

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

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

**SUMMARY OF FIFTH MONTHLY APPLICATION OF KIRKLAND &  
ELLIS LLP FOR ALLOWANCE OF ADMINISTRATIVE CLAIM FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR  
THE INTERIM PERIOD AUGUST 1 THROUGH AUGUST 31, 2003**

Name of Applicant:	<u>Kirkland &amp; Ellis LLP</u>
Authorized to Provide Professional Services to:	<u>Fleming Companies, Inc., Debtors and Debtors in Possession</u>
Date of Retention:	<u>Retention Order entered May 6, 2003, effective as of April 1, 2003</u>
Period for which compensation and reimbursement is sought:	<u>August 1, 2003 through August 31, 2003</u>
Amount of Compensation sought as actual, reasonable and necessary:	<u>\$1,737,806.00 (80% of \$2,172,257.50)<sup>2</sup></u>
Amount of Expense Reimbursement sought as actual, reasonable, and necessary:	<u>\$190,140.64</u>

This is a  monthly \_\_\_ interim \_\_\_ final application.

The compensation that will be requested in a future application for time expended for the preparation of this application is approximately \$20,000.00.

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<sup>1</sup> 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.

<sup>2</sup> K&E is not seeking compensation in connection with summer associates, or in connection with professionals and paraprofessionals who have performed discrete tasks, and accordingly, has voluntarily reduced its fees in the amount of \$34,538.00.

**Compensation by Matter**

<b>Matter Number</b>	<b>Matter Description</b>	<b>Total Hours</b>	<b>Total Fees Requested</b>
3	Adversary Proceedings & Contested Matter	1,208.70	\$433,928.00
4	Avoidance Actions	1.70	\$1,062.50
5	Business Operations	9.10	\$5,089.00
6	Case Administration	66.50	\$24,860.00
7	Cash, Collateral/DIP Financing	35.50	\$14,015.50
8	Claims Estimate, Objection & Resolution	30.30	\$9,034.00
9	Corporate and Securities Matters	24.30	\$11,393.50
10	Creditors/Shareholder's Inquiries	30.80	\$7,958.00
11	Disclosure/Plan/Confirmation	54.10	\$30,861.00
12	Employee Benefits/Pension	18.40	\$9,363.50
13	Employee Issues	47.60	\$20,904.00
14	Environmental Counseling	30.50	\$10,542.50
15	Executory Contracts	214.40	\$74,593.00
19	Intellectual Property	0.80	\$276.00
20	K&E Fee Applications & Monthly Statement	77.50	\$22,398.00
23	PACA Claims	215.00	\$36,566.50
24	Reclamation	18.90	\$7,261.50
25	Relief from Stay	356.50	\$151,376.00
26	Retention of Professionals	32.10	\$8,391.00
28	Shareholder Litigation	40.40	\$19,895.00
29	Tax Issues	122.80	\$54,877.50
30	Travel	185.00	\$70,500.00
31	Use, Sale or Lease Property/Abandonment	2,446.20	\$921,989.50
33	File, Docket, Calendar Maintenance	402.20	\$50,737.00
34	Hearings	469.10	\$171,775.00
35	Insurance	5.30	\$2,610.00
	<b>Total</b>	<b>6,143.70</b>	<b>\$2,172,257.50</b>

**Expense Summary**

<b>Service Code</b>	<b>Service Description</b>	<b>Amount</b>
1001	Telephone	\$11,230.24
1002	Fax Telephone Charge	\$193.32
1101	Fax Charge	\$946.75
1501	Standard Copies	\$7,675.50
1502	Binding	\$68.25
1503	Tabs/Indexes/Dividers	\$139.40
1506	Color Copies	\$160.50
1513	Exhibit Labels	\$12.00
1520	Scanned Images	\$1,955.40
1551	Standard Copies NY	\$0.60
1801	Postage	\$17.51
1802	Overnight Delivery	\$5,069.27
2002	Outside Messenger Services	\$1,532.42
2501	Local Transportation	\$603.29
3001	Travel Expense	\$27,586.52
3002	Airfare	\$54,049.36
3003	Transportation to/from airport	\$6,169.36
3004	Travel Meals	\$3,369.28
3006	Car Rental	\$1,526.38
3010	Other Travel Expenses	\$1,262.50
4001	Court Reporter Fee/Deposition	\$11,927.13
4004	Calendar/Court Services	\$20.00
5017	Investigators	\$517.65
6503	Outside Paralegal Assistance	\$2,391.87
6504	Outside Video Services	\$18,853.23
6506	Outside Copy/Binding Services	\$1,165.35
6801	Working Meals/K&E Only	\$124.11
6802	Working Meals/K&E and Others	\$3,908.29
7001	Information Broker Doc/Svcs	\$152.50
7002	Library Document Procurement	\$20.00
7003	Computer Database Research	\$15,395.21
8001	Overtime Transportation	\$1,104.07
8002	Overtime Meals	\$288.00
8003	Overtime Meals - Attorney	\$450.82
8004	Secretarial Overtime	\$4,185.84
8005	Word Processing Overtime	\$5,969.81
8006	Overtime Meals - Legal Assistant	\$65.41
9040	Miscellaneous Office Expenses	\$33.50
	<b>Total</b>	<b>\$190,140.64</b>

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) (Jointly Administered)  
Debtors. )

**FIFTH MONTHLY APPLICATION OF KIRKLAND & ELLIS LLP  
FOR ALLOWANCE OF ADMINISTRATIVE CLAIM FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR  
THE INTERIM PERIOD AUGUST 1 THROUGH AUGUST 31, 2003**

Pursuant to 11 U.S.C. §§ 327, 330 and 331; Rule 2016 of the Federal Rules of Bankruptcy Procedure; the Retention Order (as defined below); the Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for the Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members (the “Interim Compensation Order”); and the Local Rules for the United States Bankruptcy Court for the District of Delaware, the law firm of Kirkland & Ellis LLP (“K&E”), bankruptcy counsel for the above-captioned debtors and debtors in possession (the “Debtors”), hereby applies (the “Application”) for an order allowing it (i) compensation in the amount of \$1,737,806.00 (80% of \$2,172,257.50<sup>2</sup>) for the reasonable and necessary legal services K&E has rendered to the Debtors and (ii) reimbursement for the actual and necessary expenses that K&E incurred in the amount of \$190,140.64, in each case for the

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<sup>1</sup> 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.

<sup>2</sup> K&E is not seeking compensation in connection with summer associates, or in connection with professionals and paraprofessionals who have performed discrete tasks, and, accordingly, has voluntarily reduced its fees in the amount of \$34,538.00.

period from August 1 through August 31, 2003 (the "Fee Period"). In support of this Application, K&E respectfully states as follows:

**Background**

1. On April 1, 2003 (the "Petition Date"), the Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). The Debtors are operating their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases. An official committee of unsecured creditors (the "Committee") was appointed on April 14, 2003.

**Retention of and Continuing Disinterestedness of Kirkland & Ellis LLP**

2. By this Court's Order entered May 7, 2003, the Debtors were authorized to retain K&E as their counsel, effective as of the Petition Date, with regard to the filing and prosecution of the Chapter 11 Cases and all related matters (the "Retention Order"). The Retention Order authorizes the Debtors to compensate K&E at K&E's hourly rates charged for services of this type and to be reimbursed for actual and necessary out-of-pocket expenses incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, all applicable local rules, and orders of this Court.

3. As disclosed in the Affidavit of James H.M. Sprayregen, P.C. in Support of Application for Order Pursuant to 11 U.S.C. § 327(a) and Fed. R. Bankr. Proc. 2014(a) Authorizing the Employment and Retention of Kirkland & Ellis as Attorneys for the Debtors and Debtors in Possession, filed on April 10, 2003; the First Supplemental Affidavit of James H.M. Sprayregen, P.C. under 11 U.S.C. § 327(a) and Rule 2014 of the Federal Rules of Bankruptcy Procedure in Connection with the Kirkland & Ellis Retention Application, filed on May 2, 2003 and the Second Supplemental Affidavit of James H.M. Sprayregen, P.C. under 11 U.S.C. § 327(a) and Rule 2014 of the Federal Rules of Bankruptcy Procedure in Connection with the

Kirkland & Ellis Retention Application, filed on July 16, 2003 (collectively, the "Affidavits"), K&E does not hold or represent any interest adverse to the estate, and is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code as modified by section 1107(b) of the Bankruptcy Code.

4. K&E may have in the past represented, may currently represent, and likely in the future will represent, parties-in-interest in connection with matters unrelated to the Debtors in these cases. In the Affidavits, K&E disclosed its connections to parties-in-interest that it has been unable to ascertain using its reasonable efforts. K&E will update the Affidavits, as necessary, if K&E becomes aware of material new information.

5. K&E performed the services for which it is seeking compensation on behalf of or for the Debtors and their estates and not on behalf of any committee, creditor or other person.

6. Except as provided herein or in the application to retain Kirkland & Ellis, K&E has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these Chapter 11 Cases.

7. Pursuant to Fed. R. Bankr. P. 2016(b), K&E has not shared, nor has K&E agreed to share (a) any compensation it received or may receive with another person other than with the partners, counsel and associates of K&E or (b) any compensation another person or party has received or may receive.

8. On May 29, 2003, K&E submitted its first monthly fee application in these Chapter 11 Cases for the time period from April 1 through April 30, 2003.

9. On June 25, 2003, K&E submitted its second monthly fee application in these Chapter 11 Cases for the time period from May 1, 2003 through May 31, 2003.

10. On July 28, 2003, K&E submitted its third monthly fee application in these Chapter 11 Cases for the time period from June 1 through June 30, 2003.

11. On August 21, 2003, K&E submitted its First Quarterly Fee Application in these Chapter 11 Cases for the time period from April 1, 2003 through June 30, 2003 (the "First Quarterly Fee Application").

12. On August 26, 2003, K&E submitted its fourth monthly fee application in these Chapter 11 Cases for the time period from July 1 through July 31, 2003.

**Reasonable and Necessary Services Rendered by Kirkland & Ellis LLP - Generally**

13. This is the fifth monthly application for interim compensation that K&E has filed with the Bankruptcy Court in these Chapter 11 Cases.

The K&E attorneys who rendered professional services in this Fee Period are:

Name of Professional Person	Position with the Applicant and Year Admitted	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
John S Irving, Jr.	Partner - 1965	Labor	\$495.00	13.80	\$6,831.00
Willard G Fraumann, P.C.	Partner - 1973	Corporate	\$660.00	8.20	\$5,412.00
Vicki V Hood	Partner - 1977	Employee Benefits	\$615.00	8.90	\$5,473.50
Robert M Jason	Partner - 1981	Taxation	\$615.00	29.90	\$18,388.50
Andrew R Running	Partner - 1982	Litigation	\$510.00	45.00	\$22,950.00
Richard L Wynne	Partner - 1982	Bankruptcy	\$670.00	227.50	\$152,425.00
Janet S Baer	Partner - 1982	Bankruptcy	\$625.00	52.60	\$32,875.00
Eva H Davis	Partner - 1990	Corporate	\$545.00	150.60	\$82,077.00
Eric C Liebeler	Partner - 1990	Litigation	\$525.00	136.50	\$71,662.50
Robert T Buday	Partner - 1991	Real Estate	\$510.00	286.30	\$146,013.00
Steven E Bledsoe	Partner - 1992	Litigation	\$500.00	125.40	\$62,700.00
Seth J Gerson	Partner - 1995	Corporate	\$430.00	21.10	\$9,073.00
Renee D Honigberg	Partner - 1995	Litigation	\$410.00	75.30	\$30,873.00
Sydne J Michel	Partner - 1995	Litigation	\$420.00	248.40	\$104,328.00
Geoffrey A Richards	Partner - 1995	Bankruptcy	\$460.00	226.50	\$104,190.00
Damian D Capozzola	Partner - 1996	Litigation	\$410.00	90.40	\$37,064.00
Timothy D Elliott	Partner - 1996	Litigation	\$410.00	26.10	\$10,701.00
Nathaniel M Marrs	Partner - 1996	Real Estate	\$410.00	55.00	\$22,550.00

Name of Professional Person	Position with the Applicant and Year Admitted	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Charles C Pak	Partner - 1996	Corporate	\$435.00	143.30	\$62,335.50
Richard S Berger	Of Counsel - 1967	Bankruptcy	\$625.00	73.60	\$46,000.00
Lori A Lenard	Of Counsel - 1992	Employee Benefits	\$395.00	5.00	\$1,975.00
Quentin T Phillips	Of Counsel - 1992	Litigation	\$415.00	19.30	\$8,009.50
Jack N Bernstein	Associate - 1995	Employee Benefits	\$410.00	38.80	\$15,908.00
Roberto S Miceli	Associate - 1996	Real Estate	\$410.00	11.90	\$4,879.00
Shirley S Cho	Associate - 1997	Bankruptcy	\$445.00	229.10	\$101,949.50
Michael G Fatall	Associate - 1997	Intellectual Property	\$375.00	9.70	\$3,637.50
Natalie H Keller	Associate - 1997	Taxation	\$450.00	69.80	\$31,410.00
Steven R Kotarba	Associate - 1997	Bankruptcy	\$420.00	262.30	\$110,166.00
Haleh Rahjoo	Associate - 1997	Bankruptcy	\$345.00	224.20	\$77,349.00
Peter M Spingola	Associate - 1997	Intellectual Property	\$375.00	33.20	\$12,450.00
Eugene F Chay	Associate - 1998	Litigation	\$375.00	53.70	\$20,137.50
Christian C Semonsen	Associate - 1999	Environment	\$345.00	30.30	\$10,453.50
J Garrett Van Osdell	Associate - 1999	Corporate	\$375.00	44.60	\$16,725.00
James Allen	Associate - 2000	Real Estate	\$310.00	11.30	\$3,503.00
Marjon E Ghasemi	Associate - 2000	Bankruptcy	\$385.00	242.20	\$93,247.00
Krista Nunemaker	Associate - 2000	Intellectual Property	\$345.00	18.30	\$6,313.50
Julie C Olsen	Associate - 2000	Real Estate	\$345.00	16.00	\$5,520.00
Richard Radnay	Associate - 2000	Corporate	\$345.00	14.80	\$5,106.00
Rachel Skiffer	Associate - 2000	Real Estate	\$225.00	9.60	\$2,160.00
Laura Thomas	Associate - 2000	Litigation	\$345.00	153.70	\$53,026.50
Victoria Wales	Associate - 2000	Real Estate	\$310.00	252.40	\$78,244.00
Ashley H Anderson	Associate - 2001	Corporate	\$345.00	103.50	\$35,707.50
Raymond I Friedman	Associate - 2001	Bankruptcy	\$345.00	57.20	\$19,734.00
Jason A Friedman	Associate - 2001	Real Estate	\$375.00	135.60	\$50,850.00
Andres C Mena	Associate - 2001	Corporate	\$385.00	9.70	\$3,734.50
Richard J Tilley	Associate - 2001	Corporate	\$310.00	155.70	\$48,267.00
Heather D Bawden	Associate - 2002	Corporate	\$270.00	9.60	\$2,592.00
Christian Lymn	Associate - 2002	Corporate	\$270.00	68.40	\$18,468.00
Xiaojie Wang	Associate - 2002	Taxation	\$280.00	23.10	\$6,468.00
Salvatore F Bianca	Associate - Pending	Bankruptcy	\$345.00	95.90	\$33,085.50
Alexis Gabay	Contract Attorney	Bankruptcy	\$255.00	6.10	\$1,555.50
Kenneth Robling	Contract Attorney	Bankruptcy	\$255.00	18.50	\$4,717.50
Juliet Simpson	Contract Attorney	Bankruptcy	\$255.00	6.70	\$1,708.50
<b>Total for Attorneys</b>				<b>4,484.60</b>	<b>\$1,922,979.50</b>

The paraprofessionals of K&E who rendered professional services in this period are:

Name of Professional Person	Position with the Applicant	Number of Years in that Position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Lois J Broussard	Legal Assistant	1 Year	Corporate	\$145.00	88.80	\$12,876.00
Elizabeth Cox Arnold	Legal Assistant	10 Years	Bankruptcy	\$190.00	26.80	\$5,092.00
Andrew J Groesch	Legal Assistant	13 Years	Bankruptcy	\$190.00	259.20	\$49,248.00



Name of Professional Person	Position with the Applicant	Number of Years in that Position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Allison Mayo Andrews	Legal Assistant	16 Years	Intellectual Property	\$185.00	89.20	\$16,502.00
Lori A Penny	Legal Assistant	6 Years	Corporate	\$175.00	10.30	\$1,802.50
Susan J Perry	Legal Assistant	14 Years	Bankruptcy	\$210.00	7.50	\$1,575.00
Shannon Roberts	Legal Assistant	6 Years	Bankruptcy	\$145.00	21.60	\$3,132.00
Laurie L Ruxton	Legal Assistant	16 Years	Real Estate	\$185.00	214.00	\$39,590.00
Gary M Vogt	Legal Assistant	16 Years	Bankruptcy	\$210.00	67.00	\$14,070.00
Toni L Wallace	Legal Assistant	2 Years	Bankruptcy	\$190.00	8.10	\$1,539.00
Denise Wymore	Legal Assistant	15 Years	Bankruptcy	\$210.00	80.60	\$16,926.00
David Hernandez	Contract Legal Assistant	7 Months	Bankruptcy	\$150.00	64.60	\$9,690.00
James R Strohl	Contract Legal Assistant	9 Months	Bankruptcy	\$150.00	63.30	\$9,495.00
Frank A Chavez	Case Assistant	11 Months	Litigation	\$90.00	87.30	\$7,857.00
Antoinette Huerta	Case Assistant	3 Years	Litigation	\$90.00	118.90	\$10,701.00
Michael West	Case Assistant	9 Years	Real Estate	\$100.00	33.80	\$3,380.00
Edgar I Yep	Case Assistant	2 Years	Litigation	\$90.00	45.00	\$4,050.00
Wenette Bradford	Project Assistant	7 Months	Bankruptcy	\$105.00	12.80	\$1,344.00
James M Celeski	Project Assistant	5 Months	Bankruptcy	\$105.00	86.40	\$9,072.00
Adam J Gorman	Project Assistant	2 Months	Bankruptcy	\$105.00	41.80	\$4,389.00
Michael Najjarpour	Project Assistant	4 Months	Bankruptcy	\$105.00	151.20	\$15,876.00
Jodi K Newman	Project Assistant	1 Year	Litigation	\$115.00	32.20	\$3,703.00
Joseph A Patrevito	Project Assistant	1 Year	Bankruptcy	\$115.00	28.10	\$3,231.50
Daneen L Jachino	Hart Scott Rodino Manager	16 Years	Administrative Services	\$480.00	6.40	\$3,072.00
Stephanie S Rosa	File Assistant	4 Years	Bankruptcy	\$75.00	14.20	\$1,065.00
<b>Total for Paraprofessionals</b>					<b>1,659.10</b>	<b>\$249,278.00</b>

14. K&E has advised and represented the Debtors in connection with the operation of their businesses and all other matters arising in the performance of their duties as debtors in possession, except those matters for which the Debtors have sought to retain the law firm of Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C. Furthermore, K&E has prepared various pleadings, motions, and other documents submitted to this Court for consideration, has appeared before this Court during hearings regarding the Chapter 11 Cases and has performed all of the other professional services that are described in this Application.

15. The rates described above are K&E's hourly rates for services of this type. Attached as Exhibit A is the detailed itemization and description of the services that K&E rendered during the Fee Period. Based on these rates and the services performed by each individual during the Fee Period, the total reasonable value of such services rendered during the Fee Period is \$2,172,257.50. The K&E attorneys and paraprofessionals expended a total of 6,143.70 hours working on the Chapter 11 Cases during the Fee Period. K&E's blended hourly rate for the services provided during the Fee Period is \$353.57. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given (a) the complexity of the Chapter 11 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 the Bankruptcy Code.

16. Further, Exhibit A (a) identifies the individuals that rendered services in each Subject Matter (as defined below), (b) describes each activity or service that each individual performed, and (c) states the number of hours (in increments of one-tenth of an hour) spent by each individual providing the services. Each matter number in Exhibit A corresponds to the matter number that K&E assigned to the Subject Matters (as defined and described below). If a Subject Matter does not appear, then K&E did not bill time or expenses for that Subject Matter during the Fee Period, but may bill time for that Subject Matter in the future.

**Reasonable and Necessary Services Rendered  
by Kirkland & Ellis LLP - Categorized by Matter**

17. The professional services that K&E rendered during the Fee Period are grouped into the numbered and titled categories of the subject matters (the "Subject Matter(s)") described in Paragraphs 18 through 43 herein.

18. Matter 3: Adversary Proceedings & Contested Matters

(Fees: \$433,928.00: Hours: 1,208.70)

This Subject Matter includes legal services related to contested matters and adversary proceedings, including, but not limited to (a) defending against adversary proceedings and contested matters including matters in connection with Berry, SAP, Fox Foods, Superior Dairy, Inc., Nickles Bakery, Inc., Albertsons, Hays and EZ Mart (b) conducting research in connection with DSP action, (c) taking of discovery and responding to discovery and various other actions such as opposing motions for temporary restraining orders, and (d) representing the Debtors in non-bankruptcy hearings where the assistance of or representation by K&E was appropriate. A significant portion of the time spent working on Matter #3 was spent responding to contested issues relating to the sale of the Debtors' wholesale division, including responding to hundreds of objections to either the sale, sale documents or assumption and assignment of particular contracts.

19. Matter 4: Avoidance Actions

(Fees: \$1,062.50: Hours: 1.70)

This Subject Matter describes time spent in efforts to begin to evaluate the number and strength of the Debtors' various avoidance actions.

20. Matter 5: Business Operations

(Fees: \$5,089.00: Hours: 9.10)

This Subject Matter describes the time spent advising the Debtors regarding debtor in possession business operational issues.

21. Matter 6: Case Administration

(Fees: \$24,860.00: Hours: 66.50)

This Subject Matter includes legal services not described elsewhere under another matter, including, but not limited to (a) administering, managing and coordinating the bankruptcy cases, (b) organizing the voluminous files of the Debtors, (c) assisting the Debtors in fulfilling their duties as debtors in possession, (d) interacting with the Committee, (e) coordinating efforts among the various K&E professionals and paraprofessionals working on the Chapter 11 Cases, and (f) generally complying with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, orders of this Court, and any other applicable law.

22. Matter 7: Cash Collateral / DIP Financing

(Fees: \$14,015.50: Hours: 35.50)

This Subject Matter includes legal services related to DIP financing and cash collateral, including, but not limited to analysis of issues regarding the use of DIP financing and cash collateral and efforts to amend portions of the order governing the Debtors' use of cash collateral.

23. Matter 8: Claims Estimate, Objection and Resolution

(Fees: \$9,034.00: Hours: 30.30)

This Subject Matter includes legal services related to claims against the Debtors, including, but not limited to (a) identifying and evaluating potential claims scheduled and filed against the Debtors, (b) developing strategies concerning such claims, and (c) negotiating and drafting stipulations resolving certain claims including matters related to setoffs.

24. Matter 9: Corporate and Securities Matters

(Fees: \$11,393.50: Hours: 24.30)

This Subject Matter includes legal services related to corporate and securities matters, including, but not limited to (a) analysis of the Debtors' existing capitalization and debt structure, (b) drafting and revising certain documents and public filings for the SEC, including an 8-K filing, (c) analysis and advice regarding the Debtors' existing surety bonds and developing strategies concerning post-petition bond issues, and (d) assisting the Debtors to ensure compliance with Hart-Scott-Rodino requirements.

25. Matter 10: Creditors / Shareholders Inquiries

(Fees: \$7,958.00: Hours: 30.80)

This Subject Matter includes legal services related to creditors' and shareholders' inquiries, including, but not limited to (a) discussions and correspondence with the Debtors regarding creditor and shareholder inquiries and (b) responding to the considerable volume of miscellaneous creditor and shareholder inquiries received by the Debtors and/or K&E in connection with questions and concerns connected to the Chapter 11 Cases including vendor and critical trade inquires.

26. Matter 11: Disclosure/Plan/Confirmation

(Fees: \$30,861.00: Hours: 54.10)

This subject matter includes the research, drafting, conferences, analyses and meeting with the Debtors and their various constituents to begin formulation of the Debtors' plan and disclosure statement.

27. Matter 12: Employee Benefits / Pension

(Fees: \$9,363.50: Hours: 18.40)

This Subject Matter includes legal services related to employee benefit and pension matters, including, but not limited to, correspondence and communications with the Debtors regarding communications to employees regarding their pension benefits and the proof of claim bar date, the application of the wages order and supplemental wages orders to the Debtors' payroll operations and assisting the Debtors with providing information to their employees regarding these issues, and preparation for and meetings with the Pension Benefit Guaranty Corporation.

28. Matter 13: Employee Issues

(Fees: \$20,904.00: Hours: 47.60)

This Subject Matter includes legal services related to general labor and employee issues including review and analysis of the Debtors' existing collective bargaining agreements for purposes of advising the Debtors regarding their post-petition rights and obligations under such agreements. Work included preparation of certain separation agreements, discussions with the Teamsters Union regarding objections to the sale of the wholesale division, addressing NLRB issues and assisting the Debtors regarding administrative claims filed by certain employees.

29. Matter 14: Environmental Counseling

(Fees: \$10,542.50: Hours: 30.50)

This Subject Matter includes activities in connection with counseling the Debtors with regard to environmental and related regulatory issues.

30. Matter 15: Executory Contracts

(Fees: \$74,593.00: Hours: 214.40)

This Subject Matter includes legal services relating to the Debtors' voluminous executory contract and unexpired lease portfolio, including, but not limited to (a) analysis of executory contracts and unexpired leases for rejection, (b) preparing motions to reject certain contracts and unexpired leases, (c) analysis of the Debtors' ability to assume and assign certain contracts and unexpired leases and preparation of related documents and pleadings, (d) the preparation of certain procedural motions including the motion to extend the time to assume or reject executory contracts and unexpired leases, and (e) review and analysis of the numerous objections based on cure amounts filed in connection with the sale of the Debtors' wholesale grocery distribution business.

31. Matter 19: Intellectual Property

(Fees: \$276.00: Hours: 0.80)

This Subject Matter includes legal services related to evaluating and advising the Debtors on intellectual property related issues, including, but not limited to, matters regarding franchise, licensing and infringement agreements that the Debtors are a party to.

32. Matter 20: K&E Fee Applications

(Fees: \$22,398.00: Hours: 77.50)

This Subject Matter includes activities in connection with K&E's preparation of its first monthly interim and quarterly fee applications in accordance with the procedures and standards of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, orders of this Court, and guidelines of the U.S. Trustee. Because many K&E individuals provide services in these cases, reviewing K&E's billing statement and preparing monthly Applications to ensure

compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, orders of this Court and guidelines of the U.S. Trustee is a time consuming process.

33. Matter 23: PACA Claims

(Fees: \$36,566.50: Hours: 215.00)

This Subject Matter includes time spent implementing the procedure to address and pay PACA claims and responding to PACA claims, motions and objections and preparation for and participation in contested hearings regarding the same, as well as preparation of the PACA status report.

34. Matter 24: Reclamation

(Fees: \$7,261.50: Hours: 18.90)

This Subject Matter includes time spent implementing the procedure to address and pay reclamation claims and responding to reclamation claims, motions and objections.

35. Matter 25: Relief from Stay Matters

(Fees: \$151,376.00: Hours: 356.50)

This Subject Matter involves legal services related to responding to and analyzing efforts by creditors or litigants seeking relief from the automatic stay or, alternatively, efforts by the Debtors to seek relief from stay, including, but not limited to: (a) responding to motions for relief from the automatic stay filed by such parties as XL, Marigold, Albertsons, Northeast, Zurich, BHB, and others, (b) preparing motions and correspondence to third parties to clarify the scope and application of the automatic stay and cease attempts to collect prepetition debts, (c) analyzing military relief from stay issues, and (d) analyzing automatic stay issues relating to certain pending litigation.



36. Matter 26: Retention of Professionals

(Fees: \$8,391.00: Hours: 32.10)

This Subject Matter includes legal services related to the retention of professionals, including, but not limited to (a) the retention, and in some instances termination, of bankruptcy professionals, other than K&E, under sections 327 and 363 of the Bankruptcy Code, including, but not limited to, the retention of Bain & Company as turnaround advisor and Keen Consulting as real estate consultants and (b) the retention of ordinary course professionals retained under sections 105(a) and 327 of the Bankruptcy Code.

37. Matter 28: Shareholder Litigation

(Fees: \$19,895.00: Hours: 40.40)

This Subject Matter includes legal services related to the Debtors' pending shareholder litigation, including, but not limited to, advising the Debtors of the effect of bankruptcy on the litigation and coordinating efforts with the Debtors' outside litigation counsel.

38. Matter 29: Tax Issues

(Fees: \$54,877.50: Hours: 122.80)

This Subject Matter includes legal services related to tax matters, including, but not limited to (a) determining the Debtors' obligations in connection with pre-petition and post-petition tax liabilities, (b) analysis of net operating loss issues, and (c) reviewing proposed and pending transactional documents (including documents relating to the sale of the Debtors' wholesale division) for purposes of advising as to the tax implications.

39. Matter 30: Travel

(Fees: \$70,500.00: Hours: 185.00)

This Subject Matter includes half-time spent traveling while representing the Debtors, where the time does not directly relate to another Subject Matter.

40. Matter 31: Use, Sale and Lease of Property / Assets

(Fees: \$921,989.50: Hours: 2,446.20)

This Subject Matter includes legal services related to the use, sale and lease of property and assets, including, but not limited to (a) researching, drafting and revising sale pleadings, bidding procedures pleadings, and emergency motions in connection with the sale (the "Sale") of certain of the Debtors' assets in connection with its' wholesale grocery distribution business, (b) advising the Debtors in connection with the Sale, (c) advising on, negotiating, drafting and revising the transactional documents in connection with the Sale, including documents such as the asset purchase agreement, the schedules and the escrow agreements, (d) preparation of de minimis asset sale procedures notices for the sale of various assets including certain liquor licenses, certain pharmaceutical merchandise, (e) preparation of real estate sale procedures notices, and (f) coordinating GOB sale efforts.

41. Matter 33: File, Docket, Calendar Maintenance

(Fees: \$50,737.00: Hours: 402.20)

This Subject Matter describes time spent organizing and distributing pleadings, motions and other court filings, and maintaining the voluminous files of the Debtors, including indexing and organizing the numerous reclamation and PACA claims.

42. Matter 34: Hearings

(Fees: \$171,775.00: Hours: 469.10)

This Subject Matter includes legal services rendered in preparation for and attendance of post-petition hearings, including hearings related to the sale of the Debtors' wholesale division.

43. Matter 35: Insurance

(Fees: \$2,610.00: Hours: 5.30)

This Subject Matter includes legal services related to advising the Debtors regarding various insurance issues, including coverage disputes and bonding requirements.

**Actual and Necessary Expenses**

44. It is K&E's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been incurred except for representation of that particular client. It is also K&E's policy to charge its clients only the amount actually incurred by K&E in connection with such items. Examples of such expenses are postage, overnight mail, courier delivery, transportation, overtime expenses, computer assisted legal research, photocopying, outgoing facsimile transmissions, airfare, meals and lodging. With respect to airfare expenses, all travel, by all individuals, is billed at the coach class rate with the allowance of class upgrades.

45. In order to ensure the compliance with all applicable deadlines in these highly complex Chapter 11 Cases K&E utilizes the services of overtime secretaries. K&E charges fees for these services pursuant to the prepetition engagement letter between K&E and the Debtors (the "Engagement Letter"), which permits K&E to bill the Debtors for overtime secretarial charges that arise out of business necessity. In addition, because of the almost constant attention K&E professionals must give to these Chapter 11 Cases, K&E professionals also may charge their overtime meals and overtime transportation to the Debtors consistent with prepetition practices.

46. K&E charges (a) \$0.10 per page for standard duplication and (b) \$0.75 per page for outgoing telecopier transmissions (plus related toll charges). K&E does not charge its clients for incoming telecopier transmissions. K&E has negotiated a discounted rate for Westlaw

computer assisted legal research, which is approximately \$125/hour of online use of the standard Westlaw databases. Computer assisted legal research is used whenever the researcher determines that using Westlaw is more cost effective than using traditional (non-computer assisted legal research) techniques.

47. A summary of expenses by type, as well as a detailed itemization and description of the disbursements made by K&E on the Debtors' behalf during the Fee Period is attached hereto as Exhibit B. All of these disbursements comprise the requested sum for K&E's out-of-pocket expenses, totaling \$190,140.64. These disbursements are grouped in Exhibit B into the same numbered and titled categories of Subject Matters as the fees are grouped in Exhibit A. The matter numbers within Exhibit B correspond to the numbers assigned to the matters described in Paragraphs 18 through 43 herein. Any missing matter numbers merely indicate that no expenses were attributed to the matter corresponding to that number during the Fee Period, but expenses may be attributable to a Subject Matter in the future.

#### **Representations**

48. Although every effort has been made to include all fees and expenses incurred in the Fee Period, some fees and expenses might not be included in this Application due to delays caused by accounting and processing during the Fee Period. K&E reserves the right to make further application to this Court for allowance of such fees and expenses not included herein. Subsequent fee applications will be filed in accordance with the Bankruptcy Code, the Bankruptcy Rules, Local Bankruptcy Rules, and the Interim Compensation Order.

49. In summary, by this Application, K&E requests interim payment of compensation for fees and expenses in the total amount of \$1,927,946.64 consisting of (a) \$1,737,806.00, which is 80% of the fees incurred by the Debtors for reasonable and necessary

professional services rendered by K&E and (b) \$190,140.64 for actual and necessary costs and expenses.

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WHEREFORE, K&E requests that it be allowed reimbursement for its fees and expenses incurred during the Fee Period and that such fees and expenses be paid as administrative expenses of the estates.

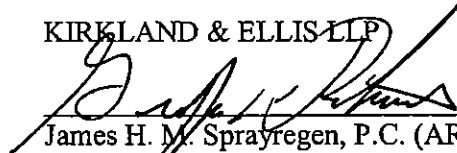
Wilmington, Delaware

Respectfully submitted,

Dated: September 26, 2003

FLEMING COMPANIES, INC.

KIRKLAND & ELLIS LLP



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Co-Counsel for the Debtors and Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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

STATE OF ILLINOIS )  
) SS.  
COUNTY OF COOK )

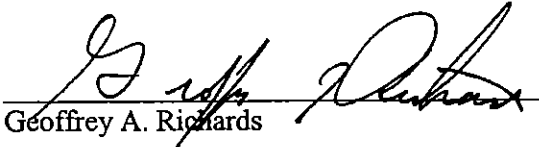
**VERIFICATION**

Geoffrey A. Richards, after being duly sworn according to law, deposes and says:

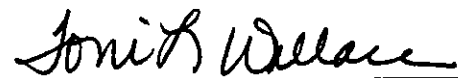
1. I am an attorney with the applicant firm, Kirkland & Ellis LLP, and have been admitted to the Bar of the State of Illinois since 1995.

2. I have personally performed some of the legal services rendered by Kirkland & Ellis LLP as general bankruptcy counsel to the Debtors and am generally familiar with all other work performed on behalf of the Debtors by the lawyers and other persons in the firm.

3. The facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Geoffrey A. Richards

SUBSCRIBED AND SWORN TO before me  
this day 26 of September, 2003.

  
\_\_\_\_\_  
Notary Public



<sup>1</sup> 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.