

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 7-01-10779 SA
Chapter 7

Debtor.

**ORDER RESULTING FROM STATUS CONFERENCE ON THE APPLICATION OF
VALOR TELECOMMUNICATIONS, INC. FOR PAYMENT OF ADMINISTRATIVE
EXPENSE CLAIM**

This matter came before the Court on the Motion of Valor Telecommunications for payment of Administrative Expense claim, filed October 26, 2001, and docketed as #1136 (the "Motion"), and the objection thereto filed by the Debtor-in-possession and docketed as #1257 and the Court, being duly advised in the premises, HEREBY ORDERS:

1. Litigation of the Motion shall be stayed until further order of the Court.

2. Yvette J. Gonzales, the duly appointed chapter 7 trustee of the Furr's Supermarkets, Inc. bankruptcy estate (the "Trustee") shall continue her efforts to liquidate the Furr's bankruptcy estate and to maximize the amount available to pay creditors.

3. When the Trustee believes it is in the best interest of the Chapter 7 estate and creditors to do so, she shall propose a process of allowing or disallowing all chapter 7 and chapter 11 administrative claims filed in the case. The Trustee's proposed allowance process, and any objections thereto, shall be reviewed by the Court prior to implementation. The goal of the claims administration process shall be to complete allowance or disallowance of all administrative claims at about the same time the Chapter 7

Estate is fully liquidated. Valor will be notified (through counsel) when the allowance process is proposed so that Valor may comment on it.

4. The administrative claim of Valor shall be allowed or disallowed as part of this overall administrative claim approval process, when implemented.

5. ^{A notice containing substantially JSS}
The following language shall be placed on the Court's website for the

Furr's bankruptcy case:

NOTICE TO ADMINISTRATIVE CLAIMANTS: This notice is posted on the Furr's Supermarkets, Inc. website to provide information to holders of administrative claims (either chapter 11 or chapter 7) about how administrative claims will be allowed or disallowed. At the present time, the Court is not ruling on administrative claims, other than certain professional fee claims. When the Chapter 7 Trustee has made sufficient progress in liquidating the remainder of the bankruptcy estate, she has been directed by the Court to propose a process for allowing or disallowing all administrative claims. The Court will then review the proposed process and any objections to it. The goal of the Court and the Chapter 7 Trustee is to complete the administrative claims allowance process at about the same time the Chapter 7 estate has been fully liquidated.

If you are the holder of an administrative claim, you will receive notice from the Trustee if your claim will be subjected to the claims allowance process. Until you receive such a notice, you do not need to take any action in the bankruptcy case to seek allowance or payment of your claim. If you do take any action, the Court likely will stay any proceedings on your claim until such time as the overall claims administration process is under way.

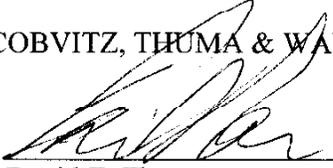
The professional fee claims are being adjudicated now because there is a potential source of payment of some of those claims that is not available to general administrative creditors. That source of payment is a portion of the collateral and proceeds held by the secured creditors of Furr's Supermarkets, Inc. The professionals in this case (for example attorneys, accountants, and investment bankers) assert that at the beginning of the bankruptcy case the secured lenders agreed to "carve out" a portion of their collateral for payment of professional fees incurred in the bankruptcy case. The secured lenders dispute the amount, and even the existence, of the "carve out." That dispute will be resolved separately by the Court. In any event, no amount of the alleged "carve out" would be available to pay administrative creditors other than professionals.



James S. Starzynski, United States Bankruptcy Judge

Submitted and Approved:

JACOBVITZ, THUMA & WALKER, P.C.

By: 

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Approved as to form:


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I hereby certify that a true and correct copy
of the foregoing was either electronically
transmitted, faxed, delivered or mailed to
the listed counsel and parties on:

JUL 12 2002

Mary B. Anderson