

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

SEP 24 4:01 PM
U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC.,

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

Debtor.

**FIRST AND FINAL CHAPTER 11 FEE APPLICATION OF HURLEY, TOEVS,
STYLES, HAMBLIN & PANTER, P.C., COUNSEL FOR THE DEBTOR IN
POSSESSION**

Hurley, Toevs, Styles, Hamblin & Panter, P.C. ("HTSHP"), counsel for Furr's Supermarkets, Inc., (the "Debtor"), submits this first and final Chapter 11 fee application for allowance and payment of compensation pursuant to Bankruptcy Code §§330, 331 and 503(b)(2) for work done from March 1, 2001 through December 19, 2001 (the "Application Period"). In support of this fee application HTSHP states:

1. First and Final 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 HTSHP in this bankruptcy case. HTSHP seeks compensation for the Application Period.

2. Amount of Fees, Costs, and Applicable Gross Receipts Tax. For the Application Period, HTSHP seeks allowance of compensation for services rendered by HTSHP for Debtor, plus costs and applicable gross receipts tax on fees and costs, of \$15,732.91 consisting of \$14,866.50 for professional fees, \$2.16 for reimbursable costs and expenses, and \$864.25 for gross receipts tax. As of September 20, 2002, HTSHP had received payment from Debtor of \$15,732.91 for services, costs, and gross receipts taxes, leaving an unpaid balance of zero. Total fees, costs, and expenses HTSHP charged the Debtor each month during the Application Period are summarized on Exhibit A hereto.

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The billing rates, number of hours charged, and amount of fees that HTSHP billed the Debtor for each attorney during the Application Period are summarized on Exhibit B hereto.

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

The monthly billing statements HTSHP rendered to the Debtor for services rendered during the Application Period are attached hereto as Exhibit C (together, the "Billing Statements"). The Billing Statements summarize all charges for professional services, reimbursable costs and expenses, and gross receipts tax; set forth the hourly rates for each attorney employed by HTSHP who rendered services to Debtor for work during the Application Period. The accounting of services, costs, and expenses as set out in the Billing Statements is true and correct to the best of HTSHP's knowledge, information, and belief.

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

Period, the billing rates HTSHP charged for its attorneys were charged at the attorney's normal and customary billing rates in effect when HTSHP commenced its representation of the Debtor. HTSHP, in accordance with its customary billing practices, also charged for costs and expenses, and actual out-of-pocket expenses for other expenses such as postage and long distance telephone. HTSHP did not charge for hand deliveries, secretarial overtime, or filing documents with the Clerk of the Court.

5. Debtor' Employment of HTSHP. On March 1, 2001, the Debtor filed its

application to employ HTSHP as its attorneys. ^{On or about 25} September 25, 2002, the Court entered its Order Authorizing Employment and Retention of Professionals Used in Ordinary Course of Business (the "Ordinary Course Employment Order"), approving the Debtor' employment of HTSHP effective as of the March 1, 2001. The Debtor retained HTSHP

to render advice and perform legal work related to the Debtor's pension plans. Pursuant to the Ordinary Court Employment Order, the Debtor was authorized to pay HTSHP's billing statements, prior to the Court's determination of the allowability of HTSHP's compensation, up to and including 100% of fees and reimbursable costs and applicable gross receipts tax, subject to ultimate approval of the paid compensation.

6. Services Rendered During the Application Period were Actual and Necessary; Fees Charged are Reasonable. During the Application Period HTSHP performed ongoing consulting for the Debtor as requested by the Debtor. 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. In general the services HTSHP rendered for the Debtor during the Application Period included without limitation the following: consulting on legal issues maintaining ERISA plans in compliance with applicable federal tax and labor law.

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

(a) Expertise and experience in the area of Pension Plan Legal Work. Attorney handling work has a Masters in Labor Law and has seventeen (17) years experience in handling ERISA matters.

(b) Method used to compute time charges. HTSHP attorneys billed their time in 6-minute increments.

(c) Method used for determining hours to be actually billed for services and for making billing adjustments. HTSHP attorneys kept daily time records in

the ordinary course of business, from which HTSHP prepared the Billing Statements. Draft bills were adjusted downward from time to time before being rendered, based on perceived inefficiencies or for other reasons.

(d) Results Achieved and Benefit to the Estate. During the Application Period, kept ERISA plans in compliance with applicable federal law and begin the process for termination of retirement plans. HTSHP understands and anticipates beneficiaries will receive all vested benefits.

9. Services Rendered Solely for the Debtor; No Fee Sharing Arrangement. HTSHP performed all professional services for which HTSHP seeks allowance and payment of compensation for the Debtor, and not on behalf of any creditor or any committee or other person. HTSHP 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 HTSHP in the ordinary course of business.

WHEREFORE, HTSHP respectfully requests that the Court allow compensation to HTSHP for the Application Period, as a priority, administrative expense, of \$15,732.91 consisting of \$14,866.50 for professional fees, \$2.16 for reimbursable costs and expenses, and \$864.25 for gross receipts tax. All amounts set forth above have been paid in full.

HURLEY, TOEVS, STYLES, HAMBLIN &
PANTER, P.C.

By: 

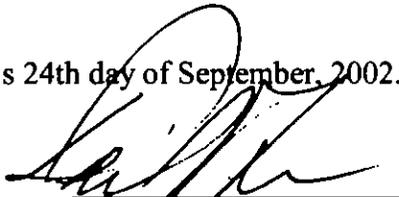
Thomas Toevs
4155 Montgomery Blvd, NE
Albuquerque, New Mexico 87109
(505) 888-1188
(505) 888-9215 (fax)

Pension Plan Counsel for the Debtor in
Possession

I hereby certify that a copy of
the foregoing Fee Application
was mailed to:

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

this 24th day of September, 2002.

A handwritten signature in black ink, appearing to read "David T. Thuma", written over a horizontal line.

David T. Thuma

EXHIBIT A

| The following summarizes the amount of fees, costs and gross receipts taxes billed by attorneys for Furr's Supermarkets, Inc. for the Application Period (March 1, 2001 through December 19, 2001). | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------|-------|--------|---------|-------|----------|
| ID | Description | Month | Hours | Tax | Fees | Costs | Total |
| 1051-001 | Employee Benefits | 7/01 | 1 | 9.59 | 165 | 0 | 174.59 |
| 1051-002 | Pension Matters | 3/01 | 4.2 | 40.28 | 693 | 0 | 733.28 |
| 1051-002 | Pension Matters | 4/01 | 3.8 | 36.57 | 627 | 2.16 | 665.73 |
| 1051-002 | Pension Matters | 6/01 | 3.3 | 31.65 | 544.5 | 0 | 576.15 |
| 1051-002 | Pension Matters | 7/01 | 22.5 | 215.79 | 3712.5 | 0 | 3928.29 |
| 1051-002 | Pension Matters | 8/01 | 3.5 | 33.57 | 577.5 | 0 | 611.07 |
| 1051-002 | Pension Matters | 9/01 | 1.3 | 12.47 | 214.5 | 0 | 226.97 |
| 1051-002 | Pension Matters | 10/01 | 3.8 | 36.44 | 627 | 0 | 663.44 |
| 1051-002 | Pension Matters | 11/01 | 1.9 | 18.22 | 313.5 | 0 | 331.72 |
| 1051-005 | Group Health | 3/01 | 1.1 | 10.55 | 181.5 | 0 | 192.05 |
| 1051-005 | Group Health | 4/01 | 0.7 | 6.71 | 115.5 | 0 | 122.21 |
| 1051-005 | Group Health | 5/01 | 2 | 19.18 | 330 | 0 | 349.18 |
| 1051-005 | Group Health | 7/01 | 1.3 | 12.47 | 214.5 | 0 | 226.97 |
| 1051-006 | Pension Plan | 3/01 | 1.1 | 10.55 | 181.5 | 0 | 192.05 |
| 1051-006 | Pension Plan | 4/01 | 2.6 | 24.94 | 429 | 0 | 453.94 |
| 1051-006 | Pension Plan | 7/01 | 6.4 | 61.38 | 1056 | 0 | 1117.38 |
| 1051-006 | Pension Plan | 8/01 | 3.2 | 30.69 | 528 | 0 | 558.69 |
| 1051-006 | Pension Plan | 9/01 | 0.2 | 1.92 | 33 | 0 | 34.92 |
| 1051-006 | Pension Plan | 10/01 | 12.8 | 122.76 | 2112 | 0 | 2234.76 |
| 1051-006 | Pension Plan | 11/01 | 13.1 | 125.64 | 2161.5 | 0 | 2287.14 |
| 1051-006 | Pension Plan | 12/01 | 0.3 | 2.88 | 49.5 | 0 | 52.38 |
| | | | 90.1 | 864.25 | 14866.5 | 2.16 | 15732.91 |

EXHIBIT B

The following summarizes the billing rates, number of hours billed, and amount billed by each attorney employed by Furr's Supermarkets, Inc. for the Application Period (March 1, 2001 through December 19, 2001).

| Attorney | Billing Rate | Hours Billed | Amount Billed |
|-----------------------|---------------------|---------------------|----------------------|
| Danielle Panter | 165 | 90.10 | 14,866.50 |
| | | | |
| | | | |
| | | | |
| TOT HRS BILLED | | 90.10 | |
| TOT AMT BILLED | | | 14,866.50 |

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

July 31, 2001
Client/Matter ID: 1051-001
Statement No. 10297

RE: Employee Benefits

| <u>Date</u> | <u>Services through:</u> | <u>July 31, 2001</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|--------------|
| 7/26/2001 | (1) Draft summary of plan changes for store managers; and (2) Telephone conference with Delwyn James and Cathy Davis regarding same. | | DRP | 1.00 |

Rate Summary

| | | | | |
|--------------------|------------------|-------------|----|---------------|
| Danielle R. Panter | 1.00 hours at \$ | 165.00/hr | \$ | 165.00 |
| Total hours: | <u>1.00</u> | Total fees: | \$ | <u>165.00</u> |

Payments Received on Previous Balance

| | | |
|-----------|---------------------|-----------|
| 4/20/2000 | Payment on account | 269.82 |
| | Sub-total Payments: | \$ 269.82 |

| | |
|-------------------------------------------------------|-------------------------|
| Total Current Fees and Disbursements: | <u>\$ 165.00</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | 9.59 |
| Current Billing Total: | 174.59 |
| Previous Balance Due: | 269.82 |
| Payments: | 269.82 |
| Total Now Due: | <u><u>\$ 174.59</u></u> |

Please Indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MR. DELWYN JAMES
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

April 5, 2001
Client/Matter ID: 1051-002
Statement No. 9453

RE: Pension Plan

| <u>Date</u> | <u>Services through: March 31.</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 3/16/2001 | Telephone conference with Cathy Davis and research regarding Furr's controlled group and relationship to Winward Capital. | DRP | 1.50 |
| 3/19/2001 | (1) Read ownership information provided by Cathy Davis; and (2) Leave message for Cathy regarding controlled group analyses. | DRP | 0.40 |
| 3/21/2001 | (1) Review Cathy Davis' letter responding to the PBGC's information request; and (2) Meet with Cathy to discuss same. | DRP | 2.20 |
| 3/22/2001 | Telephone conference with Cathy Davis regarding IRS request for amendments on pension plan. | DRP | 0.10 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 4.20 hours at \$ 165.00/hr | \$ 693.00 |
| Total hours: | <u>4.20</u> | Total fees: \$ <u>693.00</u> |

| | |
|------------------------------------------------|------------------------|
| Total Current Fees and Disbursements: | \$ <u>693.00</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | 40.28 |
| Current Billing Total: | 733.28 |
| Previous Balance Due: | 349.18 |
| Payments: | 0.00 |
| Total Now Due: \$ | <u><u>1,082.46</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MR. DELWYN JAMES
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

May 7, 2001
Client/Matter ID: 1051-002
Statement No. 9789

RE: Pension Plan

| <u>Date</u> | <u>Services through: April 30, 2001</u> | <u>Billers</u> | <u>Hours</u> |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|
| 4/5/2001 | (1) Draft letter to IRS and requested amendments; and (2) Meet with Cathy Davis to discuss same. | DRP | 3.30 |
| 4/26/2001 | (1) Telephone conference with Charlotte Allender (IRS agent assigned to determination letter request regarding change required in plan document). | DRP | 0.50 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 3.80 hours at \$ 165.00/hr | \$ 627.00 |
| Total hours: | <u>3.80</u> | Total fees: \$ <u>627.00</u> |

Summary of Disbursements by Type

| <u>Description</u> | <u>Value</u> |
|---------------------|----------------|
| Copies | 2.16 |
| Sub-total Expenses: | \$ <u>2.16</u> |

Payments Received on Previous Balance

| | | |
|-----------|---------------------|-----------|
| 4/10/2001 | Payment on 9245 | 349.18 |
| | Sub-total Payments: | \$ 349.18 |

| | |
|-------------------------------------------------------|------------------------|
| Total Current Fees and Disbursements: | <u>\$ 629.16</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | 36.57 |
| Current Billing Total: | 665.73 |
| Previous Balance Due: | 1,082.46 |
| Payments: | 349.18 |
| Total Now Due: \$ | <u><u>1,399.01</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MR. DELWYN JAMES
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

July 3, 2001
Client/Matter ID: 1051-002
Statement No. 10060

RE: Pension Plan

| <u>Date</u> | <u>Services through: June 30, 2001</u> | <u>Billers</u> | <u>Hours</u> |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|
| 6/4/2001 | Receive favorable determination letter; call IRS to discuss their typographical error regarding date 1993 amendment was executed, and telephone conference with Cathy Davis regarding same. | DRP | 1.70 |
| 6/25/2001 | Draft letter to IRS requesting that they revise the determination letter to include correct date of amendment. | DRP | 0.70 |
| 6/26/2001 | (1) Telephone conference with Cathy Davis regarding effect of auction on pension plan; (2) Research reportable events that could result from auction; and (3) Telephone conference with Cathy regarding offset of union benefits after a plan termination. | DRP | 0.90 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 3.30 hours at \$ 165.00/hr | \$ 544.50 |
| Total hours: | <u>3.30</u> | Total fees: \$ <u>544.50</u> |

Payments Received on Previous Balance

| | | |
|---------------------|-----------------|-------------|
| 5/29/2001 | Payment on 9453 | 733.28 |
| 5/29/2001 | Payment on 9789 | 665.73 |
| Sub-total Payments: | | \$ 1,399.01 |

| | |
|------------------------------------------------|----------------------|
| Total Current Fees and Disbursements: | \$ <u>544.50</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | 31.65 |
| Current Billing Total: | 576.15 |
| Previous Balance Due: | 1,399.01 |
| Payments: | 1,399.01 |
| Total Now Due: \$ | <u><u>576.15</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

July 31, 2001
Client/Matter ID: 1051-002
Statement No. 10298

RE: Pension Plan

| <u>Date</u> | <u>Services through: July 31, 2001</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 7/2/2001 | (1) Continue research regarding whether change in contributing sponsor requires advance notice of a reportable event; and (2) Leave message for Cathy Davis. | DRP | 0.80 |
| 7/3/2001 | Telephone conference with Cathy Davis regarding Plan termination. | DRP | 0.10 |
| 7/5/2001 | (1) Prepare list of steps necessary to terminate plan; and (2) Email to Cathy Davis and Delwyn James. | DRP | 3.00 |
| 7/9/2001 | (1) Telephone conference with Cathy Davis regarding termination time line; and (2) Continue research regarding special issues raised by termination during bankruptcy, including collective bargaining issues. | DRP | 2.50 |
| 7/16/2001 | Review email from Cathy regarding pension termination time line and prepare for conference call with Towers Perrin; and (2) conference call with Delwyn James, Cathy Davis, Chris Hutzler, Melinda Dairman and Davida Lambert. | DRP | 1.70 |
| 7/19/2001 | Work on plan termination issues including: (i) vesting requirements on termination and (ii) ERISA's restrictions on benefit increases by employees in bankruptcy. Telephone conference with Cathy Davis regarding same. | DRP | 2.80 |
| 7/20/2001 | (1) Draft Amendment No. 1 terminating the Plan; (2) Draft Unanimous Written Consent terminating plan; and (3) continue outlining issues. | DRP | 3.20 |
| 7/24/2001 | (1) Prepare for and attend meeting with Cathy Davis, Delwyn James, Steve Mortensen, Terry Wallock, Chris Hutzler and Davida Lambert to discuss time line for implementing plan termination; (2) research 20% excise tax applicate to debtor in Chapter 7 bankruptcy on the termination date; (3) Telephone conference with Terry regarding the same; (4) Continue drafting board resolution and Amendment No.1 providing for vesting of participants and freezing of benefit accruals; and (5) Arrange adoption of document previously approved by the IRS. | DRP | 5.00 |
| 7/25/2001 | (1) Draft notice of amendment freezing benefit accruals; (2) Continue working on unanimous written consent for the Board of Directors and Amendment No. 1 to the Pension Plan; and (3) Email Cathy Davis. | DRP | 2.40 |
| 7/31/2001 | (1) Finalize Board resolutions and Amendment No. 1; (2) Telephone conference with Davida Lambert regarding her comments. | DRP | 1.00 |

EXHIBIT C

Rate Summary

| | | |
|--------------------|-----------------------------|--------------------------------|
| Danielle R. Panter | 22.50 hours at \$ 165.00/hr | \$ 3,712.50 |
| Total hours: | <u>22.50</u> | Total fees: \$ <u>3,712.50</u> |

Payments Received on Previous Balance

| | | |
|-----------|---------------------|-----------|
| 7/18/2001 | Payment on 10060 | 576.15 |
| | Sub-total Payments: | \$ 576.15 |

| | |
|-------------------------------------------------------|---------------------------|
| Total Current Fees and Disbursements: | \$ <u>3,712.50</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | 215.79 |
| Current Billing Total: | 3,928.29 |
| Previous Balance Due: | 576.15 |
| Payments: | 576.15 |
| Total Now Due: | \$ <u><u>3,928.29</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

September 4, 2001
Client/Matter ID: 1051-002
Statement No. 10575

RE: Pension Plan

| <u>Date</u> | <u>Services through: August 31.</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 8/13/2001 | (1) Review memo by Laura Patterson, AALLP; and (2) List issues to discuss with Cathy Davis; and (3) Telephone conference with Cathy regarding the same. | DRP | 1.20 |
| 8/20/2001 | Telephone conference with Cathy Davis and then David Thuma regarding deadline for adopting restated pension plan. Telephone conference with Cathy Davis regarding paying expenses out of the plan. | DRP | 0.80 |
| 8/23/2001 | Telephone conference with Cathy Davis to remind her about sending 204(h) notice. Research method of delivery of notice and who is required to receive notice. | DRP | 1.50 |

Rate Summary

| | | | |
|--------------------|----------------------------|-------------|------------------|
| Danielle R. Panter | 3.50 hours at \$ 165.00/hr | \$ | 577.50 |
| Total hours: | <u>3.50</u> | Total fees: | <u>\$ 577.50</u> |

Payments Received on Previous Balance

| | | |
|-----------|---------------------|-------------|
| 8/20/2001 | Payment on 10298 | 3,928.29 |
| | Sub-total Payments: | \$ 3,928.29 |

| | | |
|------------------------------------------------|----|----------------------|
| Total Current Fees and Disbursements: | \$ | <u>577.50</u> |
| Sales Tax on Fees and Disbursements (6.8125%): | | 33.57 |
| Current Billing Total: | | 611.07 |
| Previous Balance Due: | | 3,928.29 |
| Payments: | | 3,928.29 |
| Total Now Due: | \$ | <u><u>611.07</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

October 2, 2001
Client/Matter ID: 1051-002
Statement No. 10858

RE: Pension Plan

| <u>Date</u> | <u>Services through: September</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 9/4/2001 | Telephone conference with Cathy Davis regarding: (a) Delay in sending payment to Towers Perrin; (b) Moving funds into money market; and (c) How to respond to PBGC inquiries. | DRP | 0.80 |
| 9/14/2001 | Telephone conference with Steve Mortensen and research whether plan can pay. Towers Perrin termination charges now, or should wait until after termination amendments are adopted. | DRP | 0.50 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 1.30 hours at \$ 165.00/hr | \$ 214.50 |
| Total hours: | <u>1.30</u> | Total fees: \$ <u>214.50</u> |

| | |
|------------------------------------------------|----------------------|
| Total Current Fees and Disbursements: | \$ <u>214.50</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | 12.47 |
| Current Billing Total: | 226.97 |
| Previous Balance Due: | 611.07 |
| Payments: | 0.00 |
| Total Now Due: \$ | <u><u>838.04</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

November 5, 2001
Client/Matter ID: 1051-002
Statement No. 11124

RE: Pension Plan

| <u>Date</u> | <u>Services through: October 31.</u> | <u>Biller</u> | <u>Hours</u> |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 10/3/2001 | Prepare response to auditors. | DRP | 0.90 |
| 10/11/2001 | Review time line faxed by Steve Mortensen; Research when annuity carrier information is required to be disclosed; and Outline issues. | DRP | 1.00 |
| 10/12/2001 | Compare Steve Mortensen's task list with original Towers Perrin list. Note possible additions. | DRP | 0.40 |
| 10/16/2001 | (1) Telephone conference with Steve Mortensen to provide comments on his task list; and (2) Research and leave message for Cathy Davis regarding application of rule vesting employees on 5/1/01. | DRP | 0.50 |
| 10/26/2001 | Draft Amendment No. 2 to the Plan updating Plan to comply with pension laws upon termination and the Community Renewal Tax Relief Act, updating it to comply with the Community Renewal Tax Relief Act. | DRP | 0.50 |
| 10/29/2001 | Leave message for Cathy Davis regarding amendment necessary to stop Section 415 limit increases from applying to former employees; and research application to plan. | DRP | 0.30 |
| 10/30/2001 | Telephone conference with Cathy Davis, and then Chis Hutzler, to determining whether the plan should be amended to prevent EGTRRA from automatically granting any former employees benefit increases. | DRP | 0.20 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 3.80 hours at \$ 165.00/hr | \$ 627.00 |
| Total hours: | <u>3.80</u> | Total fees: \$ <u>627.00</u> |

Payments Received on Previous Balance

| | | |
|------------|---------------------|-----------|
| 10/12/2001 | Payment on account | 838.04 |
| | Sub-total Payments: | \$ 838.04 |

Trust Account

| | | |
|------------|-------------------------------------------|------------------|
| | Beginning Balance: | |
| 10/16/2001 | Furr's check - deposit into Pension trust | \$ 10,000.00 |
| | Ending Balance: | <u>10,000.00</u> |

| | |
|------------------------------------------------|---------------|
| Total Current Fees and Disbursements: | \$ 627.00 |
| Sales Tax on Fees and Disbursements (5.8125%): | 36.44 |
| Current Billing Total: | 663.44 |
| Previous Balance Due: | 838.04 |
| Payments: | 838.04 |
| Total Now Due: \$ | <u>663.44</u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAXID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

December 4, 2001
Client/Matter ID: 1051-002
Statement No. 11420

RE: Pension Plan

| <u>Date</u> | <u>Services through: November</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 11/8/2001 | Draft Amendment No. 3 and cover letter to Cathy Davis to prevent automatic EGTRRA increases in accrued benefits due to increase in compensation from \$170,000-\$200,000, and increases in Section 415 limits. | DRP | 1.80 |
| 11/20/2001 | Receive signed copy of Amendment No. 3 and file in Plan's permanent record. | DRP | 0.10 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 1.90 hours at \$ 165.00/hr | \$ 313.50 |
| Total hours: | <u>1.90</u> | Total fees: \$ <u>313.50</u> |

Payments Received on Previous Balance

| | | |
|-----------|-----------------------------|-----------|
| 11/8/2001 | Payment on 11124 from trust | 663.44 |
| | Sub-total Payments: | \$ 663.44 |

Trust Account

| | | |
|-----------|-----------------------------------------|-----------------|
| 11/6/2001 | Furrs 1051-002, pay from trust | \$ -663.44 |
| | Beginning Balance: previous Trust <> 0, | |
| | Ending Balance: | <u>9,336.56</u> |

| | | |
|------------------------------------------------|----|----------------------|
| Total Current Fees and Disbursements: | \$ | <u>313.50</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | | 18.22 |
| Current Billing Total: | | 331.72 |
| Previous Balance Due: | | 663.44 |
| Payments: | | 663.44 |
| Total Now Due: | \$ | <u><u>331.72</u></u> |

Remaining Trust Balance 9,336.56

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 868-1188

FURR'S SUPERMARKETS, INC.
MR. DELWYN JAMES
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

April 5, 2001
Client/Matter ID: 1051-008
Statement No. 9454

RE: Group Health Plan

| <u>Date</u> | <u>Services through: March 31.</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 3/14/2001 | Telephone conference with David Thuma regarding lawsuit against Health Plan. | DRP | 0.10 |
| 3/15/2001 | (1) Read complaint, and research automatic stay in ERISA litigation and whether health plan is funded through a trust; and (2) Telephone conference with David Thuma regarding same. | DRP | 1.00 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 1.10 hours at \$ 165.00/hr | \$ 181.50 |
| Total hours: | <u>1.10</u> | Total fees: \$ <u>181.50</u> |

| | |
|------------------------------------------------|----------------------|
| Total Current Fees and Disbursements: | <u>\$ 181.50</u> |
| Sales Tax on Fees and Disbursements (6.8125%): | 10.55 |
| Current Billing Total: | 192.05 |
| Previous Balance Due: | 0.00 |
| Payments: | 0.00 |
| Total Now Due: \$ | <u><u>192.05</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MR. DELWYN JAMES
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

May 3, 2001
Client/Matter ID: 1051-005
Statement No. 9731

RE: Group Health Plan

| <u>Date</u> | <u>Services through:</u> | <u>April 30, 2001</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|--------------|
| 4/20/2001 | Review final COBRA regulations issued on 1/10/01 regarding COBRA rights of employees who are not employed by buyer for question about health coverage raised by Carolyn Novis; and Leave message for Delwyn James regarding same. | | DRP | 0.70 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 0.70 hours at \$ 165.00/hr | \$ 115.50 |
| Total hours: | <u>0.70</u> | Total fees: \$ <u>115.50</u> |

| | |
|------------------------------------------------|---------------|
| Total Current Fees and Disbursements: | \$ 115.50 |
| Sales Tax on Fees and Disbursements (5.8125%): | 6.71 |
| Current Billing Total: | 122.21 |
| Previous Balance Due: | 192.05 |
| Payments: | 0.00 |
| Total Now Due: \$ | <u>314.26</u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MR. DELWYN JAMES
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

June 4, 2001
Client/Matter ID: 1051-005
Statement No. 9804

RE: *Group Health Plan*

| <u>Date</u> | <u>Services through: May 31, 2001</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 5/21/2001 | Telephone conference with Delwyn James regarding how to continue health insurance in an acquisition situation. | DRP | 0.50 |
| 5/22/2001 | Start outlining issues related to continuing health insurance after an acquisition of Furr's. | DRP | 0.50 |
| 5/23/2001 | Draft email to Delwyn James summarizing COBRA rules after an acquisition and how Furr's can impose its severance agreements on the buyer. | DRP | 0.80 |
| 5/25/2001 | Telephone conference with Delwyn James regarding severance for executives in different acquisition scenarios. | DRP | 0.20 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 2.00 hours at \$ 165.00/hr | \$ 330.00 |
| Total hours: | <u>2.00</u> | Total fees: \$ <u>330.00</u> |

Payments Received on Previous Balance

| | | |
|-----------|---------------------|-----------|
| 5/29/2001 | Payment on account | 314.26 |
| | Sub-total Payments: | \$ 314.26 |

| | |
|-------------------------------------------------------|----------------------|
| Total Current Fees and Disbursements: | <u>\$ 330.00</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | 19.18 |
| Current Billing Total: | 349.18 |
| Previous Balance Due: | 314.26 |
| Payments: | 314.26 |
| Total Now Due: \$ | <u><u>349.18</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

July 31, 2001
Client/Matter ID: 1051-005
Statement No. 10301

RE: Group Health Plan

| <u>Date</u> | <u>Services through: July 31, 2001</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 7/16/2001 | (1) Begin research regarding terminating flexible spending account under cafeteria plan; and (2) Telephone conference with Delwyn James regarding COBRA rights. | DRP | 0.80 |
| 7/17/2001 | Outline issues regarding cafeteria plan termination and telephone conference with Lana Booth regarding same. | DRP | 0.50 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 1.30 hours at \$ 165.00/hr | \$ 214.50 |
| Total hours: | <u>1.30</u> | Total fees: \$ <u>214.50</u> |

Payments Received on Previous Balance

| | | |
|-----------|---------------------|-----------|
| 6/21/2001 | Payment on 9804 | 349.18 |
| | Sub-total Payments: | \$ 349.18 |

| | |
|------------------------------------------------|------------------|
| Total Current Fees and Disbursements: | \$ 214.50 |
| Sales Tax on Fees and Disbursements (5.8125%): | 12.47 |
| Current Billing Total: | 226.97 |
| Previous Balance Due: | 349.18 |
| Payments: | 349.18 |
| Total Now Due: | <u>\$ 226.97</u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MR. DELWYN JAMES
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

April 5, 2001
Client/Matter ID: 1051-006
Statement No. 9455

RE: 401(k) Plan

| <u>Date</u> | <u>Services through: March 31.</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 3/19/2001 | (1) Read letter from the U.S. Department of Labor regarding information for audit; and (2) Read letter CIGNA is sending to all participants who have attained age 70 1/2. | DRP | 0.50 |
| 3/27/2001 | Research and telephone conference with Cathy Davis regarding amount of withholding and electing no withholding for nonspouse beneficiary. | DRP | 0.50 |
| 3/29/2001 | Review Cathy Davis' fax regarding new 10 year withdrawal option upon termination of contract. | DRP | 0.10 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 1.10 hours at \$ 165.00/hr | \$ 181.50 |
| Total hours: | <u>1.10</u> | Total fees: \$ <u>181.50</u> |

| | |
|-----------------------------------------------|----------------------|
| Total Current Fees and Disbursements: | \$ <u>181.50</u> |
| Sales Tax on Fees and Disbursement (5.8125%): | 10.55 |
| Current Billing Total: | 192.05 |
| Previous Balance Due: | 87.30 |
| Payments: | 0.00 |
| Total Now Due: \$ | <u><u>279.35</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MR. DELWYN JAMES
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

May 3, 2001
Client/Matter ID: 1051-006
Statement No. 9732

RE: 401(k) Plan

| <u>Date</u> | <u>Services through: April 30, 2001</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 4/5/2001 | Start researching forms of benefit required to be offered to employee still working after age 70 1/2. | DRP | 0.80 |
| 4/6/2001 | Research application of minimum distribution rules to Thomas Sneed and telephone conference with Cathy Davis regarding same. | DRP | 1.80 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 2.60 hours at \$ 165.00/hr | \$ 429.00 |
| Total hours: | <u>2.60</u> | Total fees: \$ <u>429.00</u> |

Payments Received on Previous Balance

| | | |
|-----------|------------------------|-------|
| 4/10/2001 | Payment on 9390 | 87.30 |
| | Sub-total Payments: \$ | 87.30 |

| | |
|------------------------------------------------|----------------------|
| Total Current Fees and Disbursements: | <u>\$ 429.00</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | 24.94 |
| Current Billing Total: | 453.94 |
| Previous Balance Due: | 279.35 |
| Payments: | 87.30 |
| Total Now Due: \$ | <u><u>645.99</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

July 31, 2001
Client/Matter ID: 1051-008
Statement No. 10302

RE: 401(k) Plan

| <u>Date</u> | <u>Services through: July 31, 2001</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 7/5/2001 | Prepare list of steps necessary to terminate plan; email to Cathy Davis and Delwyn James. | DRP | 2.00 |
| 7/9/2001 | Telephone conference with Cathy Davis regarding termination time line. | DRP | 0.20 |
| 7/17/2001 | Telephone conference with Cathy Davis regarding steps to terminate plan. | DRP | 0.50 |
| 7/24/2001 | Draft Board resolution terminating the Plan on September 30, 2001. | DRP | 0.80 |
| 7/25/2001 | (1) Research plan document regarding who will vest on termination date; and (2) Telephone conference with Cathy Davis regarding the same. | DRP | 0.50 |
| 7/31/2001 | (1) Telephone conference with Karen Hinkle regarding vesting rules on Plan termination; (2) Telephone conference with Cathy Davis regarding same; and (3) Review CIGNA's draft of termination amendment, and revise it to comply with the Community Renewal Tax Relief Act of 2000 provision regarding qualified transportation fringe benefits. | DRP | 2.40 |

Rate Summary

| | | |
|--------------------|----------------------------|--------------------------------|
| Danielle R. Panter | 6.40 hours at \$ 165.00/hr | \$ 1,056.00 |
| Total hours: | <u>6.40</u> | Total fees: <u>\$ 1,056.00</u> |

Payments Received on Previous Balance

| | | |
|-----------|---------------------|-----------|
| 5/29/2001 | Payment on account | 645.99 |
| | Sub-total Payments: | \$ 645.99 |

| | |
|-------------------------------------------------------|------------------------|
| Total Current Fees and Disbursements: | \$ 1,056.00 |
| Sales Tax on Fees and Disbursements (5.8125%): | 61.38 |
| Current Billing Total: | 1,117.38 |
| Previous Balance Due: | 645.99 |
| Payments: | 645.99 |
| Total Now Due: \$ | <u>1,117.38</u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

September 4, 2001
Client/Matter ID: 1051-006
Statement No. 10578

RE: 401(k) Plan

| <u>Date</u> | <u>Services through: August 31.</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 8/1/2001 | Continue drafting Second Amendment to plan updating plan to comply with GUST. Research need for amendment to address new minimum distribution rules. | DRP | 0.50 |
| 8/13/2001 | (1) Review plan termination memo sent to me by Karen Hinkel; (2) Research rollover rules applicable to outstanding loans after termination of employment; (3) Review memo by Laura Patterson of AALLP. (4) List issues to discuss with Cathy Davis; and (5) Telephone conference with Cathy regarding same. | DRP | 2.60 |
| 8/23/2001 | Telephone conference with Cathy Davis regarding application of same desk rule even if stores are sold to Fleming who sells them to Smiths. | DRP | 0.10 |

Rate Summary

| | | |
|--------------------|----------------------------|------------------------------|
| Danielle R. Panter | 3.20 hours at \$ 165.00/hr | \$ 528.00 |
| Total hours: | <u>3.20</u> | Total fees: \$ <u>528.00</u> |

Payments Received on Previous Balance

| | | |
|---------------------|------------------|-------------|
| 8/20/2001 | Payment on 10302 | 1,117.38 |
| Sub-total Payments: | | \$ 1,117.38 |

| | |
|------------------------------------------------|---------------|
| Total Current Fees and Disbursements: | \$ 528.00 |
| Sales Tax on Fees and Disbursements (5.8125%): | 30.69 |
| Current Billing Total: | 558.69 |
| Previous Balance Due: | 1,117.38 |
| Payments: | 1,117.38 |
| Total Now Due: \$ | <u>558.69</u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

October 2, 2001
Client/Matter ID: 1051-006
Statement No. 10859

RE: 401(k) Plan

| <u>Date</u> | <u>Services through: September</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 9/4/2001 | Telephone conference with Cathy Davis regarding application of same desk rule to manager who is employed in the same job in a different location. | DRP | 0.20 |

Rate Summary

| | | |
|--------------------|----------------------------|-----------------------------|
| Danielle R. Panter | 0.20 hours at \$ 165.00/hr | \$ 33.00 |
| Total hours: | <u>0.20</u> | Total fees: \$ <u>33.00</u> |

| | |
|------------------------------------------------|----------------------|
| Total Current Fees and Disbursements: | \$ <u>33.00</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | 1.92 |
| Current Billing Total: | 34.92 |
| Previous Balance Due: | 558.69 |
| Payments: | 0.00 |
| Total Now Due: \$ | <u><u>593.61</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 888-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

November 5, 2001
Client/Matter ID: 1051-006
Statement No. 11125

RE: 401(k) Plan

| <u>Date</u> | <u>Services through: October 31.</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 10/3/2001 | Prepare response to auditors. | DRP | 0.80 |
| 10/11/2001 | Review time line faxed by Steve Mortensen; and outline issues. | DRP | 0.40 |
| 10/16/2001 | Research application of same desk rule to former employees employed by purchasers of stores. | DRP | 1.80 |
| 10/17/2001 | (1) Telephone conference with Ron Hallsten at the IRS to confirm same desk rule research; and telephone conference with Cathy Davis regarding same; and (2) Start drafting letter to Cathy summarizing research. | DRP | 1.50 |
| 10/18/2001 | Continue drafting letter regarding application of same desk rule; and email to Cathy Davis. | DRP | 3.10 |
| 10/23/2001 | (1) Prepare draft of IRS filing upon termination of plan, including IRS Forms 5310 with Schedule Q, 8717 and 2848; (2) Call CIGNA to get updated notification letter for filing; (3) Prepare list of information needed from Cathy Davis; and (4) Draft letter to Cathy listing missing information. | DRP | 4.10 |
| 10/24/2001 | Finish drafting letter regarding information needed for IRS filing; and Review 2000 Form 5500 to determine if any of the needed information is on that form. Telephone conference with Cathy Davis regarding same. | DRP | 0.90 |
| 10/26/2001 | Draft Second Amendment to the Plan updating Plan to comply with pension laws upon termination and the Community Renewal Tax Relief Act, and arrange for Steve Mortensen's signature. | DRP | 0.20 |

Rate Summary

| | | |
|--------------------|-----------------------------|--------------------------------|
| Danielle R. Panter | 12.80 hours at \$ 165.00/hr | \$ 2,112.00 |
| Total hours: | <u>12.80</u> | Total fees: \$ <u>2,112.00</u> |

Payments Received on Previous Balance

| | | |
|-----------|---------------------|-----------|
| 10/5/2001 | Payment on 10578 | 558.69 |
| | Sub-total Payments: | \$ 558.69 |

Trust Account

| | | | |
|------------|-----------------------------------|-------------------------------------------------------|------------------------|
| | | Beginning Balance: | |
| 10/9/2001 | Furr's check-deposit into trust | | \$ 593.61 |
| 10/11/2001 | Furr's check - deposit into trust | | \$ 10,000.00 |
| | | Ending Balance: | <u>10,593.61</u> |
| | | Total Current Fees and Disbursements: | <u>\$ 2,112.00</u> |
| | | Sales Tax on Fees and Disbursements (5.8125%): | 122.76 |
| | | Current Billing Total: | 2,234.76 |
| | | Previous Balance Due: | 593.61 |
| | | Payments: | 558.69 |
| | | Total Now Due: \$ | <u><u>2,269.68</u></u> |

Please indicate Client/Matter ID on all payments. Thank you!

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

FEDERAL TAX ID # 74-2850022
4155 Montgomery Boulevard, NE
Albuquerque, New Mexico 87109

(505) 868-1188

FURR'S SUPERMARKETS, INC.
MS CATHY DAVIS
4411 THE 25 WAY NE SUITE 100
ALBUQUERQUE NM 87109

December 4, 2001
Client/Matter ID: 1051-006
Statement No. 11423

RE: 401(k) Plan

| <u>Date</u> | <u>Services through: November</u> | <u>Billor</u> | <u>Hours</u> |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| 11/5/2001 | Telephone conference with Patrick Hurley regarding first step toward IRS filing for terminated plan. | DRP | 0.10 |
| 11/7/2001 | Add dates to Notice to Interested Parties, and telephone conference with Patrick Hurley regarding same. | DRP | 0.70 |
| 11/8/2001 | Leave message for Piper Olivo and review service agreement and contract to determine when to terminate CIGNA services. | DRP | 0.40 |
| 11/9/2001 | Telephone conference with Piper Olivo regarding what written notice she wants regarding termination. | DRP | 0.10 |
| 11/13/2001 | (1) Draft letter confirming termination to Piper Olivo; (2) Telephone conference with Piper and then Patrick Hurley, Jr. regarding Piper's concerns about Notice to Interested Parties, and payment for mailing letters, and forfeitures. | DRP | 1.40 |
| 11/14/2001 | Telephone conference with Patrick Hurley regarding email from Piper Olivo raising concerns about form of Notice to Interested Parties. | DRP | 0.20 |
| 11/15/2001 | Telephone conference with Patrick Hurley regarding sending Notice to Interested Parties to unions; and Receive Patrick's message regarding mailing of notice. | DRP | 0.10 |
| 11/20/2001 | Telephone conference with Patrick Hurley regarding dates for collecting information for current year. | DRP | 0.10 |
| 11/21/2001 | (1) Review information for termination IRS filing provided by Patrick Hurley; (2) Telephone conference with Patrick regarding same; (3) Telephone conference with Michelle Brown (CIGNA) regarding additional information; (4) Send email to Michelle confirming information needed. | DRP | 2.50 |
| 11/26/2001 | Receive email from CIGNA regarding earliest date they can provide requested information; calculate latest filing date; and Telephone conference with Patrick Hurley regarding same. | DRP | 1.00 |
| 11/27/2001 | (1) Read emails regarding forfeitures and plan termination notice from Nathan Boyes and compare to Plan; (2) List issues and leave message for Patrick Hurley; and (3) Telephone conference with Cathy Davis and Karen Hinkle, and then Patrick Hurley. | DRP | 2.60 |
| 11/28/2001 | Receive CIGNA list of information and discuss package and needed | DRP | 1.10 |

EXHIBIT C

| | |
|-------------------------------------------------------|----------------------|
| Total Current Fees and Disbursements: | <u>115.50</u> |
| Sales Tax on Fees and Disbursements (5.8125%): | 6.71 |
| Current Billing Total: | 122.21 |
| Previous Balance Due: | 4,556.82 |
| Payments: | 4,556.82 |
| Total Now Due: \$ | <u><u>122.21</u></u> |

Remaining Trust Balance 6,036.79

Please indicate Client/Matter ID on all payments. Thank you!