

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 7-01-10779 SA
Chapter 7

Debtor.

**ORDER DIRECTING THE TRANSFER
OF FUNDS INTO THE COURT REGISTRY**

This matter came before the Court on the Motion for Order Directing the Transfer of Funds into the Court Registry (the "Motion") filed May 24, 2002 by Yvette J. Gonzales, Chapter 7 Trustee (the "Chapter 7 Trustee").

The Court finds:

(a) Pursuant to paragraph 11 of an Order Approving Escrow of Funds and Release of Inventory, filed September 21, 2001 as docket no. 1083, the sum of \$500,000.00 was deposited in an escrow account maintained by then counsel for the Debtor in Possession, Jacobvitz, Thuma & Walker P.C. (such funds, with any interest earned thereon, is called the "\$500,000 Escrowed Amount").

(b) Pursuant to Section 4.1(c) of the Asset Purchase Agreement between Furr's Supermarkets, Inc. and Fleming Companies Inc. (the "Agreement"), approved by an order entered July 3, 2001 as docket no. 710, the Debtor in Possession held back \$2 million pursuant to the terms of the Agreement (such funds, with any interest earned thereon, is called the "\$2 million Escrowed Amount"), which \$2 Million Escrowed Amount was deposited in an escrow account maintained by then counsel for the Debtor in Possession, Jacobvitz, Thuma & Walker P.C.

(c) Pursuant to an Order Authorizing Chapter 7 Trustee to Expend Funds For Wind-Up Matters, and Directing Transfer of Reserve Account, filed December 21, 2001 as docket no. 1434, Jacobvitz, Thuma & Walker P.C. transferred the \$500,000 Escrowed Amount and the \$2 Million Escrowed Amount, among other funds, to the Chapter 7 Trustee, which she is holding in escrow.

(d) The Chapter 7 Trustee desires that the \$500,000 Escrowed Amount and the \$2 Million Escrowed Amount be transferred to and held in the registry of the Court, pending further order of the Court, rather than being held by her.

(e) Entry of this order, without notice to any persons other than those served with the Motion as set forth in the certificate of service thereon, is appropriate in the particular circumstances.

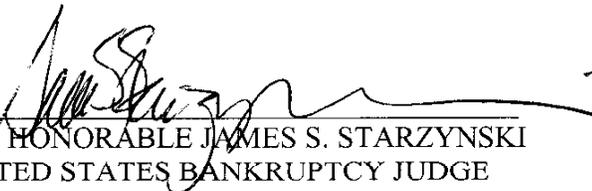
IT IS THEREFORE ORDERED:

1. The Chapter 7 Trustee is directed to transfer the \$500,000 Escrowed Amount and the \$2 Million Escrowed Amount to the Clerk of the Bankruptcy Court for District of New Mexico (the "Clerk") for deposit into the registry of the Court.

2. The Clerk is directed to (a) deposit the \$500,000 Escrowed Amount transferred to it by the Chapter 7 Trustee in an interest bearing account and (b) invest the \$2 Million Escrowed Amount transferred to it by the Chapter 7 Trustee in a 90-day certificate of deposit ("CD"), and when such CD expires to invest the \$2 Million Escrowed Amount in an interest bearing account.

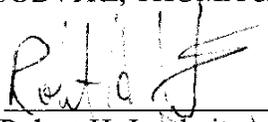
3. The \$2 Million Escrowed Amount shall be transferred from the registry of the Court only pursuant to further order of the Court in accordance with Article XII of the

Asset Purchase Agreement. The \$500,000 Escrowed Amount shall be transferred from the registry of the Court only pursuant to further order of the Court.


THE HONORABLE JAMES S. STARZYNSKI
UNITED STATES BANKRUPTCY JUDGE

Submitted by:

JACOBVITZ, THUMA & WALKER, P.C.

By: 
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I hereby certify that a true and correct copy of the foregoing was either electronically transmitted, faxed, delivered or mailed to the listed counsel and parties on:

MAY 28 2002

Mary B. Anderson