

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW MEXICO

FILED
12:00 MIDNIGHT
DEC 07 2001

DROP BOX
United States Bankruptcy Court
Albuquerque, New Mexico

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 FIRST AND FINAL APPLICATION FOR
ALLOWANCE OF COMPENSATION BY PRICEWATERHOUSECOOPERS LLP
AS FINANCIAL ADVISERS FOR THE DEBTOR**

The United States Trustee (UST) objects to the First and Final Application for Allowance of Compensation By PricewaterhouseCoopers LLP As Financial Advisers for the Debtor (Application). As her reasons therefor, UST states the following:

1. Although the Application is for the period from February 8, 2001 through May 31, 2001, PricewaterhouseCoopers L.L.P (PWC) incurred all but \$17,541 of its requested fees by April 30, 2001. Thus for a period of a little less than three months, PWC is requesting the award of fees in excess of \$510,000. See Exhibit C attached to the Application.

2. Throughout all categories, numerous meetings and conferences are billed in which several PWC professionals participated. When the hourly rates of the various participating professionals are added together, the result is an effective billing rates exceeding \$1000 per hour in numerous instances and in some cases exceeding \$1200 per hour. The number of such conferences is excessive. Further such conferences included an unnecessary number of participants.

3. With regard to several tasks which were performed, it appears that an unnecessary number of PWC professionals were assigned to render services. This includes, but is not limited

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to, the preparation of presentations made to the Unsecured Creditors Committee (UCC), in which at least five PWC professionals billed. Of these, two were at \$450 an hour, one was at \$440 an hour, one was at \$350 an hour, and one was at \$220 an hour. A second example involves work done in connection with employee retention and compensation analysis. For that task, at least six PWC professionals billed for services.

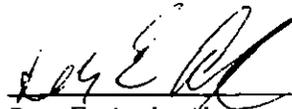
4. It further appears that senior level professionals performed services which could have been performed by lower-level associates or possibly the Debtor's accounting staff. This includes, but is not limited to, services performed in responding to requests from the UCC and Deloitte & Touche.

5. Perhaps more disturbing than the above, is an approach to billing which apparently fails to take into account the value of the services rendered to the estate. As an example, page 23 of the March 2001 billing contains an entry on March 22th for "Move supplies, materials and documents to new office." The entry is subsequently followed on March 26th by "Reorganize new office." The entries total 2.8 hours billed at the rate of \$220 an hour.

6. Several entries, particularly in the Project Administration category, entail clerical work

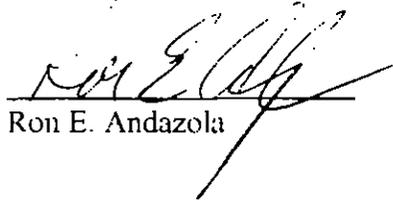
Respectfully submitted,

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 8th day of December, 2001.



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