

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

FILED  
OFFICE OF THE  
01 AUG 22 AM 9:35  
U.S. BANKRUPTCY COURT  
ALBUQUERQUE N.M.

In re:

FURRS SUPERMARKETS, INC

Debtor.

Case No. 11-01-10779 SA

**OBJECTION TO MOTION FOR APPROVAL OF  
WIND-DOWN BUDGET [DOCKET 877]**

National Distributing Company, Inc., objects to certain aspects of the Debtor's wind-down motion and as grounds states:

1. The amount escrowed for the claims of liquor wholesalers is insufficient to pay all of the claims of liquor wholesalers, plus all attorney fees and accrued interest in full. Because liquor wholesalers are prior to the claims of the secured creditors, they are entitled to interest and attorney fees pursuant to 11 U.S.C. 506.

2. The proposed wind-down does not benefit the unsecured creditors or the debtor's estate, since the only beneficiaries of the Fleming sale are the Secured Creditors; as a result the agreement of the Secured Creditors to permit their collateral to be used enable a sale which benefits only them is of little value to the estate. In fact, it would be more appropriate to subordinate claims against the secured creditors which are being compromised by the debtor are being compromised for insufficient consideration.

3. Nothing about the wind-down order should be permitted to eliminate claims which other creditors might have against the Secured Lenders, including claim to insist on marshaling.

4. The full value of the liquor licenses (estimated to be approximately 9.5 million dollars) should be escrowed pending a resolution of the claims of the wholesalers claims.

5. It is not apparent from the wind-down motion of the effect the motion might have on

AK

claims of creditors which arose under 11 U.S.C. 546(c), but it seems possible that the motion will destroy or eliminate those rights.

6. To the extent the allowance of the claims of the secured lenders is deemed to affect the right of National Distributing Company, Inc., in connection with its claims, including its lien claims, and those claims asserted in Adversary Proceeding No. 01-1073-SA, this objection is an objection to the claims of the Secured Lenders.

7. Debtor has not made a showing that the employee retention bonuses will benefit the estate.

HISEY & CADIGAN P.C.

BY: 

Michael N. Cadigan

Attorneys for National Distributing Co.  
6400 Uptown Blvd. NE Suite 570-W  
Albuquerque, New Mexico 87110  
505 830-2076 (Telephone)  
505 830-2385 (Fax)

I hereby certify that I caused a copy of the foregoing papers to be served by mail upon those parties listed:

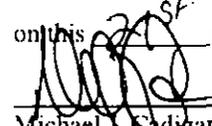
William F. Davis  
Davis & Pierce, P.C.  
Counsel for Unsecured Creditors Committee  
PO Box 6  
Albuquerque, NM 87103

Skadden Arps  
Richard Levin  
Counsel for Debtor  
300 South Grand Avenue  
Los Angeles, CA 90071-3144

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

Jacobvitz, Thuma & Walker, P.C.  
Counsel for Debtor  
500 Marquette Suite 650  
Albuquerque, New Mexico 87102

on this 27<sup>th</sup> day of August 2001

  
Michael N. Cadigan