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U.S. BANKRUPTCY COURT
ALBUQUERQUE N.M.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

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

Debtor.

NOTICE OF DEADLINE TO OBJECT TO THE DEBTOR'S
APPLICATION FOR ORDER AUTHORIZING EMPLOYMENT
AND RETENTION OF PROFESSIONALS
USED IN ORDINARY COURSE OF BUSINESS

On March 1, 2001, Furr's Supermarkets, Inc. (the "Debtor") filed the attached APPLICATION FOR ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF PROFESSIONALS USED IN ORDINARY COURSE OF BUSINESS (the "Application").

Any party who objects to the Application must file its objection with the Clerk of the Bankruptcy Court, Federal Building and United States Courthouse, 421 Gold Ave. SW., Third Floor, Albuquerque, N.M. 87102 (or P.O. Box 546, Albuquerque, N.M. 87103), **WITHIN TWENTY DAYS AFTER THE DATE OF MAILING OF THIS NOTICE, PLUS THREE DAYS FOR MAIL FOR A TOTAL OF TWENTY-THREE DAYS (i.e., on or before March 26, 2001)**, and serve a copy of the objection on David T. Thuma, Jacobvitz, Thuma & Walker, P.C., 500 Marquette Ave., N.W., Suite 650, Albuquerque, N.M. 87102 and Richard Levin, Skadden, Arps, Slate, Meagher & Flom LLP, 300 South Grand Avenue, Suite 3400 Los Angeles, California 90071-3144. If any objections are timely filed, a hearing will be held on notice only to Mr. Thuma, Mr. Levin, the U.S. Trustee, and objecting parties. If no objections are timely filed, an order granting the Application will be presented for entry without a hearing or further notice.

Date of Mailing: March 1, 2001

COUNSEL FOR THE DEBTOR:

JACOBVITZ THUMA
& WALKER, P.C.
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RELIEF REQUESTED

2. The Debtor seeks authorization under Bankruptcy Code §§ 327 and 328 to retain certain professionals that it uses in the ordinary course of business (collectively, the "Ordinary Course Professionals"). A list of the Ordinary Course Professionals, whose services do not and will not relate to the conduct of the Chapter 11 case, is annexed hereto as Exhibit A. The Debtor will seek to retain all professionals whose services are necessary to the conduct of the Chapter 11 case under separate retention applications.

BASIS FOR RELIEF

3. Before the Petition Date, the Debtor employed, from time to time, various attorneys, accountants, and other professionals in the ordinary course of business to render services relating to (i) legal advice with respect to routine litigation, employee benefits matters, and basic commercial matters, (ii) accounting advice, and (iii) other matters requiring the expertise and assistance of professionals. The Debtor would like to continue to employ the Ordinary Course Professionals to render similar services to its estate.

4. Although the automatic stay may decrease the Debtor's need for some of the Ordinary Course Professionals' services, it is impossible for the Debtor to quantify its needs at this time. In light of the cost associated with preparation of employment applications and affidavits for each of these professionals, it would be

submission to, and approval by, the Debtor of an appropriate invoice setting forth in reasonable detail the nature of the services rendered and disbursements actually incurred. If, however, payments to any Ordinary Course Professional exceed a total of \$10,000 in any month or \$100,000 for the entire case, subsequent payments to that professional shall be subject to the Court's prior approval in accordance with Bankruptcy Code §§ 330 and 331, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules, and orders of the Court. Subject to the following paragraph, the Debtor believes at this time that aggregate fees to all Ordinary Course Professionals will not exceed \$30,000 per month.

9. The only deviation from these estimates will occur with the Debtor's two actuaries: Scruggs Consulting Corporation and G.M. Grubbs. These actuaries analyze the Debtor's retirement, workers' compensation, and liability reserves. The Debtor anticipates that the work of these professionals will be concentrated in the next two months. During this period, each actuary is expected to incur fees and expenses totaling approximately \$50,000 to \$70,000. Following these months, the Debtor's need for the actuaries will decline, and their subsequent fees should be negligible.

10. Professionals' Declarations. Although it is possible that some of the proposed Ordinary Course Professionals hold prepetition unsecured claims against the Debtor, the Debtor does not believe that any Ordinary Course Profes-

by the Court without the necessity of a hearing. If a timely objection is submitted, the matter would be presented to the Court.

13. The Debtor further proposes to file a statement with the Court every 120 days, or such other period as the Court shall order, and serve the statement on the United States Trustee and counsel for the Committee, including the following information: (a) the aggregate amounts paid to each professional as compensation for services rendered and reimbursement of expenses during the 120 days, and (b) a general description of the services rendered by each professional.

14. Additional Ordinary Course Professionals. The Debtor may need to supplement the Ordinary Course Professionals list from time to time. If it becomes necessary to employ additional professionals, or the Debtor finds it has inadvertently omitted a professional from the list, the Debtor requests that upon submission of an amended Exhibit A, the Debtor be permitted to retain and compensate additional Ordinary Course Professionals without the need for a further order from the Court. The Debtor suggests that any additional professionals would file with the Court and serve upon the United States Trustee and the Committee a Declaration within 20 days of the filing of the amended Exhibit A, and that all other requirements remain the same.

professions intimately involved in the administration of the debtor's estate.⁴

17. Recognizing that, outside of Chapter 11, large corporations routinely engage a host of professionals, courts in complex Chapter 11 cases have often authorized the payment of "ordinary course professionals" outside of the Bankruptcy Code's retention procedures.⁵

18. This Application is consistent with these cases. The Ordinary Course Professionals that the Debtor proposes to retain will not be involved in the administration of its Chapter 11 case, but will instead provide services related to the Debtor's ongoing business operations – services that would be necessary regardless of whether this case had ever been commenced.

19. As a result, the Debtor does not believe that the Ordinary Course Professionals are "professionals," within the meaning of Bankruptcy Code § 327, whose retention must be approved by the Court. Alternatively, the Debtor submits that the procedures outlined herein comply with § 327(e)'s requirements.

⁴ Id. at 981.

⁵ See, e.g., In re Texaco, Inc., 84 B.R. 893, 908 (Bankr. S.D.N.Y. 1988) ("Pursuant to orders of this court . . . [the Debtors] have been authorized to engage "ordinary course of business" attorneys and professionals and to pay compensation to these attorneys and professionals without the need to file applications for compensation so long as the compensation paid does not exceed the aggregate "cap" fixed by this court").

Course Professionals under the terms and conditions described above, and (ii) granting the Debtor such other and further relief as is just and proper.

Dated: Albuquerque, New Mexico
March 1, 2001

JACOBVITZ THUMA & WALKER
A Professional Corporation

By: /s/ David T. Thuma
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- and -

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Attorneys for the Debtor-in-Possession

LIST OF PROFESSIONALS

Professional	Services Provided
<p>Gardere, Wynne & Sewell, LLP 3000 Thanksgiving Tower 1601 Elm Street Dallas, TX 75201-4761</p>	<p>Attorneys: Provide legal services to Furr's for real estate and miscellaneous corporate matters</p>
<p>Mounce Green, Myers, Safi & Galatzan P.O. Box 1977 100 N. Stanton Suite 1700 El Paso, TX 79901-1448</p>	<p>Attorneys: Provide legal services to Furr's general liability matters for claims arising in the El Paso, Texas area</p>
<p>Beall & Biehler 6715 Academy Road, NE Albuquerque, NM 87109</p>	<p>Attorneys: Provide legal services to Furr's in general liability matters for claims arising in the Albuquerque area</p>
<p>Linda Aikin 30 Paseo de Peralta Suite 201 Santa Fe, NM 87501</p>	<p>Attorney: Provides legal services to Furr's for New Mexico liquor license matters</p>
<p>Jones, Flygare, Brown & Wharton 1600 Civic Center Plaza Lubbock, TX 79401</p>	<p>Attorneys: Provide legal services to Furr's in general liability matters for claims arising in West Texas</p>
<p>Sandenaw, Carrillo & Piazza 2951A Roadrunner Parkway Las Cruces, NM 88011</p>	<p>Attorneys: Provide legal services to Furr's in general liability matters for claims arising in Southern New Mexico</p>
<p>Atwood, Malone, Turner & Sabin 400 N. Pennsylvania Suite 1100 Roswell, NM</p>	<p>Attorneys: Provide legal services to Furr's in general liability matters for claims arising in Eastern New Mexico</p>

EXHIBIT B

above-captioned debtor and debtor-in-possession (the "Debtor"), its creditors, or any other party in interest, or its attorneys, except as set forth in this affidavit.

3. LAW FIRM, through me, and other members and associates of the firm, have represented and advised the Debtor as counsel with respect to [INSERT DESCRIPTION OF SERVICES RENDERED].

4. The Debtor has requested, and LAW FIRM has agreed, to continue to represent and advise the Debtor pursuant to section 327(e) of the United States Bankruptcy Code (the "Bankruptcy Code") with respect to such matters. [Additionally, the Debtor has requested, and LAW FIRM proposes, to render the following services to the Debtor: LIST]

5. LAW FIRM's current customary hourly rates, subject to change from time to time, are \$ ___-\$ ___ for members, \$ ___-\$ ___ for associates, and \$ ___-\$ ___ for paraprofessionals. In the normal course of business, LAW FIRM revises its regular hourly rates on _____ of each year and requests that, effective _____ of each year, the aforementioned rates be revised to the regular hourly rates which will be in effect at that time.

6. [In connection with this case, LAW FIRM has rendered services that have not yet been billed or that have been billed but with respect to which payment has not been received. The value of such services does not exceed \$ _____.]

12. Neither I, LAW FIRM, nor any member or associate or counsel thereof, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtor, or its estate in the matters upon which LAW FIRM is to be engaged.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this __th day of _____, 2001, at [CITY, STATE/COUNTRY].

[TYPED NAME]

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re

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

FURR'S SUPERMARKETS, INC.,

Debtor.

DECLARATION AND DISCLOSURE STATEMENT OF PROPOSED
ACCOUNTANT UNDER (i) 11 U.S.C. §§ 329 AND 504 AND
FED. R. BANKR. P. 2014 AND 2016, AND (ii) ORDER
AUTHORIZING RETENTION OF ORDINARY COURSE PROFESSIONALS

[NAME OF DECLARANT], states that the following is true to the
best of [HIS/HER] knowledge, information and belief:

1. I am a member of the firm of [name of firm] (the "ACCOUNTING FIRM"), which firm maintains offices at [ADDRESS].
2. Neither I, ACCOUNTING FIRM, its associates, nor any member thereof, insofar as I have been able to ascertain, has any connection with above-captioned debtor and debtor-in-possession (the "Debtor"), its creditors, or any other party in interest, or its attorneys, except as set forth in this affidavit.

7. Except as set forth herein, no promises have been received by ACCOUNTING FIRM or any member thereof as to compensation in connection with this Chapter 11 case other than in accordance with the provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules, orders of this Court, and the Fee Guidelines promulgated by the Executive Office of the United States Trustee.

8. ACCOUNTING FIRM has no agreement with any entity to share with such entity any compensation received by ACCOUNTING FIRM.

9. ACCOUNTING FIRM and its members and associates may have in the past represented, currently represent, and may in the future represent entities that are claimants of the Debtor in matters totally unrelated to the pending Chapter 11 case. ACCOUNTING FIRM does not and will not represent any such entity in connection with this case and does not have any relationship with any such entity, attorneys, or accountants that would be adverse to the Debtor.

10. The foregoing constitutes the statement of ACCOUNTING FIRM pursuant to sections 327, 330, and 504 of the Bankruptcy Code and Fed. R. Bankr. P. 2014(a) and 2016.

11. [ADD ADDITIONAL PARAGRAPHS AS NEEDED]