

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.)
)
)

**FIRST QUARTERLY APPLICATION OF KEKST AND COMPANY, INC.
FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS COMMUNICATIONS CONSULTANT TO
THE DEBTORS
FOR THE PERIOD FROM APRIL 1, 2003 THROUGH JUNE 30, 2003**

Name of Applicant: Kekst and Company, Inc., ("Kekst").

Authorized to Provide Professional Services to: The above-captioned debtors and debtors-in-possession.

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

Period for which Compensation and Reimbursement is Sought: April 1, 2003 through June 30, 2003.

Amount of Compensation Sought as Actual, Reasonable and Necessary: \$78,812.50.

Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary: \$5,269.53.

This is a: __ monthly xx interim __ final application.

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.

The total time expended for fee application preparation is approximately 3 hours and the corresponding compensation requested is approximately \$1,360.00.²

Prior Applications Filed related to this filing:

06/26/03	04/01/03 – 05/31/03	\$92,515.50	\$3,050.64	\$11,595.00	\$3,050.64	\$14,645.64
07/11/03	06/01/03 – 06/30/03	\$26,300.00	\$2,218.89	\$21,040.00	\$2,218.89	\$23,258.89
08/8/03	07/01/03 – 07/30/03	\$6,525.00	\$835.13	\$5,220.00	\$835.13	Pending

² The actual number of hours expended preparing this Application and the corresponding compensation requested will be set forth in PSZYJ&W's subsequent fee applications.
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IN THE UNITED STATES BANKRUPTCY COURT
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In re:) Chapter 11
)
FLEMING COMPANIES, INC., et al.,¹) Case No. 03-10945 (MFW)
) (Jointly Administered)
Debtors.)
)
) Objection Due By: DATE at 4:00 p.m.
) Hearing Date: DATE at 2:00 p.m.

**FIRST QUARTERLY APPLICATION OF KEKST AND COMPANY, INC.,
FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS CO-COUNSEL TO THE DEBTORS
FOR THE PERIOD FROM APRIL 1, 2003 THROUGH JUNE 30, 2003**

Pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Court's Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Allowance for Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members, signed April 22, 2003 (the "Administrative Order"), Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C. ("PSZYJ&W") hereby files this First Quarterly Application of Kekst and Company Inc. ("Kekst") for Compensation for Services Rendered and Reimbursement of Expenses as Communications Consultants to the Debtors for the Period from April 1, 2003 through June 30, 2003 (the "Application"). By this Application, Kekst seeks a quarterly interim allowance of compensation in the amount of \$78,812.50 and reimbursement of

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.

actual and necessary expenses in the amount of \$5,269.53 for a total of \$84,082.03 for the period April 1, 2003 through June 30, 2003 (the "Interim Period"). In support of this Application, Kekst respectfully represents as follows:

Background

1. On April 1, 2003, each of the Debtors (collectively, the "Debtors") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, Debtors are continuing to operate their businesses and manage their properties and assets as debtors in possession. Since the Petition Date, the U.S. Trustee has appointed the Official Committee of Unsecured Creditors, (the "Committee").

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

3. The Debtors' chapter 11 cases are consolidated for procedural purposes only and administered jointly.

4. By this Court's order, signed June 5, 2003, Debtors were authorized to retain Kekst as their communications consultants, effective as of the respective petition dates, with regard to the filing and prosecution of their Chapter 11 cases, and all related matters (the "Retention Order"). The Retention Order authorizes Debtors to compensate Kekst at Kekst's hourly rates charged for services of this type and to be reimbursed for actual and necessary out-of-pocket expenses that it 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.

5. On April 22, 2003, the Court signed its Administrative Order establishing procedures for interim compensation and reimbursement of expenses of professionals. Pursuant to the procedures set forth in that Administrative Order, professionals may request monthly compensation and reimbursement, and interested parties may object to such requests. If no interested party objects to a professional's request within twenty (20) days, the applicable professional may submit to the Court a certification of no objection authorizing the interim compensation and reimbursement of eighty percent (80%) of the fees requested and 100% of the expenses requested. Beginning with the period ending on June 30, 2003, and at three month intervals or such other intervals convenient to the Court, each professional shall file and serve an interim application ("quarterly application") for such period. All fees and costs paid to professionals pursuant to such monthly and quarterly applications are subject to the filing and approval of final fee applications of the professional.

Monthly Applications Covered Herein

6. The Monthly Applications for the periods April 1, 2003 through June 30, 2003 of Kekst have been served pursuant to the Administrative Order.

7. On June 26, 2003, Kekst served its First Monthly Application for Compensation and for Reimbursement of Expenses as Communications Consultants to the Debtors for the Period from April 1, 2003 Through May 30, 2003 ("First Fee Application") requesting \$92,512.50 in fees and \$3,050.64 in expenses. A true and correct copy of the First Monthly Application is attached hereto as Exhibit A.

8. On July 16, 2003, the Office of the United States Trustee (the "UST") filed the an objection to the First Interim Fee Application. Kekst and the UST conducted discussions regarding the objection and the application. As a result of the discussions, Kekst agreed to reduce the amount of fees by \$40,000. Accordingly Kekst sought approval of \$52,512.50 in professional fees and expenses in the amount of \$3,050.64. The Debtors represented that the arrangement resolved the Objection to the application and filed a certificate of counnsl regarding the matter. A true and correct copy of the Certificate of Counsel is attached hereto as Exhibit B. Accordingly, the Court approved \$42,010.00 for fees (80%) and \$3,050.064 of the expenses (100%).

9. However, Kekst has been paid only \$11,595.00 of the fees and \$3,050.64 of the expenses. The amount approved by the Court for fees (80%) was adjusted by the Debtors to reflect the true 20% withholding by the Court in the amount of \$40,917.50 due to the fact that the Debtor had paid Kekst a retainer prior to the filing and Kekst had deducted that amount from April and May charges. (see Chart A) Therefore, Kekst has only been paid \$11,595.00 for fees.

10. On July 11, 2003, Kekst served its Second Fee Application. for Compensation and for Reimbursement of Expenses as Communications Consultants to the Debtors for the Period from June 1, 2003 through June 30, 2003 ("Second Fee Application") requesting \$26,300.00 in fees and \$2,218.89 in expenses. Pursuant to the Administrative Order, Kekst has been paid \$21,040.00 of the fees and \$2,218,89 of the expenses requested in the Second Fee Application. A true and correct copy of the Second Monthly Application is attached hereto as Exhibit C.

11. The Fee Applications covered by this First Quarterly Interim Application contain detailed daily time logs describing the actual and necessary services provided by Kekst during the Interim Period as well as other detailed information required to be included in fee applications.

Requested Relief

12. By this First Quarterly Interim Application, Kekst requests that the Court approve payment of one-hundred percent (100%) of the fees and expenses incurred by Kekst during the Interim Period of April 1, 2003 through June 30, 2003.

13. At all relevant times, Kekst has been a disinterested person as that term is defined in §101(14) of the Bankruptcy Code and has not represented or held an interest adverse to the interest of the Debtors.

14. All services for which compensation is requested by Kekst were performed for or on behalf of the Debtors and not on behalf of any committee, creditor or other person.

15. Kekst 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 the Debtors' cases, except as disclosed herein and in the attached monthly applications. There is no agreement or understanding between Kekst and any other person, other than members of the Firm, for the sharing of compensation to be received for services rendered in these cases.

16. The professional services and related expenses for which Kekst requests interim allowance of compensation and reimbursement of expenses were rendered and incurred

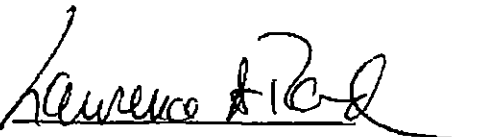
in connection with this case in the discharge of Kekst's professional responsibilities as communications consultants for the Debtors in their chapter 11 cases. Kekst's services have been necessary and beneficial to the Debtors and their estates, creditors and other parties in interest.

17. In accordance with the factors enumerated in Section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by Kekst is fair and reasonable given (a) the complexity of these 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 this title.

WHEREFORE, Kekst respectfully requests that the Court enter an order, in the form attached hereto, providing that an interim allowance be made to Kekst for the period from April 1, 2003 through June 30, 2003 in the sum of \$78,812.50, as compensation for necessary professional services rendered, and the sum of \$5,269.53, for reimbursement of actual necessary costs and expenses, for a total of \$84,082.03; that the Debtors be authorized and directed to pay to Kekst the outstanding amount of such sums; and for such other and further relief as may be just and proper.

Dated: October 10, 2003

KEKST AND COMPANY

By: 

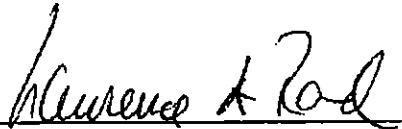
Lawrence A. Rand
Kekst and Company, Inc.
437 Madison Avenue
New York, NY 10022
(212) 521-4800

VERIFICATION

STATE OF DELAWARE :
:
COUNTY OF NEW CASTLE :

Lawrence A. Rand, after being duly sworn according to law, deposes and says:

- a) I am a principal with the applicant firm, Kekst and Company, Inc..
- b) I have personally performed many of the services rendered by Kekst and Company, Inc., as communications consultant for the Debtors and am thoroughly familiar with the other work performed on behalf of the Debtors by the professionals of Kekst.
- 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.



Lawrence A. Rand

SWORN AND SUBSCRIBED
before me this 10 day of October, 2003.

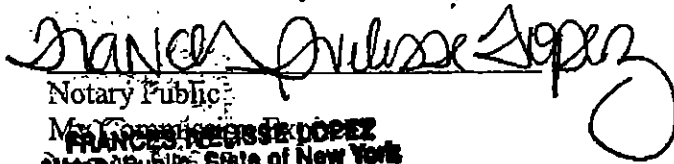


Notary Public
FRANCIS REGIS R. POPEZ
Notary Public, State of New York
No. 03168088549
Qualified in Richmond County
Commission Expires 09/03/20 

CHART A

Fleming CHART A

April time	\$204,675.00	
May time	<u>\$39,912.50</u>	
Subtotal	\$244,587.50	
	\$(40,000.00)	agreed by Kekst & Co to reduce
	<u>\$204,587.50</u>	
	\$(40,917.50)	20% withholdi ng by Court
Subtotal	<u>\$163,670.00</u>	
April expenses	\$13,334.11	
May expenses	<u>\$3,726.28</u>	
Subtotal	\$180,730.39	
	\$(152,075.00)	left on our retainer for time left on our expense deposit for expenses
	\$(14,009.75)	
	<u>\$14,645.64</u>	payment made by wire transfer
June time	\$26,300.00	
	\$(5,260.00)	20% withholdi ng by Court
Subtotal	<u>\$21,040.00</u>	
June expenses	<u>\$2,218.89</u>	
	\$23,258.89	payment made by wire transfer