

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

In re:

FURR'S SUPERMARKETS, INC.,
Debtor.

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

**NOTICE OF DEADLINE TO OBJECT TO TRUSTEE'S MOTION
TO APPROVE SETTLEMENT OF ADVERSARY PROCEEDING 02-1112-S
(Azar Nut Company)**

Yvette J. Gonzales, Chapter 7 Trustee (the "Trustee") hereby gives notice pursuant to Bankruptcy Rule 9019 that on August 26, 2004, she filed a Motion to Approve Settlement of Adversary Proceeding 02-1186-S (the "Motion"), asking Court approval of a settlement of the adversary proceeding captioned *Yvette J. Gonzales, Trustee v. Azar Nut Company*, (the "Adversary Proceeding"). In the Adversary Proceeding, the Trustee sought under 11 U.S.C. §547 to recover all avoidable preferential transfers made by Furr's Supermarkets, Inc. to Azar Nut Company ("Azar Nut Company"). The Complaint filed in the Adversary Proceeding stated an amount sought of One Hundred Ninety-Three Thousand Six Hundred Twenty-Nine Dollars and 21/100 (\$193,629.21) plus any other avoidable amounts. The Defendant alleged, inter alia, that its products came under the protection of PACA, which the Trustee disputes, and further alleged that Defendant was not liable under other defenses. The parties have agreed to settle the Adversary Proceeding by Azar Nut Company by paying One Hundred Twenty Thousand Two Hundred Eighty-Two Dollars and 36/100 (\$120,282.36) to the Trustee, subject to approval of the Court. If the Motion is approved, upon payment by Azar Nut Company of the \$120,282.36 to the Trustee, the Adversary Proceeding will be dismissed with prejudice. 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. The full terms of the Settlement are set forth in the Settlement Agreement attached to the Motion.

Any party who objects to the Motion must file its objection with the Clerk of the Bankruptcy Court, Dennis Chavez Federal Building and United States Courthouse, 500 Gold Avenue S.W., Tenth Floor, Albuquerque, New Mexico 87102 (or Post Office Box 546, Albuquerque, New Mexico 87103) **within twenty (20) days after the date of mailing of this Notice, plus three (3) days for service of this Notice by mail, for a total of twenty-three (23) days (or on or before September 20, 2004)**, and serve a copy of the Objection on Chris W. Pierce, Esq. (address given below). If any objections are timely filed, a hearing will be held on notice to Mr. Pierce and objecting parties. If no objections are timely filed, an Order granting the Motion will be presented for entry without a hearing or further notice.

Date of Mailing: **August 26, 2004**

DAVIS & PIERCE, P.C.

/s/ Electronically filed 08/26/04

Chris W. Pierce, Esq.

Post Office Box 6

Albuquerque, New Mexico 87103

(505) 243-6129

I hereby certify that on August 26, 2004, a copy of the foregoing Notice was mailed by First Class United States mail, postage prepaid, to all persons listed on the limited matrix, a copy of which is attached to the original of this Notice that will be filed with the Clerk of the Bankruptcy Court.

/s/ 08/26/04

Chris W. Pierce, Esq.