

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

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BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.

Case No. 7-01-10779 SA
Chapter 7

Debtor.

**OBJECTION TO FINAL FEE APPLICATION
OF DAVIS & PIERCE, P.C.**

Heller Financial, Inc. ("Heller"), on its on behalf and on behalf of Bank of America, N.A. and Fleet Capital Corporation, secured creditors herein, object to the Final Fee Application by Attorneys for the Unsecured Creditors' Committee, Davis & Pierce, P.C., for Allowance of Payment of Compensation for November 1, 2002 Through September 24, 2002. As grounds therefore. Heller states as follows:

1. This case was converted to a Chapter 7 proceeding on December 19, 2001. On that date, the Unsecured Creditors' Committee ceased to exist. Although Davis & Pierce, P.C. would be entitled to pursue its fee applications and obtain compensation therefore, it is not entitled to continue to represent an entity that no longer exists.

2. By Order entered July 3, 2002, Davis & Pierce, P.C., was retained as counsel for the Chapter 7 Trustee. It appears from the Final Fee Application that Davis & Pierce, P.C. is seeking compensation for representing its prior client, the Unsecured Creditors' Committee, even after being retained by the Chapter 7 Trustee.

3. On January 25, 2002, this Court ruled on the First and Second Applications for fees of Davis & Pierce, P.C. Until Davis & Pierce, P.C., filed its Final Fee Application on September 24, 2002, Davis & Pierce, P.C. did no work for which it may charge the estate other than preparation of the Final Fee Application. The Final Fee Application would legitimately

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include work representing the Unsecured Creditors' Committee from November 1, 2001 to December 19, 2001 and work regarding the prior fee applications filed by Davis & Pierce, P.C. until resolved by the Court. Davis & Pierce, P.C. is not entitled to recover from the estate for time it spent testifying in other fee applications, purported representation of co-counsel or whomever in matters, time representing itself in negotiations of the Carve-Out with the secured lenders or any other matters for which it is not attempting to be paid.

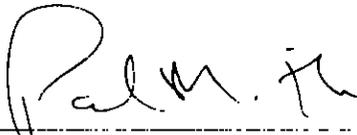
4. It appears that Davis & Pierce, P.C. is attempting to obtain an allowed claim for, for example, attending the oral ruling on the Pepper Hamilton and Deloitte-Touche Fee Applications (May 14, 2002), the preparation of the outline of the testimony of UCC Chairman J. Salvadori (January 13, 2002) and other matters related to the fee objections of co-counsel of Davis & Pierce, P.C. While the oral ruling of the Court on various fee applications delivered May 14, 2002 indicates that the testimony of Mr. Salvadori was helpful in allowing the Court to determine what really was going on with the Unsecured Creditors' Committee, it is respectfully suggested that even if the time of Davis & Pierce, P.C., was actual representation of a client or pursuing its own Fee Application, the decision of Pepper Hamilton not to seek compensation for its fees for that dispute is the better course of wisdom and the more appropriate result given the determinations of the Court.

5. To the extent that the Final Fee Application purports to allocate payments received by Davis & Pierce, P.C., in an inappropriate way which might be binding on any party, Heller objects to the manner that payments have been allocated.

WHEREFORE, Heller Financial, Inc., agent for itself, Bank of America, N.A. and Fleet Capital Corporation objects to the Fee Application filed by Davis & Pierce, P.C., and prays that

the Fcc Application be denied to the extent it represents non-compensable work as described above and to the extent that it purports to apply payments in an appropriate manner.

MODRALL, SPERLING, ROEHL, HARRIS
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WE HEREBY CERTIFY that a true
and correct copy of the fore-
going pleading was mailed this
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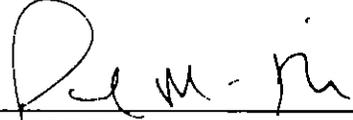
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