

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

FILED

In re:

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FURR'S SUPERMARKETS, INC.,

No. 11-01-10779-SA

U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

Debtor.

**OBJECTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF FURR'S SUPERMARKETS, INC. TO APPLICATION FOR ORDER
AUTHORIZING RETENTION OF SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP AND AFFILIATED LAW PRACTICE ENTITIES,
AS GENERAL BANKRUPTCY COUNSEL**

The Official Committee of Unsecured Creditors of Furr's Supermarkets, Inc. (the "UCC") by and through its counsel Pepper Hamilton, LLP (Stuart Hertzberg, Esq. and I. William Cohen, Esq.), and local counsel Davis & Pierce, P.C. (William F. Davis, Esq.), for its Objection, hereby STATES:

1. On February 8, 2001, Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

2. The Application for Order Authorizing Retention of Skadden, Arps, Slate, Meagher & Flom, LLP and Affiliated Law Practice Entities as General Bankruptcy Counsel ("Skadden") was filed on February 8, 2001. The deadline to object to the Application expired on March 12, 2001.

3. The Official Committee of Unsecured Creditors of Furr's Supermarkets, Inc. and Skadden, Arps, Slate, Meagher & Flom, LLP entered into a stipulation for the extension of time to objection to the Application to the end of business on March 19, 2001. Said Stipulation was filed non March 12, 2001.

3. Skadden has disclosed previous and continuing representation of various equity holders and creditors, both secured and unsecured, of the Debtor. This previous representation is extensive and complex.

4. The UCC has been gathering information with regard to previous and continuing



Skadden representation but at this time has insufficient information to determine the "disinterested" standard of § 327(a). The UCC will continue to investigate the issue.

5. The UCC objects to the employment of Skadden until it has reviewed a supplemental declaration of Skadden after completion on the computerized conflicts check being undertaken by Skadden.

6. The UCC reserves its rights to review the application of the \$250,000. The UCC specifically objects to any preferential transfers that may exist with regard to Skadden, and states that the unreturned existence of a preferential transfer would create a conflict.

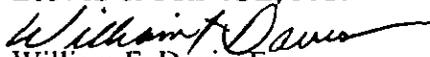
7. The UCC objects to the hourly rates proposed by Skadden.

8. The UCC reserves its right to raise any other issues at a hearing on the Skadden Application for Retention.

WHEREFORE, the Committee requests that the Court deny the Application for Order Authorizing Retention of Skadden, Arps, Slate, Mcagher & Flom, LLP and Affiliated Law Practice Entities, as General Bankruptcy Counsel, and for such other and further relief as the Court deems just.

Respectfully submitted,

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I certify that on March 19, 2001, I mailed a copy of this document to:

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