

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO**

In re:

FURR'S SUPERMARKETS, INC.,  
Debtor.

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

**ORDER APPROVING SETTLEMENT OF ADVERSARY PROCEEDING 02-1148-S**

THIS MATTER came before the Court on the Chapter 7 Trustee's Motion to Approve Settlement of Adversary Proceeding 02-1148-S (Schwan's Sales Enterprises, Inc.). The Court, being sufficiently advised, hereby FINDS:

1. The Chapter 7 Trustee's Motion to Approve Settlement of Adversary Proceeding 02-1148-S (the "Motion") was filed on November 12, 2002.

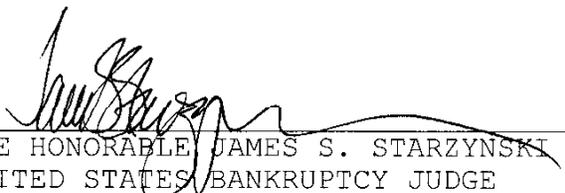
2. Notice of the filing of the Motion was mailed by first class United States mail, postage prepaid, on November 12, 2002, to all persons listed on the limited matrix as set forth in the original Notice filed herein, and was sufficient and proper in the circumstances. The deadline to file an objection expired on December 5, 2002, which includes three days for service by mail. No objections to the Motion were filed.

3. The Settlement should be approved.

4. Within three (3) business days following entry of this Order, Schwan's Sales Enterprises, Inc. will pay the sum of Sixty-Eight Thousand Dollars and No/100 (\$68,000.00) to the Chapter 7 Trustee and the Adversary Proceeding will be dismissed with prejudice. The parties have further agreed that, upon payment of

the \$68,000.00 to the Trustee by the Defendant, this settlement shall resolve all claims, counterclaims and causes of action held by the Trustee, and her agents, subsidiaries, affiliates, employees, officers, directors, assigns, and successors in interest, (collectively, the "Trustee"), against the Defendant, and its agents, subsidiaries, affiliates, employees, officers, directors, assigns, and successors in interest (collectively, the "Defendant"), and by the Defendant against the Trustee, and the Trustee and the Defendant shall mutually release each other from any and all such claims, with the exception of the Defendant's pre-petition unsecured claim in this matter. The Defendant specifically reserves its rights with regard to its pre-petition unsecured claim in Case No. 7-01-10779-SA, including without limitation its rights to receive payment on such claim to the extent permitted by applicable bankruptcy law, and to the extent that there is a distribution to holders of allowed pre-petition unsecured claims.

IT IS THEREFORE ORDERED that the Chapter 7 Trustee's Motion to Approve Settlement of Adversary Proceeding 02-1148-S is granted, and the settlement of Adversary Proceeding 02-1148-S is approved as set forth in the Motion.

  
THE HONORABLE JAMES S. STARZYNSKI  
UNITED STATES BANKRUPTCY JUDGE

Submitted by:

DAVIS & PIERCE, P.C.



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Approved:

approved by email 12-17-02 

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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:

DEC 18 2002

Mary B. Anderson