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U.S. BANKRUPTCY COURT
ALBUQUERQUE, N.M.

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

In Re:

Furr's Supermarkets, Inc.,
a Delaware Corporation

Debtor.

No. 11-01-10779 SA

**LIMITED OBJECTION OF EARTHGRAINS BAKING COMPANIES
TO DEBTOR'S MOTION FOR ORDER ESTABLISHING
PROCEDURES FOR RESOLVING RECLAMATION CLAIMS
AND REQUEST TO PARTICIPATE IN APPROVAL OF ORDER**

Earthgrains Baking Companies, Inc. ("Earthgrains") by its attorney, Donald R. Fenstermacher, P.C., for its Limited Objection to the Debtor's Motion for Order Establishing Procedures for Resolving Reclamation Claims (the "Motion") filed herein on March 27, 2001, states:

1. Earthgrains supports the Debtor's effort to establish procedures for resolving reclamation claims in both its capacity as an unsecured creditor and as a member of the official Unsecured Creditors' Committee in this case.
2. Earthgrains believes certain provisions of the proposed procedure for reclamation claims should be clarified or more specifically set forth than they are currently set forth in the Motion.
3. The Court entered an Order on February 9, 2001, entitled "Order Under 11 U.S.C. §§ 105(a), 503(b) and 546(c) Confirming Grant of Administrative Expense Status to Obligations Arising from Postpetition Delivery of Goods, Confirming Administrative Expense Treatment for Reclamation Claims, and Prohibiting Third Parties from Interfering with Delivery of Goods." (This Order is hereinafter referred to as the "First Day Reclamation Order.")

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4. Certain provisions of the First Day Reclamation Order may create uncertainty or ambiguity with regard to the rights of reclamation creditors, which provisions should be addressed in any order on the Motion.

5. The First Day Reclamation Order appears to provide that rights of vendors depend on making valid reclamation claims, while simultaneously prohibiting *creditors from reclaiming goods*. Any order entered on the Motion for reclamation procedures should clarify that no creditor has lost its rights by virtue of any inaction, because the First Day Reclamation Order specifically prohibited such actions and did so with reference to Section 362 of the Bankruptcy Code, indicating that any such actions would be determined to be a violation of the stay.

6. The Motion provides in paragraphs 3(a) and 3(b) that reclamation claimants would be required to provide “supporting documentation” and that vendors’ claims may be barred if they fail to provide “the requested information,” but fails to specify the type of information which would be required. These procedures and documentation should be clarified so that it does not appear that the Debtor’s unilateral request for information could be deemed to result in the barring of a reclamation claim because documentation was not provided, when the nature of that documentation and the determination of whether it is sufficient are either not stated or apparently left to the discretion of the Debtor.

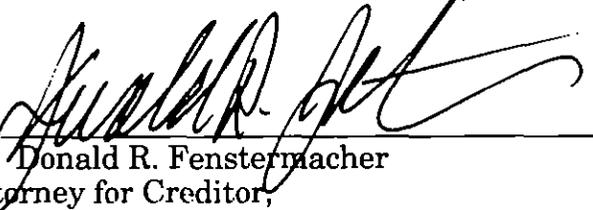
7. Paragraph 3(h) of the Motion refers to “any obligation” reclamation claimants “may have under the Reclamation Order,” when in fact the First Day Reclamation Order prohibits any action to enforce a reclamation claim.

8. Paragraph 3(e) of the Motion provides for the right of a claimant “to seek an order from the court setting the amount of the reclamation claim” in the event “the parties are unable to reach a resolution.” However, it does not set any specific time in which that order can or must be sought. The time in which a reclamation claim must be pursued should be specified, and the order should also clarify that an adversary proceeding would be commenced or in the alternative, if another procedure is established, the exact procedure for the claimant to “seek an order” should be clarified.

9. Earthgrains requests that the Court consider the objections stated herein, that Earthgrains be allowed to participate in any hearings regarding the Motion and in review and approval of any order entered on the Motion prior to its entry.

WHEREFORE, Creditor Earthgrains Baking Companies, Inc., prays the Court that a procedure for resolving reclamation claims be established on such terms and conditions as are just and appropriate in this case, and for all such other and further relief as may be proper and just.

DONALD R. FENSTERMACHER, P.C.

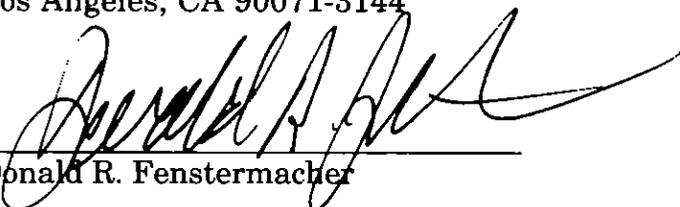
By: 

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I hereby certify that on April 16, 2001, a true and correct copy of the foregoing Limited Objection was sent by first-class mail to:

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