

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

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

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 7-01-10779-SA
Chapter 7

Debtor.

**TRUSTEE'S MOTION TO SELL PERSONAL PROPERTY FREE AND CLEAR
OF LIENS AND INTERESTS, AND FOR ORDER GRANTING THE TRUSTEE
ACCESS TO CERTAIN FORMER STORES**

Yvette J. Gonzales, Chapter 7 Trustee of the estate of Furr's Supermarkets, Inc., (the "Trustee"), by counsel, pursuant to Bankruptcy Code §363(b)(1) and Bankruptcy Rule 9019, files this motion for an order allowing the Trustee to sell by auction certain personal property free and clear of liens and interests, and for and order granting the Trustee access to certain former stores to prepare for and conduct the auctions, 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.
2. By August 31, 2001, the Debtor closed its grocery stores and ceased operating as a retail grocery business.
3. On December 19, 2001, the case was converted to a Chapter 7 case, and the Trustee was appointed the Chapter 7 trustee.
4. The estate owns most of the personal property in former stores ## 866, 883, 905, 911, 927, 949, and 966, such as shelves, refrigeration units, bakery equipment and fixtures, deli equipment, meat department equipment, etc. (together, the "Store Equipment"). The Store Equipment does not include any personal property that is leased to the Debtor by third parties (the "Third Party Leased Property").

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5. The Trustee would like Court authority to conduct auction sales of the Store Equipment. Each auction sale would be conducted on site, at the former store location.

6. The Debtor has asked Walter Parker to conduct the auctions of the Store Equipment. Mr. Parker has agreed to conduct the auctions on the same terms and conditions as the auctions he has already conducted for the Debtor, namely, payment of a 20% commission and reimbursement of certain out-of-pocket expenses.

7. As part of the auction process, Mr. Parker would remove all of the Store Equipment from each of the former stores, and would leave them in a "broom-clean" condition. Mr. Parker would leave the Third Party Leased Property in each former store, if any such property remains.

8. The Trustee would like to conduct the auctions of the Store Equipment in former stores #911 and #966 on May 28, 2002 and May 30, 2002, respectively, as the landlords have demanded that the Trustee remove the Store Equipment in those locations as soon as possible.

9. With respect to the Store Equipment in the other locations, the Trustee requests authority now to conduct auction sales at a later date, to be determined by the Trustee and Walter Parker. The authority requested with respect to former stores 927 and 949 would be subject to the Court's prior order entered, which required the Trustee to leave the Store Equipment in those former stores in place until August 1, 2002, unless the landlord asked the Trustee to remove such equipment

10. The Trustee also requests a Court order giving the Trustee and Walter Parker sufficient access to all of the former stores to prepare for and conduct the auctions.

11. It is in the best interests of the estate and its creditors to approve the auction sales of the Store Equipment described above in accordance with the terms and conditions set forth herein.

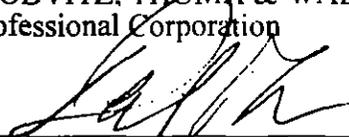
12. The only parties that claim a lien or other interest in the personal property are the Debtor's pre- and post-petition secured lenders (the "lenders").

13. The Store Equipment would be sold free and clear of liens and interests, with all liens and interests attaching to the sale proceeds.

14. The Store Equipment would be transferred by the Trustee "as is and where is," with no representations or warranties made by the Trustee or the estate.

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

JACOBVITZ, THUMA & WALKER,
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By: 

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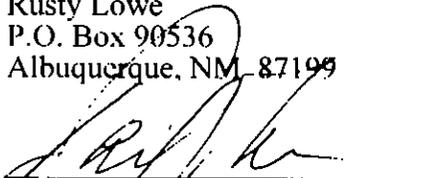
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