

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

RECEIVED FEB 14 2001
BANKRUPTCY COURT
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC..

Case No. 11-01-10779-SA
Chapter 11

Debtor.

FIRST INTERIM FEE APPLICATION OF MEYNERS + COMPANY, LLC, TAX ACCOUNTANTS FOR THE DEBTOR IN POSSESSION

Meyners + Company, LLC ("MCO"), tax accountants for Furr's Supermarkets, Inc., (the "Debtor"), submits this application for allowance and payment of compensation pursuant to Bankruptcy Code §§330, 331 and 503(b)(2) for work done from October 9, 2001 through December 10, 2001 (the "First Application Period"). In support of this fee application MCO states:

1. First Fee Application. The Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code on February 8, 2001 (the "Petition Date"). This is the first fee application filed by MCO in this bankruptcy case. MCO seeks compensation for the First Application Period.

2. Amount of Fees, Costs, and Applicable Gross Receipts Tax. For the First Application Period, MCO seeks allowance of compensation for services rendered by MCO for Debtor, plus costs and applicable gross receipts tax on fees and costs, in the amount of \$35,905.35, consisting of professional fees and gross receipts tax thereon. As of June 11, 2002, MCO had received payment from Debtor of \$16,731.34 for services, costs, and gross receipts taxes, leaving an unpaid balance, after application of a credit set forth in the order approving the Debtor's retention of MCO, of \$19,174.01. Total fees,

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and costs MCO charged the Debtor each month during the First Application Period are summarized on Exhibit A hereto. The billing rates, number of hours charged, and amount of fees that MCO billed the Debtor for each accountant during the First Application Period are summarized on Exhibit B hereto.

3. Billing Statements; Itemization and Description of Services Rendered.

The monthly billing statements MCO rendered to the Debtor for services rendered during the First Application Period are attached hereto as Exhibit C (together, the "Billing Statements"). The Billing Statements itemize all charges for professional services and gross receipts tax; set forth the hourly rates for each accountant employed by MCO who rendered services to Debtor; separately describe the services rendered and hours worked by each individual each day for each item of work during the First Application Period, in one-tenth-of-an-hour increments; and, at the end of the Billing Statements, summarize the total hours and total charges per individual. The accounting of services and costs as set out in the Billing Statements is true and correct to the best of MCO's knowledge, information, and belief.

4. Customary Billing Rates and Other Charges. During the First Application

Period, the billing rates MCO charged for accountants were charged at the accountants' normal and customary billing rates in effect when MCO commenced its representation of the Debtor, capped at \$200 per hour.

5. Debtor' Employment of MCO. On October 10, 2001, the Debtor filed its

application to employ MCO as its tax accountants. Effective as of October 10, 2001 (docket #1205), the Court entered the Order Approving Employment of Meyners + Company, LLC as Tax Accountants For Debtor (the "MCO Employment Order"), approving the Debtor' employment of MCO effective as of the Petition Date. The

Debtor retained MCO to prepare Federal and State Income Tax Returns for tax years 2000, 2001 and 2002. Pursuant to the MCO Employment Order, the Debtor was authorized to pay MCO's billing statements, prior to the Court's determination of the allowability of MCO's compensation, up to and including 75% of fees, and up and including to 100% of reimbursable costs and applicable gross receipts tax, subject to ultimate approval of the paid compensation.

6. Services Rendered During the First Application Period were Actual and Necessary; Fees Charged are Reasonable. During the First Application Period MCO represented the Debtor as tax accountants in this case. The amount charged for fees is reasonable based on the nature, extent, and value of the services and the amount of time spent providing the services. The services rendered were actual and necessary.

7. General Description of Services Rendered. As more fully set forth in the attached Billing Statements, in general the services MCO rendered for the Debtor during the First Application Period have included:

(a) Preparation of Federal and State Income Tax Returns for Tax Year 2000.

(b) Progress Billing for Federal and State Income Tax Returns for Tax Year 2001.

8. Other Factors. MCO also supports this First Application with a discussion of various other factors, as follows:

(a) Billing rates. MCO charged the estate its hourly rates in effect on October 10, 2001. MCO agreed to cap the hourly rates of its accounting professionals at \$200 per hour.

(b) Method used for determining hours to be actually billed for services and for making billing adjustments. MCO accountants kept daily time records in the ordinary course of business, from which MCO prepared the Billing Statements.

(c). One of MCO's accountants was the Debtor's former employee in charge of Federal and State Tax Filings. It would be more efficient for MCO to prepare Federal and State Income Tax Returns than anyone else.

9. Services Rendered Solely for the Debtor; No Fee Sharing Arrangement.
MCO performed all professional services for which MCO seeks allowance and payment of compensation for the Debtor, and not on behalf of any creditor or any committee or other person. MCO has not shared or agreed to share any compensation received or to be received by it for services rendered in or in connection with this case with any person except with employees of MCO in the ordinary course of business.

10. Certification of Review by the Trustee. MCO hereby certifies that the Trustee has received, reviewed and approved this First Fee Application.

WHEREFORE, MCO respectfully requests that the Court allow compensation to MCO for the First Application Period, as a priority, administrative expense, of \$19,174.01 consisting of professional fees and gross receipts tax thereon, and authorize the Debtor to pay to MCO the unpaid balance of the allowed compensation.

MEYNER + COMPANY, LLC

By: Ben L. Darwin
Ben Darwin
500 Marquette N.W., Suite 400
Albuquerque, New Mexico 87102
(505) 222-3520

Exhibit A
 Furr's Supermarkets, Inc.
 Billing Recap
 Post-Bankruptcy

Invoice Date	Month Services Rendered	Amount Billed on Invoice	Credit Applied	75% Fees & Service Tax	100% Costs & Sales Tax on Costs	Total Authorized Payment	Payments	Total Amount Due
November 2, 2001	October 01	\$22,303.45	\$0.00	\$16,731.34			\$16,731.34	\$5,572.11
January 22, 2002	November - December 01	\$13,634.20		\$10,263.15			\$0.00	\$13,634.20
TOTALS:		\$35,937.65	\$0.00	\$26,994.49	\$0.00	\$0.00	\$16,731.34	\$19,261.31

Adjustment for Services Exceeding \$200 per Hour
 5.5 Hours @ \$150/Hour
 Related CRT 5.8125'

\$	82.50							\$82.50
\$	4.30							\$4.30

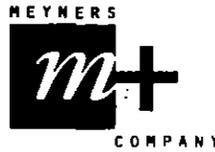
ADJUSTED TOTALS:

\$35,905.35	\$0.00	\$26,994.49	\$0.00	\$0.00	\$16,731.34	\$19,174.01
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EXHIBIT B

The following summarizes the billing rates, number of hours billed, and amount billed by each accountant and administrative personnel employed by Furr's Supermarkets, Inc., for the First Application Period.

Accountant/Administrative	Billing Rate	Hours Billed	Amount Billed
Stephen P. Comeau, JD, CBA	175	14	\$245.00
Bruce Malott, CPA, CFP, CVA, DABEA	200	5.5	\$1,100.00
Ben Durwin, CPA	200	19.75	\$3,950.00
Ken Majerus, CPA	170	16.9	\$2,873.00
Lisa Flores, CPA	95	171.5	\$16,292.50
Shannon Allard	30	118	\$9,440.00
Administrative - Alicia Webber	0.25	55	\$13.75
Administrative - Martha Holt	0.25	75	\$18.75
Subtotal			<u>\$33,933.00</u>
Gross Receipts Tax			\$1,972.35
Total			<u><u>\$35,905.35</u></u>



AMENDED BILLING SUMMARY SHEET

For Services through November 2, 2001

Client Number 2877-00

Invoice Number 32330

In Furr's Supermarkets, Inc. Debtors
 Bankruptcy Number 01-10779- SA

NAME OF APPLICANT: Meyners + Company, LLC

ROLE IN THE CASE: Accountants for Debtors

CURRENT APPLICATION:

Preparation of 2000 Tax Return Workpapers
 Progress Billing for Year 2000 Federal Income Tax Return and New Mexico Tax Return
 Preparation of Year 2000 Texas Franchise Tax Return
 Progress Billing for Year 2001 Tax Return Workpapers

Total Fees Incurred	\$ 21,083.00
Gross Receipts Tax (5.8125%)	<u>1,225.45</u>
Subtotal	22,308.45
Less: 25% of Fees (Retainage)	<u>(5,577.11)</u>
TOTAL	\$ <u>16,731.34</u>

FEE APPLICATION

<u>NAME</u>	<u>TITLE</u>	<u>HOURS BILLED - CURRENT APPLICATION</u>	<u>RATE</u>	<u>TOTAL FOR APPLICATION</u>
Stephen P. Comeau, JD, CBA	Litigation & Valuation Services Manager	1.30	\$ 175.00	\$ 227.50
Bruce Malott, CPA, CFP, CVA, DABFA	Principal	5.5	\$ 215.00	\$ 1,182.50
Ben L Darwin, CPA	Principal, Tax Services	12.50	200.00	2,500.00

Ken Majerus. CPA	Tax Manager	6.9	\$ 170.00	\$ 1,173.00
Lisa Flores. CPA	Tax Senior	80.00	95.00	7,600.00
Shannon Allard	Tax Staff	105.00	80.00	8,400.00

Total Fees Incurred				\$ 21,083.00
Gross Receipts Tax (5.8125%)				<u>1,225.45</u>
Subtotal				22,308.45
Less: 25% of Fees (Retainage)				<u>(5,577.11)</u>
<u>TOTAL FEES</u>				\$ <u>16,731.34</u>

Furr's Supermarkets

42877 00 Billing 110201 xls Sheet1

ClientId	StaffId	Date	Hours	Amount	Cost	Comment
2877-00	BFM	10/22/01	5.50	\$1,182.50	\$0.00	Meetings with CPA Darwin.
	BFM Total		5.50	\$1,182.50	\$0.00	
2877-00	BLD	10/9/01	1.00	\$200.00	\$0.00	CSA for contract Planning meeting w/Steve Stork, Rachel, Lisa Flores & Ken
2877-00	BLD	10/10/01	3.00	\$600.00	\$0.00	Majerus
2877-00	BLD	10/8/01	1.00	\$200.00	\$0.00	Contract/admin
2877-00	BLD	10/17/01	2.00	\$400.00	\$0.00	Discuss planning for Furrs Review py financials, trial balance and discuss issues with
2877-00	BLD	10/18/01	2.00	\$400.00	\$0.00	LAF & SA
2877-00	BLD	10/22/01	1.00	\$200.00	\$0.00	Meeting w/LAF & SA re: status of work & issues
2877-00	BLD	10/23/01	1.00	\$200.00	\$0.00	Discuss status of 2000 tax returns w/LAF/KJM
2877-00	BLD	10/29/01	1.00	\$200.00	\$0.00	Misc admin
2877-00	BLD	11/6/01	0.50	\$100.00	\$0.00	Job administration
	BLD Total		12.50	\$2,500.00	\$0.00	
2877-00	KJM	10/11/01	2.00	\$340.00	\$0.00	Engagement contract, del to Dave Thuma
2877-00	KJM	10/10/01	1.00	\$0.00	\$0.00	To and from
2877-00	KJM	10/10/01	1.15	\$195.50	\$0.00	Discuss engagement
2877-00	KJM	10/15/01	1.00	\$170.00	\$0.00	Convert files to CCH Prosystem from Fast Tax
2877-00	KJM	10/24/01	2.75	\$467.50	\$0.00	Review workpapers for omissions B4 Furr's staff is gone
	KJM Total		7.90	\$1,173.00	\$0.00	
2877-00	LAF	10/15/01	8.00	\$760.00	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	10/16/01	8.00	\$760.00	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	10/17/01	8.00	\$760.00	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	10/18/01	8.00	\$760.00	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	10/24/01	8.00	\$760.00	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	10/23/01	8.00	\$760.00	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	10/29/01	8.00	\$760.00	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	10/11/01	1.25	\$118.75	\$0.00	prepare ticklers schedule work
2877-00	LAF	10/29/01	6.00	\$570.00	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	10/31/01	4.00	\$380.00	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	10/31/01	6.50	\$617.50	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	10/10/01	2.00	\$190.00	\$0.00	Prepare workpapers for 2000 tax returns
2877-00	LAF	11/1/01	4.25	\$403.75	\$0.00	Prepare workpapers for 2000 tax returns
	LAF Total		80.00	\$7,600.00	\$0.00	
						continue compiling 2000 WP's, update M-1 adjustments
2877-00	SA	10/17/01	6.00	\$480.00	\$0.00	needed
2877-00	SA	10/15/01	8.00	\$640.00	\$0.00	Begin to prepare 2000 WP's, copy '99 WP's
2877-00	SA	10/16/01	8.00	\$640.00	\$0.00	Continue to prepare 2000 WP's, create state apportionment
2877-00	SA	10/23/01	8.00	\$640.00	\$0.00	preparation of WP's, clearing of review notes Begin creation of 2001 WP's, return to office to begin CCH
2877-00	SA	10/24/01	8.00	\$640.00	\$0.00	input
2877-00	SA	10/25/01	8.00	\$640.00	\$0.00	CCH input Complete WP compilation, complete schedule of M-1
2877-00	SA	10/18/01	8.00	\$640.00	\$0.00	changes, meet w/Ben, submit to LAF for review WP revisions and schedule M adjustments, speak w/client
2877-00	SA	10/19/01	7.50	\$600.00	\$0.00	regarding a few accounts on I/S that looked odd WP revisions, adjustment of all worksheets and formulas, tick
2877-00	SA	10/22/01	8.50	\$680.00	\$0.00	and tie
2877-00	SA	10/30/01	6.00	\$480.00	\$0.00	return prep, balancing input w/client info
2877-00	SA	10/29/01	8.00	\$640.00	\$0.00	Tax return input, begin spreadsheet for Tax Basis IS
2877-00	SA	10/26/01	8.00	\$640.00	\$0.00	Input to CCH
2877-00	SA	11/1/01	8.00	\$640.00	\$0.00	work on getting tax basis I/S to balance
2877-00	SA	11/2/01	5.00	\$400.00	\$0.00	attempt to get the tax return to balance w/M adjusting input
	SA Total		105.00	\$8,400.00	\$0.00	
						Conference with Ben Darwin, review disclosure statement and
2877-00	SPC	10/9/01	0.50	\$87.50	\$0.00	exhibits.
2877-00	SPC	10/10/01	0.80	\$140.00	\$0.00	Investigate possible conflicts; finalize disclosure statement.
	SPC Total		1.30	\$227.50	\$0.00	
	Grand Total		212.20	\$21,083.00	\$0.00	

EXHIBIT C