

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

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U.S. BANKRUPTCY COURT
ALBUQUERQUE N.M.

Case No. 7-01-10779-SA

In re:

FURR'S SUPERMARKETS, INC.

Debtor.

**ALLOCATION STATEMENT AND EXCLUDED FEE STATEMENT OF
PEPPER HAMILTON LLP SUBMITTED PURSUANT TO ORDER ADOPTING
CARVE-OUT PROCEDURES**

Pepper Hamilton LLP ("Applicant" or "Pepper"), Counsel for the Unsecured Creditors' Committee (the "Committee"), submits this statement regarding the allocation of fees and expenses and excluded fees (the "Allocation Statement") between the Pre-Closing Carve-Out and Post-Closing Carve-Out pursuant to the Order Adopting Carve-Out Procedure. Setting Deadlines, and Granting Other Relief.

Capitalized terms, not otherwise defined, have the meanings ascribed to them in Exhibit "A" to the Carve-Out Procedure Order.

In support of this Allocation Statement, Applicant states as follows:

A. Allocation Statement

1. Pre-Closing Carve-Out. Pepper submits that, out of the total amount of \$502,598.28 in fees and expenses which were approved and allowed pursuant to its First and Second Fee Applications, \$491,578.81 in fees and expenses were incurred on or before August 31, 2001 and is therefore payable to Pepper from the Pre-Closing Carve-Out. The Court granted approval of this compensation as a chapter 11 administrative claim against the estate pursuant to an Order entered on July 11, 2002.

2. Post-Closing Carve-Out. Pepper submits that the balance of the allowed fees and expenses from the First and Second Fee Applications in the amount of \$11,019.47, incurred during a period beginning on September 1, 2001 through and including September 26, 2001, in addition to the total fees and expenses in the amount of \$41,112.32 requested pursuant to Pepper's Supplement to its Third and Final Fee Application¹, (for a combined total of \$52,131.79), are all payable from the Post-Closing Carve-Out.

3. Court Approval of Compensation to Pepper, and Payment Status. Pepper's total approved compensation and the amounts the Debtor in Possession paid Pepper, are as follows:

	<u>Pre-Closing Period</u>	<u>Post-Closing Period/Pre-Conversion</u>
<u>Requested</u>	\$742,028.81	\$52,131.79
<u>Approved by Court</u>	\$491,578.81	\$52,131.79 ²
<u>Paid by DIP</u>	\$159,485.29	\$0
<u>Owed</u>	\$332,093.52	\$52,131.79 ³

B. Excluded Fee Statement

Pepper states that it believes and asserts that none of the fees, costs or gross receipts tax it charged the Debtor in Possession are Excluded Fees.

¹ No objections were filed to the Third and Final Fee Application within the time allowed, and Pepper is in the process of submitting for entry by the Court an Order approving the fees and expenses requested in the Supplement to the Third and Final Fee Application.

² As noted in footnote 1 *supra*, the Order approving Pepper's Supplement to its Third and Final Fee Application approving fees and expenses in the amount of \$41,112.32 has been submitted to the Court for entry, as no objections were filed within the time allowed.

³ Upon entry of the Order as referenced in footnotes 1 and 2 *supra*.

C. Post Conversion Services Statement

Pepper is not claiming compensation for any services rendered after the conversion of the chapter 11 case to a case under chapter 7. However, in the Supplement to its Third and Final Fee Application, Pepper requested reimbursement of its expenses in the amount of \$6,554.15, incurred post-conversion, but payable as a chapter 11 priority administrative expense.

PEPPER HAMILTON LLP.

Date of Mailing: September 20, 2002

By: 

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