

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. 11-01-10779-SA
Chapter 11

Debtor.

**QUALIFIED OBJECTION BY UNITED FOOD AND
COMMERCIAL WORKERS UNION, LOCALS 540 AND 1564 TO
DEBTOR'S MOTION FOR USE OF CASH COLLATERAL**

United Food and Commercial Workers Union, Local 540 ("Local 540") and United Food and Commercial Workers Union, Local 1564 ("Local 1564") hereby object to the Debtor's Motion For Use Of Cash Collateral on the ground that the Debtor has not made allowance for all of the wages and benefits currently owed to its employees represented by Local 540 and Local 1564 ("the Unions"). More particularly, while the Debtor has budgeted amounts to cover some past and future payroll and benefit costs, it has not made any provision for (1) the pension contributions it owes for hours worked in the months of July and August, 2001, (2) the health and welfare plan contributions it owes for hours worked in the month of August, 2001, (3) unpaid wages and vacation and severance benefits that it owes employees it has terminated in the past several months, (4) any liability it might owe on the outstanding grievances filed by the Unions relating to post-petition violations of the collective bargaining agreement or (5) the union dues, deducted from employees' paychecks, which the Debtor has failed to turn over to the Unions. In addition, while the Debtor seeks authorization "to continue to honor outstanding payroll checks issued to its former employees," it has not provided for payment of the wages owed to those current and former employees who have not been given paychecks for the work they have

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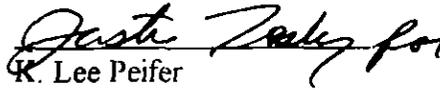
performed in the past month.

The Unions further object to the use of scarce resources to pay (1) a success bonus to Golleher and Mays or (2) professional fees on an emergency basis. There is no emergency justifying use of cash collateral to pay these claims at a time when the Debtor is not paying all of the wages and benefits it owes to its employees.

There is, moreover, no sound reason to treat Golleher and Mays more favorably than the thousands of employees who actually kept this employer in operation. The existing collective bargaining agreements covering those employees—which the Debtor has never sought to reject—are just as binding as any "employee retention agreement" and just as critical to the successful reorganization of the Debtor. The Debtor's bargaining unit employees are entitled to have the benefits they were promised under these collective bargaining agreements delivered if Golleher and Mays receive the bonuses they seek.

The Unions do not object to the Debtor's Motion to the extent that it seeks authority to honor outstanding payroll checks. The Unions furthermore will withdraw any objection to the balance of the motion if it is expanded to provide for payment of (1) the pension and health and welfare benefit contributions the Debtor owes for the months of July and August, 2001, (2) wages owed to current and former employees who have not been given paychecks for work performed in the past month, (3) liabilities owed pursuant to pending grievances relating to post-petition violations of the collective bargaining agreement and (4) the union dues, deducted from employees' paychecks, which the Debtor has failed to turn over to the Unions. The Unions will move separately for an order requiring allowance and immediate payment of the vacation and severance benefits that the Debtor owes employees represented by the Unions.

Respectfully submitted,



K. Lee Peifer

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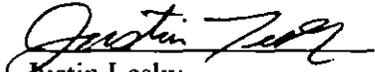
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I hereby certify that on this 10th day of September 2001, and true and correct copy of the foregoing pleading was sent via facsimile to:

Robert H. Jacobvitz/David Thuma	766-9287
Mark Metz	414-298-8097
Jay Youngdahl/Pilar Vaille	792-8700
William P. Davis	247-3185
David Heller	312-993-9767
Ronald Silverman-MetLife	860-240-2800
Dan Behles	242-2836
Paul Fish	848-1882
Ron Andazola-U.S. Trustee	248-6558
Jennie Behles	243-7262
Don Harris	841-6315
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