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DROP BOX
United States Bankruptcy Court
Albuquerque, New Mexico

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re

Case No. 11-01-10779-SA

Chapter 11

FURR'S SUPERMARKETS, INC.,

Debtor.

Debtor's Reply to Committee's Objection to Exclusivity Extension

The Committee objects to the Debtor's motion for a short extension of plan exclusivity for the same reasons that it has moved for the appointment of a trustee. According to the Committee, "the very fact that the Committee has filed the Trustee Motion demonstrates that the Committee lacks any confidence whatsoever in Debtor's management."¹

If the Committee prevails on the trustee motion, however, exclusivity will automatically and completely terminate by the terms of section 1121(c)(1), which terminates exclusivity upon the appointment of a trustee. On the other hand, if the Committee does not prove the grounds for the appointment of a trustee, then it will not prove the grounds for termination of exclusivity. In short, the Committee's attempt to terminate exclusivity is redundant. It will be rendered either moot or unproven by the Committee's own trustee motion.

¹ Objection at ¶ 5 (emphasis removed).

In the Objection the Committee states that it

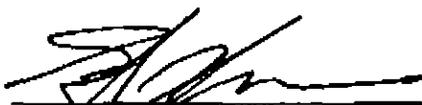
strongly believes that it is in the bests [*sic*] interests of the estate and its creditors for the Debtor to emerge from Chapter 11 as soon as reasonably possible. The Debtor's business, operations and management have all been adversely affected by the pending Chapter 11 case, and many of the adverse effects will continue until this case is over. Moreover, creditors are harmed by any unnecessary delay in obtaining recoveries on their claims.²

The Debtor strongly agrees. But dueling plans, conspiracy theories, personal attacks, attempts to oust management, and the resulting increase in professional fees and business disruption do not help "the Debtor to emerge from Chapter 11 as soon as reasonably possible." The Court should overrule the Objection and grant the full relief requested in the Motion.

Dated: Los Angeles, California
June 11, 2001

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² Objection at ¶ 9.