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APR 19 2001

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

United States Bankruptcy Court
Albuquerque, New Mexico

In re

Case No. 11-01-10779-SA

Chapter 11

FURR'S SUPERMARKETS, INC.,

Debtor.

DECLARATION OF STEVEN L. MORTENSEN
IN SUPPORT APPLICATION TO RETAIN
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
AND ITS AFFILIATED LAW PRACTICE ENTITIES

Steven L. Mortensen states that the following is true to the best of
his knowledge, information and belief:

1. I am the President of Furr's Supermarkets, Inc. (the "Debtor"), a corporation organized under the laws of the state of Delaware.
2. The company's executive offices are located at 4411 The 25 Way N.E., Ste. 100, Albuquerque, New Mexico 87109.
3. I have been with the Debtor since January 2000, and have intimate knowledge of all aspects of the Debtor's business and its restructuring efforts.

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4. I submit this Declaration in support of the Debtor's application to retain Skadden, Arps, Slate, Meagher & Flom LLP and its affiliated law practices ("Skadden, Arps") as general bankruptcy counsel in this chapter 11 case.

5. Except as otherwise indicated, all facts in this Declaration are based upon my personal knowledge, my review of relevant documents, or my opinion, based upon my experience and knowledge of the Debtor's operations and financial condition. If I were called upon to testify, I could and would testify competently to the facts herein. I am authorized to submit this Declaration.

6. Pre-Petition Payments to Skadden, Arps. Skadden, Arps represented the Debtor in connection with the December 2000 closing on the company's new bank line. On December 29, 2000, Skadden, Arps invoiced the Debtor for work done in connection with this transaction. The Debtor paid \$100,000 of this invoice in early January.

7. As the Debtor's financial problems became more apparent in late January and early February, the Debtor asked Skadden, Arps to represent it in preparing for a Chapter 11 filing. Skadden, Arps requested a retainer of \$120,000 for this engagement. On February 2, 2001, the Debtor wired \$250,000 to Skadden, Arps, which reflected a combined payment of both the remainder of the December 29 invoice and the Chapter 11 preparation retainer.

8. Retention of Skadden, Arps. Skadden, Arps has been the Debtor's general counsel for more than five years. The Debtor has selected the firm of Skadden, Arps, as its attorneys in this chapter 11 case because of the firm's experience with and knowledge of the Debtor and its businesses, as well as its experience and knowledge in the field of debtors' and creditors' rights and in large and complex business reorganizations under chapter 11 of the Bankruptcy Code.

9. Because Skadden, Arps is familiar with the Debtor's business and legal affairs, if Skadden, Arps were unable to represent the Debtor in this case, the cost to the Debtor's estate in lost time and effort would be substantial.

10. When the Debtor suddenly faced the need to seek chapter 11 protection in early February, several Skadden, Arps attorneys came to New Mexico, and spent the weekend meeting with the company's officers and preparing the papers and motions needed to file the Debtor's case. At the same time, another team of Skadden, Arps attorneys in New York negotiated the terms of the Debtor's post-petition credit facility. I am personally aware that the attorneys in both groups worked into the early morning hours for several days to complete their respective tasks.

11. Shortly before filing its chapter 11 case, the Debtor had determined that it would soon be unable to obtain supplies of staple products. Without Skadden, Arps' resources and its ability to devote several attorneys on a

full-time basis to meet the Debtor's needs, it is my belief that the Debtor would not have been prepared to file its case before its business collapsed. I similarly do not believe that new counsel could have been retained and educated with respect to the Debtor's business in time to save the business as a going concern.

12. The Debtor's pre-and post-petition lenders include several large, sophisticated international banks and financial institutions. Each lender is represented by large, national law firms. The Debtor requires the assistance of a comparable firm, like Skadden, Arps, to participate in negotiations with these lenders on an equal footing.

13. Similarly, given the size of the Debtor's operations, the complex nature of the company's business and financial structure, and the need to dramatically and rapidly alter the Debtor's existing operations, it is my belief that a national firm like Skadden, Arps will be both necessary and appropriate if the Debtor is to successfully restructure. In the coming months the Debtor will need a firm like Skadden, Arps to handle the complex corporate, labor, transactional, tax, and bankruptcy matters that will likely arise in connection with the formulation of the Debtor's reorganization plan.

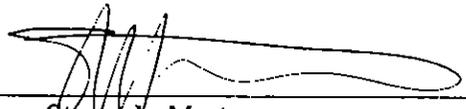
14. I am also convinced that the Debtor will need the resources of a large firm like Skadden, Arps to function in these proceedings, especially in light of the difficult relations with the Official Committee of Unsecured Creditors, which

has objected to most motions filed by the Debtor and which has expressed substantial disagreement with respect to many business operations matters. I believe that few, if any, law firms in the southwestern United States could provide the Debtor with all of these services, and few, if any, law firms in the region have the same degree of experience with large business reorganizations under chapter 11 of the Bankruptcy Code.

15. The Debtor has retained Jacobvitz Thuma & Walker ("JTW") as New Mexico co-counsel, and has used JTW's services on many matters. The Debtor has taken steps to ensure that professional costs are reduced by an efficient distribution of work among counsel. To the best of my knowledge and belief, however, the Debtor has substantially leveraged JTW's availability, and that firm would not be able to simultaneously handle the many legal matters that will likely arise in the coming months. Accordingly, the services provided by Skadden, Arps will be vital to the Debtor's efforts to prosecute this case within the time frame contemplated by the parties and the Court.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 8th day of April, 2001, at Albuquerque, New Mexico.



Steven L. Mortensen