

[22023001]

L.J. Hooker Corp. is expected to reach an agreement in principle this week to sell Merksamer Jewelers Inc. to management , say executives familiar with the talks .

[22023002]

L.J. Hooker , based in Atlanta , filed for Chapter 11 bankruptcy protection earlier this year .

[22023003]

Currently , its parent company , Hooker Corp. of Sydney , Australia , is being managed by a court-appointed liquidator .

[22023005]

A spokesman for GE Capital declined to comment .

[22023006]

GE Capital has a working relationship with L.J. Hooker .

[22023007]

It is providing \$ 50 million in emergency financing to the company and has agreed to buy as much as \$ 75 million in receivables from B. Altman & Co. and Bonwit Teller , L.J. Hooker 's two fully owned department-store chains .

[22023008]

Sam Merksamer , chief executive officer of the nationwide jewelry chain , and Sanford Sigoloff , chief executive of L.J. Hooker Corp. , both declined to comment .

[22023009]

Currently , Mr. Merksamer owns 20 % of the company : L.J. Hooker acquired its 80 % interest in the firm in May 1986 .

[22023010]

At the time , the Merksamer chain had 11 stores in operation .

[22023011]

Today , there are 77 units , all located in shopping malls .

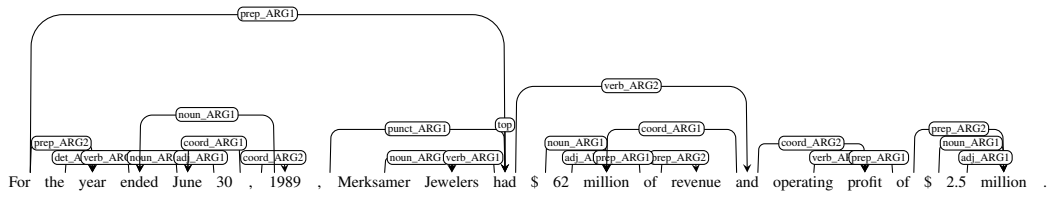
[22023012]

In recent weeks Mr. Merksamer has approached a number of his suppliers and asked them to provide letters of intent saying they will continue shipping merchandise to the chain following the buy-out , say those familiar with the situation .

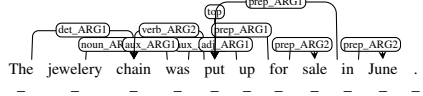
[22023013]

This year , a number of retail leveraged buyouts have failed , causing jitters among suppliers , and Mr. Merksamer apparently wanted assurances that he wo n't have delivery problems .

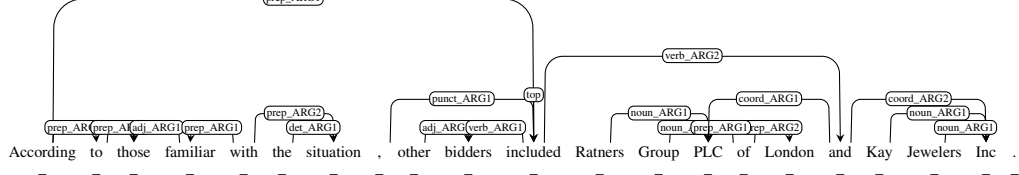
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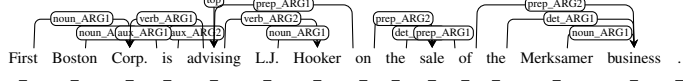
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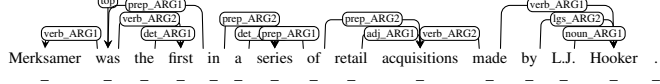
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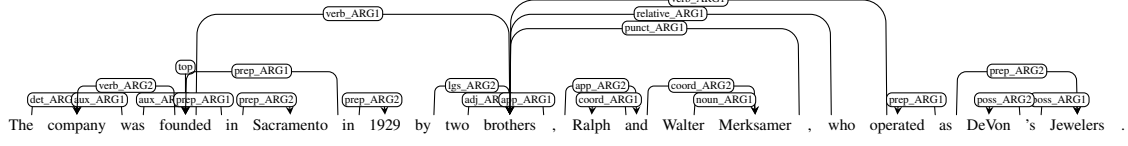
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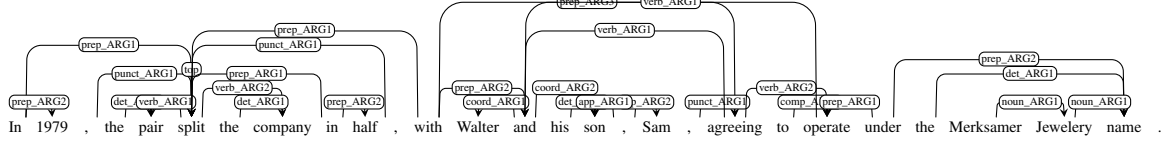
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[22023019]



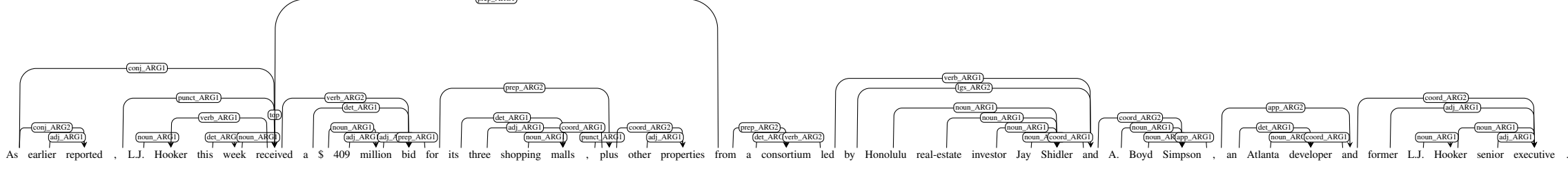
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