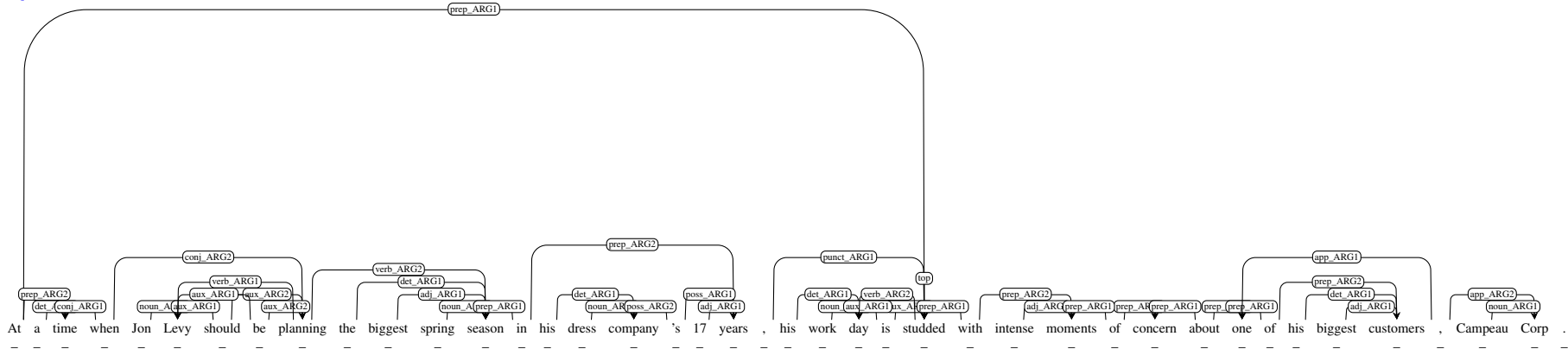
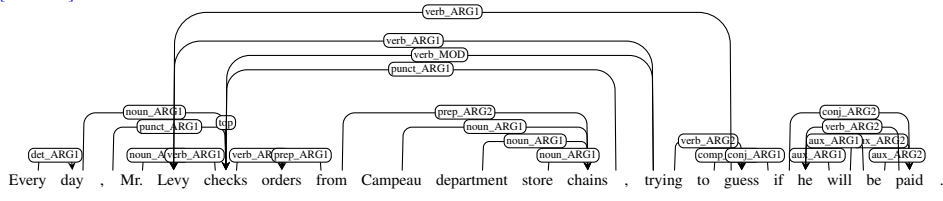


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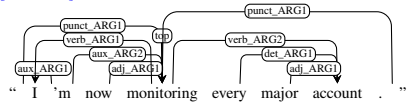
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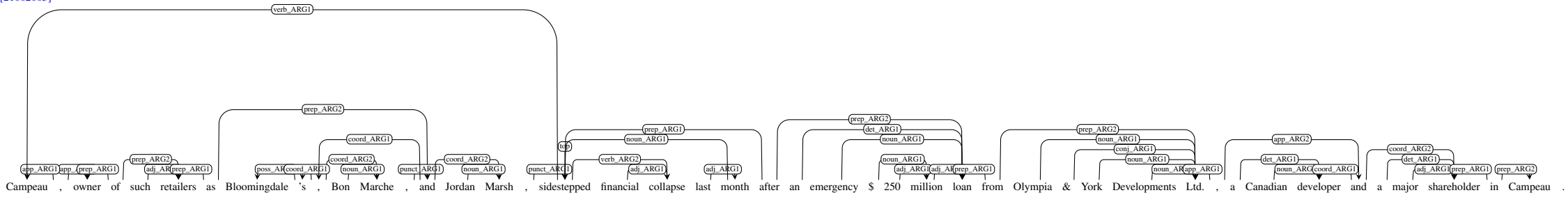
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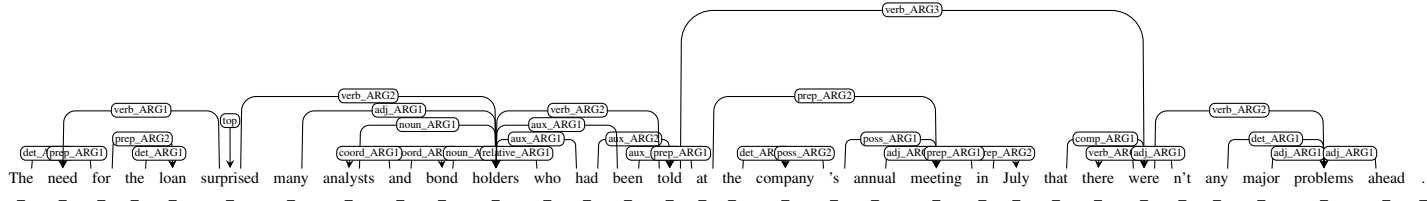
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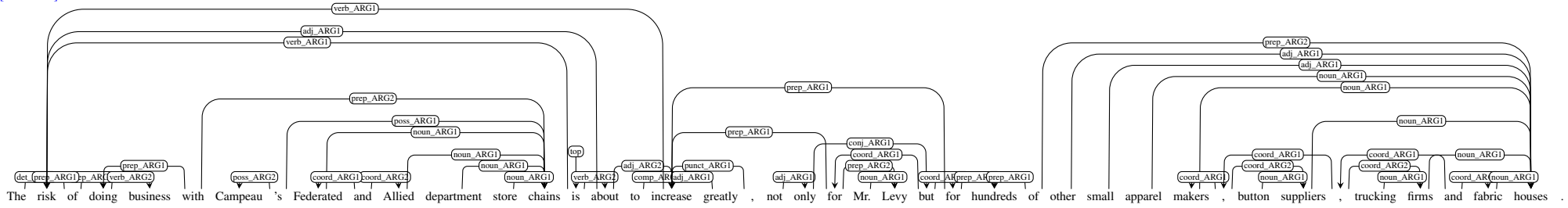
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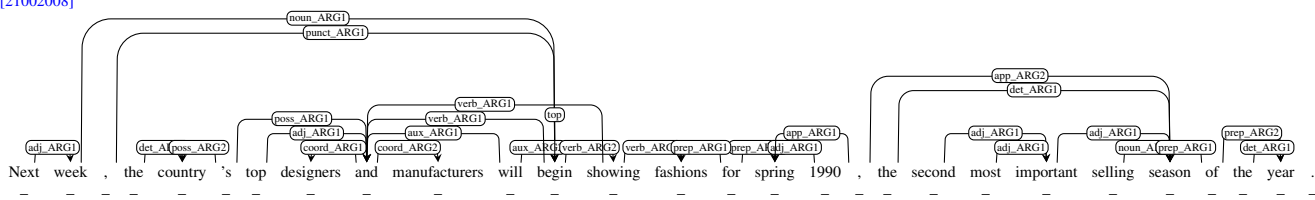
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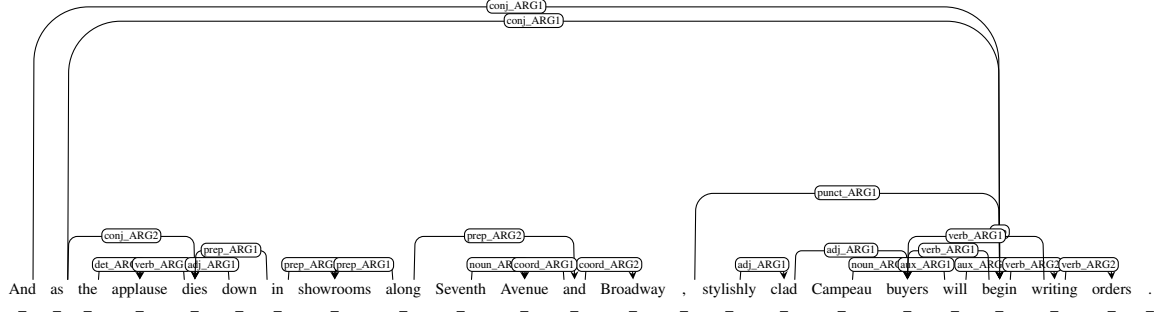
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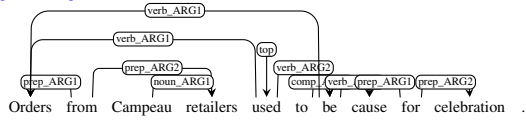
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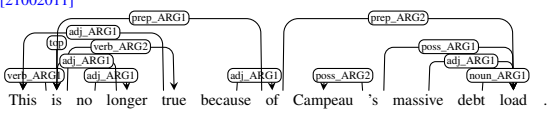
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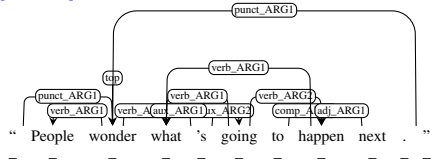
[21002010]



[21002011]



[21002013]



[21002014]

Many manufacturers are worried about being paid for merchandise already shipped to Campeau stores .

[21002015]

But those dollars at risk pale in comparison to the investment required to make and ship spring goods to Campeau stores .

[21002017]

" I 'm buying fabric right now for clothes which I may not be paid for until April or May .

[21002018]

What happens to me if Campeau collapses between now and then ? "

[21002019]

Some credit concerns , such as Bernard Sands Credit Consultants Inc. , have told clients not to ship anything to Federated or Allied stores on credit .

[21002020]

" This is especially true for spring merchandise , " says Jim Rindos , credit manager at Bernard Sands .

[21002021]

" Campeau has too much debt . "

[21002022]

Other credit houses , such as Credit Exchange and Solo Credit Service Corp. , are suggesting that their clients study each order before shipping .

[21002023]

" Payments are good right now , but we are n't recommending any long-term lines of credit , " says Richard Hastings , a retail credit analyst , referring to credit lines which make inventory purchases automatic .

[21002024]

" The Campeau situation is a little uncertain and very difficult to analyze . "

[21002025]

Because of those concerns , some manufacturers say they will ask for letters of credit before shipping spring merchandise .

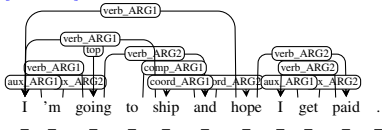
[21002026]

" We 're being paid today , but we 're worried about tomorrow and will want " letters of credit , says the sales director at one major dress maker who asked not to be identified .

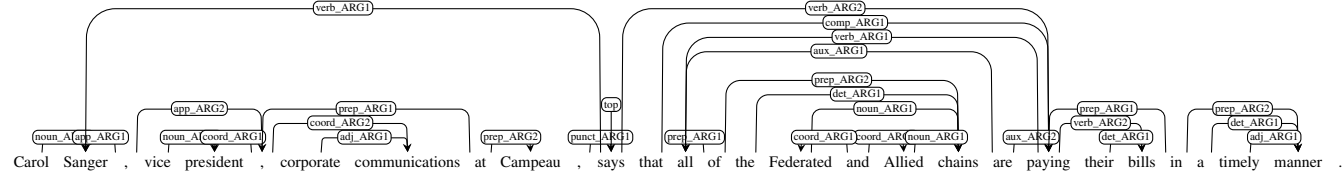
[21002027]

Howard Bloom , president of the dress firm Chetta B Inc. , says : " It 's big time chaos today .

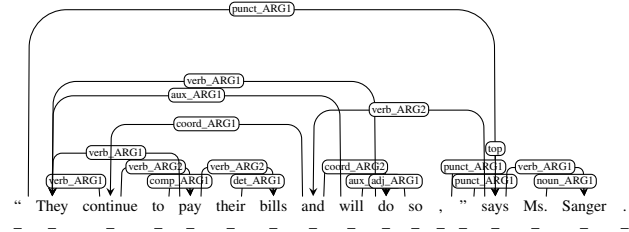
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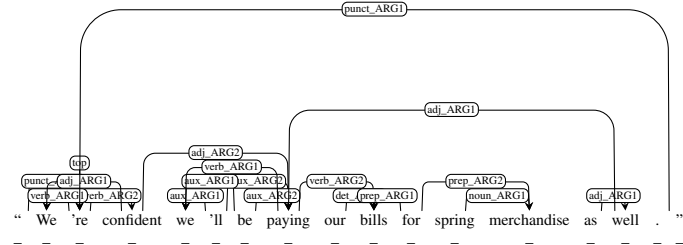
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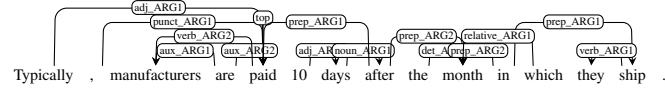
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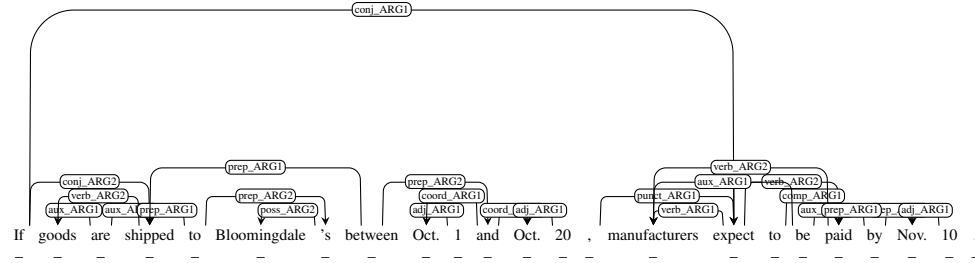
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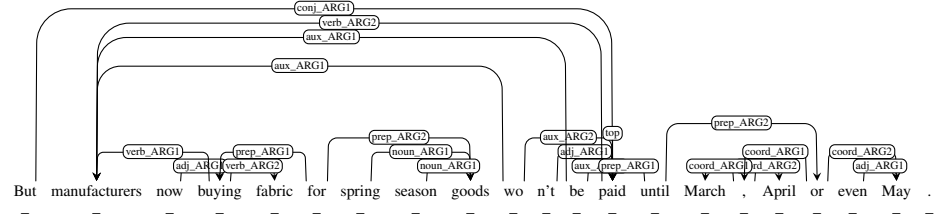
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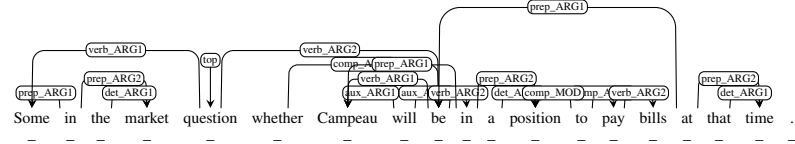
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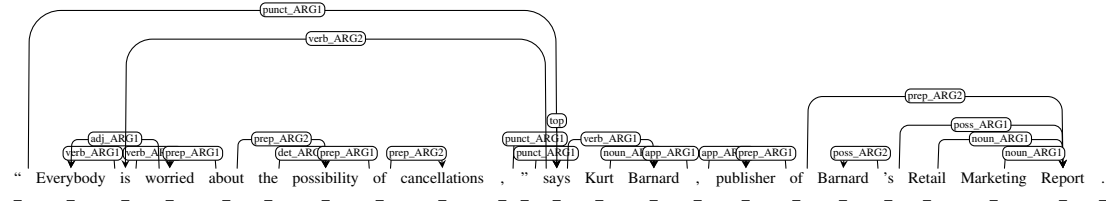
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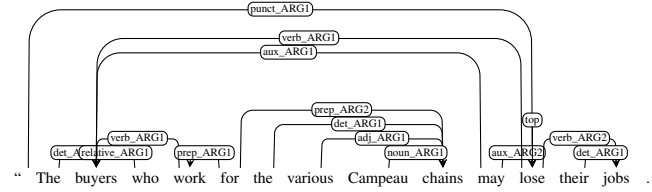
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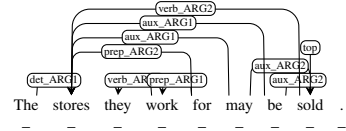
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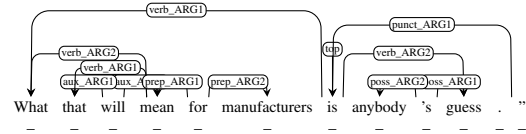
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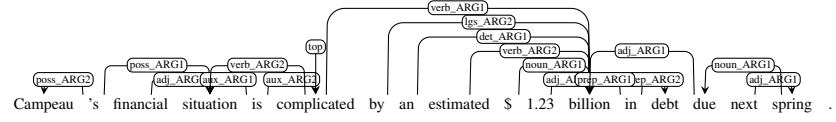
[21002039]



[21002040]



[21002041]



[21002042]

This includes a working capital facility for Allied Stores of \$ 350 million that matures March 15 , 1990 , and an \$ 800 million bridge loan due April 30 , 1990 .

[21002043]

The company has stated in recently filed financial documents that it anticipates refinancing its March 1990 payments .

[21002044]

In recent months , numerous retailers have filed for Chapter 11 bankruptcy protection , including Bonwit Teller , B. Altman & Co. , and Miller & Rhoads Inc .

[21002045]

Those filings , plus the expected sale of a number of financially healthy chains , such as Saks Fifth Avenue , Marshall Field 's and Bloomingdale 's , have added to the anxiety .

[21002046]

" Right now , Federated owes us a considerable amount of money , " says Morris Marmalstein , president of David Warren Enterprises , a major dress manufacturer .

[21002047]

" We expect they will be current with their debts by the end of the week , but we are considering asking them for letters of credit before we take more orders . "

[21002048]

Mr. Marmalstein adds that his company is now holding some goods in anticipation of being paid in full .

[21002050]

" Business has never been this tough before . "

[21002052]

Other manufacturers are equally cautious .

[21002053]

Bud Konheim , president of Nicole Miller Inc. , says his company is now shipping only to the flagship stores of the Federated and Allied chains .

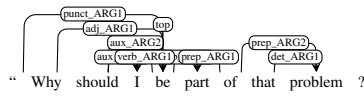
[21002054]

This limits his financial exposure , he says .

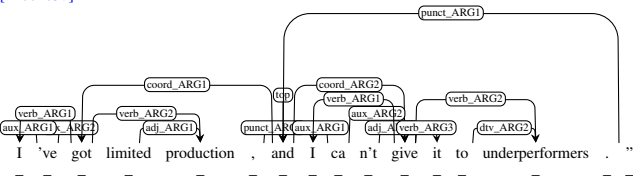
[21002055]

" The branches are just warmed over , empty hulls , " says Mr. Konheim .

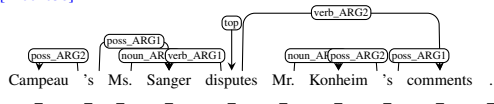
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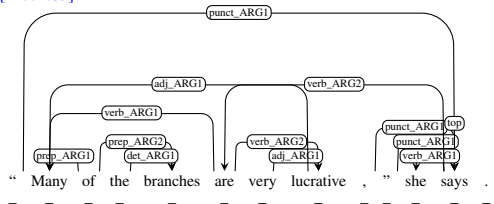
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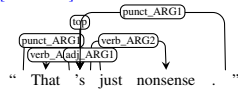
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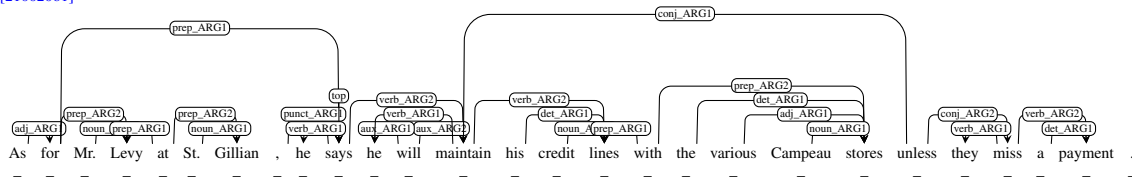
[21002059]



[21002060]



[21002061]



[21002062]

