

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

FILED
12:00 MIDNIGHT
AUG 23 2001

DROP BOX
United States Bankruptcy Court
Albuquerque, New Mexico

In re:

FURRS SUPERMARKETS, INC

Debtor.

Case No. 11-01-10779 SA

OBJECTION OF NEW MEXICO BEVERAGE COMPANY, SOUTHERN WINE & SPIRITS, INC, NATIONAL DISTRIBUTING AND PREMIER DISTRIBUTING COMPANY TO NOTICES OF CLAIMS FILED BY AND ON BEHALF OF HELLER FINANCIAL, FLEET CAPITAL, MET LIFE AND PIK NOTEHOLDERS

New Mexico Beverage Company, Southern Wine & Spirits, Inc., National Distributing Company and Premier Distributing Company ("the Distributors") object to the Notices of Claims filed by Heller Financial on its own behalf and on behalf of Bank of America, and Fleet Capital Corp., Metropolitan Life Insurance Company, and the PIK Noteholders 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.

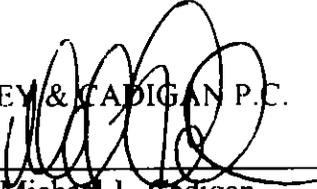
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4. The full value of the liquor licenses (estimated to be approximately 9.5 million dollars) should be escrowed pending a resolution of the claims of the wholesalers' claims.

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

HISEY & CADIGAN P.C.

BY: 

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

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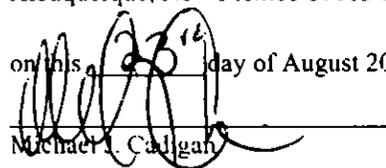
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on this 23rd day of August 2001


Michael J. Cadigan