

Document 2125

[22125001]

The turmoil on Wall Street may benefit some retailers attempting to lead leveraged buy-outs of their specialty and department-store chains, investment bankers and retailers said.

[22125002]

Managers at five chains have said in recent weeks that they intend to bid for their companies.

[22125004]

Hooker is based in Sydney, Australia.

[22125006]

"The pricing will become more realistic, which should help management," said Bruce Rosenthal, a New York investment banker with Nathan S. Jonas & Co.

[22125007]

"Investors are n't going to be throwing money at any of the proposed LBOs, but doing deals on the basis of ridiculous assumptions never made sense, either."

[22125008]

Earlier this year, bankers and other investors were willing to provide financing because they assumed there would be major gains in both profitability and sales, Mr. Rosenthal added.

[22125009]

Those days are over now, he believes.

[22125010]

"Competition from third parties who have cash and are prepared to buy has always existed and will continue," added Mr. Rosenthal.

[22125011]

"But when prices were crazy, it was even harder to do an LBO."

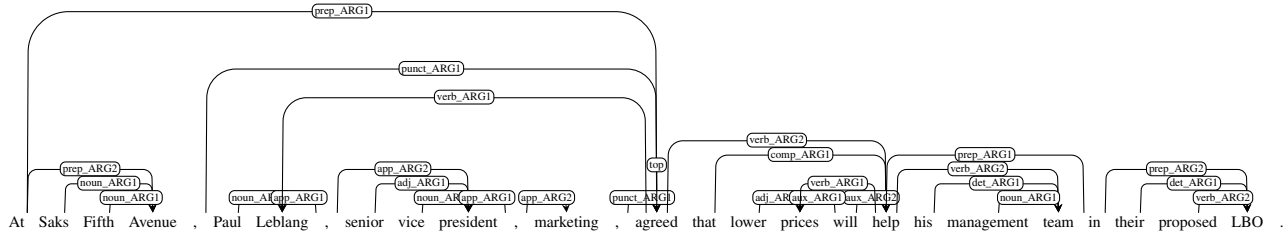
[22125012]

Bankers believed in the greater-fool theory that says somebody else is always willing to pay more.

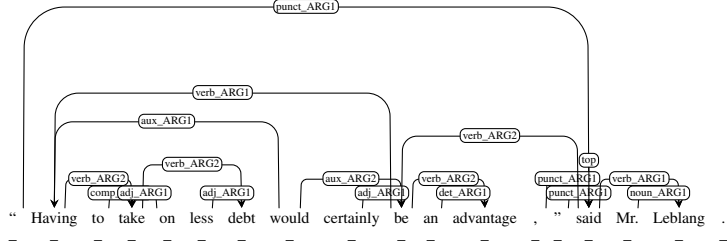
[22125013]

This is no longer true today.

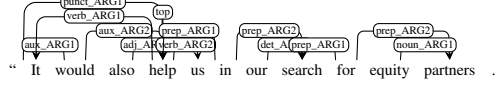
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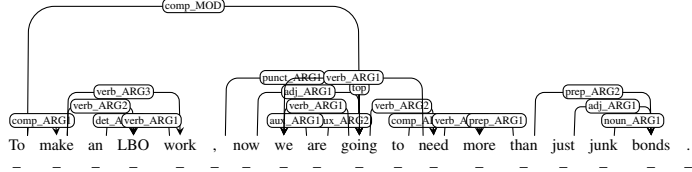
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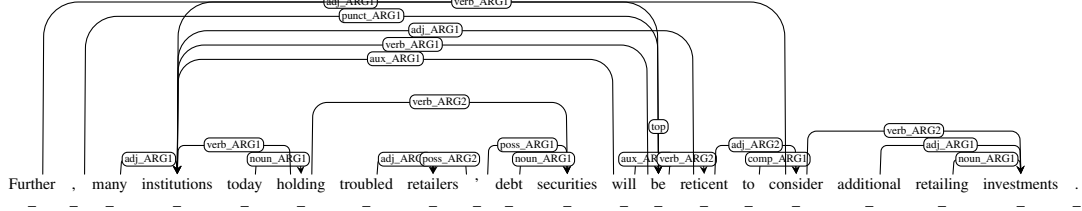
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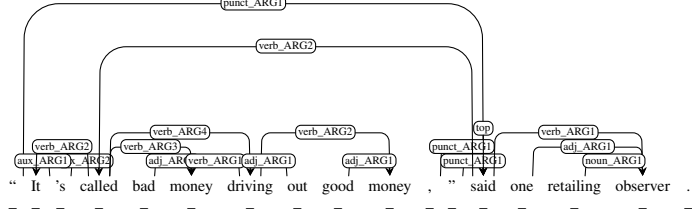
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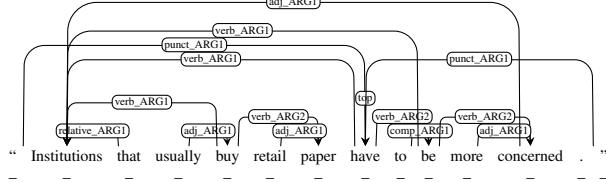
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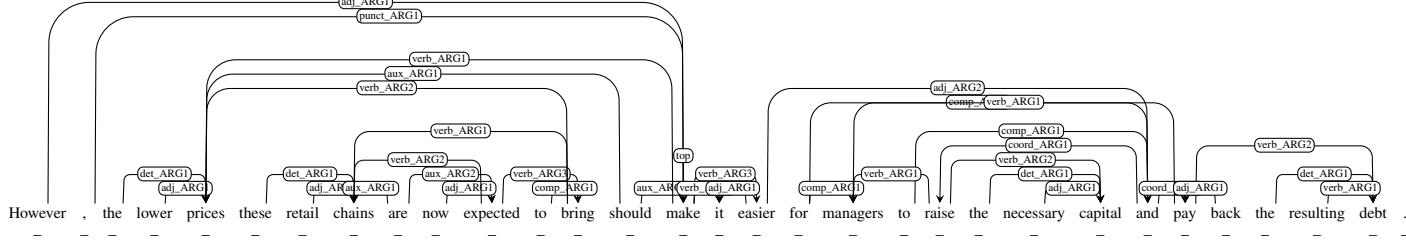
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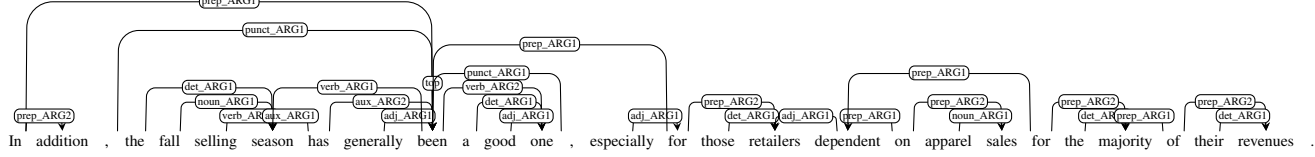
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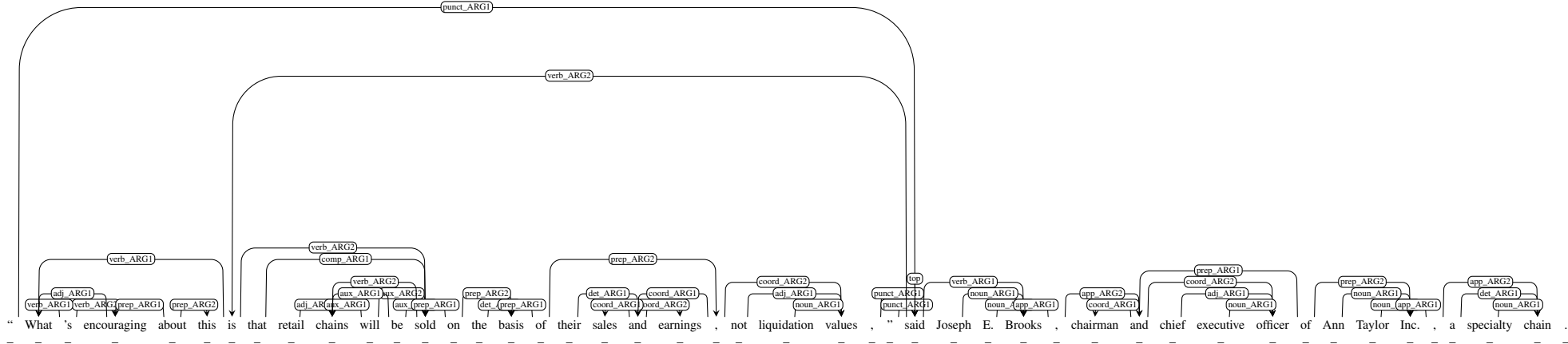
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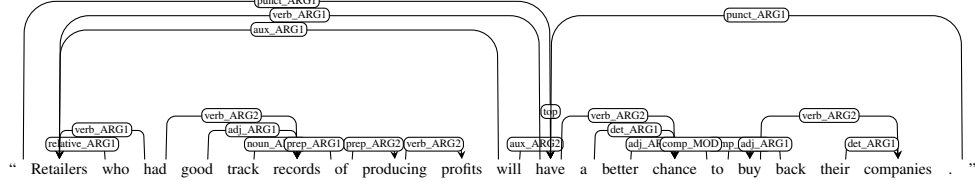
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