

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW MEXICO

RECEIVED  
DISTRICT COURT  
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC.  
Tax I.D. No. 22-3137244

Case No. 11-01-10779 SA

Debtor.

**UNITED STATES TRUSTEE'S OBJECTION TO  
MOTION TO EMPLOY MOUNCE, GREEN, MYERS, SAFI & GALATZAN**

The United States Trustee for the District of New Mexico hereby objects to the Motion to employ Mounce, Green, Myers, Safi & Galatzan (Motion), and as her reasons therefore states the following.

1. The Disclosure pursuant to Bankruptcy Rule 2014 and 2016 very generally states that Mounce "may render professional services to clients who are or maybe adverse to Furr's, which services are wholly unrelated..." *Mounce should disclose at least any connections with major parties in interest such as the main equity holders, primary secured lenders, and 20 largest unsecured creditors.*
2. The engagement letter provides that Mounce may adjust its hourly rates on January 1, apparently, without court approval..
3. The engagement letter at paragraph 4 requires that billings be paid promptly and in full. Local practice is that 75% of monthly fees and 100% of expenses be paid pending interim and final fee applications

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4. The engagement letter at paragraph 8 states that Mounce may request a retainer, apparently without Court approval. This provision should be stricken absent a court order authorizing the payment of any requested retainer.

5. Paragraph 12 of the engagement letter relieves Mounce from the responsibility of performing further work if monthly statements for fees and expenses are not paid within 15 days of receipt. Again, since local practice is to pay 75% of fees and 100 percent of expenses, this provision should be modified or stricken.

6. Paragraph 11 authorizes the employment of "an accountant, mediator, expert witness or other professional." Given the financial situation of the Debtor, these professionals should also be subject to being employed under §327 subject to approval of fees pursuant to §330.

Respectfully submitted.

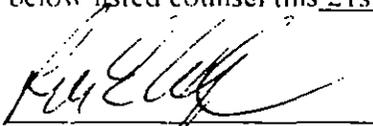
BRENDA MOODY WHINERY  
United States Trustee



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The undersigned certifies that a true and accurate copy of the foregoing was mailed to the below listed counsel this 21st day of November, 2001.



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