

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW MEXICO

U.S. BANKRUPTCY COURT  
ALBUQUERQUE, NM

In re:

**FURR'S SUPERMARKETS, INC.,**  
a Delaware corporation,  
Federal ID No. 75-2364418,

Debtor.

No. 11-01-10779-SA

**CONDITIONAL OBJECTION BY CREDITOR STARLINE PRINTING COMPANY  
TO DEBTOR'S MOTION FOR INTERIM AND FINAL ORDER (I) AUTHORIZING  
DEBTOR TO INCUR POST-PETITION SECURED INDEBTEDNESS,  
(II) GRANTING SECURITY INTERESTS, (III) MODIFYING THE  
AUTOMATIC STAY, AND (IV) SCHEDULING A FINAL HEARING**

Comes now STARLINE PRINTING COMPANY, a partnership, by its attorneys,  
and hereby makes this Conditional Objection to the Debtor's Motion for Interim and Final Order  
Authorizing Debtor to Incur Post-Petition Secured Indebtedness, etc.

**Interest of this Creditor**

1. STARLINE PRINTING COMPANY (hereafter, "STARLINE") is a New Mexico general partnership with its principal place of business within the State of New Mexico.
2. STARLINE is engaged in the printing business.
3. Debtor Furr's Supermarkets, Inc. has been a customer of Plaintiff for several years prior to the filing of the bankruptcy case.
4. Under the terms of a printing service agreement in effect between STARLINE and Debtor, STARLINE furnished Debtor certain proprietary equipment, computer hardware,

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software, and processes referred to as the "StarGraphix" System. The Debtor was able to use this system at Debtor's own facility to compose, lay out, photograph, and do other "pre-press" preparations for printed advertising materials in connection with its retail grocery business. The Debtor then transmitted the formatted materials to STARLINE. STARLINE in turn printed and produced the advertising materials and inserts for Debtor. STARLINE typically printed 1,000,000 or more pieces per week for Debtor.

5. Despite request, negotiations, and written demand, Debtor has failed to agree with STARLINE for Debtor's post-petition use of the StarGraphix System, or for continuation of the parties' contractual relationship on mutually acceptable terms. STARLINE therefore notified Defendant's attorneys that it would need to obtain permission of the Court to remove its equipment.

#### **Basis for Objection to the Motion**

6. The Motion seeks an order authorizing, among other items, the use of cash collateral, obtaining post-petition secured financing, and the grant of a superpriority lien on all of the Debtor's presently owned and after-acquired or created assets.

7. To the extent Debtor attempts to argue that any portion of STARLINE's StarGraphix System in Debtor's possession constitutes "property of the Debtor" or "property of the Estate" and could therefore be subject to the superpriority lien contemplated by the Motion, STARLINE objects to the Motion. *The items of equipment constituting the StarGraphix System are set forth in Exhibit A hereto and are now and have always been property of STARLINE, and Debtor has no ownership rights therein, and it would be improper and inequitable for Debtor to suggest that this Court make an order granting a superpriority lien in property which does not*

belong to the Debtor or the Debtor's estate.

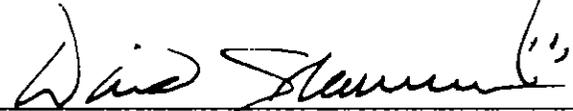
8. STARLINE has filed its separate adversary proceeding seeking this Court's judgment and order for, *inter alia*, possession of the StarGraphix System and issuance of an appropriate writ to restore possession of same to STARLINE.

9. STARLINE has not consented and does not consent to the use of its property by Debtor.

WHEREFORE, premises considered, STARLINE objects to the Motion to the extent it may purport to request the granting of a superpriority security interest in the property of STARLINE.

Respectfully submitted,

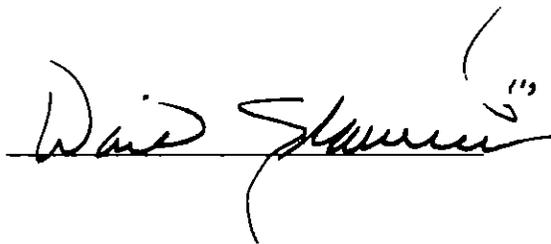
ALDRIDGE, GRAMMER, JEFFREY & HAMMAR, P.A.

By: 

DAVID A. GRAMMER III

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I hereby certify that a true copy of the foregoing pleading was served by mail this 2<sup>nd</sup> day of March, 2001, to the parties listed on the attached schedule.



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Boston, MA 02109

STARLINE PRINTING  
 FURRS EQUIPMENT  
 SINCE 1/1/97

Location	Asset No	Date	Description
FURRS	352	2/1/97	ASANTE HUB
FURRS	354	2/1/97	LAN COMPUTER DROPS
FURRS	358	3/1/97	JAZ 1GB EXTERNAL
FURRS	359	3/1/97	JAZZ 1GB EXTERNAL
FURRS	360	3/1/97	WORKGROUP SERVER
FURRS		4/1/97	DDM4100UW DATADOCK
FURRS	368	4/1/97	TIMBUKTU, MEM MOD
FURRS	373	5/1/97	DDM4100UW
FURRS	386	7/1/97	APPLE INTERNAL CD ROM 8X
FURRS	387	7/1/97	APPLESHARE 5.0
FURRS	388	7/1/97	ADOBE ILLUSTRATOR 7.0
FURRS	413	11/1/97	OMEGA ZIP DRIVE
FURRS	415	12/1/97	RAM FOR MAC 7500/ 5500 3790LL/A-GR
FURRS	418	12/1/97	ADOBE AND MODEM
FURRS	419	12/1/97	APPLE 8500 PRINTER
FURRS	420	12/1/97	cassette feeder for iswr 8500
FURRS	421	2/1/98	MONITOR 21"
FURRS	432	5/1/98	microset 4 gigs external
FURRS	433	5/1/98	QUARKXPRESS 4.0
FURRS	437	6/1/98	ADOBE SYSTEM
FURRS	445	8/1/98	QUARK XPRESS
FURRS	448	8/1/98	LASERWRITER, DATADOCK
FURRS	454	9/1/98	MICRONET FAST ADAPTOR
FURRS	449	9/1/98	QUANTUM DLT TAPE
FURRS	461	10/1/98	EPSON STYLUS COLOR PRINTER
FURRS	465	10/1/98	INSTALL CABLE DROPS
FURRS	468	10/1/98	ADOBE ILLUST
FURRS	469	10/1/98	APPLE G3 300 MINI TOWER
FURRS	470	10/1/98	APPLE G3 300 MINTOWER
FURRS		10/1/98	QUARK EXTENSIONS
FURRS	475	11/1/98	BATTERY BACKUP
FURRS	480	11/1/98	MAC ADOBE ILLUSTRATOR
FURRS	487	12/1/98	ADOBE ILLUSTRATOR 8.0 UPGRADE
FURRS		12/1/98	FUSER ASSEMBLY FOR LASER 8500
FURRS	494	3/1/99	MAXELL DAT TAPES
FURRS	500	4/1/99	APPLE LAWERWRITER 8500 TONER CARTR
FURRS	503	4/1/99	MAC NORTON UTILITIES
FURRS	504	4/1/99	MAC APPLE DESKTOP BUS MOUSE
FURRS	505	4/1/99	BAR CODE PRO V3.5 MAC
FURRS	507	4/1/99	APPLE POWER MAC
FURRS		4/1/99	FUSER ASSEMBLY
FURRS	508	5/1/99	STUDIO MONITOR APPLE 21"
FURRS	511	5/1/99	SUITCASE 8 SOFTWARE UPGRADE
FURRS	512	5/1/99	INTERNAL MODEM 56K
FURRS	516	6/1/99	TONER FOR LASERWRITER 8500
FURRS	518	7/1/99	UPGRADE FOR POWERMAC G3
FURRS	519	7/1/99	MICRONET HD DATADOCK MODULE
FURRS	523	8/1/99	MICROSOFT OFFICE 98
FURRS		8/1/99	DAT TAPE
FURRS		8/1/99	SCSI CARD FOR B/W G3
FURRS		9/1/99	MARKWARE FLIGHT CHECK
FURRS	533	9/30/99	ADOBE PHOTOSOP 5.5
FURRS	544	12/1/99	HP DESIGNJET PRINTER
FURRS	562	3/1/00	2 DATADOCKS, 4 18 GB MODULES
FURRS	563	4/13/00	IMAC 128 MB 13 DVD
FURRS	567	4/18/00	DLT TAPE DRIVE
FURRS	464	10/1/98	MAC VIRTUAL PC

EXHIBIT A