

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW MEXICO

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U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC.
Tax I.D. No. 22-3137244

Debtor(s).

No. 11-01-10779-SA

**UNITED STATES TRUSTEE'S OBJECTION TO DEBTOR'S
MOTION TO APPROVE WIND DOWN BUDGETS AND RELATED MATTERS**

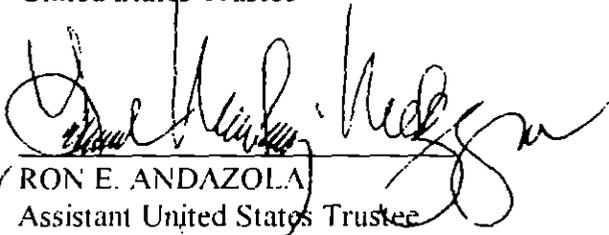
The United States Trustee for the District of New Mexico hereby objects to the Debtor's Motion to Approve Wind-Down Budget and Related Matters (Motion). As her reason therefore, the U. S. Trustee states:

1. The Motion proposed to settle claims being asserted by the Unsecured Creditors Committee (UCC) against the secured lenders, without the consent of the UCC
2. The Motion is tantamount to a liquidating plan which due process requires be noticed to all creditors and parties in interest. not just the limited mailing matrix.
3. The wind-down budget does not provide sufficient detail. As an example, no detail is given as to how the \$3.2 million allocated for the employee retention plan will be distributed.
4. The Motion proposes to make payments to Peter J. Solomon Co. and Debtor's crisis managers without the requirement of an accounting as to amounts paid to them. Further, it does not appear that Peter J. Solomon Co. would be required to submit a fee application for examination under §328(a) standards, as orally ordered by the court in connection with the employment application.
5. The United States Trustee otherwise reserved the right to join in other objections raised by the UCC.

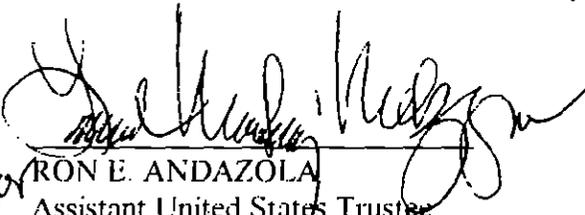
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Respectfully submitted.

BRENDA MOODY WHINERY
United States Trustee


for RON E. ANDAZOLA
Assistant United States Trustee
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The undersigned certifies that a true and accurate copy of the foregoing was mailed to the below listed counsel on this 23rd day of August, 2001.


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Assistant United States Trustee

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