

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

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In re:

FURRS SUPERMARKETS, INC.,

Debtor.

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U.S. BANKRUPTCY COURT  
ALBUQUERQUE, N.M.

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

**DEBTOR'S MOTION TO EMPLOY AKIN, GUMP, STRAUSS,  
HAUER & FELD, L.L.P. AS SPECIAL COUNSEL FOR THE DEBTOR**

The Debtor and Debtor in Possession, Furrs Supermarkets, Inc. (the "Debtor"), pursuant to 11 U.S.C. § 327(e), requests that the Court approve its employment of Akin, Gump, Strauss, Hauer & Feld, L.L.P. ("Akin, Gump") to represent Debtor in all labor and employment matters as Debtor may request, subject to paragraph 2 below. Debtor further requests that the Court approve its employment of Akin, Gump to represent certain of Debtor's employees who were named as co-defendants of the Debtor in labor and employment matters as Debtor may request of Akin, Gump and Akin, Gump may agree to perform.

In support of this Motion (the "Motion"), Debtor states:

1. On February 8, 2001 (the "Petition Date"), Debtor commenced this bankruptcy case by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Pursuant to Bankruptcy Code §§1107(a) and 1108, Debtor has retained possession of its assets, as Debtor in Possession, and is continuing to operate its business.

2. Debtor wishes to employ Akin, Gump as special counsel for Debtor, in all matters in which Debtor requires labor and employment counsel, except Akin, Gump will not advise or otherwise represent Furrs, as labor and employment counsel or otherwise, with respect to any issues specifically relating to any creditors of Furrs that Akin, Gump represents in any matters wholly unrelated to Furrs or this bankruptcy case (with respect to which Debtor's separate

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counsel will represent and advise Debtor). Akin, Gump is qualified to represent Debtor as debtor in possession in this case. Akin, Gump has represented in its disclosure filed pursuant to Bankruptcy Rules 2014 and 2016 that except for its representation of clients in matters wholly unrelated to Furrs or this bankruptcy case and its own unsecured claim, to Akin, Gump's knowledge it does not have any interests that are materially adverse to Furrs. Obviously, Akin Gump has represented the Debtor against some of these creditors and will continue to do so.

3. In representing Furrs, Akin, Gump, Strauss, Hauer & Feld, L.L.P. has also been asked or may be asked to represent certain of Furrs co-defendants, including employees of Furrs, in litigation where Furrs interests are not materially adverse to those co-defendants. Akin, Gump, Strauss, Hauer & Feld, L.L.P. will continue to represent such co-defendants as part of this engagement by Furrs. In the absence of this continued representation, Furrs may make itself vulnerable to indemnity or vicarious liability claims, and may lose managers and other employees, causing a disruption of operations and additional claims against Furrs.

4. In general, the professional services Akin, Gump may render on behalf of the Debtor include (but are not limited to):

(a) Representing and rendering legal advice to Debtor regarding all aspects of labor and employment law including, without limitation: the continued operation of Debtor's business, defense of Debtor and Debtor's employees in labor and employment related counseling, negotiation, and litigation;

(b) Preparing on behalf of Debtor necessary petitions, answers, motions, applications, orders, reports and other legal papers;

(c) Assisting Debtor in taking actions required to comply with various federal and state employment laws and regulations;

(d) Performing legal services necessary or appropriate for Debtor's continued operation of its business; and

(e) Performing any other legal services for Debtor as Debtor deems appropriate and Akin, Gump agrees to perform in the labor and employment area, including administration of collective bargaining agreements, representation in related grievance and arbitration proceedings;

(f) Representing co-defendants that do not have materially adverse interests.

5. A copy of Akin, Gump's engagement letter with the Debtor, dated March 12, 2001 ("Engagement Letter"), is attached hereto as Exhibit A and incorporated herein by reference. Moreover, Akin, Gump, Strauss, Hauer & Feld, L.L.P. seeks a determination that the rates described in the Engagements Letter are reasonable and appropriate and meet with this Court's approval for all purposes of Akin, Gump, Strauss, Hauer & Feld, L.L.P.'s purposed representation of Furrs.

6. To the best of Debtor's knowledge, information and belief, employment of Akin, Gump would be in the best interest of the estate, and Akin, Gump has no interest that is, for the matters that are subject of Akin, Gump's employment, adverse to the Debtor, its creditors, or any other party in interest or their respective attorneys, other than any interests set forth in Akin, Gump's statement pursuant to Bankruptcy Rules 2014 and 2016 (the "Akin, Gump Disclosure") filed concurrently with this Motion.

7. The fees, costs and gross receipts tax that Akin, Gump will charge Debtor are set forth in the Engagement Letter.

8. Akin, Gump requests that the Debtor be authorized to make interim payments to Akin, Gump on a monthly basis upon receipt of Akin, Gump's billing statements and prior to

the Court's determination of the allowability of Akin, Gump's compensation under the same terms as set forth in the Motion for Order Authorizing Payment of Interim Compensation and Reimbursement of Expenses of Debtor's Professionals.

9. Akin, Gump's employment is in the best interest of the estate and should be made effective as of the Petition Date.

WHEREFORE Debtor requests approval of the Court to employ Akin, Gump as its counsel pursuant to 11 U.S.C. § 327(e) under the terms of the Engagement Letter and this Motion, effective as of the Petition Date; and to make interim payments to Akin, Gump prior to allowance of compensation, as described above.

APPROVED BY DEBTOR:

FURRS SUPERMARKETS, INC.

By: \_\_\_\_\_

*Delwyn Jones (by  
David T. Thuman)*

AKIN, GUMP, STRAUSS, HAUER &  
FELD, L.L.P.

By: \_\_\_\_\_

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ATTORNEYS FOR THE DEBTOR  
AND DEBTOR IN POSSESSION

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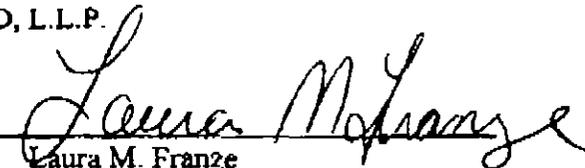
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