

**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 03-1123-M**

Yvette Gonzales, the Chapter 7 Trustee (the "Trustee"), by counsel, moves the Court for an order approving the settlement of all claims against, including without limitation, the preferential transfer claims the estate has against New Mexico State Fair as set forth in the adversary proceeding No. 03-1123-M, captioned *Yvette J. Gonzales, Trustee v. New Mexico State Fair* (the "Adversary Proceeding"), pursuant to F.R.Bankr.P.9019, and 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 Twenty-Five Thousand Dollars (\$25,000.00) from New Mexico State Fair, plus all other amounts, if any, recoverable pursuant to 11 U.S.C. § 547.

5. **The Settlement.** New Mexico State Fair has offered to pay the Trustee Twenty Thousand Dollars (\$20,000.00) in full satisfaction of any and all claims which the parties have against each other (the “Settlement”). No party admits or acknowledges any liability to any other party and specifically denies the existence of such liability. The Settlement resolves all claims, counterclaims and causes of action held by the Trustee against the Defendant, and by the Defendant against the Trustee, and, upon approval of the Settlement, the Trustee and the Defendant shall mutually release each other from any and all such claims, with the exception of any pre-petition unsecured claim in this matter. The Defendant specifically reserves its rights with regard to any pre-petition unsecured claims 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.

6. 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/ Electronically filed 08/26/04  
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I hereby certify that a true and correct copy of the foregoing was served on counsel and parties as indicated below this 26<sup>th</sup> day of August, 2004.

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