

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

<b>IN RE:</b>	)	
	)	
<b>FLEMING COMPANIES, INC., et al.,</b>	)	<b>JOINTLY ADMINISTERED</b>
	)	<b>CASE NO. 03-10945 (MFW)</b>
	)	
<b>DEBTORS.</b>	)	<b>Objection Deadline: September 25, 2003</b>
		<b>Hearing Date: October 2, 2003 at 2:00 p.m.</b>

**COMBINED OBJECTION OF KAYE RETAIL GROUP, LLC, HKR MANAGEMENT, LLC, IKELBARRY’S, LLC, SUPERMARKET COMPANIES, INC. AND DUCK ENTERPRISES, INC. TO MOTION FOR ORDER ESTABLISHING AMOUNT OF ADEQUATE PROTECTION RESERVE PURSUANT TO THE SALE ORDER**

Kaye Retail Group, LLC, HKR Management, LLC, Ikelbarry’s, LLC, The Supermarket Companies, Inc. and Duck Enterprises, Inc. (collectively, “Objectors”), by and through their undersigned counsel, file this objection to the Motion For Order Establishing Amount Of Adequate Protection Reserve Pursuant To The Sale Order (the “Motion”). In support hereof Objectors state as follows:

1. Pursuant to the Motion, the Debtors<sup>1</sup> state that the parties the Debtors believe preserved their Offset Rights under paragraph 6 of the Sale Order are listed on Exhibit A to the Motion.
2. Pursuant to the Motion, the Debtors seek an Order from the Court that the maximum dollar value of Offset Rights is limited to the dollar values set forth by the Debtors on Exhibit A to the Motion.
3. On August 15, 2003, undersigned counsel for the Objectors had telephone conversations and e-mail exchanges with Debtors’ counsel regarding objections to the proposed language of paragraph 6 of the Sale Order.

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<sup>1</sup> Capitalized terms used herein but not defined herein shall have the meaning given to such terms in the Motion.

4. Debtors' counsel agreed through email exchanges that Objectors were deemed to have preserved their Offset Rights under paragraph 6 of the Sale Order. A copy of the relevant portion of the e-mail exchange between undersigned counsel and Debtors' counsel is attached hereto as Exhibit "A".

5. Notwithstanding Objectors' preservation of Offset Rights, except for Kaye Retail Group LLC which is listed on Exhibit A incorrectly with no amount, the Objectors are not listed on Exhibit A to the Motion.

6. Objectors are parties to facility standby agreements and promissory and/or forgiveness notes. The Objectors are parties to the following promissory and/or forgiveness notes:

<u>Objector</u>	<u>Original Principal Amount of Note</u>
Ikelbarry's, LLC <sup>2</sup>	\$1,010,000.00
Kaye Retail Group, LLC	\$615,000.00
HKR Management, LLC	\$100,000.00
Supermarket Companies, Inc.	\$350,000.00
Duck Enterprises, Inc.	\$705,700.00

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<sup>2</sup> Ikelbarry's LLC has reached a settlement with the Debtors, C&S and AWG which is subject to approval by the Bankruptcy Court. To the extent the settlement is approved, Ikelbarry's LLC will withdraw its objection to the Motion.

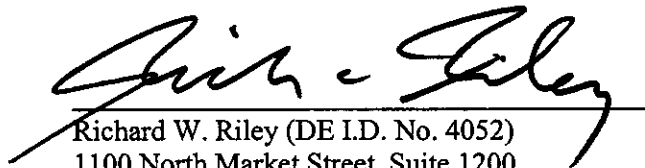
7. Objectors object to the Motion to the extent Debtors seek to limit the Offset Rights under paragraph 6 of the Sale Order to the parties and the amounts listed on Exhibit "A" to the Motion.

WHEREFORE, Objectors respectfully request that the Motion be denied.

Dated: September 25, 2003  
Wilmington, DE

Respectfully submitted,

DUANE MORRIS LLP

A handwritten signature in black ink, appearing to read "Richard W. Riley", is written over a horizontal line.

Richard W. Riley (DE I.D. No. 4052)  
1100 North Market Street, Suite 1200  
Wilmington, DE 19801

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[rwiley@duanemorris.com](mailto:rwiley@duanemorris.com)

Attorneys for the Objectors

# **EXHIBIT “A”**

**Riley, Richard**

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**From:** scho@kirkland.com  
**Sent:** Friday, August 15, 2003 7:50 PM  
**To:** Riley, Richard  
**Subject:** Re: FW: FINAL Sale Order

Confirmed.

RWRiley@duanemorris.com on 08/15/2003 08:10:26 AM

**To:** Shirley Cho/Los Angeles/Kirkland-Ellis@K&E  
**cc:**

**Subject:** FW: FINAL Sale Order

Shirley--Can you please confirm your agreement to the below e-mail. I want confirmation before the Sale Order is submitted. Thanks.

Richard W. Riley  
Duane Morris LLP  
1100 North Market Street, Suite 1200  
Wilmington, DE 19801-1246  
Phone: 302-657-4928  
Fax: 302-657-4901  
rwiley@duanemorris.com

-----Original Message-----

**From:** Riley, Richard  
**Sent:** Friday, August 15, 2003 10:32 AM  
**To:** 'scho@kirkland.com'  
**Subject:** RE: FINAL Sale Order

This will confirm our telephone conversation regarding the modifications to the Sale order related to Offset Rights and will confirm that you have agreed that my clients, HKR Management, Kaye Retail Group,

Ikelbarry's, Supermarket Companies, Inc. and Duck Enterprises, Inc. are deemed to be counterparties who have requested or joined in a request for adequate protection of Offset Rights as provided in paragraph 6 of the Sale Order. If this is not the case, please advise so I can promptly request a telephone conference with Judge Walrath. Thank you.

Richard W. Riley  
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Wilmington, DE 19801-1246  
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