

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:	)	Chapter 11
)	
Quality Stores, Inc., et al.,¹	)	Case No. GG-01-10662
	)	(Jointly Administered)
Debtors.)	
	)	Hon. James D. Gregg

NOTICE OF HEARING

PLEASE TAKE NOTICE that a hearing to consider the Debtors' Motion Pursuant to Bankruptcy Rule 3003(c)(3) for Entry of an Order (A) Establishing an Administrative Expense Claim Bar Date for Filing Certain Administrative Expense Claims and (B) Approving Form and Manner of Notice Thereof (the "Motion") will be held at the United States Bankruptcy Court, 792 Federal Building, 110 Michigan, N.W., Grand Rapids, Michigan on **February 19, 2002 at 10:00 a.m. (Eastern Standard Time).**

PLEASE TAKE FURTHER NOTICE that the deadline to object to the Motion is **February 12, 2002 at 4:30 p.m. (Eastern Standard Time).**

PLEASE TAKE FURTHER NOTICE that the Court may, in its discretion, orally continue or adjourn the above hearing on the record in open court. If this occurs, parties in interest will not be given further written notice of the continued or adjourned hearing. If an entity is not present at the originally scheduled hearing information regarding the time, date and place of an orally continued or adjourned hearing may be obtained at the clerk's office from the court files or docket.

If you want the court to consider your views on this matter, attend the hearing on the date stated above.

Your rights may be affected. You should read the documents carefully and discuss them with your attorney. (If you do not have an attorney, you may wish to consult one).

You or your attorney may wish to file a written response to the motion explaining your position. Any response shall be mailed to the Clerk of the U.S. Bankruptcy Court, P.O. Box 3310,

¹ Debtors are the following entities: QSI Holdings, Inc. (f/k/a CT Holdings, Inc.); Quality Stores, Inc. (f/k/a Central Tractor Farm & Country, Inc.); Country General, Inc.; F and C Holding, Inc.; FarmandCountry.com, LLC.; QSI Newco, Inc.; QSI Transportation, Inc.; Quality Farm & Fleet, Inc.; Quality Investments, Inc.; Quality Stores Services, Inc; and Vision Transportation, Inc.

Grand Rapids, MI 49501. A copy of your response should also be mailed upon the party filing the motion and his/her attorney.

If you or your attorney do not take these steps, the court may decide to grant the relief sought in the motion or petition, and may enter an order granting the relief requested.

Grand Rapids, Michigan

Respectfully submitted,

Dated: January 25, 2002

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**IN THE UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT
OF MICHIGAN SOUTHERN DIVISION**

In re:	)	Case No. GG-01-10662
)	
Quality Stores, Inc., et al.,¹	)	Chapter 11
)	
Debtors.	)	(Hon. James D. Gregg)
)	

Hearing: February 19, 2002
Objections Due: February 12, 2002

**DEBTORS' MOTION PURSUANT TO BANKRUPTCY RULE 3003(c)(3) FOR ENTRY
OF AN ORDER (A) ESTABLISHING AN ADMINISTRATIVE EXPENSE CLAIM BAR
DATE FOR FILING CERTAIN ADMINISTRATIVE EXPENSE CLAIMS
AND (B) APPROVING FORM AND MANNER OF NOTICE THEREOF**

The above-captioned debtors and debtors in possession (collectively, the "Debtors"), by and through their undersigned counsel, respectfully submit this motion (the "Motion") for entry of an order (the "Administrative Claims Bar Date Order"): (A) establishing April 2, 2002 at 5:00 p.m. Eastern Standard Time as the final day and time by which all parties, including governmental units, as defined by 11 U.S.C. § 101(27) (collectively, the "Creditors"), must file requests for allowance of administrative expense claims arising under 11 U.S.C. §§ 503(b) and 507(a)(1) (each an "Administrative Claim" and, collectively, the "Administrative Claims") in these chapter 11 cases for Administrative Claims arising on or before January 31, 2002 and (B) approving form and manner of notice thereof.

Jurisdiction and Venue

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 1334 and 157(a). This is a core proceeding pursuant to 28 U.S.C. § 157(b).
2. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory basis for the relief requested herein is Bankruptcy Code section 105(a) and Federal Rule of Bankruptcy Procedure 3003(c)(3).

Background

4. On October 20, 2001 (the "Involuntary Date"), an involuntary petition (the "Involuntary Petition") was filed against QSI. On November 1, 2001 (the "Commencement Date"), (i) QSI answered the Involuntary Petition and consented to the entry of an order for relief and (ii) the remaining Debtors commenced voluntary chapter 11 cases before this Court. Contemporaneously herewith, the Debtors filed a motion seeking to procedurally consolidate their chapter 11 cases for administrative purposes only.

¹ The Debtors are: QSI Holdings, Inc. (f/k/a CT Holdings, Inc.); Quality Stores, Inc. (f/k/a Central Tractor Farm & Country, Inc.); Country General, Inc.; F and C Holding, Inc.; FarmandCountry.com, LLC.; QSI Newco, Inc.; QSI Transportation, Inc.; Quality Farm & Fleet, Inc.; Quality Investments, Inc.; Quality Stores Services, Inc; and Vision Transportation, Inc.

5. The Debtors continue to operate their businesses and manage their properties pursuant to Bankruptcy Code sections 1107(a) and 1108.

6. The United States Trustee appointed the Official Committee of Unsecured Creditors on November 7, 2001 (the "Creditors' Committee").

7. As the Court is well aware, the Debtors, after conducting a substantial review of their operations, determined that selling their retail operations provided the best option for maximizing value for their estates.

8. Recently, the Court has approved the sale of substantially all of the assets of all of the Debtors' assets. These transactions have closed, relieving the Debtors of significant ongoing funding requirements.

9. The Debtors are now preparing to finalize their emergence strategy. With the administration of these cases nearing completion, the Debtors are developing their chapter 11 plan of reorganization (the "Plan"). The establishment of the Administrative Claims Bar Date will aid the Debtors in that effort.

Relief Requested

10. By this Motion, the Debtors request entry of an Administrative Claims Bar Date Order pursuant to Rule 3003(c)(3) of the Federal Rule of Bankruptcy Procedure (the "Bankruptcy Rules") (a) establishing April 2, 2002 at 5:00 p.m. Eastern Standard Time (the "Administrative Claims Bar Date") as the final day and time by which all Creditors must file requests for allowance of Administrative Claims arising from and after the Commencement Date through January 31, 2002 and (b) approving the form and manner of notice thereof.

Establishment of the Administrative Claims Bar Date

11. Bankruptcy Rule 3003(c)(3) provides, in pertinent part, that "[t]he court shall fix and for cause shown may extend the time within which proofs of claim or interest may be filed." Fed. R. Bankr. P. 3003(c)(3). Neither the Bankruptcy Code nor the Local Bankruptcy Rules specify a time by which administrative claims must be filed. Accordingly, "the time of payment of administrative expenses is within the discretion of the Bankruptcy Court" under its general Bankruptcy Code section 105(a) powers. *In re Reams Broadcasting Corp.*, 153 B.R. 520, 522 (Bankr. N.D. Ohio 1993) ("Consistent with this power [§ 105(a)] is the Court's authority to set deadlines for the submission of administrative expenses."). The Debtors seek to establish the Administrative Claims Bar Date as the final date by which certain Administrative Claims must be filed. The Debtors request that the Administrative Claims Bar Date apply to all accrued and/or unpaid Administrative Claims arising from and after the Commencement Date through January 31, 2002 except for administrative claims of professionals retained pursuant to Bankruptcy Code sections 327 and 328.

12. "Policy considerations strongly support the necessity of a bar date in bankruptcy reorganizations." *In re Zimmerman*, 156 B.R. 192, 199 (W.D. Mich. 1993). Setting a deadline for filings proofs of claims and interests asserted by all parties and barring claims and interests filed beyond the Administrative Claims Bar Date is necessary to quantify the aggregate dollar amount of claims outstanding against the Debtors to enable the plan to be properly and quickly administered. *Id.* ("A bar date is necessary so that a reorganization plan may more easily be formulated"). A bar date for administrative claims serves "as an administrative aid to assist and

conclude the administration of the Chapter 11 case. . . .” *In re Centurion Health of Carrollwood Inc.*, 177 B.R. 371, 373 (Bankr. M.D. Fla. 1994).

13. Establishment of the Administrative Claims Bar Date is consistent with the common goal of the Debtors and their creditors that these cases proceed as rapidly as possible. *Zimmerman*, 156 B.R. at 199 (noting that the purpose of the bar date is to “provide the debtor and its creditors with finality” and to “insure the swift distribution of the bankruptcy estate”) (quotation omitted); *see also In re Ohio Movers & Storage, Inc.*, 118 B.R. 533, 534 (N.D. Ohio 1990) (same). As this Court is aware, the Debtors, the Committee and the Prepetition Lenders have entered into a global settlement. Among other things, the global settlement includes dates by which milestones in the plan confirmation process must occur. Under the global settlement, the Debtors must file the plan and disclosure statement no later than January 31, 2002. The disclosure statement hearing and the confirmation hearing must take place no later than March 1, 2002 and April 8, 2002 respectively. The proposed Administrative Claims Bar Date will allow the Debtors to determine a significant portion of the Administrative Claims as soon as the plan is confirmed, which will allow the Debtors to make its distributions to unsecured creditors without significant holdbacks.

14. Setting a deadline for filing Administrative Claims asserted by all persons, entities and government units and barring untimely claims is necessary to quantify the aggregate dollar amount of Administrative Claims outstanding against the Debtors. Because the Debtors sold substantially all operating assets on and before December 31, 2001, a significant amount of the Administrative Claims would have accrued on or before January 31, 2002. Identification of such Administrative Claims against the Debtors’ estates is an essential prelude to consummation of the Plan and prompt resolution of these cases.

Consequences of Failure to File an Administrative Claim

15. The Debtors propose that any holder of an Administrative Claim against the Debtors who is required, but fails, to file a proof of such Administrative Claim in accordance with the Administrative Claims Bar Date Order on or before the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claim against the Debtors, and the Debtors and their property shall be forever discharged from any and all indebtedness or liability with respect to such Administrative Claim, and such holder shall not be permitted to participate in any distribution in the Debtors’ chapter 11 cases on account of such Administrative Claim or to receive further notices regarding such Administrative Claim.

Administrative Claims Bar Date Notice

16. The Debtors seek approval of the notice of the Administrative Claims Bar Date in substantially the form attached hereto as Exhibit A (the “Bar Date Notice”). The Debtors propose to serve the Bar Date Notice at least twenty-five (25) days prior to the Administrative Claims Bar Date, in accordance with Bankruptcy Rule 9007, to (i) those parties who have requested notice pursuant to Bankruptcy Rule 2002, (ii) the United States Trustee, (iii) counsel to the Creditors’ Committee, (iv) counsel to the Administrative Agent for the Prepetition Lenders, (v) all known counterparties to the Debtors’ executory contracts and (vi) all other parties known by the Debtors to hold or assert Administrative Claims, including taxing authorities.

Publication Notice

17. Additionally, the Debtors have determined that it would be in the best interest of their estates to give notice by publication. Pursuant to Bankruptcy Rule 2002, the Debtors seek authority to publish a form of the Bar Date Notice, modified for publication, (the "Bar Date Publication Notice") in the national editions of the Wall Street Journal and USA Today on one occasion at least twenty-five (25) days prior to the Administrative Claims Bar Date. The Debtors request the Court find that the Debtors' proposed procedure regarding the Bar Date Publication Notice shall be deemed good, adequate and sufficient publication notice.

Notice

18. Notice of this Motion has been given to (i) the United States Trustee, (ii) counsel to the debtor in possession lenders, (iii) counsel to Fleet National Bank as agent for the Debtors' Prepetition Lenders and (iv) the top forty unsecured creditors of the Debtors. In light of the nature of the relief requested, the Debtors submit that no further notice is required.

WHEREFORE the Debtors respectfully request that the Court enter an order (i) establishing the Administrative Claims Bar Date for filing Administrative Claims, (ii) approving (a) the proposed Bar Date Notice and (b) the Bar Date Publication Notice, and (iii) granting the Debtors such other and further relief as is just.

Dated: Grand Rapids, MI
January 25, 2002

Respectfully Submitted,

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Counsel for the Debtors and Debtors in
Possession

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:	)	Case No. GG-01-10662
)	
Quality Stores, Inc., <u>et al.</u> , ¹	)	Chapter 11
)	
Debtors.	)	(Hon. James D. Gregg)
)	

NOTICE OF DEADLINE FOR FILING OF ADMINISTRATIVE PROOFS OF CLAIMS

TO ALL CREDITORS OF THE DEBTORS AND DEBTORS IN POSSESSION HOLDING ADMINISTRATIVE CLAIMS:

PLEASE TAKE NOTICE that pursuant to Bankruptcy Rule 3003(c)(3), all persons or entities, including individuals, partnerships, corporations, estates, governmental units and trusts holding a claim (as defined in 11 U.S.C. § 101(5)), against the Debtors which constitutes an Administrative Claim that arose on or before January 31, 2002 must file a proof of Administrative Claim so as to be received on or before **April 2, 2002 at 5:00 p.m.** (Eastern Standard Time) (the "Administrative Claims Bar Date"), either by mailing the original proof of claim to

Bankruptcy Management Corp.
Attn: Quality Stores Claims Agent
P.O. Box 1042
El Segundo, CA 90245-1042

-or-

by hand delivery or overnight courier to
Bankruptcy Management Corp.
Attn: Quality Stores Claims Agent,
1330 E. Franklin Avenue
El Segundo, CA 90245

An "Administrative Claim" is any claim (as defined in 11 U.S.C. § 101(5)) with respect to which a holder intends to seek payment pursuant to 11 U.S.C. §§ 503 and 507(a)(1) of the Bankruptcy Code, except holders of Administrative Claims of professionals retained pursuant to 11 U.S.C. §§ 327 and 328.

PLEASE TAKE FURTHER NOTICE THAT ANY CREDITOR WHO IS REQUIRED TO FILE AN ADMINISTRATIVE CLAIM BUT FAILS TO DO SO ON OR BEFORE 5:00 P.M. (EASTERN STANDARD TIME) ON APRIL 2, 2002, SHALL BE FOREVER BARRED, ESTOPPED AND ENJOINED FROM ASSERTING SUCH CLAIM (OR FILING A PROOF OF CLAIM OR MAKING A MOTION FOR RECOVERY OF SUCH AMOUNTS WITH RESPECT THERETO), AND ANY OF THE DEBTORS AGAINST WHICH THE CREDITORS WAS REQUIRED TO HAVE FILED A PROOF OF CLAIM AND ANY SUCH DEBTOR'S PROPERTY SHALL BE FOREVER DISCHARGED FROM ANY AND ALL INDEBTEDNESS OR LIABILITY WITH RESPECT TO SUCH CLAIM, AND SUCH HOLDER SHALL NOT BE PERMITTED TO VOTE ON ANY PLAN OR REORGANIZATION OR PARTICIPATE IN ANY DISTRIBUTION IN ANY SUCH DEBTOR'S CHAPTER 11 CASE ON ACCOUNT OF SUCH CLAIM.

For information regarding the case, please visit the Debtors' website at www.bmccorp.net/quality.htm or contact the Debtors' claims agent, Bankruptcy Management Corporation, above.

¹ The Debtors are: QSI Holdings, Inc. (f/k/a CT Holdings, Inc.); Quality Stores, Inc. (f/k/a Central Tractor Farm & Country, Inc.); Country General, Inc.; F and C Holding, Inc.; Farm and Country, LLC.; QSI Newco, Inc.; QSI Transportation, Inc.; Quality Farm & Fleet, Inc.; Quality Investments, Inc.; Quality Stores Services, Inc; and Vision Transportation, Inc.

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In re:)	Case No. GG-01-10662
)	
Quality Stores, Inc., et al.,¹)	Chapter 11
)	
Debtors.)	(Hon. James D. Gregg)
)	

**ORDER (A) ESTABLISHING AN ADMINISTRATIVE EXPENSE
CLAIM BAR DATE FOR FILING CERTAIN ADMINISTRATIVE EXPENSE
CLAIMS AND (B) APPROVING FORM AND MANNER OF NOTICE THEREOF**

Upon consideration of the motion of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (A) establishing the administrative expense claim bar date for filing certain administrative expense claims and (B) approving the form and manner of notice thereof (the “Motion”); and the Court having considered the Motion and finding that the relief requested therein is in the best interest of the Debtors and their estates; and due and proper notice of the Motion having been given with no other notice being required; and after due deliberation; and sufficient cause appearing therefor; it is hereby:

ORDERED that the Motion is granted as set forth herein; and it is further

ORDERED that, pursuant to Bankruptcy Rule 3003(c)(3), all persons or entities, including individuals, partnerships, corporations, estates, governmental units and trusts holding a claim (as defined in 11 U.S.C. § 101(5)), against the Debtors which constitutes an Administrative Claim (hereinafter defined) that arose prior to January 31, 2002, must file a proof of Administrative Claim so as to be received on or before April 2, 2002 at 5:00 p.m. (Eastern Standard Time) (the “Administrative Claims Bar Date”), either by mailing the original proof of claim to Bankruptcy Management Corp., Attn: Quality Stores Claims Agent, P.O. Box 1042, El Segundo, CA 90245-1042, or by hand delivery or overnight courier, to Bankruptcy Management Corp., Attn: Quality Stores Claims Agent, 1330 E. Franklin Avenue, El Segundo, CA 90245; and it is further

ORDERED that, for purposes of this Order, an “Administrative Claim” is any claim (as defined in 11 U.S.C. § 101(5)) with respect to which a holder intends to seek payment pursuant to sections 503 and 507(a)(1) of the Bankruptcy Code, except holders of administrative claims of professionals retained pursuant to sections 327 and 328 of the Bankruptcy Code; and it is further

ORDERED that all entities required to file a proof of Administrative Claim as provided by this Order, but which fail to do so on or before the applicable Administrative Claims Bar Date, shall be forever barred, estopped, and enjoined from asserting such Administrative Claim against the Debtors, and the Debtors and their property shall be forever discharged from any and

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all indebtedness or liability with respect to such Administrative Claim, and such holder shall not be permitted to participate in any distribution in the Debtors' chapter 11 cases on account of such Administrative Claim or to receive further notices regarding such Administrative Claim; and it is further

ORDERED that all requests for allowance of Administrative Claims must be filed in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of this Court; and it is further

ORDERED that the Debtors shall cause a copy of the Bar Date Notice, in substantially the form attached to the Motion as Exhibit A, modified to reflect the changes made by this order, which form of notice is hereby approved, to be mailed by first class mail, postage prepaid to (i) those parties who have requested notice pursuant to Bankruptcy Rule 2002, (ii) the United States Trustee, (iii) counsel to the Creditors' Committee, (iv) counsel to the Administrative Agent for the Prepetition Lenders, (v) all known counterparties to the Debtors' executory contracts and (vi) all other parties believed by the Debtors to hold Administrative Claims; and it is further

ORDERED that the Debtors shall publish the Bar Date Publication Notice once before the Administrative Claims Bar Date in the national editions of the Wall Street Journal and USA Today; and it is further

ORDERED that the form and manner of notice and the dissemination and publication thereof provided for herein constitutes good, sufficient and adequate notice thereof and no further notice thereof need be given; and it is further

ORDERED that, notwithstanding Bankruptcy Rules 6004(g), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Grand Rapids, Michigan

February____, 2002

The Honorable James D. Gregg
United States Bankruptcy Judge