

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 7-01-10779-SA

Chapter 7

Debtor.

**NOTICE OF OBJECTION DEADLINE FOR THE TRUSTEE'S  
MOTION TO EMPLOY IRELL & MANELLA LLP. AS SPECIAL COUNSEL**

On June 16, 2003 the Chapter 7 Trustee (the "Trustee"), filed her Motion to Employ Irell & Manella LLP as Special Counsel (the "Motion"). In the Motion, the Trustee requests Court approval of the Trustee's employment of Irell & Manella LLP ("I&M") to represent the Trustee as special counsel in connection with issues arising under or relating to the Employee Retirement Income Security Act of 1974 ("ERISA") and other applicable law concerning the Furr's Supermarkets, Inc. Pension Plan (the "Furr's Pension Plan"), or otherwise relating to the Furr's Pension Plan, including but not limited to any issues involving the Pension Benefit Guaranty Corporation (the "PBGC") and the duties of the Trustee relating to a distressed plan. Copies of the Motion and I&M Disclosure can be inspected at the Office of the Clerk, United States Bankruptcy Court, Federal Building and United States Courthouse, 421 Gold Ave. SW, Third Floor, Albuquerque, N.M, or online at a link that can be found at <http://www.nmcourt.fed.us/web/BCDOCS/bcindex.html>.

The Motion recites that the Trustee learned recently that the Furr's Pension Plan will require a distress, rather than standard, termination; that PBGC has been so notified; that the PBGC has not taken over the administration of the Furr's Pension Plan; and that the Trustee requires the assistance of I&M to advise and represent her with respect to issues involving the PBGC, her responsibilities and authority with respect to the Furr's Pension Plan and related issues. The Motion further recites that the Trustee made reasonable inquiry to locate counsel in New Mexico, or regional counsel that would charge a lower hourly rate, but was unable to locate any such counsel with sufficient experience and expertise.

If its employment is approved, I&M will bill the estate at the following regular hourly rates: Thomas A. Kirschbaum, \$530.00 per hour; Zoila Villacorta, \$345 per hour; and the standard hourly rates for any other professional staff that provides service for the Trustee, which ranges from \$395 to \$550 for partners, \$195 to \$380 for associates, \$335 to \$550 for of-counsel and senior counsel, and \$40 to \$340 for legal assistants and other professional staff. It is anticipated that Thomas A. Kirschbaum and Zoila Villacorta would perform most of the work provided by I&M for the Trustee, although they may be assisted by other members of the I&R professional staff, as needed, during the course of the engagement. I&M would not use legal assistants and non-attorney professional staff in representing the Trustee unless I&M becomes actively involved in litigation on the Trustee's behalf, which the Trustee does not anticipate. I&M would not increase the hourly rates its charges the Trustee without prior approval of the Court. In addition, I&M itemizes and charges separately for costs and expenses, usually at cost, telecopy charges (\$.15 per page), and photocopying (\$.25 per page).

The Motion requests that the Court approve payment by the Trustee to I&M of a retainer in the amount of \$15,000. Such retainer would be held in a trust account. At the end the engagement, and after the payment of all of fees and costs approved by the Court, any balance in the trust account held on the Trustee's behalf would be refunded to the Trustee. The Trustee would not invade the retainer. Other terms of employment, which the Trustee asks the Court to approve, are set forth in an engagement letter attached to the I&M Disclosure. Such terms include but are not limited to an arbitration provision (which does not apply to issues relating to fees and costs).

I&M will render monthly statements to the Trustee. The Trustee seeks authority to pay I&M monthly, upon receipt of I&M's billing statements and prior to the Court's determination of the allowability of I&M's compensation, 75% of billed fees and 100% of billed costs. All amounts paid by the Trustee to I&M would be subject to ultimate approval of the Bankruptcy Court under Bankruptcy Code §§ 328, 330 and 331. The Trustee also requests that I&M's employment be made effective as of the date of filing of the Motion (June 16, 2003).

Any party who objects to the Motion must file its objections 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 (20) days after the date of mailing of this notice, plus 3 days for service of this notice by mail, or on or before **July 10, 2003**, and serve a copy of the objection on Robert H. Jacobvitz (address given below) and the Office of the United States Trustee, P.O. Box 608, Albuquerque, N.M. 87103. If any objections are timely filed, a hearing will be held on notice only to the Trustee, I&M, and objecting parties. If no objections are timely filed, an order granting the Motion will be presented for entry without a hearing or further notice.

JACOBVITZ, THUMA & WALKER, P.C.

Date of Mailing: June 17, 2003

By: /s filed electronically  
Robert H. Jacobvitz  
500 Marquette N.W., Suite 650  
Albuquerque, N.M. 87102  
(505) 766-9272  
Attorneys for the Trustee

I hereby certify that on June 17, 2003, a copy of the foregoing Notice was mailed by first class United States mail, postage prepaid, to all persons listed on the exhibit attached to the original of this Notice that will be filed with the Clerk of the Bankruptcy Court.

/s filed electronically  
Robert H. Jacobvitz