

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

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In Re:

FURR'S SUPERMARKETS, INC.,

Debtor.

U.S. BANKRUPTCY COURT  
ALBUQUERQUE, N.M.

Chapter 11  
Case Nos. 01-10779-SA

No Hearing Date

**MOTION FOR ORDER AUTHORIZING REIMBURSEMENT OF EXPENSES OF MEMBERS  
OF OFFICIAL UNSECURED CREDITORS' COMMITTEE**

PEPPER HAMILTON LLP, on behalf of the Official Unsecured Creditors' Committee, and in support of its Motion for Order Authorizing Reimbursement of Expenses of Members of the Official Unsecured Creditors' Committee, states as follows:

1. On February 8, 2001, the Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code (the "Code").
2. On or about February 13, 2001, the United States Trustee appointed the Committee under Section 1102 of the Code.
3. On February 14, 2001, at a scheduled telephonic conference call of the Committee, at which all of its members were present, and pursuant to the provisions of Section 1103 of the Code, the Committee selected and authorized the employment of Pepper Hamilton LLP to serve as its general counsel.
4. On February 20, 2001, the Committee filed its Application for Order Pursuant to 11 U.S.C. § 327(a) Authorizing the Retention and Employment of Pepper Hamilton (the "Retention Application")<sup>1</sup>.
5. On February 15, 2001, this Court entered an Order Prescribing Notice on Debtor's Applications to Retain Skadden, Arps, Slate, Meagher & Flom LLP, Jacobvitz, Thuma & Walker, and

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<sup>1</sup>The Retention Application is currently pending.

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PricewaterhouseCoopers, LLP (the "February 15 Order Prescribing Notice"). The February 15 Order Prescribing Notice also included a provision stating that the Debtor may supplement each retention application to seek Court approval that the retained professional may invoice the Debtor monthly and propose that the Debtor may pay, on a monthly basis, 75% of each professional's time charges and 100% of its out-of-pocket expenses, all payments to be subject to the Court's approval pursuant to 11 U.S.C. §§330 and 331 (the "Interim Fee Motion").

6. Concurrently with the filing of this Motion, the Committee is filing a Supplemental Application for Order Pursuant to 11 U.S.C. § 327(a) Authorizing the Retention and Employment of Pepper Hamilton LLP to serve as Counsel for the Committee (the "Supplemental Application"). The Committee's Supplemental Application requests the implementation of procedures for the interim compensation and reimbursement of Committee professionals which are virtually identical to those requested by the Debtor in its Interim Fee Motion.

7. Consistent with the Debtor's Interim Fee Motion and the Committee's Supplemental Application, the Committee also requests that each member of the Committee be permitted to submit statements of expenses and supporting vouchers to counsel for the Committee, who will then collect and submit such requests to the Debtor for reimbursement in accordance with the following procedures:

- Committee counsel will submit to the Debtor, on a monthly basis, a detailed statement (an "Expense Statement") of expenses incurred by Committee members during the prior month, as well as any previously unreimbursed expenses, including with the Expense Statement all supporting vouchers and documentation. The Debtor shall have until the fifteenth calendar day of the following month after the submission of the Expense Statement to review it (although the Debtor is not required to wait the full fifteen days). In the event there are no objections, the Debtor would be authorized to pay 100% of the expenses billed for each month. These payments would be subject to the Court's subsequent approval as part of the normal interim fee application process.

8. The procedures outlined above are consistent with the procedures requested by the Debtor pursuant to its February 20, 2001 Interim Fee Motion, and are appropriate given the size and complexity of this reorganization case. Moreover, the procedures suggested in this Motion will enable all

parties to closely monitor costs of administration, maintain a level cash flow, and implement efficient cash management procedures.

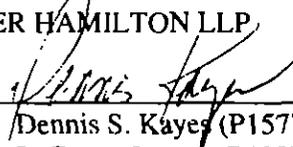
9. No trustee or examiner has been appointed to date in these cases. Notice of this Motion has been given to the United States Trustee, the Debtor, Debtor's primary and local Counsel, and all other parties which the Court directed receive Notice pursuant to its Order of February 15 Prescribing Notice.

10. The Committee submits that the Motion does not present novel issues of law requiring the citation to any authority and, accordingly, no brief is necessary.

WHEREFORE, the Committee respectfully requests that the Court (i) enter an Order establishing procedures for the reimbursement of expenses of Committee members on a monthly basis consistent with the procedures described herein, and (ii) grant such other and further relief as this Court deems just and proper.

RESPECTFULLY SUBMITTED,  
PEPPER HAMILTON LLP

BY: \_\_\_\_\_

  
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Dated: February 23, 2001

I certify that on February 26, 2001, I mailed a copy of this document to:

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