

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEW MEXICO

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In re:

FURR'S SUPERMARKETS, INC.,

U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

Case No. 11-01-10779-SA
Chapter 11

Debtor.

**MOTION TO SELL CERTAIN PHARMACY ASSETS FREE AND CLEAR OF
LIENS**

Furr's Supermarkets, Inc., debtor in possession (the "Debtor"), pursuant to Bankruptcy Code §363(b)(1) files this motion for an order allowing the Debtor to sell certain pharmacy assets, and in support hereof states:

1. On February 8, 2001, the Debtor 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, Debtor has retained possession of its assets, as Debtor in Possession, and is continuing to operate its business.

2. In August, 2001, the Debtor closed six of its operating grocery stores (##898, 908, 938, 954, 966, and 967,) that had in-store pharmacies (together, the "In-Store Pharmacies").

3. The Debtor put out for bid the pharmacy inventory and prescription records for the In-Store Pharmacies (together, the "Pharmacy Assets").

4. Walgreen Co. ("Walgreen") submitted the high bid for the purchase of the Pharmacy Assets free and clear of liens, which bid was cash in the amount of \$122,000 for the pharmacy records and approximately \$267,000 for the pharmacy inventory (the "Walgreen Bid").

5. Under the terms of the Walgreen Bid, and applicable law, the Debtor must consummate the sale of the Pharmacy Assets to Walgreen on a very expedited basis.

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6. It is in the best interests of the Debtor and its creditors to approve the sale of the Pharmacy Assets to Walgreen in accordance with the terms and conditions set forth in the Walgreen Bid.

7. The only parties that claim a lien on the Pharmacy Assets are the Debtor's pre- and post-petition bank lenders (the "Lenders"), who have consented to the proposed sale.

8. The Pharmacy Assets would be sold free and clear of liens, with all liens attaching to the sale proceeds. All sale proceeds would be subject to all existing financing orders.

WHEREFORE, Furr's respectfully requests that this Court enter an order granting the relief requested herein, and for all other just and proper relief.

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