

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re:	:	Chapter 11
	:	
FLEMING COMPANIES, INC., ET AL.	:	Case No. 03-10945(MFW)
	:	(Jointly Administered)
Debtors.	:	
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		Hearing date: 10/2/2003 at 2:00 p.m.
		Objection Deadline: 9/25/2003

Related Document No. 3667

**LIMITED OBJECTION OF MADISON FOODS, INC. TO
MOTION FOR ORDER ESTABLISHING AMOUNT OF ADEQUATE PROTECTION
RESERVE PURSUANT TO THE SALE ORDER**

Madison Foods, Inc. ("Madison") by and through its undersigned counsel, hereby files this Limited Objection to Debtors' Motion for Order Establishing Amount of Adequate Protection Reserve Pursuant to the Sale Order (the "Objection") and in support thereof states the following:

JURISDICTION

1. This Court has jurisdiction over Debtors' Motion for Order Establishing Amount of Adequate Protection Reserve Pursuant to the Sale Order (the "Motion") under 28 U.S.C. Section 1334. This matter is a core proceeding within the meaning of 28 U.S.C. Section 157(b)(2)(A),(G) and (O). Venue is proper before this Court under 28 U.S.C. Sections 1408 and 1409.
2. The statutory base for the relief sought herein are Sections 105(a), 364 and 365 of Title 11 of the United States Code (the "Bankruptcy Code").

BACKGROUND

3. Madison owns and operates a grocery store located in Kansas City, Missouri. On or about July 7, 2000 Madison entered into a facility standby agreement (the “FSA”) and a sublease agreement (the “Sublease”) with Fleming. Under the FSA Fleming agreed to “standby” with sufficient capital, employees, inventory, equipment and facilities to supply Madison with groceries and related products (collectively, the “Products”).

4. In connection with the FSA and Sublease, Madison executed a promissory note in the face amount of \$2,905,000 and a forgiveness note in the face amount of \$875,000 in favor of Fleming.

5. The Debtors have included the amount of \$1,962,242 as the balance of the promissory note in the reserve amount on Exhibit “A”.

6. The Debtors did not, however, include Madison’s forgiveness note in the face amount of \$875,000 in the reserve amount on Exhibit “A”.

7. The forgiveness note provided that Fleming would forgive Madison’s indebtedness if Madison purchased Products from Fleming at a certain level for five (5) years.

RELIEF REQUESTED

8. Since the Debtors have not included Madison’s forgiveness note in the reserve amount, Madison requests that the Court require the Debtors to increase the reserve amount by \$875,000.

CONCLUSION

For the reasons set forth above, Madison respectfully requests that the Court enter an Order requiring the Debtors to increase the reserve amount by \$875,000 to account for the Madison forgiveness note.

Dated: September 25, 2003
Wilmington, DE

COZEN O'CONNOR

/s/ John T. Carroll, III

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