

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

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

In Re:

FURR'S SUPERMARKETS, INC.

Chapter 11  
Case No. 01-10779-SA

Debtor.

**SECOND SUPPLEMENTAL AFFIDAVIT OF STUART E. HERTZBERG OF  
PEPPER HAMILTON LLP, COUNSEL TO THE OFFICIAL UNSECURED  
CREDITORS' COMMITTEE, PURSUANT TO F.R.B.P. 2014**

STATE OF MICHIGAN     )  
                                  )SS:  
COUNTY OF WAYNE     )

STUART E.HERTZBERG, being duly sworn, deposes and says:

1.     This Second Supplemental Affidavit is being submitted to supplement my two previous affidavits, the first filed on February 20, 2001 in support of Application of the Chairperson of the Official Unsecured Creditors' Committee for an Order Pursuant to 11 USC §327(a) Authorizing the Retention and Employment of Pepper Hamilton LLP ("Pepper Hamilton" or "Firm") as Counsel to the Committee (the "Application"), and the second being filed on April 10, 2001 (collectively, the "Affidavits"). The Order Approving the Application to Employ Pepper Hamilton was entered on April 17, 2001.

2.     As set forth in the Affidavits previously filed with this Court, Pepper Hamilton disclosed its representation of certain parties in interest on unrelated matters. As part of its continuing disclosure obligations, Pepper Hamilton will continue to supplement this Affidavit if and when necessary, to disclose any further pertinent relationships that require disclosure in these proceedings.

3.     I am a partner in the law firm of Pepper Hamilton LLP.

4.     Except as disclosed in the Affidavits previously filed with this Court, and further supplemented by the disclosures as set forth in ¶ 5 *infra*, to the best of my knowledge, the Firm has no

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connection with the Debtors, any other party in interest, their respective attorneys or accountants, the United States Trustee, or any person employed in the office of the United States Trustee.

5. The Wilmington, Delaware office of the Firm was recently retained by Heller Financial, Inc. (“Heller”), one of the secured lenders providing Debtor-in-Possession financing, in a matter wholly unrelated to this case.

6. Pepper Hamilton will continue to recognize and abide by the “ethical wall” as defined in the April 17 Order authorizing the Retention of Pepper Hamilton, except as the Order may be revised pursuant to later order of the Court, with the resultant effect that any professionals at Pepper Hamilton handling matters for the Pepper Clients<sup>1</sup>, including Heller, will not participate in matters pertaining to, or otherwise have any access to files and records relating to Furr’s Supermarkets, Inc. Conversely, the bankruptcy attorneys at Pepper Hamilton working on the Furr’s Supermarkets, Inc., case will not participate in matters pertaining to, or otherwise have any access to files and records relating to the Pepper Clients, except as previously or subsequently authorized by the Court, with the exception of Pepper Hamilton bankruptcy attorney P. Casey Coston (who has been assigned to review all pleadings and other mail received by Pepper Hamilton in connection with the case and to route same).

7. The Committee has also agreed to waive any conflicts that may arise in connection with the Firm’s representation.

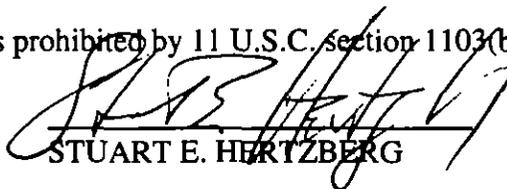
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<sup>1</sup>“Pepper Clients,” as defined in the First Supplemental Affidavit, included Bank of America and Fleet Capital Corporation. As set forth in this Affidavit and defined herein, “Pepper Clients” shall include the aforementioned two entities, as well as Heller Financial, Inc.

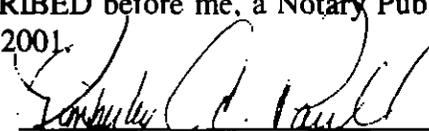
8. In addition to the ethical wall described above, and in accordance with the April 17 Order, the Firm has agreed to have all matters in this case relating to the Pepper Clients handled by William Davis, the Committee's local counsel, except as previously or subsequently authorized by the Court.

9. The Firm will continue to further supplement this Affidavit if and when necessary, to disclose any further pertinent relationships that require disclosure in these proceedings.

10. Based on the foregoing, I believe that the Firm is a "disinterested person" within the meaning of 11 U.S.C. sections 101(14) and 327, and does not represent any entity having an adverse interest in connection with the case as prohibited by 11 U.S.C. section 1103(b).

  
STUART E. HERTZBERG

SWORN TO AND SUBSCRIBED before me, a Notary Public for the State and County aforesaid on this 13th day of June, 2001.

  
Notary Public  
My Commission Expires: 04/21/2003  
KIMBERLEY A. PAULL  
Notary Public, Oakland County, MI  
Acting in Wayne County  
My Commission Expires April 21, 2003

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