

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW MEXICO

FILED

02/01/12 PM 4:11

U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC.,

Debtor

Case No. 7-01-10779 SA

Chapter 7

**TRUSTEE'S MOTION TO EMPLOY GRANT THORNTON, LLP AS
ACCOUNTANTS AND TAX ADVISORS FOR THE ESTATE**

Yvette J. Gonzales, the Chapter 7 Trustee for the Estate of Furr's Supermarket's Inc. (the "Trustee"), pursuant to 11 U.S.C. § 327(a), requests that the Court approve its employment of Grant Thornton, LLP ("Thornton"), to provide accounting and tax advisory services to the Trustee and the Estate. In support of this motion, the Trustee states:

1. On February 8, 2001 (the "Chapter 11 Petition Date"), the debtor Furr's Supermarkets, Inc. (the "Debtor") commenced this bankruptcy case by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

2. On May 24, 2001, the Debtor filed its Motion to Employ Arthur Anderson, LLP ("Anderson") as accountants and tax advisors for the pursuant to 11 U.S.C. § 327(a) and Fed. R. Bank. P. 2014.

3. On November 13, 2001, Andersen filed its First Fee Application by Accountants for the Debtors, Furr's Supermarket's, Inc., for Allowance and Payment of Compensation.

4. On December 19, 2001, the Court entered its Order of Conversion to Chapter 7, converting the 's bankruptcy case to a Chapter 7 proceeding.

1752

5. On December 19, 2001, the Office of the United States Trustee filed its Notice of Appointment and Designation of Required Bond, appointing the Trustee as the Chapter 7 Trustee.

6. On January 11, 2002, the Trustee filed her Motion to Retain Certain Professionals Retained, or Sought to Be Retained, by the Debtor-in-Possession. By and through this Motion, the Chapter 7 Trustee adopted and sought to proceed with the employment of Andersen, along with other professionals.

7. On March 13, 2002, the Court entered the Stipulated Order approving Motion to Employ Arthur Andersen and Approving the First Fee Application by Arthur Andersen, Accountants for the Debtor for Allowance of Payment of Compensation and Costs for the Period May 24, 2001 through November 2, 2001.

8. Pursuant to the March 13, 2002 Order. Andersen was permitted to retain \$9,421.56 which had already been received by Andersen but was to be applied against future work performed by Andersen on behalf of the Chapter 7 Trustee.

9. As of the Petition date, neither the Debtor nor the Estate owed Thornton any monies for work performed by Thornton.

10. Recently, the Albuquerque office of Andersen became a part of Thornton. Thornton has agreed to perform the services for which Andersen was hired on the same terms and conditions as allowed by the March 13, 2002 Order. Andersen has transferred the funds it held for future work to Thornton.

11. In general, the professional services Thornton may render to the Chapter 7 Trustee include (but are not limited to):

a. Perform limited-scope audits of the financial statements for the 401(k) Plan and Pension plan years completed within the pendency of the Chapter 11 and Chapter 7 proceedings in this case;

b. Prepare summary annual reports for the 401(k) Plan, Pension Plan and Group Health Plan years completed within the pendency of the Chapter 11 and Chapter 7 proceedings in this case;

c. Prepare Forms 5500 (Annual Return/Report of Employee Benefit Plan) for the Debtor's 401(k) Plan, Pension Plan and Group Health Plan for the plan years completed within the pendency of the Chapter 11 and Chapter 7 proceedings in this case.

12. To the best of the Chapter 7 Trustee's knowledge, information, and belief, employment of Thornton would be in the best interest of the Estate, and Thornton has no interest that is, for the matters that are the subject of Thornton's employment, adverse to the Chapter 7 Trustee, the Estate, the Creditors, or any other party in interest or their respective attorneys, other than any interest set forth in Thornton's statement pursuant to Bankruptcy Rules 2014 and 2016 (the "Thornton Disclosure") filed concurrently with this motion.

13. *The fees, costs, and gross receipts tax that Thornton will charge Debtor are identical to those for Arthur Andersen set forth in the March 13, 2002 Order (i.e., a fixed hourly rate of \$160 per hour for all accountants at Thornton who render services to the Trustee, plus gross receipts tax). The terms and provisions of the March 13, 2002 Order shall apply and be binding upon Thornton to the same extent as Andersen.*

14. Thornton is familiar with the provisions of the Bankruptcy Code and Bankruptcy procedure relating to compensation of professionals and reimbursement of expenses in Chapter 11 cases. Thornton will to comply with such provisions, as well as with all local rules and orders of the Bankruptcy Court relating to compensation and reimbursement.

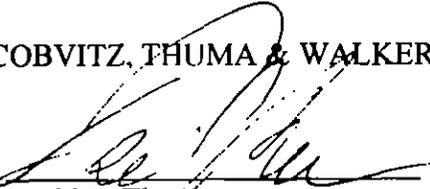
15. Thornton has been advised that, in accordance with procedures established in this case, Thornton will submit detailed monthly billing statements to the Chapter 7 Trustee. Thornton has been advised that the Chapter 7 Trustee is authorized to make interim payments to Thornton each month upon receipt of Thornton's detailed monthly billing statements prior to the Bankruptcy Court's determination of allowability of Thornton's compensation. Those interim payments will represent 75% of the professional fees and 100% of the expenses presented in Thornton's detailed monthly billing statements. The remaining 25% of Thornton's professional fees will be payable upon the Court's determination that the professional fees and expenses of Thornton are allowable under the relevant section(s) of the Bankruptcy Code, after proper notice and filing of detailed fee applications.

16. Thornton's employment is in the best interest of the Estate and should be made effective immediately.

WHEREFORE, the Chapter 7 Trustee requests approval of the Court to employ Thornton to provide accounting services pursuant to 11 U.S.C. § 327(a) under the terms of the March 13, 2002 Order of this Court employing Arthur Andersen, LLP as accountants and this Motion, effective as of the date hereof, to make interim payments to

Thornton prior to allowance of compensation, as described above, and for all other just and proper relief.

JACOBVITZ, THUMA & WALKER, P.C.

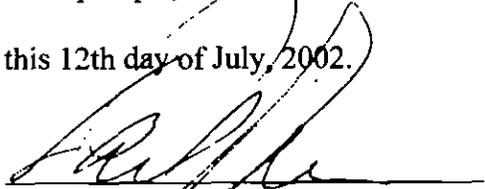
By: 

David T. Thuma
500 Marquette, N.W., Suite 650
Albuquerque, New Mexico 87102
(505) 766-9272
(505) 766-9287 (fax)
Attorneys for the Chapter 7 Trustee

This certifies that a copy
of the foregoing document
was served by first class mail on:

United States Trustee
P.O Box 608
Albuquerque, New Mexico 87103

this 12th day of July, 2002.


David T. Thuma