

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW MEXICO

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U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

IN RE:

FURR'S SUPERMARKETS, INC.
Debtor.

No. 11-01-10779 SA

**OBJECTION TO MOTION TO EMPLOY TOWERS PERRIN AS PENSION
PLAN CONSULTANTS FOR THE DEBTOR**

COMES NOW the United States Trustee for the District of New Mexico and pursuant to 28 U.S.C. §586(a)(3)(A) hereby objects to the employment application, on the following grounds:

1. It is not clear when the employment of Towers Perrin will be effective. The engagement letter is dated August 8, 2001. The effective date should be the date the employment application was filed or October 10, 2001, unless it can be demonstrated that extraordinary circumstances existed, as required by the Tenth Circuit in In re Land, 943 F.2d 1265 (10th Cir. 1991).
2. There are a number of items regarding time and expense charges which need further clarification. 1) It's not clear whether the hourly time charges will be set out in billing statements consistent with the guidelines of the United States Trustee. 2) More clarification is needed with regard to the exact nature of data processing and intellectual capital charges. 3) It is unclear what the indirect expense fee of 6½% is and how it will be used to offset non-itemized expenses.
3. In terms of invoicing and payment, it appears Tower Perrin will bill for 100% of all fees monthly. It may be more appropriate to receive only 75% of fees and 100% of expenses as has been the standard in this jurisdiction.

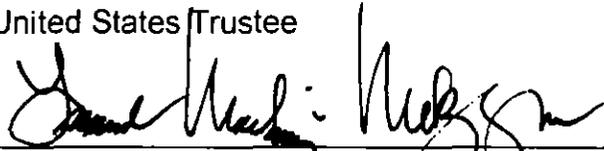
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4. Towers Perrin should not be allowed to charge interest or late charges on outstanding bills.

Wherefore, the U.S. Trustee objects to the employment application until all these matters are resolved.

Respectfully submitted,

BRENDA MOODY-WHINERY
United States Trustee



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I HEREBY CERTIFY that a true copy of the foregoing has been mailed to the following counsel on this 31st day of October 2001.



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