UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

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U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC.,
a Delaware corporation,

Case No. 7-01-10779 SA
Chapter 7

Debtor.

ATTORNEY DISCLOSURE OF DAVIS & PIERCE, P.C.
PURSUANT TO BANKRUPTCY RULES 2014 AND 2016

Davis & Pierce, P.C., a Professional Corporation ("D&P"), hereby states, in connection with the motion of Yvette Gonzales, the interim chapter 7 trustee (the "Trustee") to employ D&P as her counsel in or in connection this bankruptcy case and on such other matters as the Trustee may request of D&P and D&P may agree to perform:

1. The undersigned is a shareholder, director in the law firm of Davis & Pierce, P.C., and is employed by D&P as an attorney. The undersigned is admitted to the bar in the State of New Mexico and to practice before this Court.

2. To the best of the undersigned's knowledge, information and belief, after making reasonable inquiry, D&P has no connection with Furr's Supermarkets, Inc. (the "Debtor" or "Furr's"), or any other party in interest in this case, or their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, except as follows:

(a) Employees of D&P, including attorneys, have professional relationships with other counsel and professionals representing one or more parties in interest in the case, and with persons employed in the office of the United States Trustee. Further, employees of D&P, including attorneys, may have social relationships with other counsel and professionals representing one or more parties in interest in the case; and

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(b) D&P and its employees may subscribe to telephone and other utility services from vendors who furnish such services to Debtor, and may purchase products or services from, or that are manufactured or distributed by, trade vendors of the Debtor who have claims in the case; and

(c) D&P may represent clients who are adverse to creditors of Debtor, or who are parties in interest in cases in which creditors of Debtor also are parties in interest, in matters wholly unrelated to the Debtor's bankruptcy case; and

(d) D&P does not represent any creditors or equity security holders of Debtor in any matters related to Furr's or to this bankruptcy case; and

(e) D&P represents Safeway, Inc. ("Safeway") as local counsel in an adversary proceeding filed against Furr's Supermarkets, Inc. on October 12, 2001 in Adversary Case No. 01-01214-S. D&P will withdraw as local counsel from representation in this matter. D&P will not advise or otherwise represent the Trustee, as bankruptcy counsel or otherwise, with respect to any issues involving Safeway, Inc. The Trustee will engage separate counsel to represent and advise her with respect to such matters; and

(f) D&P represented the Office Committee of Unsecured Creditors in the Chapter 11 Case, and has an unpaid claim in excess of $150,000.00 for attorneys fees incurred while representing the UCC. In addition, D&P asserts it is entitled to payment of such unpaid fees from a professional carve-out set forth in DIP financing orders. As of the date of this Disclosure, a application to approve such fees is on notice to creditors. Approval of D&P's fees incurred in the chapter 11 case after October 30, 2001 has not been sought or obtained; and

(g) D&P currently represents a small farming and vineyard client named New Mexico Vineyards, Inc. which sells green chile to Mr. Jerry Zackek of Villa Red New Mexico Chile, Inc. He in turn, sells the chile to El Encanto, Inc. d/b/a Bueno Foods, who then sells the chile to

Debtor. El Encanto, Inc. was a member of the UCC. Attorneys believe this does not form the basis of any conflict, or potential conflict of interest in this matter. Prior to the formation of the UCC, Attorneys represented Kraft Foods and Nestle, USA at the hearing on the First Day Orders in the Chapter 11 proceeding; and

(h) Additionally, the Firm and its members and associates do not hold or represent or have any connection with the United States Trustee or any person employed in the office of the United States Trustee, except that Chris W. Pierce was previously hired by the Office of the United States Trustee as an expert witness in an unrelated matter. Mr. Pierce's involvement in this unrelated matter concluded several months ago; and

(i) D&P represents a different Chapter 7 Trustee, Michael J. Caplan, in Espinosa Cartage Company, Inc., a defunct common carrier. Espinosa Cartage is a Chapter 7 debtor in a pending case before Judge McFeeley in the District of New Mexico. Espinosa Cartage is listed as a creditor of Furr's. D&P's representation of the Chapter 7 Trustee is limited to representation in an adversary proceeding that was unrelated to any claim Espinosa may have against Furr's.

3. The arrangement for compensating D&P, if the Court approves Debtor's employment of D&P, is described in the Retainer Agreement attached hereto as Exhibit "A".

4 D&P has not shared or agreed to share with any other person or entity, other than with members or regular associates or employees of D&P, or any persons retained by D&P on a contract basis to perform legal work who may be paid by D&P on an hourly basis, any compensation paid or to be paid by Debtor in or in connection with this bankruptcy case.

Respectfully submitted,

DAVIS & PIERCE, P.C.

William F. Davis, Esq.
Attorneys for Chapter 7 Trustee
PO Box 6
Albuquerque, NM 87103
(505) 243-6129 - Phone
(505) 247-3185 - Fax

This certifies that a copy
of the foregoing document
was served by mail on
this 21st day of December, 2001:

United States Trustee
P.O. Box 608
Albuquerque, NM 87103

William F. Davis, Esq.