



August 11, 2003

United States Bankruptcy Court
For the District of Delaware
Marine Midland Plaza
824 Market Street 5th Floor
Wilmington, Delaware 19801

2003 AUG 12 AM 7:57
U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

FILED

RE: Fleming Companies, Inc.-Relief Request

United States Bankruptcy Court,

Reser's Fine Foods, Inc. is filing an objection with the Bankruptcy Court of Delaware in regards to the Reclamation Motion dated July 21, 2003. After analysis of the Reclamation Motion we have reconciled the items listed in this motion and attached supporting documents resolving these issues.

No Purchase Order's Provided [g] in the amount of \$39,410.49. These orders were placed by Fleming's deli buyer, Jim Johnson, and delivered via our Direct Store Delivery (DSD) trucks. Per industry practice this method of delivery does not require a purchase order number. Deliveries made to your Rainbow Foods Division are made by DSD. Enclosed are copies of the invoices that have been signed by a Fleming representative upon receipt of the product. (See exhibit A)

Purchase Order Not Identified [h] in the amount of \$169,263.37. These orders are sent to our Corporate office by Electronic Data Interchange (EDI). All orders are transmitted with a Fleming PO number attached. Once orders are processed, delivery appointments are made by a valid Fleming PO number and product is delivered. Enclosed are copies of Proof of Deliveries (POD's) signed by a Fleming representative upon receipt of the product. (See exhibit B)

Not Received in Valid Period [i] in the amount of \$2,052.00. This order was shipped in March 18, 2003, which falls within the 10 day Reclamation period. (See exhibit C)

Receipts Consumed By Letter Date[j] in the amount of \$47,293.34. On good faith we continued to deliver product during the reclamation period and were told by a Fleming representatives that by doing so we would be considered a primary vendor. Our understand was that a reclamation letter was to be received by Fleming no later the 10 days after the Bankruptcy date. We were not aware that the actual date the letter was received would effect the maximum calculation claim. Pursuant to section 546(c) of the Bankruptcy Code, and section 2-702 of the Uniform Commercial Code, a merchant who sells goods to an insolvent retailer, and who makes a demand in writing for the reclamation of such goods within 10 days of the receipt of the goods by the retailer, obtains rights in such inventory which are superior to the rights of all other parties, other than pre-existing lienholders. Reser's did make the proper claim in our letter dated April 10, 2003, but the maximum calculation diminishes a full return of such merchandise or its value.

Reser's Fine Foods, Inc. has taken the proper legal steps to ensure a maximum reclamation claim of \$260,399.98. Please call me at 503-526-8374 or egowen@resers.com if you have any questions.

Sincerely

Chimene Gowen-Houtsager
Assistant Controller

CC: Kirkland & Ellis LLP

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