

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

FILED
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U.S. BANKRUPTCY COURT
ALBUQUERQUE, N.M.

In re:

FURR'S SUPERMARKETS, INC.

Case No. 7-01-10779 SA
Chapter 7

Debtor.

**MOTION TO APPROVE ORDER ON PEPPER HAMILTON, L.L.P.'S
ALLOCATION STATEMENT AND EXCLUDED FEE STATEMENTS
ENTERED PURSUANT TO ORDER ADOPTING CARVE-OUT PROCEDURES**

Heller Financial, Inc., on its on behalf and as agent for Bank of America, N.A. and Fleet Capital Corporation along with Metropolitan Life Insurance Company ("Lenders") settle with Pepper Hamilton, L.L.P. ("Pepper Hamilton") on the following terms & conditions: (i) the unpaid portion of the claim of Pepper Hamilton for inclusion in the Pre-Closing Carve-Out shall be \$350,739.22, increased from the \$332,093.52 claims (ii) the unpaid claim of Pepper Hamilton for inclusion in the Post-Closing Carve-Out shall be \$22,186.30 reduced from the \$58,685.94 claimed; and (iii) no further amount shall be included in any Carve-Out for Post-Conversion services.

In support of this Motion, Lenders state:

1. The settlement resolves issues relating to the carve-out for certain chapter 11 professionals, funded by the Lenders, which is set forth in a settlement between the Lenders and Chapter 7 Trustee that was approved by an order entered on the docket on July 26, 2002.

2. The settlement reflects a reallocation to the Pre-Closing Carve Out, from that claimed by Pepper Hamilton, so that amounts Pepper Hamilton charged and was allowed after August 31, 2002 in connection with seeking Court approval of

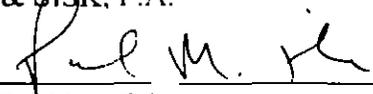
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compensation for services rendered during the Pre-Closing Carve Out Period are allocated to the Pre-Closing Carve Out.

3. The settlement is fair and equitable, and should be approved, given the uncertainty, the risks and expense of litigating the issues, and the benefits to be gained by the compromise.

WHEREFORE, Lenders request this Court to approve the Carve-Out allocations as stated above.

MODRALL, SPERLING, ROEHL, HARRIS
& STSK, P.A.

By: 

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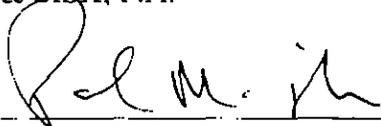
WE HEREBY CERTIFY that a true and correct copy of the foregoing pleading was mailed this 26th day of November, 2002 to the following:

I. William Cohen
Casey Coston
Pepper Hamilton, L.L.P.
100 Renaissance Center, 36th Floor
Detroit, MI 48243-1157

Robert Jacobvitz
Jacobvitz, Thuma & Walker
500 Marquette NW, Suite 650
Albuquerque, NM 87102

Office of the U.S. Trustee
P.O. Box 608
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MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 
Paul M. Fish

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