

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

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2001 MAY 31 PM 2:05

In Re:

FURR'S SUPERMARKETS, INC.

Debtor.

U.S. BANKRUPTCY COURT
Chapter 11
No. 01-10779-SA

**OBJECTION TO APPLICATION BY OFFICIAL UNSECURED CREDITORS'
COMMITTEE TO RETAIN DELOITTE**

Heller Financial, Inc. as agent for Bank of America, N.A., Heller Financial, Inc., Metropolitan Life Insurance Company, Fleet Capital Corporation objects to the Application of the Chairperson of the Official Unsecured Creditors' Committee for Order Pursuant to 11 U.S.C. § 1103 Authorizing the Retention and Employment of Deloitte & Touche LLP and Deloitte Consulting L.P. (jointly "Deloitte") as "financial advisors and reorganization consultants to the Committee, and as grounds therefor would show the Court as follows:

1. The Court has previously approved the Application of the Debtor-In-Possession for the retention of PriceWaterhouseCoopers as financial advisors to the Debtor-In-Possession. That retention should provide sufficient information for the Committee. The proposed retention of Deloitte would duplicate the services of and greatly increase the fees required to be paid by the estate.

2. The proposed retention of Deloitte duplicates the Application of the Unsecured Creditors' Committee to retain Chanin Capital Partners ("Chanin"). Attached hereto as Exhibit A is a schedule listing the proposed services of Chanin compared to those of Deloitte. The duplicative services have been identified by leaving the item letters but categorizing and rearranging the order of the Chanin services so they may be put side-by-side with the corresponding Deloitte services.

3. The proposed fees of Deloitte are an expense that this estate simply cannot afford.

4. Pursuant to its pre-petition of financing agreements with the Debtor and pursuant to the post-DIP financing, all cash other than proceeds of fraudulent conveyance and preference actions are cash collateral belonging to these objecting creditors. The proposed expenditures on Deloitte has never been budget approved by these objecting creditors, and these objecting creditors have never consented to the use of their cash collateral for the purpose of paying Chanin. These objecting creditors are not adequately protected from the dissipation of their cash collateral through the expenditure of these funds.

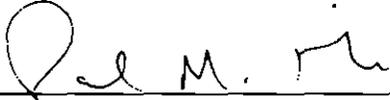
5. The conflicts of interest of Deloitte eliminate the ability of Deloitte to be of substantive help to the Unsecured Creditors' Committee.

6. To the extent the Unsecured Creditors' Committee expects to pay Deloitte under the Carve-Out provided in the Final Order Approving the DIP Financing, these objecting creditors note that the Carve-Out is a sum certain which will not be increased by the objecting creditors.

7. To the extent the Court disallows the indemnification or arbitration clauses in agreements of other professionals, those provisions should not be allowed for the benefit of Deloitte

WHEREFORE, Heller Financial, Inc., as agent for Bank of America, N.A., Heller Financial, Inc., Metropolitan Life Insurance Company, Fleet Capital Corporation prays that the Court deny the Application of the Unsecured Creditors' Committee to retain Deloitte at the expense of this estate.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By:  _____

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WE HEREBY CERTIFY that a true

and correct copy of the foregoing pleading
was mailed to the following this 31st day
of May, 2001.

Ron Andazola
United States Trustee
P.O. Box 608
Albuquerque, NM 87103-0608

William F. Davis
P.O. Box 6
Albuquerque, NM 87103

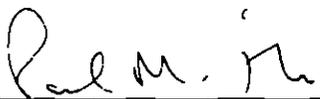
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& SISK, P.A.

By: 
Paul M. Fish

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CHANIN CAPITAL PARTNERS

(From pp. 1-2 of Retention Letter, Ex. A to Application)

BUSINESS

on with assess the
ents, as well as its

a) Conduct an analysis of the Company's operations, business strategy, and the competition as well as an analysis of the industry dynamics affecting the Company and a Plan;

on with monitoring
performance,
affairs, monthly

b) Perform an analysis of the Company's financial condition, business plans, operating forecasts, management, and the prospects for its future performance;

on with evaluating
on, including
in, business outlook,

c) Conduct a financial evaluation of the ongoing operations of the Company;

on with evaluating
utory contracts,
tion opportunities;
on with evaluating
and operational

j) Advise and assist the Committee in its efforts to evaluate the terms of debtor-in-possession financing;

on with evaluating
and financial plans,

d) Assist in the determination of an appropriate capital structure for the Company;

on with evaluating
cluding tax

e) Determine a theoretical range of values for the Company on a going concern basis;

<p>h) Assist the Committee in connection with restructuring-related negotiations and negotiations concerning plan or plans of reorganization:</p>	<p>f) Assist the Committee in developing, evaluating, structuring and negotiating the terms and conditions of a Plan;</p>
	<p>g) Assist the Committee in identifying and evaluating a potential acquisition of the Company as a going concern;</p>
	<p>h) Advise and assist the Committee in negotiations with potential acquirers of the Company as a going concern;</p>
	<p>i) Evaluate and monitor the sales process for the Company;</p>
	<p>k) Advise the Committee on the timing, nature, and terms of new securities, other consideration or other inducement to be offered pursuant to the restructuring relating to Chapter 11 case;</p>
<p>3. CLAIMS REVIEW</p>	
<p>i) Advise the Committee concerning the Debtor's claims;</p>	
<p>k) Assist the Committee, where appropriate, in reviewing the books and records of the Debtor for related party transactions and unenforceable claims; and</p>	
<p>4. TESTIMONY AND MISCELLANEOUS</p>	
<p>j) Consistent with the scope of services set forth herein, attending and participating in appearances before the United States Bankruptcy Court;</p>	<p>l) Assist the Committee in preparing documentation required in connection with the restructuring of the existing debt obligations;</p>
<p>l) Provide such other related services as may be requested by the Committee or its counsel and as agreed to by Deloitte.</p>	<p>m) Provide testimony, as necessary, in any proceeding before the Bankruptcy Court; and</p>
	<p>n) Provide the Committee with other appropriate general restructuring advice.</p>