

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 AND COMPROMISE OF
THE DEFAULT JUDGMENTS ENTERED IN
ADVERSARY PROCEEDINGS NOS. 02-1204 S AND 02-1191 S**

THIS MATTER came before the Court on the *Motion to Approve Settlement And Compromise Of The Default Judgments Entered In Adversary Proceedings Nos. 02-1204 S and 02-1191 S* (the "Motion") (docket # 2062) filed by Yvette J. Gonzales, Chapter 7 Trustee ("Trustee"), by counsel. Having reviewed the Motion, being otherwise advised in the matter, and based upon the stipulation of the parties, THE COURT FINDS:

A. On February 8, 2001, Furr's Supermarkets, Inc. (the "Debtor") filed a voluntary petition in this Court under Chapter 11 of the Bankruptcy Code. On December 19, 2001, the chapter 11 case was converted to a case under chapter 7. On the same day Yvette Gonzales was appointed the Trustee for the Debtor's bankruptcy estate, in which capacity she continues to serve.

B. The Court has jurisdiction over the subject matter herein under 28 U.S.C. §1334, and has jurisdiction over the

parties. This matter is a core proceeding under 28 U.S.C. §157(b)(2). Venue is proper in this Court under 28 U.S.C. §1409.

C. On August 13, 2002, Trustee filed a Complaint To Recover Open Account Prepayments initiating Adversary Proceeding No. 02-1204 S. On January 3, 2003, the Court entered the Clougherty Packing Judgment in the amount of \$194,828.39, including interest and attorneys fees accrued through December 20, 2002, plus interest as it accrued thereafter at the rate of fifteen percent per annum.

D. Also on August 13, 2002 Trustee filed a Complaint To Recover Open Account Prepayments initiating Adversary Proceeding No. 02-1191 S. On January 5, 2003, the Court entered the Arizona Meat Judgment in the amount of \$37,235.14, including interest and attorneys fees accrued through December 20, 2002, plus interest as it accrued thereafter at the rate of fifteen percent per annum.

E. The Trustee and the judgment debtors have agreed that Clougherty Packing Company will pay to the Trustee the amount of \$174,047.65 (the "Settlement Amount") within fifteen (15) days of entry of an order approving the settlement in full satisfaction of the Clougherty Packing Judgment and the Arizona Meat Judgment. Following receipt of the Settlement Amount, Trustee will file with the Court

satisfactions of the judgments.

F. The Motion was filed on April 1, 2003. On April 1, 2003, notice of the Motion (the "Notice") (doc. #2063) was mailed by first class United States mail, postage prepaid, to all persons on the limited mailing matrix maintained in the bankruptcy case, a copy of which was attached to the original of the Notice filed with the Clerk of the Bankruptcy Court, as shown by the certificate of service on the Notice filed with the Court.

G. The Notice provided for a deadline to object to the Motion of April 24, 2003, which was 23 days after the date of mailing of the Notice. The Notice was sufficient and appropriate in the particular circumstances.

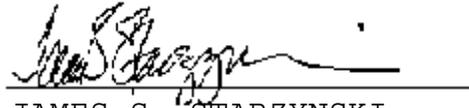
H. The deadline to object to the Motion has expired, and no timely objections to the Motion were filed.

I. The requirements of the Bankruptcy Code and Rules, including Rule 9019, have been satisfied with respect to the relief granted by this Order. The proposed settlement is fair and equitable, and in the best interests of and beneficial to the Debtor's estate and the creditors.

J. Entry of this Order, without further notice or hearing, is appropriate.

THE COURT ORDERS that the Motion is approved. Clougherty Packing Company shall pay the Trustee the

Settlement Amount in full satisfaction of the Clougherty
Packing Judgment and the Arizona Meat Judgment.



JAMES S. STARZYNSKI
United States Bankruptcy Judge

APPROVED:

JACOBVITZ, THUMA & WALKER, P.C.

By s/ submitted by e-mail

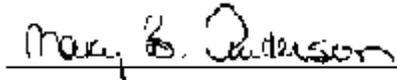
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APPROVED:

Approved by telephone 4/1/03

James Stephenson
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I hereby certify that on May 6, 2003, a true and correct
copy of the foregoing was either electronically transmitted,
faxed, delivered, or mailed to the listed counsel and
parties.



Mary B. Anderson