

In re:

United States Bankruptcy Court
Albuquerque, New Mexico

FURR'S SUPERMARKETS, INC.,
a Delaware corporation.

Case No. 01-11-10779 SA
Chapter 11

Debtor.

**DEBTOR'S MOTION FOR ORDER TO
LIMIT NOTICE OF CERTAIN MATTERS**

The Debtor and Debtor in Possession, Furr's Supermarkets, Inc. ("Debtor" or "Furr's"), by counsel, moves the Court to establish certain procedures regarding the provision of notice of matters arising in this bankruptcy case, and in support hereof states:

1. On February 8, 2001 (the "Petition Date"), Furr's commenced this bankruptcy case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Pursuant to Bankruptcy Code §§ 1107(a) and 1108, Furr's has retained possession of its assets, as Debtor-in-Possession, and is continuing to operate its business.

2. As of this date, the mailing matrix in this case is expected to contain approximately 18,000 to 20,000 parties.

3. Furr's, a Delaware corporation, owns and operates 71 grocery stores in New Mexico, El Paso, and west Texas. Furr's has approximately 5,000 employees, most of whom are hourly workers. Furr's is one of the largest private employers in New Mexico. Like most supermarket chains, Furr's offers perishable and non-perishable food and beverage items, household cleaning and detergent products, baby care items, health and beauty aids, and pet care supplies. Many stores also feature bakery, deli, seafood,

floral, video, pharmacy and liquor departments. Products are arranged in separate areas within each store for easy “one stop” shopping.” Furr’s carries all major brand labels. In addition, the stores offer Furr’s and Food Club private label products. Generally, the mix at each store’s grocery department is approximately 75% branded and 25% private label. Furr’s also has 37 in-store pharmacies throughout New Mexico and west Texas that fill an average of 470 prescriptions per store per week. Furr’s also offers secure on-line shopping through its website, www.Furrs.com.

4. Pending confirmation of a plan and consummation of the restructuring that will be contemplated by a plan, Furr’s intends to continue operations in the ordinary course and, to the extent possible, unimpeded by the chapter 11 process. To that end, concurrently herewith Furr’s has filed motions requesting, among other things, authority *to honor its pre-petition employee wages and benefits and to continue its pre-petition employee benefit plans*, authority to maintain its existing cash management system, and authority to honor pre-petition customer obligations and continue pre-petition customer programs (such as grocery coupons, money orders, and refund claims). Each of these requests is designed to minimize any negative impact that the filing of this bankruptcy case might otherwise have on Furr’s day-to-day operations.

5. Furr’s proposed notice procedures are well within the Court’s authority to *regulate notices and will mitigate the administrative burden that would otherwise be imposed upon the estate*, without diminishing creditor participation in the administration of the case. Federal Rule of Bankruptcy Procedure (“Bankruptcy Rule”) 2002(a) provides that, unless otherwise ordered pursuant to Bankruptcy Rules 2002(h), (i) and (l), notice of specified matters must be provided to the debtor, any trustee, all creditors and any indenture trustees.

Bankruptcy Rule 2002(m), which gives the Court discretion to enter orders regulating notice, provides:

The court may from time to time enter orders designating the matters in respect to which, the entity to whom, and the form and manner in which notices shall be sent except as otherwise provided by these rules.

In addition, Bankruptcy Rule 2002(i) provides, in relevant part:

Notwithstanding the foregoing subdivisions, the court may order that notices required by subdivision (a)(2), (3) and (6) of this rule be transmitted to the United States Trustee and be mailed only to the committees . . . appointed pursuant to §1102 of the Code or to their authorized agents and to the creditors and equity security holders who serve on the trustee or debtor in possession and file a request that all notices be mailed to them.

Moreover, Bankruptcy Rule 9007 grants the Court general authority to regulate notices:

When notice is to be given under these rules, the court shall designate, if not otherwise specified herein, the time within which, the entities to whom, and the form and manner in which the notice shall be given. When feasible, the Court may order any notices under these rules to be combined.

6. The mailing of notices of all matters to all creditors in this case would be impractical, would impose a substantial administrative and economic burden upon Furr's estate, and would be unnecessarily expensive.

7. The list of creditors holding largest unsecured claims filed pursuant to Bankruptcy Rule 1007(d) includes 19 unsecured trade creditors holding claims ranging from approximately \$450,000 to approximately \$1.9 million, and one creditor holding a claim of approximately \$27 million (secured by collateral, the value of which has not been determined).

8. It is in the best interests of Furr's, its creditors as a whole, and the equity security holders that, except as the Court may otherwise direct, notice of such matters for which the Court may limit notice be given only to the following:

(a) Persons who submit a request for placement on limited mailing list in response to notice of entry of an order on this motion;

(b) Creditors who accept appointment to a committee appointed under Section 1102 or, if no committee is appointed, the Debtor's creditors included on the list filed pursuant to Fed. R. Bankr. P. 1007(d); and

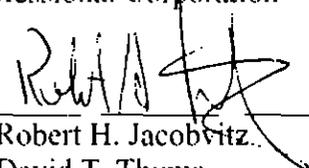
(c) The Securities and Exchange Commission, the United States Trustee, the Internal Revenue Service, the New Mexico Taxation and Revenue Department, the New Mexico Department of Labor, and the Texas taxing authorities and department of labor.

9. Notice of entry of an order on this motion, summarizing the terms of the order and explaining the requirement to request placement on a limited mailing list within 20 days of this notice, will be given to all creditors and other parties in interest set forth on the mailing matrix maintained by the Clerk of Court for this case. A copy of the proposed notice is attached hereto as Exhibit A.

10. The United States Trustee consents to the relief requested in this motion.

WHEREFORE, the Debtor prays for an order limiting notice as described herein, and for all other just and proper relief.

JACOBVITZ, THUMA & WALKER,
a Professional Corporation

By: 

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-and-

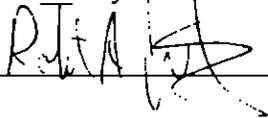
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Los Angeles, CA 90071-3144
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(213) 687-5600 (fax)

Attorneys for the Debtor in Possession

This certifies that a copy of the foregoing
was served by first class United
States Mail, postage prepaid, on:

United States Trustee
P.O. Box 608
Albuquerque, NM 87103

this 8th day of February, 2001.



UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,
a Delaware corporation.

Case No. 01-11- 10779 SA
Chapter 11

Debtor.

**NOTICE OF DEADLINE FOR FILING REQUESTS
FOR PLACEMENT ON LIMITED MAILING LIST**

Because of the large number of creditors and other parties in interest in this case and the significant expense of mailing notices, on February 8, 2001, the Court entered an order limiting notice of certain matters (the "Order Limiting Notice"). The Order Limiting Notice provides that, except where the Court specifically orders otherwise, the Debtor is allowed to limit notice of matters (i) that otherwise would be noticed to all creditors and other parties in interest and (ii) that the Bankruptcy Code and Rules authorize the Court to limit notice, to only to those creditors who specifically request placement on the limited mailing list, and certain other parties specified in the order. Notice of those matters that will not be subject to limited notice will be given to all creditors and other parties in interest listed on the full mailing list in this case.

If you wish to receive notice of matters for which the Court authorizes use of the limited mailing list, PLEASE SUBMIT A WRITTEN "REQUEST FOR PLACEMENT ON LIMITED MAILING LIST" to:

Robert H. Jacobvitz
David T. Thuma
Jacobvitz, Thuma & Walker, P.C.
500 Marquette N.W., Suite 650
Albuquerque, N.M. 87102

**WITHIN 20 DAYS OF THE DATE OF MAILING OF THIS NOTICE. PLEASE DO NOT FILE
YOUR REQUEST WITH THE COURT.**

The Debtor's attorney will prepare a limited mailing list for submission to the Clerk within 40 days after entry of the Order Limiting Notice. Any requests for placement on the limited mailing list received by the Debtor's attorney after the 20-day deadline noted above will be forwarded to the Clerk. Requests received by the Clerk after the deadline will be complied with.

JACOBVITZ, & THUMA & WALKER, P.C.

Date of mailing: February __, 2001
No. Notices Mailed: _____

By _____
Robert H. Jacobvitz
David T. Thuma
500 Marquette N.W., Suite 650
Albuquerque, NM 87102
(505) 766-9272

Attorneys for the Debtor and Debtor in Possession

Exhibit A