

B1 (Official Form 1)(4/10)

**United States Bankruptcy Court  
Eastern District of Virginia**

**Voluntary Petition**

Name of Debtor (if individual, enter Last, First, Middle): <b>Metals of Distinction, Inc.</b>	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): <b>DBA Gilliam Welding</b>	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) <b>05-0560966</b>	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all)
Street Address of Debtor (No. and Street, City, and State): <b>532 East Mercury Boulevard Hampton, VA</b>	Street Address of Joint Debtor (No. and Street, City, and State):
ZIP Code <b>23663</b>	ZIP Code
County of Residence or of the Principal Place of Business: <b>Hampton City</b>	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address):	Mailing Address of Joint Debtor (if different from street address):
ZIP Code	ZIP Code
Location of Principal Assets of Business Debtor (if different from street address above): <b>532 East Mercury Blvd Hampton, VA 23663</b>	

<b>Type of Debtor</b> (Form of Organization) (Check one box)  <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	<b>Nature of Business</b> (Check one box)  <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other	<b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box)  <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13  <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding
<b>Tax-Exempt Entity</b> (Check box, if applicable)  <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).		<b>Nature of Debts</b> (Check one box)  <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.

<b>Filing Fee</b> (Check one box)  <input checked="" type="checkbox"/> Full Filing Fee attached  <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.  <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.	<b>Chapter 11 Debtors</b> Check one box: <input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter).  Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
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<b>Statistical/Administrative Information</b> <input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.	THIS SPACE IS FOR COURT USE ONLY
<b>Estimated Number of Creditors</b> <input type="checkbox"/> 1-49 <input checked="" type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> OVER 100,000	
<b>Estimated Assets</b> <input checked="" type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion	
<b>Estimated Liabilities</b> <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input checked="" type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion	

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>Metals of Distinction, Inc.</b>	
<b>All Prior Bankruptcy Cases Filed Within Last 8 Years</b> (If more than two, attach additional sheet)			
Location Where Filed: <b>- None -</b>		Case Number:	Date Filed:
Location Where Filed:		Case Number:	Date Filed:
<b>Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor</b> (If more than one, attach additional sheet)			
Name of Debtor: <b>- None -</b>		Case Number:	Date Filed:
District:		Relationship:	Judge:
<b>Exhibit A</b>  (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)  <input type="checkbox"/> Exhibit A is attached and made a part of this petition.		<b>Exhibit B</b>  (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).  <b>X</b> _____ Signature of Attorney for Debtor(s) (Date)	
<b>Exhibit C</b> Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No.			
<b>Exhibit D</b> (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.) <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition. If this is a joint petition: <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
<b>Information Regarding the Debtor - Venue</b> (Check any applicable box) <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District. <input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
<b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b> (Check all applicable boxes) <input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)  _____ (Name of landlord that obtained judgment)  _____ (Address of landlord)  <input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and <input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition. <input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).			

**Voluntary Petition***(This page must be completed and filed in every case)*

Name of Debtor(s):

**Metals of Distinction, Inc.****Signatures****Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.  
 [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.  
 [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** \_\_\_\_\_  
 Signature of Debtor

**X** \_\_\_\_\_  
 Signature of Joint Debtor

\_\_\_\_\_  
 Telephone Number (If not represented by attorney)

\_\_\_\_\_  
 Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.

Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

**X** \_\_\_\_\_  
 Signature of Foreign Representative

\_\_\_\_\_  
 Printed Name of Foreign Representative

\_\_\_\_\_  
 Date

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

\_\_\_\_\_  
 Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
 Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.)(Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
 Address

**X** \_\_\_\_\_

\_\_\_\_\_  
 Date

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.*

**Signature of Attorney\***

**X** /s/ Jennifer T. Atkinson  
 Signature of Attorney for Debtor(s)

Jennifer T. Atkinson 44592  
 Printed Name of Attorney for Debtor(s)

HARRY JERNIGAN CPA ATTORNEY, P.C.  
 Firm Name

258 N Witchduck Road  
Suite C  
Virginia Beach, VA 23462

\_\_\_\_\_  
 Address

757-490-2200 Fax: 757-490-0280  
 Telephone Number

December 1, 2010  
 Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** /s/ William Andre Gilliam  
 Signature of Authorized Individual

William Andre Gilliam  
 Printed Name of Authorized Individual

President  
 Title of Authorized Individual

December 1, 2010  
 Date

**RESOLUTION OF THE DIRECTORS AND SHAREHOLDERS**

**OF**

**METALS OF DISTINCTION, INC.**

**ACTION BY DIRECTORS AND SHAREHOLDERS  
WITHOUT A SPECIAL MEETING**

I, the undersigned, being the sole director and sole shareholder of Metals of Distinction, Inc., a Virginia corporation, do hereby unanimously consent, and agree to the adoption without a meeting of the following resolutions:

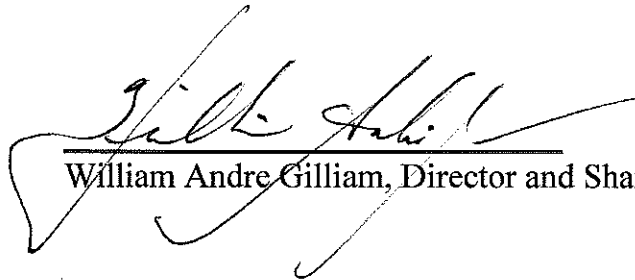
**RESOLVED**, that the corporation is hereby authorized to file a petition pursuant to Chapter 11, Title of the United States Code and thereafter proceed to effect a financial reorganization in accordance with the Federal Bankruptcy Code, and it is

**RESOLVED**, that the corporation engages Harry Jernigan CPA Attorney, P.C. to represent the corporation during and in connection with the aforementioned bankruptcy proceedings and to perform all legal services as general counsel for the corporation, and it is

**RESOLVED**, that Andre Gilliam, President, will be the designated representative for the corporation, and it is

**FURTHER RESOLVED**, that the officers be authorized and directed to execute any and all documents and do all other things necessary to effect the intentions of the above resolutions.

There being no further resolutions required at this time, the above is hereby agreed and approved.

A handwritten signature in black ink, appearing to read "William Andre Gilliam", is written over a horizontal line. The signature is stylized and cursive.

William Andre Gilliam, Director and Shareholder

**United States Bankruptcy Court**  
**Eastern District of Virginia**

In re **Metals of Distinction, Inc.**

Debtor(s)

Case No. \_\_\_\_\_

Chapter **11**

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
<b>A &amp; A Awnings Rollshutters 544 Central Drive, Suite 110 Virginia Beach, VA 23454</b>	<b>A &amp; A Awnings Rollshutters 544 Central Drive, Suite 110 Virginia Beach, VA 23454</b>	<b>supplies</b>		<b>5,816.00</b>
<b>Ace Uniforms, Inc. P.O. Box 6098 Ashland, VA 23005</b>	<b>Ace Uniforms, Inc. P.O. Box 6098 Ashland, VA 23005</b>	<b>uniform service</b>		<b>5,192.00</b>
<b>Advance Auto Parts P.O. Box 5219 Carol Stream, IL 60197-5219</b>	<b>Advance Auto Parts P.O. Box 5219 Carol Stream, IL 60197-5219</b>	<b>supplies</b>		<b>4,955.10</b>
<b>Auto Haus 100 Greene Drive Yorktown, VA 23692</b>	<b>Auto Haus 100 Greene Drive Yorktown, VA 23692</b>	<b>supplies</b>		<b>8,039.91</b>
<b>Auto Owners Insurance Company c/o Stephen A. Angelidis, Esq 4905 Radford Ave, Ste 100 Richmond, VA 23230</b>	<b>Auto Owners Insurance Company c/o Stephen A. Angelidis, Esq 4905 Radford Ave, Ste 100 Richmond, VA 23230</b>	<b>insurance services</b>		<b>8,120.00</b>
<b>BP Oil c/o Focus Receivables Mangmnt 1130 Northchase Pkwy, Ste 150 Marietta, GA 30067</b>	<b>BP Oil c/o Focus Receivables Mangmnt 1130 Northchase Pkwy, Ste 150 Marietta, GA 30067</b>	<b>services</b>		<b>14,110.11</b>
<b>Citi - Exxon P.O. Box 653097 Dallas, TX 75265</b>	<b>Citi - Exxon P.O. Box 653097 Dallas, TX 75265</b>	<b>supplies</b>		<b>8,321.84</b>
<b>DMR Associates, Inc. 19200 - J Chennault Way Gaithersburg, MD 20879</b>	<b>DMR Associates, Inc. 19200 - J Chennault Way Gaithersburg, MD 20879</b>	<b>services</b>		<b>3,449.25</b>
<b>Ford Motor Credit Company c/o Northstar Location Service 4285 Genesee Street Buffalo, NY 14225-1923</b>	<b>Ford Motor Credit Company c/o Northstar Location Service 4285 Genesee Street Buffalo, NY 14225-1923</b>	<b>loan deficiency</b>		<b>16,132.53</b>
<b>Home Depot Credit Services P.O. Box 6029 The Lakes, NV 88901-6029</b>	<b>Home Depot Credit Services P.O. Box 6029 The Lakes, NV 88901-6029</b>	<b>credit card purchases</b>		<b>3,174.54</b>

B4 (Official Form 4) (12/07) - Cont.  
 In re **Metals of Distinction, Inc.**

Case No. \_\_\_\_\_

Debtor(s) \_\_\_\_\_

### LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

(Continuation Sheet)

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
HSBC Bank c/o ATG Credit, LLC P.O. Box 14895 Chicago, IL 60614-4895	HSBC Bank c/o ATG Credit, LLC P.O. Box 14895 Chicago, IL 60614-4895	Office Max credit card purchases		3,726.68
Internal Revenue Service Centralized Insolvency P.O. Box 21126 Philadelphia, PA 19114	Internal Revenue Service Centralized Insolvency P.O. Box 21126 Philadelphia, PA 19114	withholding taxes		4,000.00
Northern Tool Equipment 2330 West Mercury Blvd Hampton, VA 23666	Northern Tool Equipment 2330 West Mercury Blvd Hampton, VA 23666	supplies		2,949.03
Roof Engineering Corporation c/o Vandeventer Black, LLP 101 W. Main St, Ste 500 Norfolk, VA 23510	Roof Engineering Corporation c/o Vandeventer Black, LLP 101 W. Main St, Ste 500 Norfolk, VA 23510	Judgment obtained 12/12/09		4,111.45
Sears Commercial One P.O. Box 689131 Des Moines, IA 50368-9131	Sears Commercial One P.O. Box 689131 Des Moines, IA 50368-9131	credit card purchases		4,758.46
Shell Oil Co. Processing Center Des Moines, IA 50367	Shell Oil Co. Processing Center Des Moines, IA 50367	supplies		8,169.51
Sunbelt Rentals 745 Industrial Park Drive Newport News, VA 23608	Sunbelt Rentals 745 Industrial Park Drive Newport News, VA 23608	services		3,922.42
SuperMedia c/o Focus Receivables Mangmnt 1130 Northchase Pkwy, Ste 150 Marietta, GA 30067	SuperMedia c/o Focus Receivables Mangmnt 1130 Northchase Pkwy, Ste 150 Marietta, GA 30067	advertising		5,204.29
United Rentals P.O. Box 100711 Atlanta, GA 30384-0711	United Rentals P.O. Box 100711 Atlanta, GA 30384-0711	services		6,708.45
Vulcraft Sout Carolina P.O. Box 75156 Charlotte, NC 28275	Vulcraft Sout Carolina P.O. Box 75156 Charlotte, NC 28275	services		4,995.87

B4 (Official Form 4) (12/07) - Cont.

In re **Metals of Distinction, Inc.**

Case No. \_\_\_\_\_

Debtor(s)

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

(Continuation Sheet)

**DECLARATION UNDER PENALTY OF PERJURY  
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date **December 1, 2010**Signature **/s/ William Andre Gilliam****William Andre Gilliam****President**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

United States Bankruptcy Court
Eastern District of Virginia

In re Metals of Distinction, Inc. Debtor(s)

Case No. Chapter 11

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Bankruptcy Rule 2016(b), I certify that I am the attorney for the above-named debtor(s) and that compensation paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

Table with 3 rows: For legal services, I have agreed to accept; Prior to the filing of this statement I have received; Balance Due. Columns include dollar sign and amounts: hourly rates, 2,500.00, 0.00.

2. \$ 1,039.00 of the filing fee has been paid.

3. The source of the compensation paid to me was:

[X] Debtor [ ] Other (specify)

4. The source of compensation to be paid to me is:

[X] Debtor [ ] Other (specify)

5. [X] I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

[ ] I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation, is attached.

6. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

a. Other provisions as needed:

- Analysis of debtor's financial situation.
Preparation and filing of Petition and related Schedules, Statements, and Plans, including a comprehensive attorney review with client;
Representation of debtor at 341 Meeting of Creditors, but not including continuances;
Representation of debtor with audits or other inquiries by the Office of the US Trustee, but not including contesting or appealing of audit determinations;
Confirmation Hearing if case is under Chapter 13; and
See attached Engagement Letter, which is incorporated herein by reference.

7. By agreement with the debtor(s), the above-disclosed fee does not include the following services:

- Amendments to Schedules, Statements, Plans and other documents filed with the Bankruptcy Court;
Reaffirmation Hearings and related services, including negotiations with secured creditors;
Relief from Stay Motions and Hearings and related services, including negotiations with creditors;
Any other Motions filed with the Court and all Adversary Proceedings and related services;
2004 Examinations and related services;
Continued 341 Meeting of Creditors;
Contesting or appealing audit determinations; and
See attached Engagement Letter, which is incorporated herein by reference.



**CERTIFICATION**

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

**December 1, 2010***Date***/s/ Jennifer T. Atkinson****Jennifer T. Atkinson, VSB # 44592***Signature of Attorney***HARRY JERNIGAN CPA ATTORNEY, P.C.***Name of Law Firm***258 N Witchduck Road****Suite C****Virginia Beach, VA 23462****757-490-2200 Fax: 757-490-0280**

For use in Chapter 13 Cases where Fees Requested Not in Excess of \$3,000

*(For all Cases Filed on or after 10/17/2005)*

**NOTICE TO DEBTOR(S) AND STANDING TRUSTEE  
PURSUANT TO INTERIM PROCEDURE 2016-1(C)(7)**

Notice is hereby given that pursuant to Local Bankruptcy Rule 2016-1(C)(7)(a), you have ten (10) business days from the meeting of creditors in this case in which to file an objection with the court to the fees requested in this disclosure of compensation opposing said fees in their entirety, or in a specific amount.

**PROOF OF SERVICE**

The undersigned hereby certifies that on this date the foregoing Notice was served upon the debtor(s), the standing Chapter 13 Trustee, and U. S. Trustee pursuant to Interim Procedure 2016-1(C)(7)(a) and Local Bankruptcy Rule 2002-1(D)(1)(f), by first-class mail or electronically.

*Date**Signature of Attorney*

THE LAW FIRM OF  
**HARRY JERNIGAN**  
ATTORNEY AT LAW • CERTIFIED PUBLIC ACCOUNTANT

Harry W. Jernigan, III, CPA, Esq.  
Carolyn L. Camardo, Esq.  
Steven A. Mirman, M.P.H., Esq.  
Jennifer T. Atkinson, Esq.  
Todd D. Rothlisberger, Esq.  
Shreen N. Mahmoud, Esq.

Harry Jernigan CPA Attorney, P.C.  
258 North Witchduck Road, Suite C  
Virginia Beach, Virginia 23462  
(757) 490-2200 Office  
(757) 490-0280 Fax  
(866) 850-7347 Toll Free  
[www.hjlaw.com](http://www.hjlaw.com)

December 1, 2010

William Andre Gilliam, President  
Metals of Distinction, Inc.  
532 East Mercury Boulevard  
Hampton VA 23663

Re: Chapter 11 Bankruptcy Engagement

Dear Mr. Gilliam:

Now that you have decided to file a petition for relief under Chapter 11 of the Bankruptcy Code, it is necessary to memorialize our agreement concerning compensation for legal services. The purpose of this letter is to set forth the terms that will apply to legal services performed by this law firm during the times we prepare your petition, lists, schedules and statements, and after the case commences. I will also describe some other expenses you will incur while you are a Chapter 11 debtor.

Chapter 11 bankruptcy requires an extensive amount of highly specialized legal work within extremely short time frames before and after filing the case. The Bankruptcy Code restricts the timing of fee payments once the case is filed. Therefore, we asked for and you have agreed to pay \$3,600.00 in advance to be applied towards legal fees and out-of-pocket expenses already incurred, and the expected legal fees to be earned and expenses to be incurred after the filing. The advance will be apportioned \$2,500.00 for fees earned and to be earned, and \$1,100.00 for costs incurred and to be incurred. These amounts will be initially deposited into escrow accounts and thereafter drawn upon by this firm in accordance with the provisions of the next paragraphs. The corporation's check for the advance must clear before the Chapter 11 petition is filed.

Immediately before your Chapter 11 petition is filed we will bill you for all professionals' and para-professional's services, calculated by multiplying each individual's hourly rate (stated below) by the hours each individual devoted to your case, plus the out of pocket expenses incurred to that date. I do not expect that will exceed the escrowed funds. You will be provided with that statement. The amount of the statement is deducted from the escrowed funds.

Once your Chapter 11 case commences, we will file an application with the Court to approve the firm acting as your counsel in its Chapter 11 case. The Bankruptcy Code strictly limits the firm's legal services to those required by you. Therefore, please, recognize that so long as we are your counsel and afterward that we will be prohibited from personally representing you, any family member or a related company without prior permission from the

HARRY JERNIGAN CPA ATTORNEY, P.C.

Metals of Distinction, Inc.  
William Andre Gilliam, President  
RE: Chapter 11 Bankruptcy Engagement  
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Bankruptcy Court.

Except as otherwise stated below, the Chapter 11 case and any associated proceedings, matters and legal services will be handled on a time-spent basis calculated by tenths of an hour. Charges for attorney's time will be at each attorney's standard rate at the time of rendition of the service.

You will be responsible for those fees once they are approved by the Bankruptcy Court.

You will also be responsible for this firm's out of pocket expenses, such as filing fees, court costs, courier services, copying, long distance telephone, telefax, automated data research, documents preparation, court fees, and transportation expenses. The initial court filing fee for a Chapter 11 case is \$1,039.00, which must be paid to the Clerk of Court at the time of the filing, and will be paid out of the cost advance set forth above.

Additionally, Chapter 11 allows the U. S. Trustee to appoint committees to represent creditors of different classes, and for the court to approve the appointment of counsel for each committee. If three or more unsecured creditors desire to form a creditors committee then the U. S. Trustee's Office will appoint one. If one should be formed, you will be liable for the committee members' expenses, the committee's counsels' fees and expenses, as well as those of an accountant that may be employed with the bankruptcy court's permission.

The Bankruptcy Code subject to prior Court approval all legal fees and expenses that are payable from assets of the bankruptcy estate once a Chapter 11 case is filed. We will, of course, comply with these requirements. We reserve the right to request the Court to approve fees in excess of those reflected by the hourly rates if the results achieved are beyond what could ordinarily be expected through the expenditure of that amount of time.

In addition, and subject to the Bankruptcy Court's review, the following will apply: We will periodically send proforma invoices and statements to you that will include our fees and expenses, but will not be payable until court approval has been obtained. However, once the total fees and expenses exceed 2/3 of the escrowed funds you are to remit each month to this firm, within 15 days after the mailing of each statement, an amount to be held in escrow pending court approval, equal to the amount by which the total fees and expenses exceed 2/3 of the escrowed funds. Billing on a periodical basis and escrowing payment is to your benefit in that it will permit you to closely monitor the cost of the proceeding.

Any invoices not paid within thirty (30) days of the invoice date will accrue interest at the rate of 18% per annum, retroactive to the invoice date. In the event collection activities are required for any invoice, jurisdiction shall be in the City of Virginia Beach, 25% attorney fees plus court costs and related collection costs which will cover process server fees, retail alliance fees, etc. in order to collect the balance due our firm shall be added to the delinquent balance. There will be a \$35.00 fee charged on all returned checks.

HARRY JERNIGAN CPA ATTORNEY, P.C.

Metals of Distinction, Inc.  
William Andre Gilliam, President  
RE: Chapter 11 Bankruptcy Engagement  
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Each Chapter 11 debtor is also responsible for paying the United States Trustee a quarterly fee on a graduated schedule fixed by statute based on the debtor's quarterly disbursements. The minimum quarterly fee is \$325.00 for quarterly disbursements less than \$15,000.00; the maximum quarterly fee is \$15,000.00 if your quarterly disbursements exceed \$30,000.00. Your first quarterly fee will be due for the fourth quarter of 2010, covering the period of time from the date your case starts through December 31, 2010, and it must be paid by January 31, 2011. Each succeeding quarterly fee must be paid by the end of the month following the end of each succeeding quarter until your case is closed, converted or dismissed. I recommend you escrow money for these fees monthly.

You are also responsible for preparing and timely filing monthly reports with the Court and the U. S. Trustee. Those reports include detailed analyses of your monthly income, expenses, and bank reconciliations. It is your responsibility to prepare those reports in time for them to be filed by the 15<sup>th</sup> day of the next month. As the corporation's president, you will be responsible for signing each report under penalty of perjury.

I am confident that we can represent your interests capably and professionally. However, should you wish to terminate our services at any time, you are free to do so by written notice to this firm. Should we determine that we cannot adequately represent your interest, or that professional or ethical requirements demand that we terminate our representation, or if fees approved by the Court are not paid, we will be entitled, subject to court approval, to terminate our services by written notice to you.

Thank you for the confidence you have placed in this firm. I look forward to a lasting and mutually beneficial relationship. If the above terms are agreeable to you, please sign and return the enclosed copy of this letter.

Sincerely,  
HARRY JERNIGAN, CPA ATTORNEY, P.C.



Jennifer T. Atkinson, Esquire

JTA/em

Agreed:

Metals of Distinction, Inc.



William Andre Gilliam, President

HARRY JERNIGAN CPA ATTORNEY, P.C.

Metals of Distinction, Inc.  
William Andre Gilliam, President  
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**Current hourly rate schedule is, as follows:**

a) Harry W. Jernigan, III, CPA, Esquire	\$295.00/hr
b) Carolyn L. Camardo, Esquire	\$250.00/hr
c) Steven A. Mirman, Esquire	\$195.00/hr
d) Jennifer T. Atkinson, Esquire	\$195.00/hr
e) Todd D. Rothlisberger, Esquire	\$195.00/hr
f) Shreen N. Mahmoud, Esquire	\$195.00/hr
g) Sylvia P. O'Brien, Esquire	\$195.00/hr
h) IRS Enrolled Agent	\$165.00/hr
i) Paralegal/Para-Professional (Senior)	\$150.00/hr
j) Paralegal/Para-Professional (Intermediate)	\$120.00/hr
k) Paralegal/Para-Professional	\$ 95.00/hr
l) Secretary/Courier	\$ 85.00/hr

**HARRY JERNIGAN CPA ATTORNEY, P.C.**

Metals of Distinction, Inc.  
William Andre Gilliam, President  
RE: Chapter 11 Bankruptcy Engagement  
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**HARRY JERNIGAN, CPA ATTORNEY, P.C. Privacy Policy**

Your privacy is important to us.

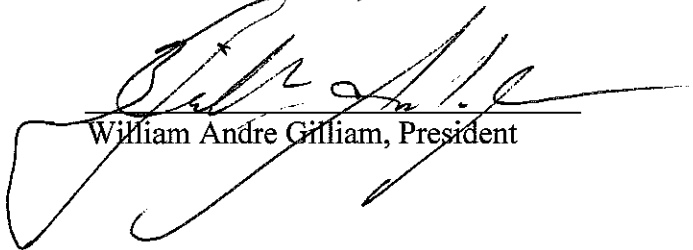
We collect nonpublic personal information about you from the following sources:

- 1) Information we receive from you on applications, tax preparation worksheets, or other documents we use in preparing forms and services.
- 2) Information about your transactions with us or others, and
- 3) Information we receive from a consumer reporting agency.

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. If you decide to close your account (s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

Reviewed by:

Metals of Distinction, Inc.

  
\_\_\_\_\_  
William Andre Gilliam, President

Dated: 12/1/2010

**United States Bankruptcy Court  
Eastern District of Virginia**

In re Metals of Distinction, Inc.  
Debtor

Case No. \_\_\_\_\_

Chapter 11

**LIST OF EQUITY SECURITY HOLDERS**

Following is the list of the Debtor's equity security holders which is prepared in accordance with Rule 1007(a)(3) for filing in this chapter 11 case.

Name and last known address or place of business of holder	Security Class	Number of Securities	Kind of Interest
<b>William Andre Gilliam 1802 Marlin Circle Hampton, VA 23664</b>	<b>common</b>	<b>100%</b>	<b>common stock</b>

**DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Equity Security Holders and that it is true and correct to the best of my information and belief.

Date December 1, 2010

Signature /s/ William Andre Gilliam  
**William Andre Gilliam**  
**President**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C §§ 152 and 3571.

A & A Awnings Rollshutters  
544 Central Drive, Suite 110  
Virginia Beach, VA 23454

A & E Supply Company  
709 Middle Ground Blvd  
Ste A-110  
Newport News, VA 23606

Accident Fund  
P.O. Box 77000  
Dept 77125  
Detroit, MI 48277-0125

Ace Uniforms, Inc.  
P.O. Box 6098  
Ashland, VA 23005

Advance Auto Parts  
P.O. Box 5219  
Carol Stream, IL 60197-5219

Advanced Custom Coatings of  
Virginia, LLC  
1110-5 B West Pembroke Ave  
Hampton, VA 23661

Airgas National Welders  
406 Rotary Street  
Hampton, VA 23661

Allied Insurance  
P.O. Box 10479  
Des Moines, IA 50306-0479

American Boiler Inspection  
12800 Saddleseat Place  
Henrico, VA 23233-7687

Aspen Automation & Machine, Lt  
2102 Mingee Drive  
Hampton, VA 23661



AT&T Mobility  
c/o Afni, Inc.  
P.O. Box 3427  
Bloomington, IL 61702-3427

Auto Haus  
100 Greene Drive  
Yorktown, VA 23692

Auto Owners Insurance Company  
c/o Stephen A. Angelidis, Esq  
4905 Radford Ave, Ste 100  
Richmond, VA 23230

Auto-Owners Insurance  
P.O. Box 30315  
Lansing, MI 48909-7815

Barry W. Spear  
Barry W. Spear PC  
1769-214 Jamestown Road  
Williamsburg, VA 23185

Bert's Flower Shop, Inc.  
1253 Old Buckroe Road  
Hampton, VA 23663

Bobby Dudley  
353 Maple Avenue  
Newport News, VA 23607

Bowditch Ford  
11076 Warwick Blvd  
P.O. Box 1548  
Newport News, VA 23601

BP Oil  
c/o Focus Receivables Mangmnt  
1130 Northchase Pkwy, Ste 150  
Marietta, GA 30067

BP OIL  
PO Box 9075  
Des Moines, IA 50368-9075

BP/ FleetCor Lockbox  
P.O. Box 70887  
Charlotte, NC 28272-0887

CAD Designs, Inc.  
211 Challenger Way  
Hampton, VA 23666

Citi  
c/o Shell Oil  
P.O. Box 653097  
Dallas, TX 75265

Citi - Exxon  
P.O. Box 653097  
Dallas, TX 75265

David Kamp & Frank LLC  
739 Thimble Shoals Blvd  
Ste 105  
Newport News, VA 23606

DMR Associates, Inc.  
19200 - J Chennault Way  
Gaithersburg, MD 20879

Dominion Virginia Power  
P.O. Box 26543  
Richmond, VA 23290-0001

Ecolab Pest Elimination  
P.O. Box 6007  
Grand Forks, ND 58206

Embroidery Works, inc.  
402 E. Wythe Creed Rd  
Ste E  
Poquoson, VA 23662

eVa - Treasurer of Virginia  
DGS Fiscal Services  
P.O. Box 562  
Richmond, VA 23218

Fastenal Company  
P.O. Box 1286  
Winona, MN 55987-1286

Ferguson Enterprises, Inc.  
c/o DAL, Inc.  
P.O. Box 62  
Clifton Heights, PA 19018

Ferguson Enterprises, Inc.  
2001 Northgate Commerce Pkwy  
Suffolk, VA 23435

First Comp  
P.O. Box 2087  
Omaha, NE 68103

Ford Credit  
P.O. Box 94380  
Palatine, IL 60094

Ford Motor Credit Company  
P.O. Box 6275  
Dearborn, MI 48121

Ford Motor Credit Company  
c/o Northstar Location Service  
4285 Genesee Street  
Buffalo, NY 14225-1923

Globe Iron Construction Co  
1401 Maltby Ave  
P.O. Box 2354  
Norfolk, VA 23501-2354

H&H Radiator  
1255 W. Pembroke Ave  
Hampton, VA 23661

Hampton City Treasurer  
P.O. Box 638  
Hampton, VA 23669

Hampton Roads Crane & Rigging  
525 J Clyde Morris Boulevard  
Newport News, VA 23601

Hampton Roads Detailing, inc.  
319 Hurley Ave  
Newport News, VA 23601

Hibbards Iron Works  
514 Aberdeen Road  
Hampton, VA 23661

Home Depot Credit Services  
P.O. Box 6029  
The Lakes, NV 88901-6029

Hop's Place  
320 West Pembroke Ave  
Hampton, VA 23669

Hornsby Tire Company, Inc.  
3300 Jefferson Ave  
Newport News, VA 23607

HRSD  
P.O. Box 5911  
Virginia Beach, VA 23471

HSBC Bank  
c/o ATG Credit, LLC  
P.O. Box 14895  
Chicago, IL 60614-4895

HSBC Bank  
P.O. Box 5253  
Carol Stream, IL 60197

Hunt & Calderone, P.C.  
11848 ROck Landing Dr, Ste 101  
Newport News, VA 23606

Intech Funding  
201 E. Huntington Dr, Ste 201  
Monrovia, CA 91016

Internal Revenue Service  
Centralized Insolvency  
P.O. Box 21126  
Philadelphia, PA 19114

J. Henry Holland  
402 Aberdeen Road  
Hampton, VA 23661

King Architectural Metals  
P.O. Box 271169  
Dallas, TX 75227

Lockwood Brothers  
220 Salters Creek Rd  
Hampton, VA 23661

Lowe's  
P.O. Box 5306970  
Atlanta, GA 30353

Melone N. Sedgwick  
161 Ranalet Drive  
Hampton, VA 23664

Mid-Atlantic Entry Systems  
541 East Park Court  
Sandston, VA 23150

National Custom Craft  
30081 Highway 6  
Nettleton, MS 38858

Newport News Waterworks  
P.O. Box 979  
Newport News, VA 23607

Northern Tool Equipment  
2330 West Mercury Blvd  
Hampton, VA 23666

Office Depot  
Office Depot Credit Plan  
P.O. Box 689020  
Des Moines, IA 50368-9020

Office Max Credit Plan  
P.O. Box 30292  
Salt Lake City, UT 84130

Peninsula Sheet Metal, Inc.  
527A J. Clyde Morris Blvd  
Newport News, VA 23601

Performance Radiator, Inc.  
3501 Race Street  
Portsmouth, VA 23707

Prillaman's Crane & Rigging  
c/o Johnny C. Cope, Esquire  
11836 Canon Blvd, Ste 100  
Newport News, VA 23606

Prillaman's Crane & Rigging  
1503 Gatewood Road  
Newport News, VA 23601

Progressive Business Pub  
370 Technology Dr  
P.O. Box 3019  
Malvern, PA 19355

Roof Engineering Corporation  
c/o Vandeventer Black, LLP  
101 W. Main St, Ste 500  
Norfolk, VA 23510

Roof Engineering Corporation  
3401 Mangrove Ave  
Norfolk, VA 23502

Sears Commercial One  
P.O. Box 689131  
Des Moines, IA 50368-9131

Shell Oil Co.  
Processing Center  
Des Moines, IA 50367

Sherwin Williams  
810 West Mercury Blvd  
Hampton, VA 23666

Shorty Wallins  
1971 East Pembroke Ave  
Hampton, VA 23663

Simmons Lawn & Landscaping  
322 Freedom Blvd, Suite B  
Yorktown, VA 23692

Steel Services, Inc.  
2300 Ingleside Rd  
Norfolk, VA 23513

Steve's Radiator  
3001 George Washington Mem Hwy  
Hampton, VA 23663

Sunbelt Rentals  
745 Industrial Park Drive  
Newport News, VA 23608

SuperMedia  
c/o Focus Receivables Mangmnt  
1130 Northchase Pkwy, Ste 150  
Marietta, GA 30067

SuperMedia/ Idearc Media Corp  
ATTN: Customer Svc. Dept.  
P.O. Box 619810  
D/FW Airport, TX 75261-9810

Tennessee Fabricating Company  
2993 Fleetbrook Drive  
Memphis, TN 38116

U.S. Health & Hygiene Service,  
c/o Tiffany & Tiffany PLC  
770 Independence Ci, Ste 200  
Virginia Beach, VA 23455

United Rentals  
P.O. Box 100711  
Atlanta, GA 30384-0711

University Sports Publications  
9702 Gayton Road, Dept 281  
Henrico, VA 23233

Verizon  
P.O. Box 660720  
Dallas, TX 75266-0720

Virginia Dept of Taxation  
P.O. Box 2156  
Richmond, VA 23218

Virginia Employment Commission  
5145 E Va Beach Blvd.  
Norfolk, VA 23502

Virginia Labor Law Poster  
5859 W. Saginaw Hwy #343  
Lansing, MI 48917

Vulcraft Sout Carolina  
P.O. Box 75156  
Charlotte, NC 28275

Waste Management  
6994 Columbia Gateway Drive  
Suite 200  
Columbia, MD 21046

Waterboys International  
63 Wythe Creek Rd, Ste I  
Hampton, VA 23666

Weathers Auto Supply  
23308 Airpark Drive  
Petersburg, VA 23803

Wynne Ford  
1020 West Mercury Blvd  
Hampton, VA 23666



**United States Bankruptcy Court  
Eastern District of Virginia**

In re Metals of Distinction, Inc. Debtor(s) Case No. \_\_\_\_\_  
Chapter 11

**CORPORATE OWNERSHIP STATEMENT (RULE 7007.1)**

Pursuant to Federal Rule of Bankruptcy Procedure 7007.1 and to enable the Judges to evaluate possible disqualification or recusal, the undersigned counsel for Metals of Distinction, Inc. in the above captioned action, certifies that the following is a (are) corporation(s), other than the debtor or a governmental unit, that directly or indirectly own(s) 10% or more of any class of the corporation's(s') equity interests, or states that there are no entities to report under FRBP 7007.1:

None [*Check if applicable*]

**December 1, 2010**

Date

**/s/ Jennifer T. Atkinson**

**Jennifer T. Atkinson 44592**

Signature of Attorney or Litigant

Counsel for **Metals of Distinction, Inc.**

**HARRY JERNIGAN CPA ATTORNEY, P.C.**

**258 N Witchduck Road**

**Suite C**

**Virginia Beach, VA 23462**

**757-490-2200 Fax:757-490-0280**

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF VIRGINIA  
NEWPORT NEWS DIVISION

In re: Metals of Distinction, Inc.

Case No.

Debtor.

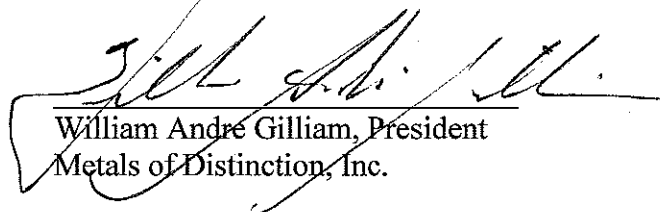
Chapter 11

**DEBTOR'S STATEMENT REGARDING BUSINESS  
RECORDS PURSUANT TO 11 U.S.C. §1116(1)**

Pursuant to 11 U.S.C. § 1116(1), I certify under penalty of perjury that:

1. I am the President of Metals of Distinction, Inc.
2. Metals of Distinction, Inc. has not yet completed or filed a 2008 or 2009 tax return. The most recently filed tax return, for year 2007, is attached.
3. Metals of Distinction, Inc. has not prepared a balance sheet, statement of operations and cash flow statement.

RESPECTFULLY SUBMITTED,



William Andre Gilliam, President  
Metals of Distinction, Inc.

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	1	9,961
2	Purchases	2	287,382
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement) <b>STMT 3</b>	5	9,163
6	<b>Total.</b> Add lines 1 through 5	6	306,506
7	Inventory at end of year	7	4,136
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2	8	302,370

9a Check all methods used for valuing closing inventory: (i)  Cost as described in Regulations section 1.471-3  
(ii)  Lower of cost or market as described in Regulations section 1.471-4  
(iii)  Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?  Yes  No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  Yes  No  
If "Yes," attach explanation.

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**Schedule B Other Information** (see instructions)

	Yes	No
1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		
2 See the instructions and enter the: a Business activity ▶ <b>WELDING</b> b Product or service ▶ <b>WELDING</b>		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?		<input checked="" type="checkbox"/>
4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		<input checked="" type="checkbox"/>
5 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$		
7 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$		
8 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		<input checked="" type="checkbox"/>

**Schedule K Shareholders' Pro Rata Share Items**

	Total amount
1 Ordinary business income (loss) (page 1, line 21)	1 72,860
2 Net rental real estate income (loss) (attach Form 8825)	2
3a Other gross rental income (loss) <b>3a</b>	
b Expenses from other rental activities (attach statement) <b>3b</b>	
c Other net rental income (loss). Subtract line 3b from line 3a <b>3c</b>	
4 Interest income <b>4</b>	
5 Dividends: a Ordinary dividends <b>5a</b>	
b Qualified dividends <b>5b</b>	
6 Royalties <b>6</b>	
7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) <b>7</b>	
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) <b>8a</b>	
b Collectibles (28%) gain (loss) <b>8b</b>	
c Unrecaptured section 1250 gain (attach statement) <b>8c</b>	
9 Net section 1231 gain (loss) (attach Form 4797) <b>9</b>	
10 Other income (loss) (see instructions) Type ▶ <b>10</b>	

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	1,515
	12a Contributions <span style="float: right;">STMT 4</span>	12a	1,650
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
d Other deductions (see instructions) Type ▶	12d		
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level Foreign gross income sourced at corporate level	14c	
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement) Deductions allocated and apportioned at shareholder level	14f	
	g Interest expense	14g	
	h Other Deductions allocated and apportioned at corporate level to foreign source income	14h	
	i Passive category	14i	
	j General category	14j	
	k Other (attach statement) Other information	14k	
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
	m Reduction in taxes available for credit (attach statement)	14m	
	n Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) items	15a Post-1986 depreciation adjustment	15a	2,969
	b Adjusted gain or loss	15b	3,417
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties-gross income	15d	
	e Oil, gas, and geothermal properties-deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	15,056
	d Property distributions	16d	106,424
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 <b>Income/loss reconciliation.</b> Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	69,695

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Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash		36,743		4,983
2a	Trade notes and accounts receivable	20,494		119,112	
b	Less allowance for bad debts	( )	20,494	( )	119,112
3	Inventories		9,961		4,136
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement) <b>STMT 5</b>				210
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	176,358		151,413	
b	Less accumulated depreciation	( 42,896)	133,462	( 88,997)	62,416
11a	Depletable assets				
b	Less accumulated depletion	( )		( )	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)	75		75	
b	Less accumulated amortization	( 63)	12	( 73)	2
14	Other assets (attach statement)				
15	<b>Total assets</b>		<b>200,672</b>		<b>190,859</b>
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable				83,221
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement) <b>STMT 6</b>		44,358		16,532
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		47,743		34,320
21	Other liabilities (attach statement)				
22	Capital stock		200		200
23	Additional paid-in capital		32,042		32,042
24	Retained earnings		76,329		24,544
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	( )		( )	
27	<b>Total liabilities and shareholders' equity</b>		<b>200,672</b>		<b>190,859</b>

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**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1	Net income (loss) per books	54,638	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
a	Depreciation \$	1	a	Depreciation \$	
b	Travel and entertainment \$	253	7	Add lines 5 and 6	
	<b>STMT 7</b>	14,803	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	69,695
4	Add lines 1 through 3	69,695			

**Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)**

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	76,329	
2	Ordinary income from page 1, line 21	72,860	
3	Other additions		
4	Loss from page 1, line 21	( )	
5	Other reductions <b>STMT 8</b>	18,221	
6	Combine lines 1 through 5	130,968	
7	Distributions other than dividend distributions	106,424	
8	Balance at end of tax year. Subtract line 7 from line 6	24,544	



**Depreciation and Amortization**  
**(Including Information on Listed Property)**

OMB No. 1545-0172

**2007**

Attachment Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return **METALS OF DISTINCTION INC** Identifying number **05-0560966**

Business or activity to which this form relates  
**REGULAR DEPRECIATION**

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	<b>125,000</b>
2	Total cost of section 179 property placed in service (see instructions)	2	<b>29,866</b>
3	Threshold cost of section 179 property before reduction in limitation	3	<b>500,000</b>
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	<b>0</b>
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	<b>125,000</b>
6	(a) Description of property <b>SEE STATEMENT 9</b>	(b) Cost (business use only) <b>1,515</b>	(c) Elected cost <b>1,515</b>
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	<b>1,515</b>
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	<b>1,515</b>
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	<b>72,860</b>
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	<b>1,515</b>
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	<b>315</b>

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	<b>12,067</b>
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B-Assets Placed in Service During 2007 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property					
b	5-year property					
c	7-year property					
d	10-year property					
e	15-year property					
f	20-year property					
g	25-year property		25 yrs.		S/L	
h	Residential rental property		27.5 yrs.	MM	S/L	
i	Nonresidential real property		27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	

**Section C-Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System**

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year		40 yrs.	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28	21	<b>9,505</b>
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	<b>21,887</b>
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A-Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? 24b If "Yes," is the evidence written? 25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 26 Property used more than 50% in a qualified business use: SEE STATEMENT 10 27 Property used 50% or less in a qualified business use: 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles) 31 Total commuting miles driven during the year 32 Total other personal (noncommuting) miles driven 33 Total miles driven during the year. Add lines 30 through 32 34 Was the vehicle available for personal use during off-duty hours? 35 Was the vehicle used primarily by a more than 5% owner or related person? 36 Is another vehicle available for personal use?

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners 39 Do you treat all use of vehicles by employees as personal use? 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

42 Amortization of costs that begins during your 2007 tax year (see instructions): 43 Amortization of costs that began before your 2007 tax year 44 Total. Add amounts in column (f). See the instructions for where to report



Form **4797**

**Sales of Business Property**  
**(Also Involuntary Conversions and Recapture Amounts**  
**Under Sections 179 and 280F(b)(2))**

OMB No. 1545-0184

**2007**

Attachment  
Sequence No. **27**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to your tax return. ▶ See separate instructions.

Name(s) shown on return

Identifying number

**METALS OF DISTINCTION INC**

**05-0560966**

**1** Enter the gross proceeds from sales or exchanges reported to you for 2007 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) ..... **CLIENT'S COPY** ..... **1**

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year** (see instructions)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
<b>DISPOSALS</b>						
<b>2</b>	<b>VARIOUS</b>	<b>12/31/07</b>		<b>14,863</b>	<b>14,863</b>	

<b>3</b> Gain, if any, from Form 4684, line 39	<b>3</b>	
<b>4</b> Section 1231 gain from installment sales from Form 6252, line 26 or 37	<b>4</b>	
<b>5</b> Section 1231 gain or (loss) from like-kind exchanges from Form 8824	<b>5</b>	
<b>6</b> Gain, if any, from line 32, from other than casualty or theft	<b>6</b>	
<b>7</b> Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: <b>Partnerships (except electing large partnerships) and S corporations.</b> Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. <b>Individuals, partners, S corporation shareholders, and all others.</b> If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.	<b>7</b>	<b>0</b>
<b>8</b> Nonrecaptured net section 1231 losses from prior years (see instructions)	<b>8</b>	
<b>9</b> Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)	<b>9</b>	

**Part II Ordinary Gains and Losses** (see instructions)

<b>10</b> Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):						

<b>11</b> Loss, if any, from line 7	<b>11</b>	
<b>12</b> Gain, if any, from line 7 or amount from line 8, if applicable	<b>12</b>	
<b>13</b> Gain, if any, from line 31	<b>13</b>	<b>768</b>
<b>14</b> Net gain or (loss) from Form 4684, lines 31 and 38a	<b>14</b>	
<b>15</b> Ordinary gain from installment sales from Form 6252, line 25 or 36	<b>15</b>	
<b>16</b> Ordinary gain or (loss) from like-kind exchanges from Form 8824	<b>16</b>	
<b>17</b> Combine lines 10 through 16	<b>17</b>	<b>768</b>
<b>18</b> For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:		
<b>a</b> If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions	<b>18a</b>	
<b>b</b> Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	<b>18b</b>	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2007)

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**  
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
A <b>MERCEDES</b>	9/23/04	6/01/07		
B <b>FORD ESCORT</b>	8/01/05	6/01/07		
C <b>MERCEDES</b>	8/01/05	6/01/07		
D				
<b>These columns relate to the properties on lines 19A - 19D.</b>	<b>Property A</b>	<b>Property B</b>	<b>Property C</b>	<b>Property D</b>
20 Gross sales price (Note: See line 1 before completing.)	20 2,500	500	16,928	
21 Cost or other basis plus expense of sale	21 10,000	1,200	27,199	
22 Depreciation (or depletion) allowed or allowable	22 8,120	739	10,380	
23 Adjusted basis. Subtract line 22 from line 21	23 1,880	461	16,819	
24 Total gain. Subtract line 23 from line 20	24 620	39	109	
<b>25 If section 1245 property:</b>				
a Depreciation allowed or allowable from line 22	25a 8,120	739	10,380	
b Enter the smaller of line 24 or 25a	25b 620	39	109	
<b>26 If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a Additional depreciation after 1975 (see instructions)	26a			
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d Additional depreciation after 1969 and before 1976	26d			
e Enter the smaller of line 26c or 26d	26e			
f Section 291 amount (corporations only)	26f			
g Add lines 26b, 26e, and 26f	26g			
<b>27 If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a Soil, water, and land clearing expenses	27a			
b Line 27a multiplied by applicable percentage (see instructions)	27b			
c Enter the smaller of line 24 or 27b	27c			
<b>28 If section 1254 property:</b>				
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b Enter the smaller of line 24 or 28a	28b			
<b>29 If section 1255 property:</b>				
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b Enter the smaller of line 24 or 29a (see instructions)	29b			

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**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	768
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	768
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	0

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation (see instructions)	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

**2007 Virginia Form 502**

**Pass-Through Entity Return of Income**



Department of Taxation  
P.O. Box 1500  
Richmond, VA 23218-1500

FISCAL or SHORT Year Filer: Beginning Date \_\_\_\_\_  
Ending Date \_\_\_\_\_

**Trusts and Estates — Use Form 770**

<b>Check if —</b> <input type="checkbox"/> Change In Address <input type="checkbox"/> Legal Name Change <input type="checkbox"/> Amended Return <input type="checkbox"/> Final Return <input type="checkbox"/> Unified Nonresident Return Filed <input type="checkbox"/> Electing Large Partnership <input type="checkbox"/> Change In Fiscal Year <input type="checkbox"/> Subject to Bank Franchise Tax	Entity Name <b>METALS OF DISTINCTION INC</b>		Official Use Only
	Number and Street <b>532 MERCURY BLVD</b>		
	Address continued		Federal Employer ID Number <b>05-0560966</b>
	City or Town, State and ZIP Code <b>HAMPTON VA 23663</b>		Virginia Account Number
	Date of Formation <b>3/24/2003</b>	State or Country Where Incorporated or Organized <b>VA</b>	Entity Type (Enter Code - See instructions) <b>SC</b>
	NAICS <b>332900</b>	Description of Business Activity <b>WELDING</b>	Date Operations Began in Virginia <b>3/24/2003</b>

**Number And Types Of Owners**

Count all owners that were issued a federal Schedule K-1 for the taxable year and enter:

- a. The Total Number Of Owners (Include individuals and any other entity types) ..... a. **1**
- b. The Total Number Of Nonresident Individual Owners (See Instructions) ..... b. **0**

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**Distributive Or Pro Rata Income And Deductions**

See instructions.

1. Total Of Taxable Income Amounts ..... 1. **72,860 00**
2. Total Of Deductions ..... 2. **3,165 00**
3. Tax-exempt Interest Income ..... 3. **00**

**Allocation And Apportionment**

4. Income Allocated To Virginia (From Schedule 502A, Part A, Line 2) ..... 4. **00**
5. Income Allocated Outside Of Virginia (From Schedule 502A, Part A, Line 3e) ..... 5. **00**
6. Apportionable Income (From Schedule 502A, Part A, Line 4) ..... 6. **72,860 00**
7. Virginia Apportionment Percentage (From Schedule 502A, Part B or Part C or 100%) ..... 7. **100.0000%**

**Virginia Additions To Federal Taxable Income**

8. Fixed-date Conformity - Depreciation ..... 8. **00**
9. Fixed-date Conformity - Other ..... 9. **00**
10. Net Income Tax Or Other Tax Used As A Deduction In Determining Taxable Income (See Instructions) ..... 10. **00**
11. Interest On Municipal Or State Obligations Other Than From Virginia ..... 11. **00**
12. a-c Refer To Instruction Book For Addition Codes
- 12a. **00**
- 12b. **00**
- 12c. **00**
13. Total Additions (Line 8 Through 12c) ..... 13. **00**

**Virginia Subtractions From Federal Taxable Income**

14. Fixed-date Conformity - Depreciation ..... 14. **3,193 00**
15. Fixed-date Conformity - Other ..... **SEE STMT 1** ..... 15. **177 00**
16. Income From Obligations Of The United States ..... 16. **00**
17. a-e Refer To Instruction Book For Subtraction Codes
- 17a. **00**
- 17b. **00**
- 17c. **00**
- 17d. **00**
- 17e. **00**
18. Total Subtractions (Line 14 Through 17e) ..... 18. **3,370 00**

**IMPORTANT: ATTACH A COPY OF YOUR FEDERAL RETURN TO THIS RETURN**

**2007** Name METALS OF DISTINCTION INC  
**Form 502** FEIN 05-0560966



Page 2

**Virginia Tax Credits And Related Information**

**Credits Allocable To Owners In Proportion To Owners' Participation Percentages:**

19. State Income Tax Paid (See instructions)	19.	00
20. Neighborhood Assistance Act Credit	20.	00
21a. Enterprise Zone Act General Tax Credit	21a.	00
21b. Enterprise Zone Act Zone Investment Tax Credit	21b.	00
21c. Enterprise Zone Taxable Income	21c.	00
22. Conservation Tillage Equipment Credit	22.	00
23. Line Reserved For Future Use	23.	00
24. Fertilizer & Pesticide Application Equipment Credit	24.	00
25. Recyclable Materials Processing Equipment Credit	25.	00
26. Rent Reduction Program Credit	26.	00
27a. Line Reserved For Future Use	27a.	00
27b. Vehicle Emissions - Testing Equipment	27b.	00
28. Major Business Facility Job Tax Credit	28.	00
29. Clean Fuel Vehicle Job Creation Tax Credit	29.	00
30. Line Reserved For Future Use	30.	00
31. Day-care Facility Investment Tax Credit	31.	00
32. Low-income Housing Tax Credit	32.	00
33. Agricultural Best Management Practices Tax Credit	33.	00
34. Worker Retraining Credit	34.	00
35. Waste Motor Oil Burning Equipment Credit	35.	00
36. Line Reserved For Future Use	36.	00
37. Riparian Forest Buffer Protection For Waterways	37.	00
38. Virginia Coal And Production Incentive Tax Credit	38.	00
38a. Enter the amount of credit assigned to another party	38a.	00
38b. Amount available for use by owner (Subtract line 38a from line 38)	38b.	00

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**Credits Allocable to Owners by Methods Other than Participation Percentage**

39. Historic Rehabilitation Tax Credit	39.	00
40. Land Preservation Tax Credit	40.	00
41. Qualified Equity & Subordinated Debt Investments Tax Credit	41.	00

**Refundable Credits**

42. 100% Coalfield Employment Enhancement and/or Virginia Coal Employment and Production Incentive Tax Credits from Line 1 of your 2007 Schedule 306B	42.	00
42a. 50% Coalfield Employment Enhancement Tax Credit from Line 2 of your 2007 Schedule 306B	42a.	00
42b. Full credit: Enter amount from 2007 Form 306, Line 12a	42b.	00
42c. Full credit: Enter amount from your 2007 Form 306, line 12b	42c.	00
42d. 85% Credit: Enter amount from 2007 Form 306, line 13a	42d.	00
42e. 90% Credit: Enter amount from your 2007 Form 306, line 13b	42e.	00
42f. Total Coal Related Tax Credits allowable this year: Add Lines 42b, 42c, 42d, and 42e	42f.	00
42g. 2007 Coalfield Employment Enhancement Tax Credit earned to be used when completing your 2010 return. Enter amount from your 2007 Form 306, Line 11	42g.	00
43. Enterprise Zone Real Property Improvement Tax Credit	43.	00
44. Total Lines 19 Through 37, 38b, 39 Through 41, 42f and 43	44.	00

**If Penalty for Late Filing is Enclosed, Enter Amount Here**

By checking the box to the right, I (we) authorize the Department of Taxation to discuss this return with the undersigned preparer.  ●

I, the undersigned owner and authorized representative of the pass-through entity for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules and statements and attachments) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the tax laws of the Commonwealth of Virginia. A preparer other than the authorized representative declares the same, and such declaration is based on all information of which he or she has any knowledge.

(Signature and Phone Number of Owner or Authorized Representative) **757-873-0950** (Title) **HUNT & CALDERONE, P.C.** (Date) **8/03/10**  
**11848 ROCK LANDING DR STE 101**  
**NEWPORT NEWS, VA 23606-4427**

(Individual or Firm, Signature of Preparer, Phone Number, and Address) (Date)  
 Preparer's FEIN, PTIN or SSN **54-1476728** ● Approved Vendor Code **1022** ●

Attach a copy of your Federal Return and Schedule VK-1 for each owner to the Form 502.

Do Not Attach Form 765 With This Return - Mail to Address On Form 765

**2007 VIRGINIA  
Schedule VK-1  
(Form 502)**

**Owner's Share of Income And  
Virginia Modifications And Credits**



Check If -

- Final  
 Amended Return

**Owner Information**

Check Here if Owner is Participating in an Individual Unified Nonresident Return  ●

Name <b>WILLIAM A GILLIAM</b>	FEIN or SSN <b>-3815</b>
Address <b>1802 MARLIN CIRCLE</b>	Virginia Account Number, if Applicable
Address	
City or Town, State And ZIP Code <b>HAMPTON VA 23664</b>	

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**Pass-Through Entity (PTE) Information**

Name <b>METALS OF DISTINCTION INC</b>	FEIN <b>05-0560966</b>
Address <b>532 MERCURY BLVD</b>	Virginia Account Number
Address	Tax Year End Date <b>12/31/07</b>
City or Town, State And ZIP Code <b>HAMPTON VA 23663</b>	

**Additional Owner Information**

- a. Date Owner Acquired Interest In The Pass-Through Entity (MM/DD/YYYY) .....
  - b. Owner's Entity Type (Enter code; see instructions) .....
  - c. Owner's Participation Type (Enter code; see instructions) .....
  - d. Owner's Participation Percentage (Example: 47.35% - see instructions.) .....
- |  |                    |   |
|--|--------------------|---|
|  | <b>RES</b>         | ● |
|  | <b>SHR</b>         | ● |
|  | <b>100.000000%</b> | ● |

**Distributive or Pro Rata Income and Deductions**

See instructions.

- 1. Total of Taxable Income Amounts ..... 1. 

72,860	00
--------	----

 ●
- 2. Total of Deductions ..... 2. 

3,165	00
-------	----

 ●
- 3. Tax-exempt Interest Income ..... 3. 

00
----

 ●

**Allocation and Apportionment**

- 4. Income Allocated To Virginia (Owner's Share From PTE's Schedule 502A, Part A, Line 2) ..... 4. 

00
----

 ●
- 5. Income Allocated Outside Of Virginia (Owner's Share From PTE's Schedule 502A, Part A, Line 3e) ..... 5. 

00
----

 ●
- 6. Apportionable Income (Owner's Share From PTE's Schedule 502A, Part A, Line 4) ..... 6. 

72,860	00
--------	----

 ●
- 7. Virginia Apportionment Percentage (From PTE's Schedule 502A, Part B or Part C or 100%) ..... 7. 

100.0000	%
----------	---

 ●

**Virginia Additions - Owner's Share**

- 8. Fixed-date Conformity - Depreciation ..... 8. 

00
----

 ●
- 9. Fixed-date Conformity - Other ..... 9. 

00
----

 ●
- 10. Net Income Tax Or Other Tax Used As A Deduction In Determining Taxable Income (See Instructions) ..... 10. 

00
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 ●
- 11. Interest On Municipal Or State Obligations Other Than From Virginia ..... 11. 

00
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 ●
- 12. a-c Refer To Instruction Book For Other ..... 12a. 

00
----

 ●
- Addition Codes ..... 12b. 

00
----

 ●
- ..... 12c. 

00
----

 ●
- 13. Total Additions (Line 8 Through 12c) ..... 13. 

00
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 ●

**Notice:** You have received this Schedule VK-1 because the above named Pass-Through Entity (PTE) earned income from Virginia sources and has passed through to you a portion of that Virginia source income based on your ownership of the PTE. A copy of this schedule has been filed with the Virginia Department of Taxation. Everyone who receives Virginia source income is subject to taxation by Virginia regardless of state of residency or domicile. You may be required to file a Virginia tax return even though you may be a nonresident individual or a business domiciled outside of Virginia. To determine if you are required to file a Virginia income tax return, consult your tax professional. Information and forms may be obtained at [www.tax.virginia.gov](http://www.tax.virginia.gov), or call the Virginia Department of Taxation at 804-367-8031 (individuals) or 804-367-8037 (businesses).

**2007  
VA Schedule VK-1**

Owner FEIN or SSN 229-92-3815

Page 2

PTE FEIN 05-0560966



**Virginia Subtractions - Owner's Share**

14. Fixed-date Conformity - Depreciation		14.	3,193	00
15. Fixed-date Conformity - Other	SEE STMT 1	15.	177	00
16. Income From Obligations of the United States		16.		00
17. a-e Refer To Instruction Book For Other Subtraction Codes	17a. <input type="text"/>	17a.		00
	17b. <input type="text"/>	17b.		00
	17c. <input type="text"/>	17c.		00
	17d. <input type="text"/>	17d.		00
	17e. <input type="text"/>	17e.		00
18. Total Subtractions (Line 14 Through 17e)		18.	3,370	00

**Virginia Tax Credits And Related Information**

**Credits Allocable To Owners In Proportion To Owners' Participation Percentages:**

CLIENT'S COPY

19. State Income Tax Paid (See instructions)		19.		00
20. Neighborhood Assistance Act Credit		20.		00
21a. Enterprise Zone Act General Tax Credit		21a.		00
21b. Enterprise Zone Act Zone Investment Tax Credit		21b.		00
21c. Enterprise Zone Taxable Income		21c.		00
22. Conservation Tillage Equipment Credit		22.		00
23. Line Reserved For Future Use		23.		00
24. Fertilizer & Pesticide Application Equipment Credit		24.		00
25. Recyclable Materials Processing Equipment Credit		25.		00
26. Rent Reduction Program Credit		26.		00
27a. Line Reserved For Future Use		27a.		00
27b. Vehicle Emissions - Testing Equipment		27b.		00
28. Major Business Facility Job Tax Credit		28.		00
29. Clean Fuel Vehicle Job Creation Tax Credit		29.		00
30. Line Reserved For Future Use		30.		00
31. Day-care Facility Investment Tax Credit		31.		00
32. Low-income Housing Tax Credit		32.		00
33. Agricultural Best Management Practices Tax Credit		33.		00
34. Worker Retraining Credit		34.		00
35. Waste Motor Oil Burning Equipment Credit		35.		00
36. Line Reserved For Future Use		36.		00
37. Riparian Forest Buffer Protection For Waterways		37.		00
38. Virginia Coal And Production Incentive Tax Credit		38.		00
38a. Enter the amount of credit assigned to another party		38a.		00
38b. Amount available for use by owner (Subtract line 38a from line 38)		38b.		00

**Credits Allocable to Owners by Methods Other than Participation Percentage**

39. Historic Rehabilitation Tax Credit		39.		00
40. Land Preservation Tax Credit		40.		00
41. Qualified Equity & Subordinated Debt Investments Tax Credit		41.		00

**Refundable Credits**

42. 100% Coalfield Employment Enhancement and/or Virginia Coal Employment and Production Incentive Tax Credits from Line 1 of your 2007 Schedule 306B		42.		00
42a. 50% Coalfield Employment Enhancement Tax Credit from Line 2 of your 2007 Schedule 306B		42a.		00
42b. Full credit: Enter amount from 2007 Form 306, Line 12a		42b.		00
42c. Full credit: Enter amount from your 2007 Form 306, line 12b		42c.		00
42d. 85% Credit: Enter amount from 2007 Form 306, line 13a		42d.		00
42e. 90% Credit: Enter amount from your 2007 Form 306, line 13b		42e.		00
42f. Total Coal Related Tax Credits allowable this year: Add Lines 42b, 42c, 42d and 42e		42f.		00
42g. 2007 coalfield employment enhancement tax credit earned to be used when completing your 2010 return. Enter amount from your 2007 Form 306, Line 11		42g.		00
43. Enterprise Zone Real Property Improvement Tax Credit		43.		00
44. Total Lines 19 Through 37, 38b, 39 Through 41, 42f and 43		44.		00

Form **1120S**

**U.S. Income Tax Return for an S Corporation**

**CLIENT'S COPY**

OMB No. 1545-0130

**2007**

Department of the Treasury  
Internal Revenue Service (77)

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
▶ See separate instructions.

For calendar year 2007 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

<b>A</b> S election effective date <b>4/01/03</b>	<b>Use IRS label. Otherwise, print or type.</b>	<b>Name</b> <b>METALS OF DISTINCTION INC</b>	<b>D</b> Employer identification number <b>05-0560966</b>
<b>B</b> Business activity code number (see instructions) <b>332900</b>		Number, street, and room or suite no. If a P.O. box, see instructions. <b>532 MERCURY BLVD</b>	<b>E</b> Date incorporated <b>3/24/2003</b>
<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code <b>HAMPTON VA 23663</b>	<b>F</b> Total assets (see instructions) <b>\$ 190,859</b>

**G** Is the corporation electing to be an S corporation beginning with this tax year?  Yes  No If "Yes," attach Form 2553 if not already filed

**H** Check if: (1)  Final return (2)  Name change (3)  Address change  
(4)  Amended return (5)  S election termination or revocation

**I** Enter the number of shareholders in the corporation at the end of the tax year ▶ **1**

**Caution.** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales <b>950,900</b>	<b>b</b> Less returns and allowances	<b>c</b> Bal ▶	<b>1c</b>	<b>950,900</b>
	<b>2</b> Cost of goods sold (Schedule A, line 8)			<b>2</b>	<b>302,370</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>3</b>	<b>648,530</b>
	<b>4</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>4</b>	<b>768</b>
	<b>5</b> Other income (loss) (see instructions—attach statement)	<b>SEE STMT 1</b>		<b>5</b>	<b>5</b>
	<b>6</b> Total income (loss). Add lines 3 through 5			<b>6</b>	<b>649,303</b>
<b>Deductions</b> <small>(see instructions for limitations)</small>	<b>7</b> Compensation of officers			<b>7</b>	<b>112,960</b>
	<b>8</b> Salaries and wages (less employment credits)			<b>8</b>	<b>219,486</b>
	<b>9</b> Repairs and maintenance			<b>9</b>	<b>6,556</b>
	<b>10</b> Bad debts			<b>10</b>	
	<b>11</b> Rents			<b>11</b>	<b>39,715</b>
	<b>12</b> Taxes and licenses			<b>12</b>	<b>32,770</b>
	<b>13</b> Interest			<b>13</b>	<b>4,279</b>
	<b>14</b> Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)			<b>14</b>	<b>21,887</b>
	<b>15</b> Depletion (Do not deduct oil and gas depletion.)			<b>15</b>	
	<b>16</b> Advertising			<b>16</b>	<b>7,575</b>
	<b>17</b> Pension, profit-sharing, etc., plans			<b>17</b>	
	<b>18</b> Employee benefit programs			<b>18</b>	<b>15,955</b>
	<b>19</b> Other deductions (attach statement)	<b>SEE STMT 2</b>		<b>19</b>	<b>115,260</b>
	<b>20</b> Total deductions. Add lines 7 through 19			<b>20</b>	<b>576,443</b>
	<b>21</b> Ordinary business income (loss). Subtract line 20 from line 6			<b>21</b>	<b>72,860</b>
<b>Tax and Payments</b>	<b>22a</b> Excess net passive income or LIFO recapture tax (see instructions)	<b>22a</b>			
	<b>b</b> Tax from Schedule D (Form 1120S)	<b>22b</b>			
	<b>c</b> Add lines 22a and 22b (see instructions for additional taxes)			<b>22c</b>	
	<b>23a</b> 2007 estimated tax payments and 2006 overpayment credited to 2007	<b>23a</b>			
	<b>b</b> Tax deposited with Form 7004	<b>23b</b>			
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)	<b>23c</b>			
	<b>d</b> Add lines 23a through 23c			<b>23d</b>	
<b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached			<b>24</b>	<input type="checkbox"/>	
<b>25</b> Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			<b>25</b>		
<b>26</b> Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			<b>26</b>		
<b>27</b> Enter amount from line 26 Credited to 2008 estimated tax			<b>27</b>	<b>Refunded ▶</b>	

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

Signature of officer	Date	Title
Preparer's signature	<b>8/03/10</b>	Check if self-employed <input type="checkbox"/>
Firm's name (or yours if self-employed), address, and ZIP code	<b>HUNT &amp; CALDERONE, P.C.</b> <b>11848 ROCK LANDING DR STE 101</b> <b>NEWPORT NEWS, VA 23606-4427</b>	Preparer's SSN or PTIN <b>P00064116</b>
		EIN <b>54-1476728</b>
		Phone no. <b>757-873-0950</b>

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form **1120S** (2007)