



### **Court Approves Fine Jeweler Friedman's Employee-retention Program**

By : Rachel Lieberman, Israel Diamond Industry Portal

01.07.08 / Retail

A US bankruptcy court has approved an employee-retention plan authorizing payments for the staff and management of fine jeweler [Friedman's](#) and Crescent Jeweler. This will enable the bankrupt fine jewelry chains to shut down stores over the next few months and pay their creditors.

U.S. Bankruptcy Judge Christopher Sontchi noted in an order: "The debtors are authorized and directed to make the payments authorized under the Employee Retention Plan and the Incentive Plan in accordance with the terms of the Employee Plans."

When a previous motion to gain approval for the employee-retention was denied, the success of the going-out-of-business sales was placed in jeopardy. The president of Buchwald Capital Advisors LLC, Lee E. Buchwald, noted that he was able to work out a plan with new counsel, Nick Kajon of Stevens and Lee that met court approval.

The court approved payments of \$265,549 for 22 staff members working in areas such as store operations, information systems, accounting and loss prevention. The team will work on store closing sales over the next few months.

16 additional employees will be retained for the store closings and post-closing period of up to seven months, and will receive payment from a court-approved allotment of \$357,634. Also approved was a management incentive plan.

Buchwald noted he had worked with Stevens and Lee and management on several issues that will boost the recovery potential for Friedman's unsecured creditors.

[As reported on the Portal](#), this is the second time that Friedman's has filed for Chapter 11 in the past 3 years.

[www.israelidiamond.co.il](http://www.israelidiamond.co.il)