

THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: § Chapter 11
FLEMING COMPANIES, INC. , *et al.*, § Case No. 03-10945-MFW
Debtors. § (Jointly Administered)

SUMMARY OF SECOND MONTHLY APPLICATION OF BAKER BOTTS L.L.P.
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT
OF EXPENSES AS SPECIAL CORPORATE AND SECURITIES COUNSEL
FOR THE PERIOD FROM 05/01/03 THROUGH 05/31/03

Name of the Applicant: Baker Botts L.L.P., Special Corporate and Securities Counsel

Authorized to Provide
Professional Services to: The Debtors and Debtors-In-Possession

Date of Retention: (effective as of) April 1, 2003

Period for which compensation
and reimbursement is sought: May 1, 2003 through May 31, 2003

Amount of compensation sought as
actual, reasonable and necessary: \$144,111.60, representing eighty percent (80%) of
\$180,139.50, the total amount of fees for services provided
during this application period

Amount of actual, reasonable,
and necessary expenses: \$6,993.10

This is a: monthly interim final application:

Monthly Objection Deadline: Objections to this application are due **July 28, 2003**

This is the Applicant's second monthly application.¹

¹ No fees or expenses are sought in this second monthly application for the preparation of this application. The time expended preparing this fee application will be set forth in Baker Botts L.L.P.'s subsequent fee applications.

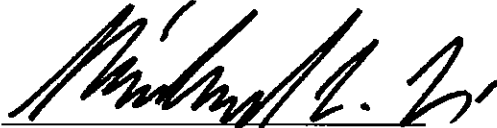
Baker Botts L.L.P. previously has requested professional compensation as follows:

Date Filed	Period Covered	Requested		Approved	
		80% Fees	Expenses	Fees	Expenses
Contemporaneously	04/01/03-04/30/03	\$178,138.80	\$28,535.13	Pending	Pending

BAKER BOTTS L.L.P.

Dated: July 7, 2003

By:



Michael C. Li

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

In re:	§	Chapter 11
	§	
FLEMING COMPANIES, INC. , et al.,	§	Case No. 03-10945-MFW
	§	
Debtors.	§	(Jointly Administered)

**SECOND MONTHLY APPLICATION OF BAKER BOTTS L.L.P.
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT
OF EXPENSES AS SPECIAL CORPORATE AND SECURITIES COUNSEL
FOR THE PERIOD FROM 05/01/03 THROUGH 05/31/03**

Baker Botts L.L.P. ("Baker Botts") submits its second monthly application seeking allowance of monthly compensation and reimbursement of expenses (the "Second Application") pursuant to this Court's Order Under 11 U.S.C. §§105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members entered April 22, 2003 (the "Administrative Order"), for legal services rendered during the period of May 1, 2003 through May 31, 2003 (the "Second Application Period") as special corporate and securities counsel for the debtors and debtors-in-possession (the "Debtors") in the above-captioned cases. By this Second Application, Baker Botts seeks a monthly interim allowance of fee compensation in the amount of \$144,111.60, representing 80% of \$180,139.50 in total fees, and reimbursement of actual and necessary expenses in the amount of \$6,993.10 for the period of May 1, 2003 through May 31, 2003. In support of this Second Application, Baker Botts respectfully represents as follows:

Background

1. On April 1, 2003 (the "Petition Date"), the Debtors filed their voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to manage and operate their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. On April 4, 2003, the Debtors filed their application for an order pursuant to section 327(e) of the Bankruptcy Code, authorizing and approving the retention of Baker Botts as special counsel for the Debtors for corporate and securities matters. The application was supported by the accompanying Affidavit of Neel Lemon in Support of the Debtors' Application, and supplemented with the Supplemental Affidavit of Neel Lemon dated April 14, 2003 and the Second Supplemental Affidavit of Neel Lemon dated May 14, 2003.

4. By this Court's order signed May 30, 2003, the Debtors were authorized to retain Baker Botts as their Special Corporate and Securities Counsel, effective as of the Petition Date (the "Retention Order"). The Retention Order authorizes the Debtors to compensate Baker Botts subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), and all applicable procedures fixed by this Court, including the Court's Administrative Order.

5. This is Baker Botts' second monthly application for allowance of compensation and reimbursement of expenses. Pursuant to this Second Application, Baker Botts is requesting allowance of fees in the amount of \$144,111.60, consisting of 581.50 hours of

billed time, subject to a holdback of the remaining twenty percent (20%) in additional fees as required by this Court's Administrative Order. Further, Baker Botts requests allowance of \$6,993.10 for the full amount of expenses incurred during the Second Application Period. There is no agreement or understanding between Baker Botts and any other person for the sharing of compensation to be received for services rendered in these cases.

Compensation Paid and Its Sources

6. All services for which Baker Botts requests compensation were performed for or on behalf of the Debtors.

7. Baker Botts has received no payment and no promises of payment from any sources for services rendered or to be rendered in any capacity in connection with the matters covered by this Second Application. Prior to the Petition Date, Baker Botts was paid \$250,000.00 as a retainer for future fees and expenses. The full amount of the retainer remains in unallocated credits and will be applied against allowed fees and expenses.

Fee Statements

8. The Retention Order authorizes the Debtors to employ and retain Baker Botts as Special Corporate and Securities Counsel for the following matters:

- (a) to advise the Debtors and their directors, officers and employees in connection with general corporate, business, and securities matters;
- (b) to assist the Debtors in matters pertaining to Fleming Companies, Inc.'s compliance with reporting and other obligations under federal and state securities laws;
- (c) to represent the Debtors in matters pertaining to the listing of the companies securities on various securities exchanges;
- (d) to assist the Debtors in exploring strategies for the disposition of their non-core retail operations, assets and/or subsidiaries;

- (e) to provide advice on matters pertaining to the SEC's pending investigation of Fleming Companies, Inc.'s accounting and disclosure practices;
- (f) to assist the Debtors on matters pertaining to their interface with various third party insurers, including their director and officer liability insurer; and
- (g) to represent the Debtors in, and provide advice on, matters pertaining to the pending derivative suits.

9. The total amount of time spent by Baker Botts' attorneys and paraprofessionals during the Second Application Period was 581.50 hours. The work involved, and the time expended, was carefully assigned in light of the experience and expertise required for each particular task. The Debtors' financial affairs are complex and their business operations are of a nature that frequently requires highly specialized corporate and securities legal advice. The services were performed within a reasonable amount of time commensurate with the complexity and nature of the legal issues facing the Debtors. Additionally, and as shown by this Second Application and attached exhibits, Baker Botts spent its time economically and without unnecessary duplication of time.

10. The Baker Botts fee statement for the Second Application Period is attached as Exhibit "A". To the best of Baker Botts' knowledge, this Second Application complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Administrative Order, and the Local Rules. Baker Botts has reduced its charges related to non-working "travel time" to 50% of Baker Botts' standard hourly rate as required by Local Rule 2016-2(d)(viii). A list of the attorneys and paraprofessionals contributing the services for which compensation is sought, with their billing rates and years of experience, is included as Attachment "A".

11. Baker Botts regularly maintains contemporaneous written records of the time expended by attorneys and paraprofessionals in the rendition of their professional services to its clients, including the Debtors. Such time records are presented in a form that is in compliance with the Local Rules.

12. Below is a narrative of the services rendered in each category, a summary of the time and charges of each professional who rendered services, and the grand total of all time and charges for each category. The following summary of services rendered is not intended to be a detailed description of the work performed, but rather, it is merely an attempt to highlight some of the services regularly rendered under each billing category.

- **SEC Reporting (01)** – This category includes attention to various SEC matters, including, but not limited to, preparing press releases, drafting and revising SEC filings, such as 10-Ks, 10-Qs, 12b-25s, and 8-Ks, advising the officers and directors on these matters and on other matters related to the Debtors' bankruptcy filing, and advising the Debtors with regards to public disclosure issues.

Name	Title	Hours	Total Fee Amount
Lemon, C. Neel, III	Partner	5.50	\$2,612.50
Williams, Rebecca M.	Associate	7.70	\$2,040.50
TOTAL		13.20	\$4,653.00

- **General Corporate (02)** – This category includes advice to the Debtors and their directors and officers in connection with general corporate and business matters, representation of the Debtors in matters pertaining to the listing of the companies' securities on various securities exchanges, attention to financing and restructuring matters in the context of the bankruptcy filing, participation in board meetings, and attention to other general corporate matters.

Name	Title	Hours	Total Fee Amount
Bristow, B. Daryl	Partner	11.00	\$7,150.00
Durst, Timothy S.	Partner	14.70	\$6,247.50
Lemon, C. Neel, III	Partner	4.30	\$2,042.50
Dillard, S. L.	Legal Assistant	2.50	\$300.00
Sutcliffe, Bryan N.	Legal Assistant	.60	\$63.00
Yi, H. C.	Legal Assistant	1.80	\$171.00
Kephart, Kirk A.	Legal Asst. Clerk	1.00	\$75.00
McDermod, William J.	Legal Asst. Clerk	.80	\$60.00
TOTAL		36.70	\$16,109.00

- Retail Store Disposition (03)** – This category includes legal services such as negotiating and advising the Debtors with regard to the disposition of certain retail stores, drafting and revising purchase agreements, leases, subleases, and franchise agreements, drafting correspondence, attending closings, and advising the Debtors on related issues. In connection with the bankruptcy filing, Baker Botts has assisted, and continues to assist, the Debtors in exploring strategies for the disposition of their non-core retail operations, assets, and/or subsidiaries.

Name	Title	Hours	Total Fee Amount
Adams, Craig N.	Partner	1.90	\$665.00
Lemon, C. Neel, III	Partner	10.70	\$5,082.50
Brooks, Richard A.	Special Counsel	10.00	\$3,250.00
Griffin, Karen E.	Associate	.10	\$28.50
McManus, Faith L.	Associate	53.10	\$11,682.00
Williams, Rebecca M.	Associate	82.40	\$21,836.00
York, Courtney	Associate	7.10	\$1,562.00
Foitek, Sandra K.	Legal Assistant	.30	\$39.00
TOTAL		165.60	\$44,145.00

- SEC Investigation (04)** - This category includes attention to matters related to the SEC investigation of the Debtors and certain of their accounting and disclosure

practices, including, but not limited to, meetings with the SEC, reviewing documents, preparing logs and preparing documents for production, preparing for interviews with the SEC, meetings with directors and officers, meetings with the audit committee and its legal and accounting advisors, interviewing potential witnesses, and researching and discussing factual and accounting issues.

Name	Title	Hours	Total Fee Amount
Bristow, B. Daryl	Partner	9.50	\$6,175.00
Cialone, Joseph A.	Partner	3.00	\$1,725.00
Durst, Timothy S.	Partner	37.00	\$15,725.00
Lemon, C. Neel, III	Partner	42.30	\$20,092.50
Cadwell, Kevin E.	Associate	11.10	\$2,109.00
Doyle, Rachel J.	Associate	10.50	\$3,045.00
McPeak, Marc D.	Associate	10.90	\$2,071.00
Williams, Rebecca M.	Associate	.20	\$53.00
Drinnon, Charmaine	Legal Assistant	1.00	\$130.00
Stephens, John G.	Legal Assistant	5.10	\$663.00
Sutcliffe, Bryan N.	Legal Assistant	21.90	\$2,299.50
Yi, Amy	Legal Assistant	.50	\$47.50
Green, Christa	Legal Asst. Clerk	4.30	\$322.50
Shores, Bryan A.	Legal Asst. Clerk	9.80	\$735.00
Smith, Rebecca J.	Legal Asst. Clerk	1.00	\$75.00
Whitfill, Travis A.	Legal Asst. Clerk	.60	\$45.00
TOTAL		168.70	\$55,313.00

- **Derivative Lawsuits (05)** – This category includes attention to derivative lawsuits in the context of the bankruptcy proceeding, including, but not limited to, advising the Debtors on the impact of the bankruptcy filing and the automatic stay upon related matters, drafting and filing relevant pleadings, attending hearings, and conducting relevant legal research.

Name	Title	Hours	Total Fee Amount
Li, Michael C.	Special Counsel	1.80	\$594.00
Doyle, Rachel J.	Associate	2.70	\$783.00
Mulloy-Levine, Romina	Associate	23.00	\$5,060.00
Yi, H. C.	Legal Assistant	2.10	\$199.50
TOTAL		29.60	\$6,636.50

- **Retention and Fee Applications (06)** - This category includes time drafting retention affidavits, and preparing monthly and quarterly fee applications, attachments, and exhibits to be filed with this Court.

Name	Title	Hours	Total Fee Amount
Durst, Timothy S.	Partner	9.20	\$3,910.00
Kinzie, Jack L.	Partner	33.10	\$15,300.00
Lemon, C. Neel, III	Partner	18.50	\$8,787.50
Robertson, Rebecca L.	Partner	.20	\$63.00
Li, Michael C.	Special Counsel	28.70	\$9,471.00
Cadwell, Kevin E.	Associate	.60	\$114.00
Castillo, Mark A.	Associate	33.50	\$8,207.50
McDowell, C. Luckey	Associate	1.90	\$361.00
Mulloy-Levine, Romina	Associate	11.20	\$2,464.00
Soderlund, Eric A.	Associate	19.60	\$3,724.00
Yi, Amy	Legal Assistant	2.40	\$228.00
Kephart, Kirk A.	Legal Asst. Clerk	5.90	\$442.50
Marchand, Jason	Legal Asst. Clerk	1.40	\$98.00
Milburn, Jennifer L.	Legal Asst. Clerk	1.50	\$112.50
TOTAL		167.70	\$53,283.00

Actual and Necessary Expenses

13. It is Baker Botts' standard policy to seek reimbursement from its clients in all areas of service for customary expenses incurred in connection with the client's account. Expenses that may be charged to clients include, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand-delivery charges,

document processing charges, photocopying charges, travel expenses, certain expenses for "working meals," computerized research, messengers, couriers, and postage for mass mailings. Baker Botts has charged the Debtors for these expenses in a manner and at rates consistent with charges made generally to Baker Botts' other clients, and in accordance with the requirements of Local Rule 2016-2.

14. Baker Botts maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the rendition of its professional services. Attached as Exhibit "B" is a listing and description of all expenses for which reimbursement is sought. The actual services and expenses for which compensation and reimbursement are being sought were necessary and the charges for the same are reasonable. The expenses have been incurred in accordance with Baker Botts' normal practice of charging its clients for expenses clearly related to, and required by, particular client matters.

15. Baker Botts customarily charges \$0.15 per page for photocopying expenses related to cases such as this one. Baker Botts' effective rate for outgoing facsimile transmissions is \$.90 per page local and \$1.25 per page long distance (which is written down to \$1.00 per page in accordance with Local Rule 2016.2(e)(ii)). There is no charge for incoming facsimile transmissions, and no premium for computerized research. The charges to the Debtors are made in a manner and at rates consistent with or lower than charges made generally to other Baker Botts clients.

Valuation of Services

16. Based on all of the above factors, Baker Botts respectfully submits that the professional services that it rendered to the Debtors were beneficial at the time at which the services were rendered. No prior application has been made to this Court, or to any other Court,

for the relief requested herein for the Second Application Period.

17. Baker Botts does not represent any interest adverse to that of the Debtors or their estates with respect to the matters on which it is being retained. Baker Botts has not entered into any agreement with anyone else regarding the sharing of its compensation in this case.

18. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, Baker Botts respectfully submits that the amount requested by it is fair and reasonable given (a) the complexity of the cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under title 11 of the Bankruptcy Code.

19. The signature of the undersigned, an authorized representative of Baker Botts, constitutes his certification that the contents of this Second Application, its attachments, and exhibits are true and correct.

WHEREFORE, Baker Botts respectfully requests that it be allowed compensation and reimbursement for its fees and expenses incurred during the Second Application Period as administrative expenses of the estates, and that it be allowed to apply the remainder of the \$250,000.00 retainer already paid by the Debtors towards fees and expenses due and owing during the Second Application Period.

Dated: July 7, 2003

Respectfully submitted,

BAKER BOTTS L.L.P.



Neel Lemon

Texas State Bar. No. 12197700

Michael C. Li

Texas State Bar. No. 00784474

Romina L. Mulloy

Texas State Bar No. 24037156

BAKER BOTTS L.L.P.

2001 Ross Avenue

Dallas, Texas 75201

Telephone: 214.953.6500

Facsimile: 214.953.6503

Email: neel.lemon@bakerbotts.com

michael.li@bakerbotts.com

romina.mulloy@bakerbotts.com

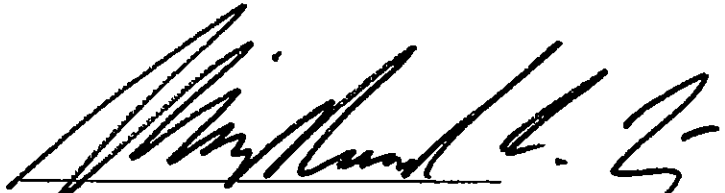
SPECIAL COUNSEL FOR THE DEBTORS

VERIFICATION

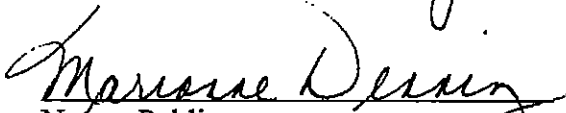
STATE OF TEXAS :
 :
COUNTY OF DALLAS :

Michael C. Li, after being duly sworn according to law, deposes and says:

- a) I am counsel with the applicant law firm Baker Botts, L.L.P. ("Baker Botts").
- b) I have personally performed some of the legal services rendered by Baker Botts as Special Counsel to the Debtors and am thoroughly familiar with the other work performed on behalf of the Debtors by the lawyers and paraprofessionals of Baker Botts.
- c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. Moreover, I have reviewed the Local Bankruptcy Rules for the District of Delaware and the Administrative Order of this Court, and submit that the Application substantially complies with such rules and order.


Michael C. Li

SWORN AND SUBSCRIBED
before me this 8th day of July 2003.


Notary Public
My Commission Expires: 10-4-03

