

FILED
12:00 MIDNIGHT
OCT 28 2002
DROP BOX
United States Bankruptcy Court
Albuquerque, New Mexico

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:
FURR'S SUPERMARKETS, INC.,

Debtor,

Case No. 7-01-10779-SA
Chapter 7

MOTION TO APPROVE SETTLEMENT OF ADVERSARY PROCEEDING 02-1118-S

Yvette Gonzales, the Chapter 7 Trustee (the "Trustee"), by counsel, moves the Court for an order approving the settlement of all preferential transfer claims the estate has against Clairol, Inc. as set forth in the adversary proceeding No. 02-1118-S, captioned *Yvette J. Gonzales, Trustee v. Clairol, Inc.* (the "Adversary Proceeding"), pursuant to F.R.Bankr.P.9019, and STATES:

1. **Commencement and Conversion of Case.** On February 8, 2001, (the "Petition Date"), the Debtor filed a Voluntary Petition in this Court under Chapter 11 of the Bankruptcy Code. On December 19, 2001, this Court entered an Order converting the Chapter 11 case to a case under Chapter 7.

2. **Appointment of Chapter 7 Trustee.** On December 19, 2001, the United States Trustee appointed Yvette Gonzales as the Trustee for the Debtor's bankruptcy estate, in which capacity she continues to serve.

3. **Jurisdiction and Venue.** The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§157 and 1334. This matter is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§1408 and 1409.

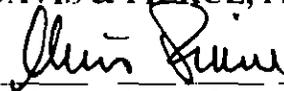
4. **The Adversary Proceeding.** In the Adversary Proceeding, the Trustee sought to recover One Hundred Eleven Thousand Eight-Hundred Twenty-two Dollars and 55/100 (\$111,822.55) from Clairol, Inc., plus all other amounts, if any, recoverable pursuant to 11 U.S.C. §547.

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5. **The Settlement.** Clairol, Inc. has offered to pay the Trustee Ninety-Four Thousand Three Hundred and Fifty Dollars and No/100 (\$94,350.00) in full satisfaction of any and all claims asserted in the Adversary Proceeding (the "Settlement"). The Settlement is fair and equitable, and in the best interests of and beneficial to the Debtor's estate and the creditors.

WHEREFORE, the Trustee requests that the Court enter an Order approving the Settlement and for such other relief as may be just.

DAVIS & PIERCE, P.C.



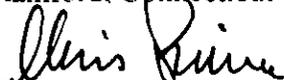
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I hereby certify that a true and correct copy of the foregoing was served on counsel and parties as indicated below this 28th day of October, 2002.

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