

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	
)	
FACTORY 2-U STORES, INC., a/k/a)	Chapter 7
FACTORY 2-U, f/a/k/a GENERAL)	
TEXTILES, INC., f/a/k/a GENERAL)	Case No. 04-10111 (PJW)
TEXTILES, f/a/k/a FAMILY BARGAIN)	
CORPORATION, f/a/k/a FAMILY)	
BARGAIN CENTER,)	
)	
Debtor.)	RE: [DOCKET NO. 3822]

**REVISED ORDER GRANTING THE SEVENTH OMNIBUS OBJECTION TO
CHAPTER 11 ADMINISTRATIVE EXPENSE CLAIMS (SUBSTANTIVE)**

1. The Chapter 7 Trustee filed the Seventh Omnibus Objection to Chapter 11 Administrative Expense Claims (Substantive) (the "Motion").¹
2. The Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§157 and 1334; this Motion is a core proceeding under 28 U.S.C. §157(b)(2).
3. Proper notice of the Motion has been provided by the Trustee. Each holder of a Disputed Claim set forth on Exhibits A through C attached hereto was properly and timely served with a copy of the Objection, the Proposed Order and accompanying Exhibits and the Notice of the response deadline thereto, and no further notice of the Objection need be provided.
4. The Motion is GRANTED. Any objection not made to the Motion is waived. Any objection made to the Motion is overruled with prejudice.
5. The relief requested in the Motion is in the best interests of the Estate and its creditors.

¹Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Motion.

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6. The Incorrectly Classified Claims identified on the attached Exhibit A are hereby reclassified to the classification stated in the column titled "Modified Classification Status."

7. The Disputed Claims Amounts identified on the attached Exhibit B are hereby reduced to the amount stated in the column titled "Modified Claim Amount."

8. The No Liability Claims identified on the attached Exhibit C are disallowed and expunged in their entirety.

9. Pursuant to 11 U.S.C. §§ 503(a) and (b)(1)(A), and 11 U.S.C. § 507(a)(2), Proof of Claim No. 1315 of Anderson West, LLC is allowed as a Chapter 11 administrative expense priority claim in the amount \$7,031.26 (the "Allowed Chapter 11 Claim") and as a general unsecured non-priority claim in the amount of \$65,400.76. The Allowed Chapter 11 Claim of Anderson West, LLC shall be paid on a *pro rata* basis as all other allowed Chapter 11 administrative expense priority claims, when, and if, such distributions are made.

10. The Trustee's rights to raise other objections to the Remaining Claims on any and all grounds permitted by law and or equity are preserved.


11. Each of the Disputed Claims and the objections by the Trustee as asserted in the Motion and as set forth on Exhibits A through C attached hereto constitutes a separate contested matter as contemplated by Fed. R. Bankr. P. 9014. This Order shall be deemed a separate Order with respect to each Disputed Claim. Any stay of this Order pending appeal by any of the claimants whose claims are subject to this Order shall only apply to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters covered hereby.

12. The Delaware Claims Agency is directed to take all appropriate steps to revise the DCA Register in this case to reflect the terms this Order. The Bankruptcy Court Clerk's Office is

directed to take all appropriate steps to revise the Court Register in this case to reflect the terms of this Order.

13. This Court shall retain jurisdiction with respect to any matter related to or arising from the implementation or interpretation of this Order.

Dated: June 4, 2008



The Honorable Peter J. Walsh
United States Bankruptcy Court Judge

Name of Claimant	Claim Number	Claim Amount	Claim Classification Status	Modified Classification Status	Reason for Reclassification
Anderson West LLC P.O. Box 6998 Beverly Hills, CA 90212-6998 and Anderson West LLC A California LLC Attn: Marc A. Liberman, Esq. Fredman Liberman LLP 1875 Century Park East, Suite 2200 Los Angeles, CA 90067	POC 1315	\$64,547.00	Unsecured Non-Priority and Priority per Section 507(a)	Unsecured Non-Priority \$65,400.76 Section 507(a)(1) Priority \$7,031.26	[Also see Pages 4-6 of the 7th Omnibus Objection for additional analysis pertinent to the stated grounds of the Trustee's objection to such claim.] The Trustee and Anderson West, LLC have agreed that Proof of Claim No. 1315 of Anderson West, LLC should be allowed as a Chapter 11 administrative expense priority claim in the amount \$7,031.26 and as a general unsecured non-priority claim in the amount of \$65,400.76. This treatment is stated in Revised Order, paragraph 9.
Enterprise Eagle Pass Associates, LP 455 South Bibb Avenue Eagle Pass, TX 78852-5000 and Enterprise Eagle Pass Associates, LP 475 Fifth Avenue, Suite 1200 New York, NY 10017 Fax: 212-824-1103	POC 1017	\$13,808.51	Priority	Unsecured Non-Priority \$5,790.67 Section 507(a)(1) Priority \$8,017.84	Claimant asserts a priority claim, most likely administrative priority, for January 2004 rent due under the lease for Store 354 - Eagle Pass. The Debtor rejected the lease for Store 354 effective 7-19-04 (DN 1102). The Claimant is not entitled to a priority claim for the full amount of the January 2004 rent. Pursuant to Section 503(b) claimant is only entitled to an administrative priority claim for the Stub Rent.
E P Simana LP Attn: Herbert Ehrlich 109 N. Oregon, 12th Floor El Paso, TX 79901 Fax: 915-544-7529 slslaw@sbcglobal.net	POC 1051	\$110,296.48	Priority \$7,878.32 Unsecured Non-Priority \$7,878.32 Secured \$94,539.84	Unsecured Non-Priority	Claim for amounts due under lease for Store 431 - El Paso, Dyer. The Debtor rejected the lease at DN 787, effective 3-12-04. Pursuant to the attachment to the proof of claim, claimant asserts "Administrative Claims of rent, Common Area Charges, Tax and Insurance, late fees and other fees as of January 1, 2004 thru January 1, 2005." Claimant has not provided a factual or legal basis why such amount is entitled priority as an administrative claim, or whether any portion of such claim is entitled to priority as an administrative claim. Furthermore, the claimant has not provided any basis for why such claim is entitled to priority as a secured claim.

Revised Exhibit A: Incorrect Classification
 In re Factory 2-U Stores, Inc., Case No. 04-10111 (PJW)

Name of Claimant	Claim Number	Claim Amount	Claim Classification Status	Modified Classification Status	Reason for Reclassification
Food 4 Less of California Inc. Attn: Jack Marfo, Esq. Hart King & Coldren 200 E. Sandpoint, 4th Floor Santa Ana, CA 92707 and Kevin J. Mangano Worble Canyle 222 Delaware Avenue Suite 1501 Wilmington, DE 19801 Phone: (302) 252-4361 Fax: (302) 661-7729 email: kmangan@wvcsr.com	POC 1416	\$448,579.57	Priority (including administrative priority)	Unsecured Non-Priority \$428,361.92 Section 507(a)(1) Priority \$20,317.65	<p>[Also see Pages 4-6 of the 7th Omnibus Objection for additional analysis pertinent to the stated grounds of the Trustee's objection to such claim.]</p> <p>Claimant asserts a priority claim for lease rejection damages, pre-petition January 2004 rent, post-petition January 2004 rent and attorney's fees. The only portion of the claim entitled to priority treatment is the January 2004 Stub Rent which is entitled to chapter 11 administrative priority pursuant to Section 503(b) in the amount of \$20,317.65. The remainder of the claim must be reclassified as a pre-petition unsecured non-priority claim.</p>
Franklin-Kennwick, LLC c/o Christopher D. Lotzides 1225 King St. Suite 800 Wilmington, DE 19801	POC 910	\$135,059.03	Unsecured	Unsecured Non-Priority \$129,516.66 Section 507(a)(1) Priority \$5,542.37	<p>Claimant asserts a chapter 11 administrative claim for the January 2004 Stub Rent for Store No. 177 (rejected effective 3-12-04, DN 787). Claimant also filed an unsecured claim for the pre-petition rent and lease rejection damages. The entire amount of POC 910 was recorded on the claims register as an unsecured claim. This Objection seeks to classify the January 2004 Stub Rent as a chapter 11 administrative claim per claimants intent as reflected in the proof of claim.</p>
Frilo-Lay, Inc. Attn: Jonie Mayer PO Box 660058 Dallas, TX 75266-0059	POC 12	\$340,403.69	Priority \$47,422.11 Unsecured Non-Priority \$292,981.58	Section 507(a)(1) Priority \$44,422.11 Unsecured Non-Priority \$295,981.58	<p>Claimant filed a reclamation claim with an asserted priority status. The Chapter 11 Debtor had determined that claimant filed valid reclamation claim for \$44,760.60. Remainder of claim properly classified as an unsecured non-priority claim.</p>

Name of Claimant	Claim Number	Claim Amount	Claim Classification Status	Modified Classification Status	Reason for Reclassification
General Electric Capital Corp. 1010 Thomas Edison Blvd. SW Cedar Rapids, IA 52404	POC 87	\$42,487.07	Secured	Unsecured Non-Priority	<p>[Also see Pages 4-6 of the 7th Omnibus Objection for additional analysis pertinent to the stated grounds of the Trustee's objection to such claim.]</p> <p>The equipment contract that is the subject of POC 87 was rejected effective 11-30-04 at DN 1595. The equipment that is the subject of the claim was returned to claimant. The Debtor's records do not show any post-petition amounts owing to claimant. Thus, to the extent such claim asserts a claim for rejection damages, the claim must be reclassified as a pre-petition unsecured non-priority claim.</p>
Henderson Shopping Village A California General Partnership 16661 Ventura Blvd., Suite 408 Encino, CA 91436-1961 and Henderson Shopping Village c/o Arthur A. Greenberg, Esq. Greenberg & Bass 16000 Ventura Blvd., Ste 1000 Encino, CA 91436 Fax: 818-986-6534 agreenberg@greenbass.com	POC 557	\$102,637.84	Section 507(a)(1) Priority \$9,418.20 Unsecured Non-priority \$93,219.64	Section 507(a)(1) Priority \$4,267.74 Unsecured Non-priority \$96,301.90	<p>Claim for amounts due under lease for Store 339 - Henderson. The Debtor rejected the lease at DN 785, effective 3-17-04. Claimant asserts a 507(a)(1) claim for January 2004 rent in the amount of \$7,350.00. Only the portion of the January 2004 Slub Rent is entitled to priority pursuant to Section 503(b), the pre-petition portion of the January 2004 rent is only entitled to unsecured non-priority status.</p>
Jay and Taru Ichtthaporia c/o The Ichtthaporia Law Firm 15 N. Market Street San Jose, CA 95113-1207	POC 1211	\$29,326.23	Unsecured Non-Priority \$22,890.23 Section 507(a)(1) Priority \$6,435.00	Unsecured Non-Priority	<p>Claim asserts a chapter 11 administrative expense priority for reimbursement of attorneys' fees (\$6,435.00) allegedly incurred by claimants' attorneys in this matter. If claimant is even entitled to such attorneys' fees (see objection on Exhibit C), such fees are only entitled to unsecured non-priority status because such fees were contracted for under a pre-petition contract and were incurred as a result of a pre-petition matter.</p>
J. Dennis Semler Tulsa County Treasurer 500 S. Denver Tulsa, OK 74103	*DCA 12	\$2,323.00	Section 507(a)(1) Priority	Unsecured Non-Priority	<p>Claim for business personal property tax for Store 470 - Tulsa - Country Club. The Debtor closed this Store location on 3/11/04, and rejected the lease effective 3-12-04 per the Order at DN 787. The taxes were billed after the date of rejection, thus, per Sections 365(b) and 503(b), such claim is not entitled to treatment as an administrative expense.</p>

Name of Claimant	Claim Number	Claim Amount	Claim Classification	Modified Classification Status	Reason for Reclassification
Mohave County Treasurer P.O. Box 712 Kingman, AZ 86402 Fax: 928-753-0798	DCA 88	\$1,114.89	Secured	Section 507(a)(1) Priority	[Also see Pages 4-6 of the 7th Omnibus Objection for additional analysis pertinent to the stated grounds of the Trustee's objection to such claim.] Letter attached to claim indicates claimant filed a claim for property tax for the Debtor's s Store 223, Bullhead City, with an asserted chapter 11 administrative priority and secured priority. Such store closed 10/26/04, and the lease was assumed and assigned effective 10-30-04 per the Order at DN 1327 and the Debtor no longer has an property at this location. Thus, the lien no longer attaches to property of the Debtor at this location.
NYC Department of Finance Office of Legal Affairs/Collections Attn: Joshua Frankel 345 Adams Street, 3rd Floor Brooklyn, NY 11201 Fax: 501-340-8040	DCA 124	\$7,700.00	Section 507(a)(1) Priority	Unsecured Non-Priority	Claimant asserts an administrative expense claim for General Corporation tax for the period 2-14-04 to 12-1-05 in the amount of \$4,000.00 plus \$400.00 in interest. Claimant also asserts an administrative expense claim for a General Commercial Rent Tax for the period 2-1-04 to 12-1-05 for \$3,000.00 plus \$300.00 in interest. The Debtor rejected its lease for the property that is the subject of the tax claims, located at 245 E 4th Street, # 26E, effective 9-10-04, per the Order at DN 1314. It is believed that the taxes were billed after the effective date of the rejection of the lease, therefore, pursuant to Section 365(b), the taxes are only entitled to treatment as unsecured non-priority claims.
Pulaski County Treasurer PO Box 430 Little Rock, AR 72203	DCA 25	\$6,046.04	Section 507(a)(1) Priority	Section 507(a)(8) Priority	Debtor's records show that there are no amounts owing to claimant for property taxes accrued after the petition date.
Southwest Gas Corporation 1850 9th St. Douglas, AZ 85607	POC 24	\$306.96	Priority	Unsecured Non-Priority	Claim is for services provided to the Debtor prior to the petition date. In addition, the face of the proof of claim does not provide any evidence of the type or basis of priority claimant is asserting.
The Cafaro Northwest Partnership d/b/a Vancouver Plaza 2455 Belmont Avenue P.O. Box 2186 Youngstown, OH 44504-0186 Fax: 330-743-2902 rdavis@cafaroncompany.com	DCA 87	\$19,088.36	Section 507(a)(1) Priority	Unsecured Non-Priority \$1,856.86 Section 507(a)(1) Priority \$17,231.5	Portion of claim seeking chapter 11 administrative priority for real estate taxes and insurance due January 1, 2004, not entitled to pro-rata and administrative priority. Pursuant to Section 365(d), such amounts are pre-petition unsecured non-priority claims.

Name of Claimant	Claim Number	Claim Amount	Claim Classification Status	Modified Classification Status	Reason for Reclassification
<p>The Carrington Company Francis Carrington P.O. Box 1328 Eureka, CA 95501</p>	DCA 27	\$14,510.90	Section 507(a)(1) Priority	<p>Section 507(a)(1) Priority \$6,859.50 Unsecured Non-Priority \$7,651.4</p>	<p>[Also see Pages 4-6 of the 7th Omnibus Objection for additional analysis pertinent to the stated grounds of the Trustee's objection to such claim.] Claim for alleged amounts due under the lease for Store 101-Sunnyside. The Debtor rejected such lease effective 10/31-04, per Order at DN 1789. The claim includes amounts for an annual real estate tax bill dated 11-1-04, an insurance bill dated 10-1-04, and amounts for January 2004 rent. Pursuant to Section 365(b), claimant is not entitled to an administrative priority claim for the 11-1-04 tax bill because it was billed after the effective rejection date. In addition, claimant is only entitled to administrative priority for the portion of the January 2004 Stub Rent, in the amount of \$4,234.50. Thus, only \$6,859.50 of the claim is entitled to treatment as administrative priority expenses. The remainder of the claim must be reclassified with an unsecured non-priority status.</p>
<p>Thrifty Payless, Inc., Thrifty Holdings, Thrifty Corp, Rite Aid Corp. Attn: Jock Marfo, Esquire Hart King & Coldren 200 E. Sandpointe, 4th Floor Santa Ana, CA 92707 and Kevin J. Mangan Wornble Carlyle 222 Delaware Avenue Suite 1501 Wilmington, DE 19801 Phone: (302) 252-4361 Fax: (302) 661-7729 email: kmangan@wcsr.com</p>	POC 1307	\$203,243.33	Priority	<p>Unsecured Non-Priority \$119,874.13 Section 507(a)(1) Priority \$11,625.25 Priority \$71,743.95</p>	<p>Claimant asserts a priority claim, presumably an administrative priority, for the entire amount of such claim. The Debtor rejected the leases for Store No. 325 effective 7-31-04 and Store No. 341 effective 7-26-04, per the Order at DN 1148. The Lease Rejection Damages component of this claim must be reclassified with an unsecured non-priority status in the amount of \$88,478.13. The pre-petition portion of the January, 2004 rent for the same stores must be reclassified with unsecured non-priority status in the amount of \$8,396.00. The Stub Rent portion of the January 2004 rent for the same stores should be classified with chapter 11 administrative claim priority in the amount of \$11,625.25. The portion of the claim seeking \$25,000.00 in Attorneys Fees per Subleases must be reclassified with unsecured non-priority status as the claimant has not provided any evidence or basis for why such fees are entitled to priority status. The remainder of the claim, \$71,743.95, while being left with priority status on this Exhibit A, will be reduced from the total claim amount pursuant to Exhibit B, as the Estate is not liable for such amount.</p>

Name of Claimant	Claim Number	Claim Amount	Claim Classification Status	Modified Classification Status	Reason for Reclassification
TXU Energy Retail Company LP Don Wells Cappemini Energy LP 1601 Bryan St., 38th Floor Dallas, TX 75201 and TXU Energy Retail Company LP Steven T. Holmes Hunton & Williams Energy Plaza, 30th Floor 1801 Bryan Street Dallas, Texas 75201-3402 214-979-3051 dd (214) 880-0011 Fax sholmes@hunjton.com	POC 1495	\$4,569.46	Unsecured	Section 507(a)(1) Priority	[Also see Pages 4-8 of the 7th Omnibus Objection for additional analysis pertinent to the stated grounds of the Trustee's objection to such claim.] It is clear from the face of the proof of claim that the claimant intended to file a chapter 11 administrative expense priority claim, however, the Bankruptcy Court Clerk's Office recorded the claim as an unsecured claim without any reference to the administrative priority component of the claim.
Urban Station USA Inc. 2530 Corporate Place # A103 Monterey Park, CA 91754 Fax: 323-266-6828	DCA 115	\$21,000.00	Section 507(a)(1) Priority	Unsecured Pre-Petition Non-Priority	Claim is for goods ordered and shipped to the debtor prior to the Petition Date. Thus, claim not entitled to chapter 11 administrative priority and must be reclassified in whole as an unsecured pre-petition non-priority claim.

* POC means the proof of claim filed on the Court Register. DCA means the claims filed on the Delaware Claims Agency claims register.

Revised Exhibit B: Claims with Disputed Claim Amounts
in re Factory 2-U Stores, Inc., Case NO. 04-10111 (PJW)

Name of Claimant	Claim Number	Claim Amount	Modified Claim Amount	Reason for Modification
<p>Anderson West LLC P.O. Box 6998 Beverly Hills, CA 90212-6998 and Anderson West LLC A California LLC Attn: Marc A. Liberman, Esq. Fredman Lieberman LLP 1875 Century Park East, Suite 2200 Los Angeles, CA 90067</p>	POC 1315	\$64,547.00	<p>Unsecured Non-Priority \$65,400.76 Section 507(a)(1) Priority \$7,031.26</p>	<p>[Also see Pages 8-9 of the 7th Omnibus Objection for additional analysis pertinent to the stated grounds of the Trustee's objection to such claim.] The Trustee and Anderson West, LLC have agreed that Proof of Claim No. 1315 of Anderson West, LLC should be allowed as a Chapter 11 administrative expense priority claim in the amount \$7,031.26 and as a general unsecured non-priority claim in the amount of \$65,400.76. This treatment is stated in Revised Order, paragraph 9.</p>
<p>Arizona Public Service Co. c/o Commercial Credit Supervisor PO Box 53933 Mail Station 3209 Phoenix, AZ 85072-3933</p>	*DCA 26	\$10,697.94	<p>Section 507(a)(1) Priority \$1,719.64</p>	<p>DCA 26 must be reduced for the following reasons. The claim includes utility charges for four accounts with the Debtor. Account # 123074288, asserts an unpaid amount of \$1,381.79 for the period 11/2/04 to 1/5/05, for Store No. 6 - San Luis, AZ. The lease for Store No. 6 was assumed and assigned to FP Stores, Inc. effective 10/6/04. (Order at DN 1459). The Debtor turned over the location on 9/30/04. Thus, the Debtor does not have any liability for the amount claimed on this account. Account # 628754282 asserts an unpaid amount of \$1,692.46 for the period 10/19/04 to 1/5/05, for Store No. 227 - Douglas, AZ. The lease for Store No. 227 was assumed and assigned to FP Stores, Inc. effective 10/6/04. (Order at DN 1459). The Debtor turned over the location on 9/30/04. Thus, the Debtor does not have any liability for the amount claimed on this account. Account # 658964288 asserts an unpaid amount of \$3,683.48 for the period 10/18/04 to 1/6/05, for Store No. 256 - Phoenix - Westdale, AZ. The lease for Store No. 256 was assumed and assigned to FP Stores, Inc. effective 10/6/04. (Order at DN 1459). The Debtor turned over the location on 11/9/04. Thus, the Debtor does not have any liability for the amount claimed on this account for the period after 11/9/2004. Account # 702964289 asserts an unpaid amount of \$3,730.21 for the period 10/18/04 to 1/6/05, for Store No. 248 - Yuma, AZ. The lease for Store No. 248 was assumed and assigned to FP Stores, Inc. effective 10/6/04. (Order at DN 1457). The Debtor turned over the location on 11/9/04. Thus, the Debtor does not have any liability for the amount claimed on this account for the period after 11/9/2004.</p>
<p>Crossings at Halls Ferry, LLC c/o David M. Brown 1 N. Brentwood Blvd., Suite 1000 St. Louis, MO 63105</p>	POC 1497	\$10,256.13	<p>Section 507(a)(1) Priority \$958.58</p>	<p>Claimant asserts a chapter 11 administrative priority claim pursuant to Section 365(d) for the rent due 1/13/04 to 2/2/04 under the lease for Store - 449, which the Debtor rejected (DN 153) effective 1/14/04. Such claim is not entitled to a chapter 11 administrative claim pursuant to Section 365(d). Pursuant to Section 503(b), claimant is entitled to an administrative claim for the period post-petition until the effective rejection date. Thus, claimant is entitled to a chapter 11 administrative claim for 1-13-04 to 1-14-04.</p>

Revised Exhibit B: Claims with Disputed Claim Amounts
 In re Factory 2-U Stores, Inc., Case NO. 04-10111 (PJM)

Name of Claimant	Claim Number	Claim Amount	Modified Claim Amount	Reason for Modification
E P Simana LP Attn: Herbert Ehrlich 109 N. Oregon, 12th Floor El Paso, TX 79901 Fax: 915-544-7529 slelaw@sbloglobal.net	POC 1051	\$110,296.48	Section 507(a)(1) Priority \$7,878.32	<p>[Also see Pages 6-9 of the 7th Omnibus Objection for additional analysis pertinent to the stated grounds of the Trustee's objection to such claim.]</p> <p>The Bankruptcy Court Clerk's Office recorded the incorrect total of such claim. Claimant lists the total of such claim as \$102,418.16.</p> <p>In addition, it is assumed that claimant is also asserting a rejection damages claim for pursuant to the Debtor's lease for Store 431 - El Paso, Dyer. The Debtor rejected the lease at DN 787, effective 3-12-04. Claimant has not met its burden pursuant to Section 502(b)(6) to prove the actual damages caused by the rejection of the lease and to show the rejection damages claim complies with Section 502(b). Thus, the Trustee is unable to determine the validity of the rejection damages claim and the claim must be reduced by the amount of the claim seeking rejection damages. Thus, the claim must be reduced from \$102,418.16 by \$94,539.84 to \$7,878.32.</p>
Food 4 Less of California Inc. Attn: Jack Math, Esq. Hart King & Coldren 200 E. Sandpoint, 4th Floor Santa Ana, CA 92707 and Kevin J. Mangan Wornble Carlye 222 Delaware Avenue Suite 1501 Wilmington, DE 19801 Phone: (302) 252-4361 Fax: (302) 661-7729 email: kmangan@wcsr.com	POC 1416	\$448,679.57	Section 507(a)(1) Priority \$20,317.65	<p>Pursuant to Section 502(b)(6), the landlord has the burden of proving the actual damages caused by the rejection of the lease. This claim does not provide any information on how the rejection damages claim was calculated or the extent of actual damages. Thus, the Trustee is unable to determine validity of the rejection damages claim. In addition, pursuant to the Order at DN 787, the claimant had 30 days from date the Order was served or until the claims bar date of June 15, 2004, to file a rejection damages claim. The Order at DN 787 was served on May 26, 2004, thus, the deadline passed on June 26, 2004. This claim for rejection damages was filed for the first time on July 15, 2004. Thus, the rejection damages claim was time barred at the time it was filed. Also, the portion of the claim seeking attorneys' fees must be reduced because the claimant did not provide any basis as to why it is entitled to attorneys' fees from the Estate.</p>

Revised Exhibit B: Claims with Disputed Claim Amounts
 In re Factory 2-U Stores, Inc., Case NO. 04-10111 (PJV)

Name of Claimant	Claim Number	Claim Amount	Modified Claim Amount	Reason for Modification
Franklin-Kernewick, LLC c/o Christopher D. Lobzides 1225 King St, Suite 800 Wilmington, DE 19801	POC 910	\$135,059.03	Unsecured Non-Priority: \$14,974.26 Section 507(a)(1) Priority \$5,542.37	[Also see Pages 6-9 of the 7th Omnibus Objection for additional analysis pertinent to the stated grounds of the Trustee's objection to such claim.] Claimant asserts a rejection damages claim pursuant to Sections 355(g) and 502(b)(6) for the Debtor's lease for Store No. 177 (rejected effective 3-12-04, DN 797). Claimant has not met its burden pursuant to Section 502(b)(6) to prove the actual damages caused by the rejection of the lease and to show the rejection damages claim complies with Section 502(b). Thus, the Trustee is unable to determine the validity of the rejection damages claim and the claim must be reduced by the amount of the claim seeking rejection damages. Thus, the claim must be reduced by \$114,542.40.
Henderson Shopping Village A California General Partnership 16661 Venture Blvd., Suite 408 Encho, CA 91436-1961 and Henderson Shopping Village c/o Arthur A. Greenberg, Esq. Greenberg & Bass 16000 Ventura Blvd., Ste 1000 Encho, CA 91436 Fax: 818-986-6534 agreenberg@agreenbass.com	POC 557	\$102,037.64	Priority (507(a)(1)) \$4,267.74 Unsecured Non-Priority \$4,082.26	Claim for rent allegedly due under the lease for Store 339, which was rejected effective 3-17-04, per the Order at DN 785. Claim includes estimated amounts for CAM for the periods 1/14/2004 to 3/16/2004 (\$2,068.20). The claimant has not met its burden to show it has a valid claim for such estimated amounts, as such, the claim must be reduced by such amounts. In addition, Claimant has not met its burden pursuant to Section 502(b)(6) to prove the actual damages caused by the rejection of the lease and to show the rejection damages claim complies with Section 502(b). Thus, the Trustee is unable to determine the validity of the rejection damages claim and the claim must be reduced by the amount of the claim seeking rejection damages. Thus, the claim must be reduced by \$92,219.64.
M.W. Schofield, Clark County Assessor 500 S. Grand Central Pkwy Las Vegas, NV 89135	POC 1581	\$6,599.70	Section 507(a)(1) Priority \$3,881.69	Claim is for business personal property taxes for the Debtor's Store Nos. 144 (L.V. Charleston, closed 9/30/04); 159 (L.V. Cheyenne, closed 9/27/04); 160 (L.V. Nellis, closed 9/27/04); 301 (L.V. - Lake Mead, closed 11/4/04); and 467 (L.V. Decatur, closed 10/31/04). The claim includes PPTX amounts for taxes due 5-2006 and 6-2007. The claim must be reduced by the amounts of the taxes assessed for such dates. In the amount of \$2,718.01
NYC Department of Finance Office of Legal Affairs/Collections Attn: Joshua Frankel 345 Adams Street, 3rd Floor Brooklyn, NY 11201	DCA 124	\$7,700.00	Section 507(a)(1) Priority \$2,440.48	Claim not listed on the Debtor's Rule 1019 Final Report. Additionally, Debtor rejected lease for property at 245 E. 4th Street, #26E effective September 10, 2004, per DN 1314. Thus, claim should be prorated for the period 2/14/2004 to 9/10/2004.

Revised Exhibit B: Claims with Disputed Claim Amounts
In re Factory 2-U Stores, Inc., Case NO. 04-10111 (PJM)

Name of Claimant	Claim Number	Claim Amount	Modified Claim Amount	Reason for Modification
<p>Pan Pacific Retail Properties 13635 NW Cornell Road, Suite 160 Portland, OR 97229-5885 and Pan Pacific Retail Properties Attn: Daniel F. Vidas Dunn Carney Allen Higgins & Tongue LLP 851 S.W. Sixth Ave, Suite 1500 Portland, OR 97204 Fax: 503-224-7324</p>	<p>POC 1349</p>	<p>\$93,853.64</p>	<p>Unsecured Non-Priority \$86,032.65</p>	<p>[Also see Pages 6-9 of the 7th Omnibus Objection for additional analysis pertinent to the stated grounds of the Trustee's objection to such claim.] Claimant has agreed that the October 2004 rent in the amount of \$7,820.99 has been paid, and therefore agrees that there is no remaining claim for administrative priority. The parties further agree that the claimant's rejection claim should not be affected by this omnibus objection, and therefore, the objection of the Trustee to the rejection claim of \$86,032.65 is withdrawn.</p>
<p>RAW Arizona Properties, LLC Successor c/o Law Offices of David L. Knapper David L. Knapper, Esquire Brookstone Building, Suite 160 2025 N. Third Street Phoenix, AZ 85004 Fax: 602-256-0432</p>	<p>POC 1353</p>	<p>\$22,013.78</p>	<p>Unsecured Non-Priority \$10,864.25</p>	<p>The chapter 11 administrative claim portion of POC 1359 is duplicated by the chapter 11 administrative claim filed by claimant on the DCA claims register and given the claim no. 1 (DCA 1). Thus, POC 1359 must be reduced by the duplicated amount, \$11,159.43.</p>
<p>RGGD Inc dba Crystal Art Gallery Attn: Elena Mendez 3359 East 50th Street Vernon, CA 90058 Fax: 323-581-6993</p>	<p>DCA 122</p>	<p>\$18,600.00</p>	<p>Section 507(a)(1) Priority \$459.00</p>	<p>The Debtor has no liability for the portion of the claim asserting administrative expense priority in the amount of \$15,600.00. The goods that were the subject of this portion of the claim were part of an unauthorized dropped trailer that became the responsibility of the freight carrier D&M. In addition, the claim asserts administrative expense priority in the amount of \$2,541.00. The Debtor is not liable for this portion of the claim because it was part of a charge back on overpriced merchandise and was disputed by the Debtor. Thus, the claim must be reduced by these amounts.</p>

