

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
Fleming Companies, Inc., et al., ¹)	Case No. 03-10945 (MFW)
)	(Jointly Administered)
Debtors.)	

**DECLARATION OF TED STENGER IN SUPPORT OF
FINAL APPROVAL OF POST-PETITION FINANCING**

1. I am a principal with AP Services, LLC., an affiliate of Alix Partners, LLC and will become the Chief Restructuring Officer of the Debtors effective on May 6, 2003. I am duly authorized to execute this declaration on behalf of the Debtors.

2. I submit this declaration in support of final approval of post-petition financing. Any capitalized terms used but not defined herein shall have the meaning as defined in the Memorandum in Support. All facts set forth in this declaration are based on my personal knowledge, upon information supplied to me by others at the Debtors and the Debtors' professionals, upon my review of relevant documents, or upon my opinion based on my experience and knowledge of the Debtors' operations. .

3. I have expertise in developing solutions in complex corporate restructurings and reorganizations, having served as advisor to senior management and boards of directors to guide them through workout negotiations and in the development of comprehensive turnaround strategies, including organizational change, capacity rationalization and divestitures. I also have

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favar Concepts, Ltd.; Fleming Foods Management Co., L.L.C.; Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

provided interim management to companies that required experience in defining and implementing turnaround programs. I was recently recognized as an expert witness on the valuation of corporate assets by the bankruptcy court overseeing the Chapter 11 reorganization of Kmart Corporation.

4. My most recent corporate restructuring assignment was with Kmart Corporation, where I have served as Treasurer from March 2002, with my resignation from that position effective on May 5, 2003. Prior to Kmart, I served as turnaround and restructuring advisor at Allied Holdings, the parent company of several subsidiaries engaged in providing logistics, distribution and transportation services to the automotive industry. Prior to Allied Holdings, I served various companies in the following roles: financial advisor to Fruit of the Loom, a \$2 billion international basic apparel company; restructuring advisor at FINOVA Group, Inc., a \$13 billion commercial financial services company; interim Chief Operating Officer of American Rice Inc., a \$300 million processor and marketer of branded rice; interim Chief Executive Officer of Maidenform Worldwide, the largest privately-held intimate apparel company in the United States; and consultant to senior management of Leslie Fay Cos., a women's apparel manufacturer and retailer with annual sales in excess of \$500 million.

5. Prior to joining AP Services, I was in the Corporate Finance Group of Ernst & Young. I am both a Certified Insolvency and Restructuring Accountant and a Certified Public Accountant.

6. I have examined the \$165,708,333 estimate of reclamation claims submitted by the Debtors during the April 22, 2003 hearing. I have concluded that this estimate is reasonable and that it reflects the best information available to the debtors.

7. Since the April 22, 2003 hearing, I have supervised an evaluation by AP Services professionals of the asset value of the Debtors, assuming an orderly six to twelve month wind down of the companies. The result of that evaluation is that the Debtors' orderly wind down asset value is approximately \$1.39 billion. After subtracting the Debtors' total secured debt of \$659 million, that leaves an excess of asset value over the secured claims of over \$730 million. Were this Court to approve the Debtors' proposed post-petition financing agreement, an additional \$100 million of secured claims would be given priority over the reclamation claims, leaving in excess \$630 million in assets available to satisfy those claims. Therefore, granting the reclamation claimants an administrative claim or a lien junior to that of the DIP lenders would still provide the reclamation claimants with a sufficient asset base to satisfy their claims.

8. AlixPartners' evaluation of the Debtors' assets is more complete and reliable than the estimate presented by Gleacher Partners at the April 22, 2003 hearing. The Gleacher analysis did not include several factors that I have included in my analysis of the wind down value of the assets of the Fleming Companies. First, the Gleacher analysis did not consider selling Coremark convenience stores as a going concern. I would expect \$390 million in proceeds from any process to sell Coremark convenience stores. That estimate is based on Fleming's purchase price last year for those assets my evaluation of the Coremark business, as well as the receipt of indications of interest from prospective buyers who have recently contacted the Debtors. Second, the Gleacher analysis did not include all of the hard assets of the companies, because all of the information needed to evaluate those assets had not been collected was not available to Gleacher as of the April 22nd hearing. I have therefore been able to include additional assets in the form of inventory, accounts receivable, notes receivable and fixed assets of the convenience business unit, the wholesale business unit and the retail store operations that Gleacher did not

address in its evaluation. Third, because my evaluation is predicated on a six to twelve month period for the orderly wind down of the Debtors' businesses, I have evaluated certain retail store operations and the Coremark assets based on their going concern value, which can be realized through sales completed during that time period. In addition, we have since April 22nd had the opportunity to perform a preliminary valuation of the potential preference actions available to the Debtors, and have included an estimated value of \$125 million for those claims.

9. A sale of other business units of the Fleming companies on a going concern basis could result in an even higher asset value than the orderly wind down estimate provided herein.

10. If the pending motion for approval of the DIP loan agreement is not granted, the Debtors would not have the opportunity to stabilize their businesses, and would be forced into an immediate liquidation of the assets of the wholesale business unit, as well as potentially other assets. In that event, the orderly wind down valuations summarized above would not likely be resulting in substantially less value in the estates.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: May __, 2003



Ted Stenger
AP Services, LLC

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