

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.
Tax I.D. No. 22-3137244

Case No. 11-01-10779 SA

Debtor.

**UNITED STATES TRUSTEE'S' AMENDED OBJECTION TO
APPLICATION FOR EMPLOYMENT OF
DELOITTE CONSULTING L.P. AND DELOITTE & TOUCHE LLP**

The United States Trustee for the District of New Mexico hereby objects to the application for employment of Deloitte Consulting L.P. and Deloitte & Touche LLP (Application), and as her reasons therefore states the following:

1. The Application and the supporting affidavits indicate that Metropolitan Life Insurance Company (MetLife) and Fleming Companies Inc.(Fleming) are “significant clients” of Deloitte Consulting L.P. and Deloitte & Touche LLP (hereafter collectively referred to as Deloitte). Further disclosure should be made, at least as to the percentage of revenues which Deloitte receive from these entities.

2. The Application discloses that both Bank of America and Fleet Bank (Fleet) provide financing to Deloitte, its individual partners or principals. It is further disclosed that Bank of America is a “significant lender” to Deloitte.

3. The Application discloses further connections with professionals, equity holders in the debtor, and creditors.

4. The above reference connections constitute adverse interests pursuant to 11 U.S.C. § 1103 (b). Further, while the Application states that Deloitte will report any other

connections which are discovered, the Application is silent as to whether Deloitte will conduct periodic reviews to find any such connections.

5. The Application fails to disclose the names of individuals who are proposed to perform services on behalf of Deloitte, together with the proposed hourly rates. Neither does the Application disclose whether Deloitte personnel to be assigned to the case have equity interests in interested parties, particularly secured creditors.

6. The Application indicates that Deloitte will not provide expert testimony in any adversary proceeding brought by the UCC against MetLife, Fleming, or Windward Capital Partners. Aside from being a tacit admission of an adverse interest, the inability to testify as an expert may require the duplication of services by another professional and thereby result in excessive administrative expenses.

7. The hourly rates set forth in the Application appear to be excessive.

8. To the extent that the procedure for payment of interim fees to Deloitte set forth in the Application may waive the right of the Debtor to object to fee applications, objection is made thereto.

9. The Application requests employment, in part, pursuant to 11 U.S.C. § 328. To the extent that this may be a request to obtain compensation other than pursuant to the requirements of 11 U.S.C. §§ 330 & 331, objection is made thereto.

10. Exhibit A attached to the Applications lists “current or former clients of Deloitte.” Deloitte should specify which of the listed entities are current clients.

Respectfully submitted,

BRENDA MOODY WHINERY
United States Trustee

Filed electronically 4/6/01

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The undersigned certifies that a true and accurate copy of the foregoing was mailed to the below listed counsel this 6th day of April, 2001.

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