

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF 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  
MOTION FOR ORDER AUTHORIZING DEBTOR TO (A) IMPLEMENT EMPLOYEE  
RETENTION SEVERANCE, AND SUCCESS BONUS PLANS; (B) ENTER INTO  
TRANSITION AGREEMENT WITH THOMAS DAHLEN AND (C) ENTER INTO  
CONSULTING AGREEMENT WITH GEORGE GOLLEHER AND GREG MAYS**

The United States Trustee for the District of New Mexico hereby objects to the Motion for Order Authorizing Debtor to (A) Implement Employee Retention Severance, and Success Bonus Plans; (B) Enter into Transition Agreement with Thomas Dahlen and (C) Enter into Consulting Agreement with George Golleher and Greg Mays (Motion), as follows:

1. The Motion states at paragraph 1, that the Employee Plans are not yet complete. Until all the terms of the proposed Employee Plans are finalized and available for review and objection by creditors, approval should be withheld.

2. At paragraph 15 of the Motion, it is proposed that \$130,000 be paid to Mr. Dahlen although he has resigned as president of the Debtor effective April 6, 2001.

a. It is not clear if any portion of the above \$130,000 is in addition to salary which Mr. Dahlen received prior to his departure on April 6, 2001. If so, objection is made thereto.

b. To the extent that payment of the \$130,000 is for services to be rendered after April 6, 2001, Mr. Dahlen is being employed as a professional and should be subject to the

requirements of 11 U.S.C. §§327, 330, & 331. Therefore, any payment to Mr. Dahlen should be subject to approval of his employment and compensation by the Court, after notice and hearing.

c. The proposed payment to Mr. Dahlen appears to be excessive.

3. The proposed Senior Management Success Bonus Plan should include as a major factor in its computation, the eventual return to unsecured creditors. As such, computation of the amounts under the success bonus plan should not be determined until a plan is confirmed.

4. At paragraph 21 (c), it is stated that Mr. Golleher and Mr. Mays will be independent contractors as regards the Debtor. As such, Mr. Golleher and Mr. Mays will be professionals and subject to the requirements of 11 U.S.C. §§327, 330, & 331.

5. The United States Trustee concurs in the objection filed by the Unsecured Creditors Committee.

Respectfully submitted,

BRENDA MOODY WHINERY  
United States Trustee

Filed electronically 4/18/01  
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The undersigned certifies that a true and accurate copy of the foregoing was mailed to the below listed counsel this 18th day of April, 2001.

Filed electronically 4/18/01  
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