

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. 03-1074 S  
(GONZALES V. TEXAS NEW MEXICO POWER CO.)**

THIS MATTER came before the Court on the Chapter 7 Trustee's ("Trustee") Motion to Approve Settlement of Adversary Proceeding No. 03-1074 S, captioned *Yvette J. Gonzales, Trustee v. Texas New Mexico Power Company* (the "Motion") (docket #2453). 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 Adversary Proceeding No. 03-1074 S (the "Adversary Proceeding"), the Trustee sought to avoid transfers and collect

preferential transfers to the Defendant pursuant to 11 U.S.C. § 547.

D. Defendant and Trustee have agreed to settle the Adversary Proceeding pursuant to the Settlement Agreement the form of which is attached to the Motion as an exhibit (the "Settlement Agreement").

E. On July 27, 2004, notice of the Motion (the "Notice") (docket #2457) 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 August 19, 2004, which was 23 days after the date of mailing of the Notice. The Notice was sufficient and appropriate in the particular circumstances.

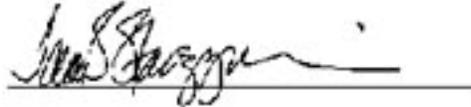
G. The deadline to object to the Motion has expired, and no objections to the Motion were filed.

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 as follows

1. The Motion and Settlement Agreement are approved.
2. The Defendant shall pay the Settlement Amount pursuant to the Settlement Agreement.
3. Following receipt of the Settlement Amount and confirmation of credit to Trustee's account, Trustee will file a stipulation of dismissal with prejudice of the Adversary Proceeding.



JAMES S. STARZYNSKI  
United States Bankruptcy Judge

APPROVED:

JACOBVITZ, THUMA & WALKER, P.C.

By: s/ submitted by e-mail

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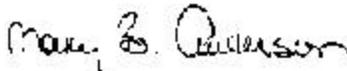
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Attorneys for the Trustee

I hereby certify that on September 15, 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