

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

<i>In re</i>	:	
	:	
FLEMING COMPANIES, INC.,	:	Chapter 11
<i>et al.</i> ,	:	Case No. 03-10945 (MFW)
	:	
Debtor(s).	:	Jointly Administered
	:	

AMENDED ADMINISTRATIVE ORDER ESTABLISHING PROCEDURES FOR INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS
PURSUANT TO 11 U.S.C. §§ 105(a) AND 331

Fleming Companies, Inc., *et al.*, the debtors and debtors in possession in these Chapter 11 cases (collectively, the "Debtor"), having requested the entry of an administrative order pursuant to 11 U.S.C. §§ 105 and 331 establishing procedures for interim compensation and reimbursement of expenses of professionals on a monthly basis; and due and proper notice of the application having been given; and no adverse interest being affected; and after due deliberation and sufficient cause appearing;

It is on this 29th day of July, 2003,

-----ORDERED that, except as may otherwise be provided in Court orders authorizing the retention of a specific professional, any professional retained in this case pursuant to 11 U.S.C. §§ 327 or 1103 ("Professional") may seek interim compensation in accordance with following procedures:

- (a) No earlier than the 25th day of each calendar month, each Professional seeking interim compensation shall file an application (the "Monthly Fee Application") with the court pursuant to 11 U.S.C. § 331 for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during the immediately preceding month (the "Compensation Period").
- (b) Each Monthly Fee Application shall comply with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), applicable Third Circuit law and the Local Rules of this Court and shall be served upon all parties set forth on the service list attached hereto as Exhibit A (the "Notice Parties").

- (c) Each Notice Party shall have twenty (20) days after service of a Monthly Fee Application to object (the "Objection Deadline"). Upon the expiration of the Objection Deadline, each Professional may file a certificate of no objection or a certificate of partial objection with the Court, whichever is applicable, after which the Debtor is authorized to pay each Professional an amount (the "Actual Interim Payment") equal to the lesser of (i) 80 percent of the fees and 100 percent of the expenses requested in the Monthly Fee Application (the "Maximum Payment") or (ii) 80 percent of the fees and 100 percent of the expenses not subject to an objection.
- (d) If any Notice Party objects to a Professional's Monthly Fee Application, it must file a written objection with the court and serve it on the Professional and each of the Notice Parties so that it is received on or before the Objection Deadline. Thereafter, the objecting party and the Professional may attempt to resolve the objection on a consensual basis. If the parties are unable to reach a resolution of the objection within 20 days after service of the objection, then the Professional may either (i) file a response to the objection with the Court, together with a request for payment of the difference, if any, between the Maximum Payment and the Actual Interim Payment made to the affected Professional (the "Incremental Amount"); or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and dispose of the objection, if requested by the parties.
- (e) Beginning with the period ending on June 30, 2003 and at three month intervals or such other intervals convenient to the Court ("Interim Period"), each Professional shall file with the Court and serve upon the Notice Parties an interim application for allowance of compensation and reimbursement of expenses, pursuant to 11 U.S.C. § 331, of the amounts sought in the Monthly Fee Applications filed during such period (the "Interim Fee Application"). The Interim Fee Application must include a summary of the Monthly Fee Applications that are the subject of the request and any other information requested by the Court or required by the Local Rules. An Interim Fee Application must be filed and served within 45 days of the conclusion of the Interim Period. The first Interim Fee Application should cover the time between the commencement of the case through and including June 30, 2003. Any Professional who fails to file an Interim Fee Application when due will be ineligible to receive further interim payments of fees or expenses under the compensation procedures until such time as the Interim Fee Application is submitted.
- (f) Each Professional shall also submit a copy of each Monthly Fee Application and each Interim Fee Application to the United States Trustee, contemporaneously with the filing thereof, in the electronic format specified by the United States Trustee as set forth on Exhibit B hereto.

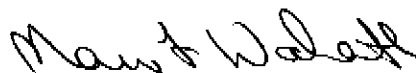
- (g) The Debtors shall request that the Court schedule a hearing on the Interim Fee Applications at least once every six months or at such other intervals as the Court deems appropriate.
- (h) The pendency of an objection to payment of compensation or reimbursement of expenses will not disqualify a Professional from future payment of compensation or reimbursement of expenses, unless the court orders otherwise.
- (i) Neither the payment of or the failure to pay, in whole or in part, monthly interim compensation and reimbursement of expenses, nor the filing of or failure to file an objection will bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation and reimbursement of expenses of Professionals.
- (j) All fees and expenses paid to Professionals are subject to disgorgement until final allowance by the Court; and

IT IS FURTHER ORDERED that notice of the interim and final fee applications shall be served on (a) the Notice Parties and (b) all parties that filed a notice of appearance with the Clerk of this Court pursuant to Bankruptcy Rule 2002 and requested such notice. The Notice Parties shall be entitled to receive both the Monthly and Interim Fee Applications and the notice of hearing thereon (the "Hearing Notice"), and all other parties entitled to notice shall be entitled to receive only the Hearing Notice. Notice given in accordance with this paragraph is deemed sufficient and adequate and in full compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of this Court; and

IT IS FURTHER ORDERED that each member of the Official Committee of Unsecured Creditors (the "Committee") is permitted to submit statements of expenses (excluding the member's professional fees) and supporting vouchers to counsel to the Committee, who shall collect and submit the Committee members' requests for reimbursement to the Court pursuant to the procedure set forth in this Order; and

IT IS FURTHER ORDERED that the Debtor shall include all payments to Professionals on their monthly operating reports, detailed so as to state the amount paid to the Professionals; and

IT IS FURTHER ORDERED that all time periods referenced in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).



Hon. Mary F. Walrath
United States Bankruptcy Judge