

FILED

UNITED STATES BANKRUPTCY COURT

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DISTRICT OF NEW MEXICO

U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 11-01-10779-SA

Chapter 11

Debtor.

**DEBTOR'S OBJECTION TO THE OFFICIAL UNSECURED CREDITORS'
COMMITTEE'S APPLICATION TO EMPLOY CHANIN CAPITAL PARTNERS
LLC TO SERVE AS INVESTMENT BANKER TO THE COMMITTEE**

Furr's Supermarkets, Inc., debtor and debtor-in-possession (the "Debtor"), objects to the Official Unsecured Creditors' Committee's (the "Committee's") Application For Order Authorizing the Retention and Employment of Chanin Capital Partners LLC to Serve as Investment Banker to the Committee, filed May 17, 2001 (the "Application") and states:

1. If retained as proposed under the Application, Chanin Capital Partners LLC ("Chanin") would duplicate the services rendered to the estate by Peter J. Solomon & Co., Deloitte & Touche LLP, and/or and Deloitte Consulting LP. The \$100,000 minimum monthly fee proposed to be paid to Chanin therefore would be an unreasonable and unnecessary expense, and would burden the estate.

2. While the Debtor does not necessarily object to the Committee obtaining independent advice on any sales transaction the Debtor may propose, it should not cost the estate \$100,000 per month, for an unlimited number of months, for that advice. A flat fee of \$100,000 per month, with no outside time limit and a \$400,000 minimum, is excessive and

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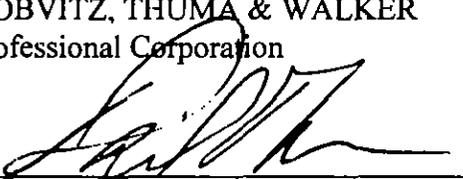
unreasonable given the circumstances of this case.

3. Much of what Chanin proposes to do for the Committee, e.g., as set forth in paragraphs 1(a), (b), (c), (d), (f), (h), (j), (k), (l), and (n), is either unnecessary or moot. The Application should be denied to the extent that the estate would be forced to pay Chanin for such services.

4. Chanin's engagement letter contains the same type of indemnification language as in the Peter J. Solomon engagement letter. If the Court finds that such language is objectionable with respect to Solomon (which, in the Debtor's opinion, the Court should not do), the Court should make a similar finding with respect to the Chanin engagement letter.

WHEREFORE, the Debtor objects to the Application as set forth above, asks that the Application be denied to the extent set forth above, and asks for all other just and proper relief.

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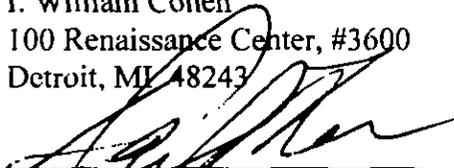
This certifies that on May 31, 2001,
a copy of this Motion was mailed by
First Class United States mail to:

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