

**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 03-1095-S
(Tree of Life, Inc.)**

Yvette Gonzales, the Chapter 7 Trustee (the "Trustee"), by counsel, moves the Court for an order approving the settlement of all claims the estate has against Tree of Life, Inc. ("Tree of Life"), as set forth in the adversary proceeding No. 03-1095-S, captioned *Yvette J. Gonzales, Trustee v. Tree of Life, Inc.* (the "Adversary Proceeding"), pursuant to F.R.Bankr.P.9019, and in support hereof 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 Fifty Four Thousand Five Hundred Sixty Five Dollars and 94/100 (\$54,565.94) from Tree of Life, plus all other amounts, if any, recoverable pursuant to 11 U.S.C. §547.

5. **The Settlement.** Tree of Life has offered to pay the Trustee Forty Six Thousand Three Hundred Eighty One Dollars and 04/100 (\$46,381.04), with \$46,381.04 to be paid immediately upon the entry of an Order approving the settlement. The full terms of the Settlement are set forth in the attached Settlement Agreement. 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.
/s/ filed electronically 4/19/04
Chris W. Pierce, Esq.
Post Office Box 6
Albuquerque, New Mexico 87103
(505) 243-6129

I hereby certify that on April 19, 2004,
a true and correct copy of the foregoing
was either electronically transmitted,
faxed, delivered or mailed to:

Robert A. Cox, Jr., Esq.
McGuire Woods LLP
100 North Tryon Street, Suite 2900
Charlotte, NC 28202

David T. Thuma, Esq.
Jacobvitz, Thuma & Walker
500 Marquette NW, Suite 650
Albuquerque, New Mexico 87102

Ronald F. Andazola
Post Office Box 608
Albuquerque, New Mexico 87103

/s/ filed electronically 4/19/04
Chris W. Pierce, Esq.