

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

FILED
AUG 13 PM 1:52
BANKRUPTCY COURT
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 11-01-10779-SA
Chapter 11

Debtor.

**DISCLOSURE OF MORNEAU SOBECO PURSUANT TO BANKRUPTCY RULES
2014 AND 2016**

Morneau Sobeco hereby states, in connection with the motion of the Debtor and Debtor in Possession, Furr's Supermarket's, Inc. ("Furr's"), to employ Morneau Sobeco to render professional services to Furr's in connection with Furr's employee benefits plans and on such other matters as Furr's may request of Morneau Sobeco and Morneau Sobeco may agree to perform:

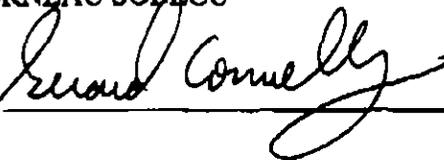
1. The undersigned is an officer of Morneau Sobeco.
2. To the best of the undersigned's knowledge, information and belief, after making reasonable inquiry, Morneau Sobeco has no connection with Furr's, Furr's creditors or any other party in interest in this case, or their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, except that Morneau Sobeco may render professional services to clients who are or may be adverse to Furr's, which services are wholly unrelated to Furr's or to this bankruptcy case.
3. The arrangement for compensating the Morneau Sobeco, if the Court approves Debtor's employment of Morneau Sobeco, is described in the Engagement Letter attached hereto as Exhibit A.



4. Morneau Sobeco has received no transfer, assignment or pledge of property for post-petition services.

5. Morneau Sobeco has not shared or agreed to share with any other person or entity, other than with members or regular associates or employees of Morneau Sobeco, any compensation paid or to be paid by Debtor in or in connection with this bankruptcy case.

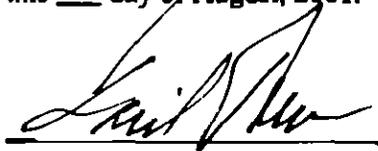
MORNEAU SOBECU

By: 

This certifies that a copy of the foregoing document was served by mail on:

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

this 13th day of August, 2001.





EMPLOYEE BENEFIT CONSULTANTS
Offices: Calgary • Fredericton • Halifax • Harrisburgh • London • Montreal • Newburgh • Québec • St. John's • Toronto • Vancouver • Washington

Morneau Sobeco, Ltd.
2000 Technology Drive
Suite 325
Pittsburgh, PA 15219-3109
tel: (412) 697-3236
fax: (412) 621-9685
www.morneausobeco.com

August 3, 2001

CONFIDENTIAL

Ms. Lana Robinson
Benefits Manager
Furr's Supermarkets, Inc.
4411 The 25 Way
Albuquerque, NM 87109

Dear Lana:

Pursuant to our conversation with Terry Wallock, General Counsel for Furr's Supermarkets, Inc, this letter will outline the consulting services requested by Furr's Supermarkets Inc., and provide you with our fee structure.

Our understanding of the situation at Furr's is that Furr's Supermarkets, Inc. is currently operating under Chapter 11 bankruptcy code. Therefore, we are requiring written approval be provided from the Bankruptcy Court and requesting that our fees be paid in advance. Enclosed is an invoice that provides for 15 hours of Benefits Consulting.

Benefits Consulting

Our fee for consulting services would be an hourly rate of \$180.00. We estimate that 15 hours of consulting would be appropriate. Services would include the following:

Assisting Furr's in determining the most efficient way to provide for existing claims and run out claims that will be incurred on or before 8/31/01. This will involve a review of outstanding or unprocessed claims reports, pending claims, UR records, etc.

We will review your current Stop Loss Policy with Gerber Life Insurance Company and determine what protection may be available under the terms of the policy, after the termination of the Plan.

We will make a recommendation as to what the best course of action would be for Furr's to provide a mechanism for funding run out claims. (e.g. determine maximum claims liability and establish a trust)

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EXHIBIT

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August 3, 2001

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Lana Robinson

Marketing -

We will explore fully insured medical options for a small group of employees that will be remaining with Furr's for a period of several months. Additionally, we will look for a carrier that would offer reasonably priced health coverage in the individual market for former Furr's Supermarkets employees that will not be eligible for COBRA, due to the termination of the Health Plan.

Our fee for Marketing is based on commission generated from insurance carriers and will not be billed at separate hourly rate.

I hope this information is sufficient for your needs. Please contact me if you have any questions or concerns.

Kind Regards,



Carol L. Hadlock
Consultant

Enclosure

Sent By: FURR'S SUPERMARKETS, INC

505 944 2671;

Aug-8- 14:15;

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EMPLOYER BENEFIT CONSULTANTS
Office Calgary - Edmonton - Halifax - Montreal - London - Montreal - Pittsburgh - Quebec - St. John's
- Toronto - Vancouver - Washington
Morneau Sobeco, Ltd.
P.O. Box 12597
Alameda, WA 21330
tel. (800) 330-7691
fax: (800) 330-9913

Date: August 3, 2001

Invoice Number: Furr101

Due Date: Immediately

Furr's Supermarkets, Inc.
4411 The 25 Way
Albuquerque, NM 87109

INVOICE

Benefits Consulting Services to be performed by Morneau Sobeco, LTD

15 hours @ \$180.00	\$2700.00
Total Due:	\$2700.00

Please make check payable to:

Morneau Sobeco
2000 Technology Drive, Suite 325
Pittsburgh, PA 15219