

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

In re:)	
)	Case No. 03-10945 (MFW)
FLEMING COMPANIES, INC., et al., ¹)	(Jointly Administered)
)	Chapter 11
Debtors.)	
)	

AFFIDAVIT OF STEPHANY PHELPS IN SUPPORT OF (A) THE APPLICATION OF THE DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO 11 U.S.C. §§ 327(A), 330 AND 105(A) AND FED. R. BANKR. P. 2014(A), 2016 AND 5002 AUTHORIZING THE EMPLOYMENT AND RETENTION OF BAIN & COMPANY AS TURNAROUND ADVISOR TO THE DEBTORS AND DEBTORS IN POSSESSION *NUNC PRO TUNC* TO APRIL 1, 2003 AND MOTION OF THE DEBTORS FOR AN ORDER APPROVING THE TERMINATION AGREEMENT AND (B) FIRST AND FINAL APPLICATION FOR APPROVAL OF PROFESSIONAL FEES AND EXPENSES INCURRED BY BAIN & COMPANY, INC. AS MANAGEMENT CONSULTANTS TO THE DEBTORS FOR THE PERIOD APRIL 1, 2003 THROUGH APRIL 11, 2003

CITY OF BOSTON)	
)	
STATE OF MASSACHUSETTS)	ss.

STEPHANY PHELPS, being duly sworn, declares as follows:

1. I am counsel of Bain & Company, Inc., a business strategy consulting firm with offices located at Two Copley Place, Boston, Massachusetts, 02116. I am admitted to practice and remain in good standing in the Commonwealth of Massachusetts. I submit this affidavit (the “Affidavit”) in support of the combined application (the “Retention Application”) for an order pursuant to sections 327(a), 330, 363, 365 and 105(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Fed. R. Bankr.P. 2014(a), 2016 and 5002 authorizing the employment

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.; Favara 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.

and retention of Bain & Company, Inc. (“Bain”) as turnaround advisor to the Debtors pursuant to a pre-petition engagement letter (the “Engagement Letter”) dated September 25, 2002 and attached to the Kovac Declaration as Exhibit A and motion approving and authorizing the Debtors to perform a termination agreement (the “Termination Agreement”), attached to the Kovac Declaration as Exhibit B. This affidavit is also tendered in support of the first and final application for approval of professional fees and expenses incurred by Bain as management consultants to the Debtors for the period April 1, 2003 through April 11, 2003 (the “Fee Application”).

2. I have been employed as counsel for Bain since August 2001 and continue to function as counsel for Bain as of the date hereof.

3. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

4. On May 12, 2003, I contacted counsel for the Debtors, Kirkland & Ellis, via telephone. At that time, counsel for the Debtors proposed filing an abbreviated retention application based on the limited period of time the Debtors retained Bain and paying Bain in the ordinary course of business.

5. On May 13, 2003 I sent counsel for the Debtors, via electronic mail, (a) a copy of the statement of work completed for the postpetition fees and expenses and (b) a copy of the executed engagement agreement dated September 25, 2002. Via electronic mail, Counsel for the Debtors responded that the Debtor now proposes to file full retention application and that Bain needs to submit a final fee application. True and correct copies of the e-mail correspondence between the parties on May 13, 2003 are attached hereto as Exhibit A.

6. On May 14, 2003 I requested via electronic mail that counsel for the Debtors send the proposed form of retention application and interested parties list to enable Bain to conduct a conflict check and to obtain the information required to complete the retention application. On May 14, 2003, counsel for the Debtors submitted a list of parties for a conflicts check via electronic mail. On May 20, 2003, via electronic mail, counsel for the Debtors submitted a proposed draft form of retention application. True and correct copies of the e-mail correspondence between the parties from May 14, 2003 through May 20, 2003 are attached hereto as **Exhibit B**.

7. On or about May 14, 2003, Bain determined that it needed outside counsel to review the retention application and to advise Bain as to the entire retention and fee application process. Based on discussions with the Debtors and their counsel that formal retention and fee applications would not be necessary, Bain had not previously retained counsel to advise it in the Debtors bankruptcy cases prior to May 14, 2003.

8. Bain felt that it needed such counsel based on its lack of experience and relative lack of sophistication in bankruptcy proceedings. To the best of my knowledge, Bain has only limited knowledge and experience in bankruptcy proceedings.

9. On May 14, 2003, Bain contact McDermott Will & Emery ("MWE") and requested that MWE act as counsel to Bain in the Debtors bankruptcy cases. MWE, however, needed to research and resolve potential conflicts of interest prior to its retention as counsel. Accordingly, during the period from May 14, 2003, MWE resolved its conflict issues and provided comment to Bain as to the first draft of the retention application.

10. On June 5, 2003, counsel for the Debtors contacted me via voicemail and electronic mail regarding the retention application and the detail that needed to be provided in

such application to withstand scrutiny from interested parties in the Debtors bankruptcy cases. Counsel for the Debtors also proposed filing a fee application at that time, and offered to forward a draft form of fee application. On June 6, 2003, via electronic mail, I submitted a marked first draft of the retention application reflecting internal comments from Bain and comments from MWE. True and correct copies of the e-mail correspondence between the parties from June 5, 2003 through June 6, 2003 are attached hereto as **Exhibit C**.

11. On June 17, 2003, counsel for the Debtors via electronic mail requested confirmation of execution of Termination Agreement, which Bain subsequently confirmed. On June 20, 2003, I requested via electronic mail a confirmation of the status of the Retention Application. On June 23, 2003, counsel for the Debtors responded via electronic mail to my June 20, 2003 request and advised me that comments to Retention Application would be sent to Bain on June 24, 2003. On June 25, 2003, counsel for the Debtors submitted via electronic mail a revised draft of Retention Application to Bain. True and correct copies of the e-mail correspondence between the parties from June 17, 2003 through June 25, 2003 are attached hereto as **Exhibit D**.

12. On June 26, 2003, I submitted to counsel for the Debtors via electronic mail a second round of comments and modifications to the Retention Application and I requested draft form of declaration in support of Retention Application. On June 30, 2003, counsel for the Debtors submitted via electronic mail a revised draft of the Retention Application, reflecting proposed changes from management of Debtors. True and correct copies of the e-mail correspondence between the parties from June 26, 2003 through June 30, 2003 are attached hereto as **Exhibit E**.

13. On July 7, 2003, I submitted to counsel for the Debtors via electronic mail a third round of comments and modifications to the Retention Application. True and correct copies of the e-mail correspondence between the parties on July 7, 2003 are attached hereto as **Exhibit F**.

14. On July 10, 2003, I submitted a draft of the Fee Application and related documents to counsel for the Debtors via electronic mail. On July 11, 2003, I corresponded via electronic mail with counsel for the Debtors regarding the status of Fee Application and Retention Application. On July 14, 2003, counsel for the Debtors proposed scheduling the Bain Applications on August 4, to which Bain strongly objected in an e-mail from outside counsel for Bain to counsel for the Debtors dated July 14, 2003. True and correct copies of the e-mail correspondence between the parties from July 10, 2003 through July 14, 2003 are attached hereto as **Exhibit G**.

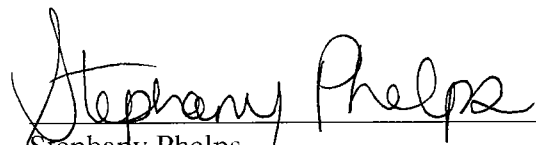
15. On July 28, 2003, outside counsel for Bain contacted counsel for the Debtors via electronic mail to request a confirmation as to the status of the Bain Applications. True and correct copies of the e-mail correspondence between the parties on July 28, 2003 are attached hereto as **Exhibit H**.

16. On July 30, 2003, outside counsel for Bain and counsel for the Debtors corresponded regarding the filing and presentation of the Bain Applications. True and correct copies of the e-mail correspondence between the parties on July 30, 2003 are attached hereto as **Exhibit I**.

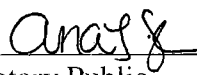
17. On July 31, 2003 counsel for the Debtors submitted the Bain Applications via electronic mail to its local counsel for filing. True and correct copies of the e-mail correspondence between the parties on July 31, 2003 are attached hereto as **Exhibit J**.

18. On August 1, 2003, counsel for Bain and counsel for the Debtors corresponded via electronic mail regarding the Retention Application. Counsel for the Debtors informed counsel for Bain that the Bain Applications could not be heard on August 19, 2003 because an insufficient amount of time remains prior to the August 19, 2003 date for notice under the Bankruptcy Rules and the Delaware Bankruptcy Court local rules. Based on the foregoing, Bain agreed to allow the Retention Application to be heard on September 4, 2003. True and correct copies of the e-mail correspondence between the parties on August 1, 2003 are attached hereto as **Exhibit K**.

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


Stephary Phelps
Counsel, Bain & Company, Inc.

Subscribed and Sworn to before me
this 13th day of October 2003


Notary Public

My Commission expires: 12-4-2009