, 2011. Appraisals for the properties located in Rockmart, Georgia and Collinsville, Alabama are dated December 2003, the appraisal for the property located in Macon, Georgia is dated August 2004, the appraisal for the property located in Dalton, Georgia is dated December 2004 and the appraisal for the properties located in Atlanta, Georgia and Pine Mountain Valley, Georgia are dated September 2011.

Schedule B Notes

- Unless otherwise stated, except with respect to bank account balances set forth in Schedule B2, all values set forth in Schedule B reflect the book value of the Debtors' assets as of October 19, 2011.
- Schedule B21 - The Debtors' failure to list any contingent and/or unliquidated claim held by the Debtors in response to this question shall not constitute a waiver, release, relinquishment or forfeiture of such claim.
- Schedule B28 - Due to the sheer volume and minimal value of the Debtors' office equipment, furnishing and supplies, it would be impractical and unduly burdensome for the Debtors to produce an item-by-item listing of those goods. Therefore, the Debtors have provided the aggregate estimated book value for such goods.
- Schedule B30 - The value of the Debtors' inventory is reported as of October 22, 2011.
- Schedule B31 - The value of the Debtor's animals is reported as of October 22, 2011.

Schedule D Notes

- Except as otherwise agreed in accordance with a stipulation or an agreed order or any other order entered by the United States Bankruptcy Court for the Northern District of Georgia (the “Bankruptcy Court”), the Debtors reserve their rights to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D.
- Holders of secured claims by virtue of holding setoff rights against the Debtors are not included on Schedule D. Lessors, utility companies and other parties that may hold security deposits have also not been listed on Schedule D.
- The secured claim of AgSouth Farm Credit, ACA (“AgSouth”) against each of the Debtors in an approximate amount of \$33,500,000 arises out of that certain Third Amended and Restated Revolving Line of Credit and Security Agreement (as amended, the “Restated Agreement”). Pursuant to the Restated Agreement, AgSouth provided a Revolving Credit Facility (as defined in the Restated Agreement) to the Debtors. The Debtors’ obligations under the Restated Agreement are secured by a first priority security interest in the Debtors’ accounts receivable and inventories and the Debtors’ real property located in Atlanta, Georgia and Pine Mountain Valley, Georgia. In connection with a recent amendment to the Restated Agreement, the Debtors granted AgSouth a second priority lien in the MetLife Collateral (as defined below).
- The secured claim of Metropolitan Life Insurance Company (“MetLife”), in an approximate amount of \$7,685,000, arises out of that certain Loan Agreement dated March 28, 2001 (as amended from time to time, the “Loan Agreement”). The Debtors’ obligations under the Loan Agreement are secured by a first priority security interest in the Debtors’ processing plant located in Collinsville, Alabama, the Debtors’ hatchery located in Dalton, Georgia, and the Debtors’ feedmill located in Rockmart, Georgia (collectively, the “MetLife Collateral”).

Schedule E Notes

- The Bankruptcy Court entered a number of first day orders granting authority to pay certain prepetition priority claims, including claims for wages and benefits and claims for certain taxes. Numerous prepetition priority claims that are listed on Schedule E have been satisfied pursuant to such orders. The Debtors reserve their rights to object to such claims at a later date on the ground that, among other things, they have already been satisfied.
- Wages listed on Schedule E are provided on a net basis.

- The listing of any claim or entity on Schedule E does not constitute an admission by the Debtors that any claim listed or held by an entity listed on Schedule E is entitled to priority treatment under section 507 of the Bankruptcy Code. The Debtors reserve the right to take the position that any claim listed or held by an entity listed on Schedule E is not entitled to priority treatment.

Schedule F Notes

- The claims listed on Schedule F reflect the amounts owed as of the Petition Date and may not reflect any payments authorized to be made to certain creditors pursuant to the first day orders entered by the Bankruptcy Court. The Debtors reserve the right to assert that claims satisfied during the administration of these cases should be reduced accordingly.
- The Debtors expressly incorporate by reference into Schedule F all parties to pending and potential litigation listed in 4(a) of the Debtors' Statements as contingent, unliquidated and disputed claims, to the extent not already listed on Schedule F.

Schedule G Notes

- While reasonable best efforts have been made to ensure the accuracy of Schedule G, inadvertent errors or omissions may have occurred. To the extent the Debtors become aware of additional executory contracts and unexpired leases (each an "agreement"), they will supplement their Schedules.
- The Debtors hereby reserve all rights to dispute the validity, status or enforceability of any agreement set forth in Schedule G and to amend or supplement such Schedule as necessary. Additionally, the listing of an agreement on Schedule G shall not be deemed an admission that such agreement is an executory contract or unexpired lease, or that it is necessarily binding, valid and/or enforceable. Any and all of the Debtors' rights, claims and causes of action with respect to the agreements listed on Schedule G are hereby reserved and preserved.
- Omission of an agreement from Schedule G does not constitute an admission that such omitted agreement is not an executory contract or unexpired lease. The Debtors' rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by their omission. Schedule G may be amended at any time to add any omitted agreement.

Notes to Statements of Financial Affairs

Question 3b

- Checks listed with a \$0 value were voided.