

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MASSACHUSETTS

In re)	
)	
ESSENTIAL.COM, INC.)	Chapter 11
)	Case No. 01-15339-WCH
Debtor.)	

**APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
TO RETAIN CRAIG JALBERT OF VERDOLINO & LOWEY AS ACCOUNTANT**

The Official Committee of Unsecured Creditors (the "Committee") of Essential.com, Inc. (the "Debtor"), hereby moves for authority to retain Craig R. Jalbert, CIRA of Verdolino & Lowey, P.C., as accountant to the Committee. In further support the Committee provides as follows:

Background

1. On June 29, 2001, the Debtor filed a voluntary petition for relief under chapter 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Massachusetts (the "Petition Date").
2. The Debtor continues to operate as debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.
3. On July 18, 2001, the United States Trustee appointed an Official Committee of Unsecured Creditors consisting of three of the Debtor's unsecured creditors.

4. Prior to the Petition Date, the Debtor was in the business of reselling telecommunications services, including long-distance and local telephone service and internet service. As of the Petition Date the Debtor had approximately 70,000 active subscribers in its

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customer base consisting predominately of households and small businesses. The Debtor's customer base constitutes its chief asset.

5. By separate Motions dated July 26 and 27 (the "Sale Motion"), the Debtor sought authority to sell its customer base and associated accounts receivable, together with its name, trademarks, and similar intangibles, for a total sale price of approximately \$925,000. Several counteroffers were thereafter filed, triggering a sealed bid process before the Court.

6. On August 9, 2001, the Court conducted a sealed bid auction, at the conclusion of which the Debtor was authorized to sell its assets to USA Telecom for \$1,300,000. The Creditors' Committee was instrumental in working with the Debtor, potential bidders, the United States Trustee's Office, and other parties to generate bids and facilitate the Debtor's sale efforts.

7. On August 8, 2001, the Debtor filed a Motion to liquidate its remaining furniture, fixtures and equipment (the "FF&E") at public auction.

8. Once the Debtor completes the sale of its FF&E, virtually all of its tangible assets will have been liquidated. The Committee currently anticipates that a Joint Plan of Liquidation will be filed shortly, pursuant to which the remaining assets of the estate, together with proceeds from the sale of its other assets, will be transferred to a trust for the benefit of creditors. The Committee therefore moves to retain an accountant to perform necessary financial services for the Debtor.

The Requested Relief Is In The Best Interest Of The Debtor's Estate

9. The Committee submits that is necessary to retain an accountant. Upon transfer and sale of substantially all of the Debtor's assets, no employees will likely remain with the company to perform the Debtor's fiscal, fiduciary and reporting duties. The services of an

accountant are particularly necessary while employees still remain with the Debtor and are available to assist the accountant.

10. The Committee contemplates the appointment of a plan trustee, who will either be a Committee member or counsel to the Committee. The Committee believes that is necessary to obtain the assistance of a competent and experienced accountant to assist it in the plan formulation and implementation process.

11. The Committee seeks to retain Mr. Jalbert as its accountant to perform duties including but not limited to:

- a. assistance in reviewing, reconciling, analyzing and, if necessary, objecting to proofs of claim;
- b. assistance in reviewing the Debtor's books and records for preferential and fraudulent transfer claims under Bankruptcy Code sections 547 and 548, and other avoidance actions;
- c. assistance in valuation and insolvency analyses, and calculation and, if necessary, expert report preparation and testimony;
- d. assistance with regard to bookkeeping, accounting and systems;
- e. input on and resolution of plan issues;
- f. preparation of necessary federal and state income, sales, excise and other tax returns; and
- g. other matters as directed by the Court and Creditors' Committee.

12. The Committee has chosen Mr. Jalbert to serve as its accountant in light of his substantial experience in proceedings under the Bankruptcy Code. In addition, Mr. Jalbert and his firm have the varied and substantial resources necessary to advise the Committee and its counsel concerning the Debtor's duties under the Bankruptcy Code.

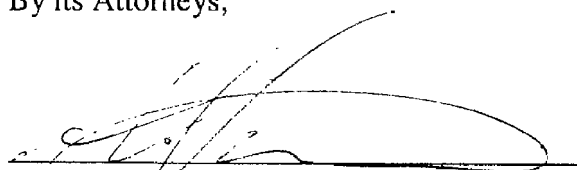
13. In view of the Affidavit submitted together herewith, the Committee believes and, therefore, submits that Mr. Jalbert and Verdolino & Lowey, P.C., hold no interest adverse to the

estate in the matters in which they are to be engaged and that they are "disinterested persons" as that term is defined in the Bankruptcy Code.

WHEREFORE, the Committee respectfully requests that this Court grant this Application and enter an order authorizing it to retain Craig Jalbert of Verdolino & Lowey, P.C., as its accountant, and grant such further relief as the Court deems reasonable and necessary.

Respectfully submitted,

OFFICIAL COMMITTEE OF
UNSECURED CREDITORS,
By its Attorneys,



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Date: August 23, 2001