FILED
12:00 MIDNIGHT
MAY 1 6 2001
DROP BOX
United States Bankruptcy Court
Albuquerque, New Mexico

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC., No. 11-01-10779-SA

Debtor.

OFFICIAL COMMITTEE OF UNSECURED CREDITORS' OBJECTION TO MOTION OF PINNACLE LOGISTICS, INC. AND COUNTRYWIDE LOGISTICS, INC. TO COMPEL DEBTOR TO (1) ASSUME OR REJECT CERTAIN EXECUTORY CONTRACTS AND/OR ALTERNATIVELY (2) REQUIRING THE DEBTOR TO TENDER WEEKLY PAYMENTS ON A CASH DEMAND BASIS

The Official Committee of Unsecured Creditors of Furr's Supermarkets, Inc. (the "UCC"), by and through its local counsel Davis & Pierce, P.C. (William F. Davis, Esq.), for its Objection to Motion of Pinnacle Logistics, Inc. and Countrywide Logistics, Inc. to Compel Debtor to (1) Assume or Reject Certain Executory Contracts and/or Alternatively (2) Requiring the Debtor to Tender Weekly Payments on a Cash Demand Basis, STATES:

1. To the extent facts are alleged in the Preliminary Statement, the UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in this Statement, and therefore the factual allegations are denied.

2. The UCC admits the allegations contained in Paragraph 1 of the Motion.

3. The UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 2, and the same are therefore denied. The UCC has not seen the "Warehousing Agreement". Exhibit A was not attached to our copy of the Motion.

4. The UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 3, and the same are therefore denied. The UCC has not

4/65

seen the "Transportation Agreement". Exhibit B was not attached to our copy of the Motion.

5. In response to Paragraph 4, the UCC denies that the Movant is a secured creditor. The UCC is without information or knowledge sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 4 of the Motion, and the same are therefore denied.

6. The UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 5 of the Motion, and the same are therefore denied.

7. The UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations concerning the value of the inventory in the El Paso Warehouse, and the same are therefore denied. The UCC denies that Pinnacle has a lien against the inventory. The UCC denies any other allegations contained Paragraph 6 not specifically addressed herein.

8. The UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in the first sentence of Paragraph 7, and the same are therefore denied. The UCC denies that Countrywide has a lien against inventory being shipped. The UCC denies any other allegations contained Paragraph 7 not specifically addressed herein.

9. The UCC admits the allegations contained in Paragraph 8 of the Motion. The UCC also asserts that the claimed liens are invalid due to the lack of required bills of lading, and warehousemen's certificates.

10. The UCC admits the allegations contained in Paragraph 9 of the Motion.

11. The UCC admits the allegations contained in Paragraph 10 of the Motion.

12. The UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 11 of the Motion, and the same are therefore denied.

13. The UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 12 of the Motion, and the same are therefore denied.

14. The UCC denies the allegations contained in Paragraph 13 of the Motion.

15. The UCC denies the allegations contained in Paragraph 14 of the Motion.

16. The UCC admits the allegations contained in Paragraph 15 of the Motion.

17. The UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 16 of the Motion, and the same are therefore denied.

18. The UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 17 of the Motion, and the same are therefore denied.

19. The UCC is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 18 of the Motion, and the same are therefore denied.

20. The UCC admits the allegations contained in Paragraph 19 of the Motion.

21. The UCC denies the allegations contained in Paragraph 20 of the Motion.

22. The UCC denies the allegations contained in Paragraph 21 of the Motion.

23. The prayer for relief need not be answered, but the UCC denies the same to the extent that any facts are asserted.

24. The relief requested should not be granted because the Debtor is performing under the applicable agreements and is not in default.

25. The claimed liens are defective due to the lack of required documentation, bills of lading and warehouse receipts, and since the Movants are not secured creditors there is no need for adequate protection.

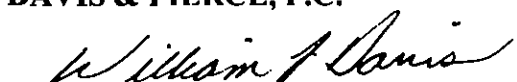
26. The Movants are seeking an advantage beyond the conditions provided in the Agreements. Their request should be denied and they should be held to their Agreements.

27. The relief requested would be a hardship to the Debtor due to the increased pressure on liquidity. This strain on liquidity could have a serious impact on the successful reorganization of the Debtor.

WHEREFORE, the Official Committee of Unsecured Creditors of Furr's Supermarkets, Inc. would ask this Court to deny the Motion, and for such other and further relief the Court deems just.

Respectfully submitted,

DAVIS & PIERCE, P.C.



William F. Davis, Esq.
PO Box 6
Albuquerque, NM 87103
PH# (505) 243-6129
FX# (505) 247-3185

The undersigned hereby certifies that a true and accurate copy of the foregoing was mailed this 16 day of May, 2001.

Ron Andazola, Esq.
UNITED STATES TRUSTEE
PO Box 608
Albuquerque, NM 87103-0608

Alan Carr, Esq.
Jay M. Goffman, Esq.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM, LLC
Four Times Square
New York, NY 10036

Richard Levin, Esq.
Peter W. Clapp, Esq.
Jamie L. Edmonson, Esq.
Stephen J. Lubben, Esq.
Amy S. Park, Esq.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM, LLC
300 South Grand Avenue, Suite 3400
Los Angeles, CA 90071-3144

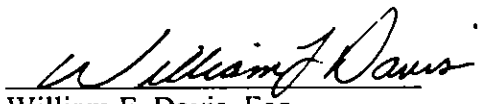
Robert H. Jacobvitz, Esq.
David T. Thuma, Esq.
JACOBVITZ, THUMA & WALKER, P.C.
500 Marquette NW, Suite 650
Albuquerque, NM 87102

David S. Heller, Esq.
Josef S. Athanas, Esq.
LATHAM & WATKINS
Attorneys for HELLER FINANCIAL, INC.
Sears Towers, Suite 5800
233 South Wacker Drive
Chicago, IL 60606

Paul Fish, Esq.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
Local Counsel for HELLER FINANCIAL, INC.
500 Fourth Street NW
Bank of America Centre, Suite 1000
Albuquerque, NM 87103-2168

Ronald J. Silverman, Esq.
BINGHAM DANA LLP
Attorneys for METROPOLITAN LIFE
INSURANCE COMPANY
399 Park Avenue
New York, NY 10022-4689

Jennie Deden Behles (Walley)
J.D. BEHLES & ASSOCIATES
Local Counsel for METROPOLITAN LIFE
INSURANCE COMPANY
400 Gold Avenue SW, Suite 400
Albuquerque, NM 87103-0849



William F. Davis, Esq.

F:\Furrs\Motion\PINNACLEOBJ.WPD CWP:jg