

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MASSACHUSETTS  
WESTERN DIVISION**

**In re:**

**LUNT SILVERSMITHS, INC.**

**DEBTOR**

**Chapter 11  
Case No. 09-32228-HJB**

**APPLICATION TO EMPLOY COUNSEL**

NOW COMES Lunt Silversmiths, Inc., (the “Debtor”) and debtor-in-possession in the above-captioned Chapter 11 case, and hereby submits this application (the “Application”), pursuant to sections 327(a) and 1107(a) of title 11 of the United States Code, 11 U.S.C. § § 101 *et seq.* (the “Bankruptcy Code”), Rule 2014 of the Federal Rules of Bankruptcy Procedure, and Rule 2014-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of Massachusetts, for entry of an order authorizing the Debtor’s retention of Shatz, Schwartz and Fentin, P.C. (“SSF”) as its counsel as of the Petition Date. In support of this Application, the Debtor relies on the affidavit of Edward V. Sabella (the “Sabella Affidavit”), attached hereto as Exhibit A, and further states as follows:

**Background**

1. On the date hereof (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtor is liquidating its assets and managing its affairs as a debtor-in-possession.

2. As of the date hereof, no creditors' committee, trustee or examiner has been appointed in this Chapter 11 case.

3. For decades, the Debtor has operated profitably as a leader among silver manufacturers in the United States, providing a wide range of silver products traditionally focused on silver tableware and giftware. The Debtor's corporate headquarters are located at 298 Federal Street, Unit B, Greenfield, Massachusetts.

#### **Relief Requested**

4. By this Application, the Debtor respectfully requests entry of an order pursuant to section 327(a) of the Bankruptcy Code authorizing it to employ and retain SSF as its counsel under a general retainer with regard to the filing and prosecution of this Chapter 11 case and all related matters, effective as of the Petition Date.

5. SSF, located at 1441 Main Street, Suite 1100, Springfield, Massachusetts, is comprised of attorneys qualified to act in these proceedings. Said firm is experienced in representing debtors and other parties before this Court.

6. The Debtor selected SSF due to its experience and knowledge in the field of debtors' and creditors' rights and liquidations and reorganizations under Chapter 11 of the Bankruptcy Code. The Debtor also selected SSF due to the fact that SSF has represented the Debtor in corporate matters in the past.

7. In or about April 2009, the Debtor retained SSF to represent the Debtor in connection with its financial concerns, including restructuring efforts and bankruptcy counseling, which ultimately included the preparation and filing of the Debtor's Chapter 11 petition and related documents. As a result, SSF has extensive knowledge of the Debtor's structure, financing documents and other agreements. SSF is familiar with the Debtor's business affairs and many of the potential legal issues that may arise in the context of this Chapter 11 case. The Debtor believes that SSF is well qualified to provide the services needed in this case.

8. The professional services that SSF will render to the Debtor may include, but shall not be limited to, the following:

- (a) file the Chapter 11 petition and schedules, and all related pleadings and first day motions;
- (b) take all steps necessary to authorize use of cash collateral;
- (c) advise the Debtor with respect to its powers and duties as debtor-in-possession in the continued management, operation and liquidation of its business and properties;
- (d) to review all loan and lease documents executed by the Debtor with its lenders and lessors;
- (e) attend meetings and negotiate with representatives of creditors and other parties in interest;
- (f) review and take necessary steps if there are transfers which may be avoided as preferential or fraudulent transfers, under the appropriate provision of the Bankruptcy Code;
- (g) take all necessary action to protect and preserve the Debtor's estate, including the prosecution of actions on the Debtor's behalf, the defense of any action commenced against the Debtor, negotiations concerning all litigation in which the Debtor is or may become involved, and objections to claims filed against the Debtor's estate;
- (h) prepare on behalf of the Debtor all motions, applications, answers, orders, reports, and papers necessary to the administration of the estate;
- (i) prepare on the Debtor's behalf any plan or plans of liquidation, statements, and all related agreements and/or documents, and take any necessary action on behalf of the Debtor to obtain confirmation of such plan;
- (j) represent the Debtor in connection with any potential post-petition financing;
- (k) advise the Debtor in connection with the sale of assets to Reed and Barton Corporation and any other potential sale of assets;
- (l) appear before this Court, any appellate courts, and the United States Trustee and protect the interests of the Debtor's estate before such Courts and the United States Trustee;
- (m) represent the Debtor before the Department of Environmental Protection Attorney General's Office with respect to any radiation actions pursuant to M.G.L.A. ch. 21E and 21C;
- (n) represent the Debtor with respect to general corporate and transactional matters;
- (o) appear before any local authorities and/or state permitting agency with regard to the development, subdivision or transfer of the Debtor's real estate; and
- (p) perform all other necessary legal services with regard to the liquidation of the Debtor's real estate, including but not limited to legal services to establish and confirm the Debtor's marketability of title by adverse possession and provide all other necessary legal advice to the Debtor in connection with this Chapter 11 case.

9. The terms of employment of SSF agreed to by the Debtor, subject to the approval of the court, are that certain attorneys and other personnel within the firm will undertake this representation at their standard hourly rates. The individuals presently designated to represent the Debtor and their hourly rates are:

Edward V. Sabella, Esquire	\$345.00
Steven Weiss, Esquire	\$345.00
L. Alexandra Hogan, Esquire	\$200.00
Paralegals	\$130.00

10. SSF's hourly rates are set at a level designed to fairly compensate the firm for work of its attorneys and paralegals and to cover fixed and routine overhead expenses.

11. These hourly rates are subject to periodic adjustments to reflect economic and other conditions, and with respect to those below the level of senior partner, to reflect their increased experience and expertise in this area of the law.

12. It is SSF's policy to charge its clients in all areas of practice for expenses incurred in connection with a client's case. The expenses charged to clients include, among other things, court fees, photocopying, witness fees, travel expenses, certain secretarial and other expenses, filing and recording fees, long distance telephone calls, postage, express mail and messenger charges, computerized legal research charges and other computer services, and telecopier charges. SSF will charge the Debtor for these expenses in a manner and at rates consistent with charges made generally to its other clients and consistent with the rules and practices of this Court.

13. The attorneys will make periodic applications for interim compensation, and if, at the completion of the case the results merit it, the attorneys may make application to the court for the allowance of a premium above their designated hourly rates.

14. Prior to the Debtor's engagement of SSF in or about April 2009 in connection with its financial consultation and bankruptcy counseling, SSF represented the Debtor in other matters,

including general representation, preparation of audit letters, contract negotiations and preparation, defense of discrimination suit, and corporate refinance and sale of business (the “Non-Bankruptcy Services”).

15. In connection with SSF’s Non-Bankruptcy Services, the Debtor incurred legal fees and expenses but was unable to pay SSF \$26,662.35, which SSF has forgiven entirely and therefore SSF holds no claim against the Debtor other than for fees associated with the Debtor’s representation relating to this case.

16. Prior to the Petition Date, SSF received a \$51,039 retainer to cover legal fees and expenses related to the financial consultation and pre-petition bankruptcy counseling and services. SSF has applied \$50,000 to its invoice dated December 16, 2009 for financial consultation and pre-bankruptcy services rendered, leaving the Debtor with a balance of \$6,445.62. The remaining \$1,039 will be applied to reimburse SSF for the expense of the Court’s Chapter 11 filing fee.

17. James H. Lunt is the president of the Debtor. James H. Lunt’s brother, Colby Lunt, made a loan to James Lunt in the amount of \$51,039 and in turn James H. Lunt made a loan to the Debtor which is the source of SSF’s original \$51,039 retainer.

18. Additional compensation for services and for reasonable costs and expenses shall be paid as approved by this Court, upon application as required by the Bankruptcy Code. SSF has agreed to and will comply with the requirements contained in any fee guidelines promulgated by the Bankruptcy Court.

19. To the best of the Debtor’s knowledge, neither Edward V. Sabella nor any employee of SSF has any connection with the Debtor, creditors or other parties in interest.

20. To the best of the Debtor’s knowledge, neither Edward V. Sabella nor any employee of SSF holds or represents any interest adverse to the estate of the Debtor.

21. To the best of the Debtor's knowledge, Edward V. Sabella, SSF and each member of SSF is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code.

22. Any compensation to be paid for the services rendered in this case shall be the sole property of the firm of SSF and will not be shared with any person or entity, other than with the partners, counsel and associates of SSF.

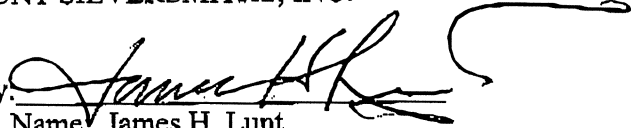
23. Based on the foregoing, the Debtor submits that it is in the best interest of the Debtor and its estate for this Court to approve the retention of SSF as its counsel for all services related to this Chapter 11 case.

WHEREFORE, Lunt Silversmiths, Inc. prays that it may be authorized to employ Shatz, Schwartz and Fentin, P.C., as counsel in this case, and grant such other further relief as is just and proper.

Dated this 17 day of December, 2009.

Respectfully submitted,

LUNT SILVERSMITHS, INC.

By:   
Name: James H. Lunt  
Title: President

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MASSACHUSETTS  
WESTERN DIVISION**

**In re:**

**LUNT SILVERSMITHS, INC.**

**DEBTOR**

**Chapter 11**  
**Case No. 09-32228 -HJB**

**AFFIDAVIT AND VERIFIED STATEMENT PURSUANT TO BANKRUPTCY RULE  
2014 AND LOCAL RULE 2014-1**

I, Edward V. Sabella, an attorney and partner in the firm of Shatz, Schwartz and Fentin, P.C., being duly sworn hereby depose and say the following:

1. I am a partner of the law firm of Shatz, Schwartz and Fentin, P.C. ("SSF"). I am admitted to practice law in the Commonwealth of Massachusetts and before the United States District Court for the District of Massachusetts.
2. I am authorized to make this declaration on SSF's behalf. I have personal knowledge of the matters stated herein, except where I have indicated that I relied on specific information.
3. This declaration is submitted pursuant to sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. § § 101 *et seq.* (the "Bankruptcy Code") and Rules 2014(a) and 2016(b) of the of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of Massachusetts ("Local Rules") in support of the application of Lunt Silversmiths, Inc. (the "Debtor"), debtor and debtor-in-possession, to employ SSF.

4. The Debtor retained SSF to represent the Debtor in connection with its financial concerns, including restructuring efforts and bankruptcy counseling, which ultimately included the preparation and filing of the Debtor's Chapter 11 petition and related documents. As a result, SSF has extensive knowledge of the Debtor's structure, financing documents and other agreements. SSF is familiar with the Debtor's business affairs and many of the potential legal issues that may arise in the context of this Chapter 11 case.

5. SSF undertook efforts to determine whether it is "disinterested" pursuant to the Bankruptcy Code and Bankruptcy Rules. Specifically, SSF prepared a list including the Debtor's secured creditor and top 20 unsecured creditors and performed a conflict check in SSF's electronic conflict database. No conflicts surfaced after the electronic conflict check. SSF also circulated the list to each of the attorneys and employees of SSF and inquired if any person had a conflict. No attorney or other employee of SSF reported any conflict.

6. Based on the foregoing, to the best of my knowledge, neither I, nor any employee of my firm, holds or represents any interest adverse to the estate of the above-named Debtor.

7. My, and my firm's connections with the Debtor, creditors, other parties in interest, their respective attorneys and accountants, the U.S. Trustee or any person employed in the office of the U.S. Trustee are as follows:

a. My firm has represented Mr. James H. Lunt, President of the Debtor, in various legal matters which include a stockholder dispute, real estate transactions and estate planning.

b. My firm has represented the Debtor in various legal matters which include general representation, preparation and negotiation of contracts, preparation of audit letters, defense of discrimination suit, corporate debt refinance, and sale of business.

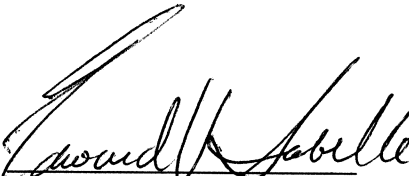
8. I am and each member of my firm is a "disinterested person" as that term is defined in 11 U.S.C. § 101 (14).

9. I have not agreed to share with any person (except members of my firm) the compensation to be paid for the services rendered in this case.

10. I shall amend this affidavit and verified statement immediately upon my learning that (a) any of the within representations are incorrect or (b) there is any change in circumstances relating thereto.

11. I have reviewed the provisions of MLBR 2016-1.

**I DECLARE AND CERTIFY UNDER THE PAINS AND PENALTIES OF  
PERJURY THIS 17<sup>th</sup> DAY OF DECEMBER, 2009, THAT THE FOREGOING IS TRUE  
AND CORRECT.**

  
EDWARD V. SABELLA

**OFFICIAL FORM 7**

**United States Bankruptcy Court  
District of Massachusetts**

In re Lunt Silversmiths, Inc. Debtor(s) Case No. 09-32228-HJB  
Chapter 11

**DECLARATION RE: ELECTRONIC FILING**

**PART I - DECLARATION OF PETITIONER**

I [We] James H. Lunt, hereby declare(s) under penalty of perjury that all of the information contained in my Application to Employ Counsel (singly or jointly the "Document"), filed electronically, is true and correct. I understand that this *DECLARATION* is to be filed with the Clerk of Court electronically concurrently with the electronic filing of the Document. I understand that failure to file this *DECLARATION* may cause the Document to be struck and any request contained or relying thereon to be denied, without further notice.

I further understand that pursuant to the Massachusetts Electronic Filing Local Rule (MEFLR)-7(a) all paper documents containing original signatures executed under the penalties of perjury and filed electronically with the Court are the property of the bankruptcy estate and shall be maintained by the authorized CM/ECF Registered User for a period of five (5) years after the closing of this case.

Dated: December 17, 2009

Signed:



James H. Lunt  
(Affiant)

**PART II - DECLARATION OF ATTORNEY (IF AFFIANT IS REPRESENTED BY COUNSEL)**

I certify that the affiant(s) signed this form before I submitted the Document, I gave the affiant(s) a copy of the Document and this *DECLARATION*, and I have followed all other electronic filing requirements currently established by local rule and standing order. This *DECLARATION* is based on all information of which I have knowledge and my signature below constitutes my certification of the foregoing under Fed. R. Bankr. P. 9011. I have reviewed and will comply with the provisions of MEFR 7.

Dated: December 17, 2009

Signed:

\_\_\_\_\_

Edward V. Sabella  
Attorney for Affiant

OFFICIAL FORM 7

United States Bankruptcy Court  
District of Massachusetts

In re Lunt Silversmiths, Inc.  
Debtor(s)

Case No. 09-32228-HJB  
Chapter 11

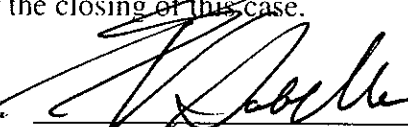
DECLARATION RE: ELECTRONIC FILING

PART I- DECLARATION OF PETITIONER

I, Edward V. Sabella, hereby declare(s) under penalty of perjury that all of the information contained in my Affidavit and Verified Statement Pursuant to Bankruptcy Rule 2014 and Local Rule 2014 (singly or jointly the "Document"), filed electronically, is true and correct. I understand that this DECLARATION is to be filed with the Clerk of Court electronically concurrently with the electronic filing of the Document. I understand that failure to file this DECLARATION may cause the Document to be struck and any request contained or relying thereon to be denied, without further notice.

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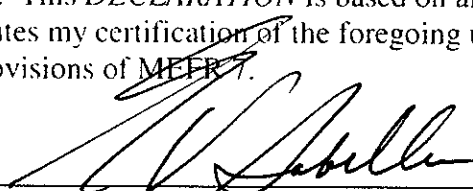
Dated: December 17, 2009

Signed:   
Edward V. Sabella  
(Affiant)

PART II - DECLARATION OF ATTORNEY (IF AFFIANT IS REPRESENTED BY COUNSEL)

I certify that the affiant(s) signed this form before I submitted the Document, I gave the affiant(s) a copy of the Document and this DECLARATION, and I have followed all other electronic filing requirements currently established by local rule and standing order. This DECLARATION is based on all information of which I have knowledge and my signature below constitutes my certification of the foregoing under Fed. R. Bankr. P. 9011. I have reviewed and will comply with the provisions of MEFLR 7.

Dated: December 17, 2009

Signed:   
Edward V. Sabella  
Attorney for Affiant