

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

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U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC.,

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

Debtor.

**OBJECTION TO DELOITTE & TOUCHE LLP'S FIRST INTERIM FEE
APPLICATION**

Furr's Supermarkets, Inc., debtor in possession ("Furr's"), objects to the First Interim Application of Deloitte & Touche, LLP, Accountants for the Unsecured Creditors' Committee (the "Fee Application"), and states:

1. Furr's objects to the Fee Application to the extent it seeks reimbursement for fees incurred from February 8, 2001 until March 14, 2001, the date the Creditors' Committee (the "Committee") filed an application to employ Deloitte & Touche.
2. Furr's objects to the Fee Application because it appears that Deloitte & Touche accountants duplicated work, i.e., there are many intra-office meetings, conferences, and multiple professionals attending the same client and other meetings. Furr's objects to the extent of the unnecessary duplication.
3. Furr's objects to the Fee Application because it appears Deloitte & Touche continued to perform a substantial amount of work after it became apparent that there would be little or no money available for a dividend to unsecured creditors, to the extent such work was unnecessary and/or the amount sought is not reasonable.
4. Furr's objects to the Fee Application because the amount should be reduced

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given the degree of benefit to the estate from the \$1,065,205.97 charged to the estate. The Debtor believes that the estate received little value for the services performed by Deloitte & Touche.

5. Furr's objects to the Fee Application to the extent it seeks approval of \$412,909.25 in fees charged for "Valuation." This charge appears clearly excessive, and the work done was of little benefit to the estate.

6. Deloitte & Touche professionals spent approximately 3,300 hours on this case in approximately 6 months, or 550 hours per month. That is equivalent to three professionals working full time on the case. That is unreasonable given what should have been the limited role of the Committee's accountants in this case.

7. Furr's objects to the expenses of nearly \$40,000, most of which is for travel, as unreasonable and unnecessary. Brian Convery took 13 trips in six months. Six Deloitte & Touche professionals traveled during the period. The Committee and Deloitte & Touche should have arranged matters so that Deloitte & Touche professionals did not travel as much they did.

8. Furr's objects to the Fee Application to the extent it seeks allowance for two or more billing professionals to attend Committee meetings and court hearings, to the extent such expenses are unnecessary and unreasonable.

9. Deloitte Touche's fees also should be considered in relation to the total fees and expenses charged by the Committee and its professionals in this case. The Debtor is informed and believes that the Committee and its professionals are seeking allowance of the following fees and expenses:

Committee Expenses	\$35,648.09
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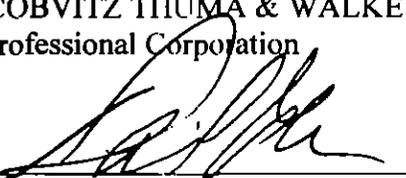
Chanin & Associates	\$300,000
Deloitte & Touche	\$1,065,205.97
Pepper Hamilton	\$740,563.03
David & Pierce	<u>\$165,000</u>
Total	\$2,306,417.09

Furr's objects that this overall amount is too high, and the amount of compensation to be allowed to Deloitte & Touche should be determined in connection with allowance of compensation to the other Committee professionals, so the overall amount is reasonable.

10. Furr's objects to the Fee Application because the number of Deloitte & Touche billing professionals who worked on the Furr's case (20) is unreasonable. The use of 20 billing professionals is unnecessary and unreasonable in this case, and caused the amount billed to be too high.

WHEREFORE, Furr's prays that the Application be denied to the extent set forth above, and for all other just and proper relief.

JACOBVITZ THUMA & WALKER
A Professional Corporation

By: 

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The undersigned hereby certifies that a
copy of the foregoing was mailed to:

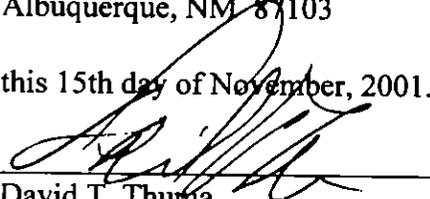
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this 15th day of November, 2001.



David T. Thurma