

**United States Bankruptcy Court  
District of New Mexico**

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**JAMES S. STARZYNSKI  
Chief Bankruptcy Judge**

May 4, 2001

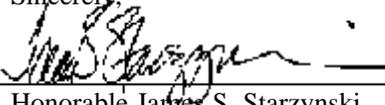
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Re: In re Furr's Supermarkets, Inc., No. 11-01-10779 SA  
Decision concerning employment applications of Skadden, Arps, Slate, Meagher & Flom

Dear Counsel:

This is a follow up to the April 26, 2001 letter that I sent. In the course of drafting the memorandum opinion permitting the employment of Skadden, it has occurred to me that the provisions for an "ethical wall" or "screening device" (fka "Chinese wall"), which I said in the April 26 letter needed to be applied in connection with Skadden's MetLife matters, need also to be applied to Skadden's matters for the other clients as well who are creditors or equity holders in the Debtor. That is, for clients such as, for example, Windward Capital Partners, Heller Financial, Inc., Pepsi Cola Co., etc., no one in the Restructuring Group can be working on matters for those clients, and no one working for those clients on any matter can be working on the Furr's case, including sharing information, until this case is over. In retrospect I wish I had figured this out by the time I sent the April 26 letter out to you all, but I also think that (1) such an arrangement is demanded by the fact that Skadden represents other parties in this case (albeit not with respect to this case) and would be a requirement even if Skadden represented just one other party in this case, and (2) as with the previous letter, this letter is to let the parties know as soon as possible what the Court's additional decision is, so that parties can again make decisions and plan accordingly. On the latter point, I am aware that eight days have now passed since the April 26 letter went out, and another four days since the telephone hearing on the letter conducted on April 30, and thus Skadden will have undoubtedly done more work in the meantime. However, by sending this letter out now, I hope to put Skadden in a position which is not too different than the position it was in this past Monday following the telephone hearing on the April 26 letter.

Of course, I will continue to work to get entered as soon as reasonably possible the written memorandum and order reflecting the Court's entire ruling on the employment issue.

Sincerely  
  
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Honorable James S. Starzynski  
United States Bankruptcy Judge