

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW MEXICO

FILED 29 JUL 14

U.S. BANKRUPTCY 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
FEE APPLICATION BY ACCOUNTANTS
FOR THE DEBTORS, ARTHUR ANDERSEN LLP**

The United States Trustee (UST) objects to the Fee Application by Accountants for the Debtors, Arthur Andersen LLP (Application). As her reasons therefor, UST states the following.

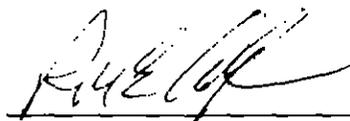
1. The Debtor's Motion to Employ Arthur Andersen LLP (Arthur Andersen) as Accountants was filed herein on May 24, 2001.
2. The Application contains billing entries for services rendered beginning on May 17, 2001, prior to the filing of the employment motion, and should be disallowed. *In re Albrecht* 233 F.3d 1258 (10th Cir. 2000).
3. Arthur Andersen provided certain temporary accounting staff to the Debtor at the rate of \$225 an hour, which rate appears to be excessive for the services performed.
4. Although the motion to employ Arthur Andersen discloses a top billing rate of \$450 an hour for its partners, there were a few hours billed at rates ranging from \$465 to \$500.
5. Although an order approving Arthur Andersen's employment has not yet been entered, the Debtor has paid all but \$7,486.23 of the \$98,093.31 which is requested be approved. The terms of employment for Arthur Andersen should be subject to the provisions of any order

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approving retention. Further, Arthur Andersen should be required to immediately refund any amounts in excess of fees approved.

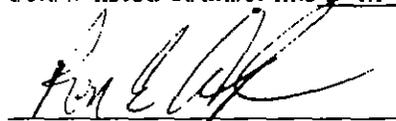
Respectfully submitted.

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 29th day of November, 2001



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