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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 11-01-10779-SA
Chapter 11

Debtor.

MOTION TO REJECT LEASE WITH HELLER FINANCIAL LEASING, INC.

Yvette J. Gonzales, the Chapter 7 trustee (the "Trustee") of Furr's Supermarkets, Inc. ("the Debtor") moves for an order under 11 U.S.C. § 365(a) approving her rejection of a certain unexpired equipment lease for equipment located at the Debtor's former distribution center in El Paso, Texas. In support of this Motion the Trustee states:

1. On February 8, 2001 (the "Petition Date"), the Debtor filed a voluntary petition in this Court under chapter 11 of title 11 of the United States Bankruptcy Code. The Debtor continues to operate its business and manage its properties as debtor-in-possession under Bankruptcy Code §§ 1107(a) and 1108.

2. On December 19, 2001, Furr's converted its Chapter 11 bankruptcy case to a Chapter 7 case. The Trustee was appointed the trustee on that date and continues in that capacity.

3. The Trustee requests approval under 11 U.S.C. § 365(a) of her rejection of an equipment lease, including an 8-page Master Equipment Lease Agreement, two closing schedules, a document entitled "Equipment Lease No. One," two certificates of acceptance, equipment lists, documents evidencing assignment to Heller Financial Leasing, Inc. ("Heller"), and public filing and recording document, between the Debtor as lessee and

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Heller or its predecessor as lessor (the "Lease"). The Trustee has already surrendered the personal property subject to the Lease.

4. The Lease is costly to maintain, unnecessary, and burdensome to the estate. Amounts due under the Lease constitute a "collection cost" under the settlement between the Trustee and the estate's secured lenders, so rejection would benefit the secured lenders.

5. The Trustee has determined in her reasonable business judgment that the amounts due under the Lease constitute a substantial and unnecessary drain.

6. For these reasons, the rejection of the Lease is in the best interests of the Debtor's estate and creditors.

WHEREFORE, the Trustee respectfully requests that the Court enter an order approving the Trustee's rejection of the Lease, effective as of the date hereof, and granting all other just and proper relief.

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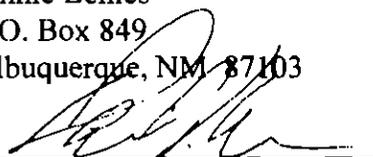
This certifies that on January 14, 2003,
a copy of this motion was mailed by
first class United States mail to:

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