

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

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

Debtor.

**ORDER APPROVING SETTLEMENT OF ADV. PROCEEDING No. 03-1075 S
(GONZALES V. QWEST CORPORATION, F/K/A US WEST)**

THIS MATTER came before the Court on the Chapter 7 Trustee's ("Trustee") Motion to Approve Settlement of Adversary Proceeding No. No. 03-1075 S, captioned *Yvette J. Gonzales, Trustee v. Qwest Corporation fka US West* (the "Motion") (docket #2374). Having reviewed the Motion, and being otherwise advised in the matter, 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 Chapter 7 Trustee for the Debtor's bankruptcy estate, in which capacity she continues to serve.

B. The Court has jurisdiction over the 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.

C. In Adv. Pro. No. 03-1075 S (the "Adversary Proceeding"), the Trustee sought to avoid and recover \$59,312.25 from Qwest Corporation fka US West (the "Defendant"), plus all other amounts, if any, avoidable pursuant to 11 U.S.C. § 547.

D. Defendant and Trustee have agreed, without admission or acknowledgment of liability by either side, and subject to Court approval after notice and opportunity to object, to settle the Adversary Proceeding pursuant to the Settlement Agreement the form of which is attached to the Motion as Exhibit "A" (the "Settlement Agreement"). Pursuant to the Settlement Agreement, the Defendant shall pay to the Trustee \$37,663.02 (the "Settlement Amount") no later than twenty (20) days after this Order becomes a final order and if no timely appeal shall have been filed. Thereafter, the Trustee will file a notice or stipulation of dismissal of the Adversary Proceeding with prejudice.

E. On April 6, 2004, notice of the Motion (the "Notice") (docket #2375) was mailed by first class United States mail, postage prepaid, to all persons on the limited mailing matrix maintained in the above captioned bankruptcy case, as shown by the certificate of service on the Notice filed with the Court.

F. The Notice provided for a deadline to object to the Motion of April 29, 2004, which was 23 days after the date of mailing of the Notice. The Notice was sufficient and appropriate in the particular circumstances.

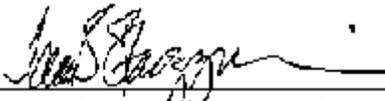
G. The deadline to object to the Motion has expired, and no objections to the Motion were filed.

H. The requirements of the Bankruptcy Code and Rules, including Rule 9019, have been satisfied with respect to the relief granted by this Order. The Settlement Agreement is fair and equitable, and is in the best interests of and beneficial to

the Debtor's estate and the creditors.

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

THE COURT THEREFORE ORDERS that the Motion and the Settlement Agreement are approved. Pursuant to the terms of the Settlement Agreement, Defendant shall pay the Trustee the Settlement Amount and the Trustee will file a notice or stipulation of dismissal of the Adversary Proceeding with prejudice.



JAMES S. STARZYNSKI
United States Bankruptcy Judge

APPROVED:

JACOBVITZ, THUMA & WALKER, P.C.

By: s/ submitted by e-mail

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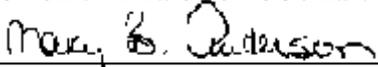
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Attorneys for the Trustee

I hereby certify that on May 3, 2004, 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