

**United States Bankruptcy Court
District of New Mexico**

**Second Floor, Federal Building and United States Courthouse
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Albuquerque, New Mexico 87102**

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**JAMES S. STARZYNSKI
Chief Bankruptcy Judge**

April 26, 2001

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Re: In re Furr's Supermarkets, Inc., No. 11-01-10779 SA
Decision concerning employment applications of Skadden, Arps, Slate, Meagher & Flom, and
PricewaterhouseCoopers

Dear Counsel:

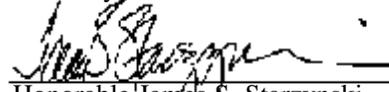
After reviewing again the exhibits and filings submitted by all parties, together with the notes that my staff attorney and I took at the final hearing on these applications, and reviewing the results of additional legal research, I have determined to conditionally grant each of the employment applications, as follows:

With respect to the Skadden, Arps application, I will allow the estate to employ that law firm subject to the firm (a) being prepared to credit to the estate, on a post-petition basis, \$130,000.00, (2) erecting, for prophylaxis, an "ethical wall" between this matter and the matters being handled by Helene Caplan and those working with her on Met Life matters; and (c) charging its "unbundled" hourly rates and not seeking reimbursement for overtime meals, transportation allowance (for late work), secretarial overtime, word processing or secretarial word processing services, proofreading, and record clerks and other miscellaneous support, such as file clerks, consistent with the existing rules in this district. Further as to rates, at the time of any fee applications, the Court will also look to how the rates match up with Appendix 4, attached to the Second Supplemental Declaration...., since Skadden specifically submitted the appendix in support of its employment, although the rates being approved for the lodestar calculation are the higher ones.

With respect to the PricewaterhouseCoopers application, I will allow the estate to employ that financial consulting firm, subject to the rates being reduced to the levels sought by the firm in the Edwards Theaters cases in the Central District of California (UST Exhibit 14, summarized in UST Exhibit 21).

I will as soon as reasonably possible enter a written memorandum constituting findings of fact, conclusions of law and my analysis for the decision, together with a form of order reflecting this ruling. The reason for sending this letter beforehand, of course, is to let the parties know as soon as possible what the Court's decision is, so that parties can make decisions and plan accordingly.

Sincerely,



Honorable James S. Starzynski
United States Bankruptcy Judge