

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

7-1-01  
BANKRUPT  
COURT  
DISTRICT OF  
NEW MEXICO

In re

FURR'S SUPERMARKETS, INC.,

Case No. 7-01-10779-SA  
Chapter 7

Debtor.

**Stipulation Regarding Final Fee Application  
of Skadden, Arps, Slate, Meagher & Flom LLP; Order Thereon**

Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden, Arps") and the United States Trustee (the "UST") stipulate and agree as follows:

**Recitals**

A. On or about August 24, 2001, Skadden, Arps filed its First Interim Fee Application, seeking allowance of fees and reimbursement of charges and disbursements incurred from the date of the filing of the petition through July 30, 2001, in the aggregate amount of \$1,233,971.75. Skadden, Arps served notice of the Application and of the deadline to object on the limited notice list in the case.

B. On November 5, 2001, Skadden, Arps filed its Second Interim and Final Fee Application with the Court. In the Final Fee Application, Skadden, Arps requested final approval of all its fees for services during the Debtor's chapter 11 case through September 30, 2001, in the amount of \$1,384,139.75, and its charges and disbursements incurred during the case also through September 30, 2001, in the amount of \$138,788.84, for a total of \$1,522,928.59, inclusive of the amounts sought

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in the First Interim Fee Application. Skadden, Arps served notice of the Second Interim and Final Fee Application, of the hearing, and of the deadline to object on the limited notice list in the case.

C. On November 26, 2001, the UST filed its "Objection to Second and Final Fee Application of Skadden, Arps, Slate, Meagher & Flom LLP."

D. On December 5, 2001, Skadden, Arps filed its "Supplement to Second Interim and Final Fee Application," seeking reimbursement of New Mexico gross receipts taxes of \$5,410 based upon fees of \$101,256 and expenses of \$6,949 relating to work performed in New Mexico. Skadden, Arps served notice of the Supplement on the debtor and on counsel for the trustee, the United States trustee, the Unsecured Creditors Committee, Heller Financial, Inc., and Metropolitan Life Insurance Company.

E. On April 12, 2002, Skadden, Arps filed its Second Supplement to Second Interim and Final Fee Application," seeking allowance of fees of \$47,077.50 and charges and disbursements of \$1,153.46 incurred for the period after the period covered by the Second Interim and Final Fee Application through the date of Skadden, Arps' withdrawal as counsel for the debtor and debtor in possession. Skadden, Arps served notice of the Second Supplement on the debtor and on counsel for the trustee, the United States trustee, the Unsecured Creditors Committee, Heller Financial, Inc., and Metropolitan Life Insurance Company.

F. Under the various Applications, Skadden, Arps seeks allowance of a total of \$1,576,569.55, comprised of fees of \$1,431,217.25, charges and disbursements of \$139,942.30, and gross receipts taxes of \$5,410.

G. The parties have engaged in discussions regarding the foregoing, which have led to the agreement set forth in this Stipulation.

### **Agreement**

Based on the foregoing, Skadden, Arps and the UST agree:

1. The terms and conditions of this Stipulation, and the obligations of the parties to perform hereunder, shall become effective only upon the entry of the Court's order approving this Stipulation.

2. The UST's Objection is fully and finally resolved as described in this Stipulation.

3. Skadden, Arps agrees to reduce the fees claimed in the Final Fee Applications by \$224,210.55, to \$1,207,006.70. The reduction includes (without duplication):

- a credit in the amount of \$42,885.69 for the first work performed at the beginning of the case, arising from a prepetition payment that the Court's Order authorizing the Debtor and Debtor in Possession to employ Skadden, Arps required;
- a reduction in the amount of \$10,467.00 for attorney time at the "first-day" hearing;

- a reduction of \$25,277.00 in connection with a reorganization plan and \$11,913.00 for the preparation of a disclosure statement;
- a reduction of \$17,386.36 related to work in connection with the approval of the engagement of Skadden, Arps;
- a reduction of \$15,025.50, for services performed after the conversion of the case on December 18, 2001 to chapter 7; and
- fees of \$101,256 related to work performed in New Mexico.

4. Skadden, Arps agrees to reduce the charges and disbursement claimed in the Final Fee Applications by \$6,949.00, to \$132,993.30. The reduction is related to charges and disbursements of \$6,949 relating to work performed in New Mexico.

5. Skadden, Arps agrees that its claim for New Mexico gross receipts taxes shall be allowed at \$0.00, based on the disallowance under this Stipulation of the fees and the charges and disbursements related to work performed in New Mexico.

6. Skadden, Arps' Final Fee Application and related Supplements are approved, and the fees and charges and disbursements requested are allowed in the aggregate amount of \$1,340,000.00 for all purposes.

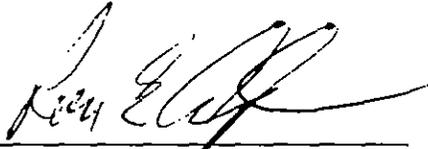
7. Skadden, Arps shall serve notice of this Stipulation on parties as set forth in the Order Continuing Earlier Order Limiting Notice of Certain Matters filed herein at Docket No. 1492 on January 16, 2002, with an objection deadline of

23 days from mailing. If no objections are filed thereto, Skadden, Arps may present this Stipulation and the attached Order to the Court for approval.

8. The Bankruptcy Court shall retain jurisdiction for the purposes of interpreting, implementing and enforcing this Stipulation.

Dated: Albuquerque, New Mexico  
August 27, 2002

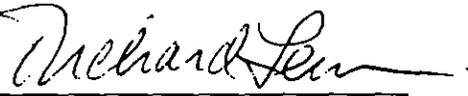
UNITED STATES TRUSTEE

By: 

Ron E. Andazola  
Office of the US Trustee  
PO Box 608  
421 Gold Avenue, SW Room 112  
Albuquerque, NM 87102

Dated: Los Angeles, California  
August 23, 2002

SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP

By: 

Richard Levin (CA State Bar No. 66578)  
300 South Grand Avenue, Suite 3400  
Los Angeles, California 90071-3144  
(213) 687-5000  
(213) 687-5600 (fax)

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**ORDER**

The Court has reviewed the record in this case, including the various Applications, the objections of the Office of the United States trustee, and the foregoing Stipulation.

The Court finds that notice of the various Applications and of the Stipulation was appropriate under the circumstances of this case.

The Court finds that the Stipulation is reasonable and that the fees and charges and disbursements proposed to be allowed under the Stipulation are reasonable. The services were actually performed and were necessary for the conduct of this case and the realization of value by the estate. The amount proposed to be allowed is reasonable based on the time spent (which was fully itemized in the Applications) and on the rates charged (which were approved at the time of the approval of the employment of Skadden, Arps). The services were performed within a reasonable amount of time, considering the complexity and difficulty of this case.

Based thereon, and good cause appearing, it is:

**ORDERED:**

1. The Stipulation is approved.
2. The fees of Skadden, Arps, Slate, Meagher & Flom LLP for services performed in the chapter 11 case are allowed in the amount of \$1,207,006.70.

3. Reimbursement of charges and disbursements of Skadden, Arps, Slate, Meagher & Flom LLP incurred in the chapter 11 case is allowed in the amount of \$132,993.30.

4. Payment of any amounts allowed under this Order shall await further orders of this Court regarding payment of professional fees or other administrative expenses.

Dated: August \_\_, 2002.

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Honorable James Starzynski  
United States Bankruptcy Judge